



Zhonghua Gas Holdings Limited **中華燃氣控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
08246.HK

2024

SECOND INTERIM REPORT

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This report, for which the directors (the “Directors”) of Zhonghua Gas Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading; or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

Board of Directors

Executive Directors

Mr. Hu Yishi (*Executive Chairman*)
Mr. Chan Wing Yuen, Hubert (*Chief Executive Officer*)
Ms. Lin Min, Mindy
Ms. Kwong Wai Man, Karina (*Chief Financial Officer*)

Independent non-executive Directors

Ms. Ma Lee
Mr. Lau Kwok Kee
Mr. Wang Weijie

Company Secretary

Mr. Wong Lok Man

Compliance Officer

Mr. Chan Wing Yuen, Hubert

Board Committees

Audit Committee

Ms. Ma Lee (*Chairlady*)
Mr. Lau Kwok Kee
Mr. Wang Weijie

Remuneration Committee

Ms. Ma Lee (*Chairlady*)
Ms. Lin Min, Mindy
Mr. Lau Kwok Kee
Mr. Wang Weijie

Nomination Committee

Ms. Ma Lee (*Chairlady*)
Ms. Lin Min, Mindy
Mr. Lau Kwok Kee
Mr. Wang Weijie

Authorised Representatives

Mr. Chan Wing Yuen, Hubert
Ms. Kwong Wai Man, Karina

Registered Office

Cricket Square,
Hutchins Drive,
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Grand Cayman KY1-1111,
Cayman Islands

Principal Place of Business in Hong Kong

23/F,
Chinachem Century Tower,
178 Gloucester Road,
Wan Chai,
Hong Kong

Share Registrar and Transfer Office in Cayman Islands Conyers Trust Company (Cayman) Limited

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

Hong Kong Share Registrar Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F,
148 Electric Road,
North Point,
Hong Kong

Legal Advisers to the Company

Angela Ho & Associates
Stevenson, Wong & Co.
Conyers Dill & Pearman

Auditor

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

Principal Bankers

The Hong Kong & Shanghai Banking Corporation Limited
Hua Xia Bank Co., Limited
Shanghai Pudong Development Bank Co., Ltd.
Bank of China Limited

Company Website

<http://www.8246hk.com>

GEM Stock Code

8246

The board of Directors (the “Board”) of the Company announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the twelve months ended 31 December 2024 (the “Current Period”), together with the audited comparative figures for the twelve months ended 31 December 2023 (the “Corresponding Period”) as follows:

Financial Highlights

	For the twelve months ended 31.12.2024		For the twelve months ended 31.12.2023		Increase/ (decrease)
	RMB'000	HK\$'000*	RMB'000	HK\$'000*	
Revenue	89,193	96,320	186,652	205,970	(52.2%)
Gross profit/(loss) ^(a)	3,536	3,819	(6,793)	(7,496)	(152.1%)
Loss and total comprehensive income for the period	(47,125)	(50,890)	(4,025)	(4,442)	1,070.8%
Loss and total comprehensive income attributable to owners of the Company	(49,099)	(53,022)	(6,656)	(7,345)	637.7%
Loss before tax	(47,048)	(50,807)	(3,705)	(4,088)	1,169.9%
(Loss)/profit before tax and depreciation	(45,183)	(48,793)	9,432	10,408	(579.0%)
Loss per share basic and diluted	RMB(0.013)	HK\$(0.014)	RMB(0.002)	HK\$(0.002)	550.0%
Dividend	Nil	Nil	Nil	Nil	N/A

	As at 31.12.2024		As at 31.12.2023		Increase/ (decrease)
	RMB'000	HK\$'000*	RMB'000	HK\$'000*	
Total assets	406,028	438,470	349,670	385,861	16.1%
Net assets	172,564	186,352	139,242	153,654	23.9%
Cash and cash equivalents	69,099	74,620	196,083	216,378	(64.8%)
Equity attributable to owners of the Company	136,711	147,634	104,763	115,606	30.5%

Key Financial Indicators	For the twelve months ended 31.12.2024/ As at 31.12.2024	For the twelve months ended 31.12.2023/ As at 31.12.2023
Gross profit/(loss) margin ^(b)	4.0%	(3.6%)
Net loss margin ^(c)	(52.8%)	(2.2%)
Loss on average equity ^(d)	(40.7%)	(6.2%)
Current ratio (times) ^(e)	1.7	1.6
Net gearing ratio ^(f)	30.7%	68.4%

Notes:

- (a) The calculation of gross profit/(loss) is based on revenue minus cost of sales.
- (b) The calculation of gross profit/(loss) margin is based on gross profit/(loss) divided by revenue.
- (c) The calculation of net loss margin is based on loss for the period divided by revenue.
- (d) The calculation of loss on average equity is based on loss attributable to owners of the Company divided by average equity attributable to owners of the Company.
- (e) The calculation of current ratio is based on current assets divided by current liabilities.
- (f) The calculation of net gearing ratio is based on shareholder's loan, other loan, lease liabilities and bank borrowing divided by total equity.
- # Converted to HK\$ at exchange rate of RMB1 = HK\$1.0799 on 31 December 2024 for reference.
- * Converted to HK\$ at exchange rate of RMB1 = HK\$1.1035 on 31 December 2023 for reference.

Independent Review Report



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TO THE BOARD OF DIRECTORS OF ZHONGHUA GAS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 8 to 29 which comprises the condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Material Uncertainty Related to Going Concern

We draw attention to note 3 to the condensed consolidated financial statements, which indicates that the Group incurred a consolidated net loss of approximately RMB47,125,000 and net cash used in operating activities of approximately RMB129,694,000 for the twelve months ended 31 December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM Hong Kong

Certified Public Accountants

26 February 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the twelve months ended 31 December 2024

	NOTE	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Revenue	7	89,193	186,652
Cost of sales		(85,657)	(193,445)
Gross profit/(loss)		3,536	(6,793)
Other income	8	1,374	6,480
Other losses	9	(789)	(11,451)
Impairment loss on property, plant and equipment		(497)	(25,928)
Impairment loss on right-of-use assets		—	(945)
Fair value change on investment properties		(480)	—
Reversal of allowance on trade receivables			
and contract assets, net		10,699	66,738
Administrative expenses		(52,354)	(30,005)
Loss from operations		(38,511)	(1,904)
Finance costs	10	(8,537)	(1,801)
Loss before tax		(47,048)	(3,705)
Income tax expense	12	(77)	(320)
Loss and total comprehensive income for the period	13	(47,125)	(4,025)
Attributable to:			
Owners of the Company		(49,099)	(6,656)
Non-controlling interests		1,974	2,631
		(47,125)	(4,025)
Loss per share attributable to owners of the Company			
Basic and diluted	15	RMB(0.013)	RMB(0.002)

Condensed Consolidated Statement of Financial Position

At 31 December 2024

	NOTE	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	16	1,031	7,097
Investment properties	17	7,700	3,780
Right-of-use assets	18	2,959	151
Deposits	20	482	36
		12,172	11,064
Current assets			
Trade receivables and contract assets	19	43,301	104,901
Prepayments, deposits and other receivables	20	281,456	37,622
Cash and cash equivalents		69,099	196,083
Total current assets		393,856	338,606
TOTAL ASSETS		406,028	349,670
EQUITY			
Equity attributable to owners of the Company			
Share capital	21	4,147	3,724
Reserves		132,564	101,039
		136,711	104,763
Non-controlling interests		35,853	34,479
		172,564	139,242
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,647	444
Current liabilities			
Trade and other payables and accruals	22	115,869	113,905
Contract liabilities		63,259	—
Shareholder's loan	27	49,536	—
Bank borrowing	23	—	8,000
Other loan	24	—	86,082
Lease liabilities		1,782	646
Income tax payables		1,371	1,351
Total current liabilities		231,817	209,984
TOTAL LIABILITIES		233,464	210,428
TOTAL EQUITY AND LIABILITIES		406,028	349,670

Condensed Consolidated Statement of Changes in Equity

For the twelve months ended 31 December 2024

	Attributable to owners of the Company				Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Retained profits/ (Accumulated losses) RMB'000			
At 1 January 2023 (audited)	3,724	57,075	21,540	27,450	109,789	33,164	142,953
Total comprehensive income for the period	—	—	—	(6,656)	(6,656)	2,631	(4,025)
Dividend paid	—	—	—	—	—	(1,316)	(1,316)
Equity-settled share-based payments transaction	—	—	1,630	—	1,630	—	1,630
Changes in equity for the period	—	—	1,630	(6,656)	(5,026)	1,315	(3,711)
At 31 December 2023 (audited)	3,724	57,075	23,170	20,794	104,763	34,479	139,242
At 1 January 2024 (audited)	3,724	57,075	23,170	20,794	104,763	34,479	139,242
Total comprehensive income for the period	—	—	—	(49,099)	(49,099)	1,974	(47,125)
Equity-settled share-based payments transaction	—	—	26,862	—	26,862	—	26,862
Issue of shares under share option scheme	423	82,254	(28,492)	—	54,185	—	54,185
Dividend paid	—	—	—	—	—	(600)	(600)
Share options lapsed	—	—	(21,540)	21,540	—	—	—
Changes in equity for the period	423	82,254	(23,170)	(27,559)	31,948	1,374	33,322
At 31 December 2024 (unaudited)	4,147	139,329	—	(6,765)	136,711	35,853	172,564

Condensed Consolidated Statement of Cash Flows

For the twelve months ended 31 December 2024

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	(129,637)	163,573
Income tax paid	(57)	(341)
Net cash (used in)/generated from operating activities	(129,694)	163,232
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(737)	(452)
Proceeds from disposals of property, plant and equipment	1,147	—
Interest income on bank deposits received	165	794
Net cash generated from investing activities	575	342
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest of convertible bonds	—	(7,041)
Payment of lease liabilities	(1,606)	(1,815)
Repayment of other loan	(91,124)	(4,550)
Repayment of bank borrowing	(8,000)	—
Advance from a shareholder	49,536	—
Interest paid on lease liabilities	(167)	(101)
Interest paid on bank borrowing	(173)	(232)
Drawdown of bank borrowing	—	8,000
Dividend paid to non-controlling interest	(600)	(761)
Proceed from issuance of shares	54,185	—
Net cash generated from/(used in) financing activities	2,051	(6,500)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(127,068)	157,074
Effect of foreign exchange rate changes	84	257
CASH AND CASH EQUIVALENTS AT 1 JANUARY	196,083	38,752
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	69,099	196,083

Notes to the Condensed Consolidated Interim Financial Information

For the twelve months ended 31 December 2024

1. GENERAL INFORMATION

Zhonghua Gas Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands on 8 September 2011 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is 23/F, Chinachem Century Tower, 178 Gloucester Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in:

- (i) the provision of diverse integrated energy services including technological development, construction related and consultancy services in relation to heat supply and coal-to-natural gas conversion, supply of liquefied natural gas (“LNG”), coupled with sales of LNG (“Energy Business”); and
- (ii) the leasing of investment properties located in Shanghai, China (“Investment Properties”).

2. CHANGE OF FINANCIAL YEAR END DATE

On 19 December 2024, the Company has resolved to change the financial year end date of the Company from 31 December to 31 March. The forthcoming financial year end date of the Company will be 31 March 2025 and the next audited consolidated financial statements of the Company will cover a period of fifteen months from 1 January 2024 to 31 March 2025. Accordingly, the condensed consolidated second interim financial information of the Company covers the twelve months ended 31 December 2024 with comparative figures cover the twelve months ended 31 December 2023.

3. GOING CONCERN BASIS

The Group incurred a consolidated net loss of approximately RMB47,125,000 and net cash used in operating activities of approximately RMB129,694,000 for the twelve months ended 31 December 2024. These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In preparing these condensed consolidated financial statements, the directors of the Company have given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to continue to attain profitable and positive cash flows from operations in the immediate and longer terms.

3. GOING CONCERN BASIS (CONTINUED)

During the period, the Group has successfully recovered certain overdue trade receivables. To further strengthen the Group's liquidity in the foreseeable future, the directors of the Company have taken measures including continuing the collection of remaining overdue amounts and close monitoring of trade receivables' collection periods, in order to achieve further improvement of the Group's liquidity in short term and long-term periods.

In addition, the Company has also obtained the support of the shareholder by not demanding repayment of amount due until the Group has sufficient cash resources to settle.

The directors of the Company have prepared a cash flow forecast of the Group for the next twelve months from the date of approval of the condensed consolidated financial statements. With continued adoption of the above credit control measures and the support of the shareholder, the directors have concluded that the Group will have sufficient working capital to meet its obligations when they fall due. Therefore, the condensed consolidated financial statements of the Group have been prepared under a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying amounts of its assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these condensed consolidated financial statements.

4. BASIS OF PREPARATION

This interim financial information is unaudited and has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") and the applicable disclosures provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

This interim financial information should be read in conjunction with the 2023 annual financial statements. Except as described below, the accounting policies (including the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2023.

5. NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

A. New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants — Amendments to IAS 1;
- Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause — HK Int 5 (Revised);
- Lease Liability in Sale and Leaseback — Amendments to IFRS 16; and
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7.

As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

B. Impact of new and amended standards issued but not yet adopted by the Group

In September 2023, amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In July 2024, IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

6. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: unobservable inputs for the asset or liability.

During the twelve months ended 31 December 2024 and 2023, there was no transfer between Level 2 and Level 3. The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. REVENUE

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Revenue from contracts with customers within the scope of IFRS 15		
Energy Business		
— Sales of LNG	88,057	185,515
— Management fee income	976	966
	89,033	186,481
Revenue from other sources		
— Rental income from investment properties	160	171
	89,193	186,652
Timing of revenue recognition		
— At a point in time	88,057	185,515
— Over time	1,136	1,137
	89,193	186,652

8. OTHER INCOME

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Rental and operation management service income	1,033	5,435
Interest income on bank deposits	165	794
Others	176	251
	1,374	6,480

9. OTHER LOSSES

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Foreign exchange losses	(758)	(1,934)
Fair value losses of convertible bonds	—	(9,517)
Net losses on disposal of property, plant and equipment	(31)	—
	(789)	(11,451)

10. FINANCE COSTS

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Interest expenses on:		
— Bank borrowing	173	232
— Lease liabilities	167	101
— Other loan	5,042	868
— Late payment with suppliers	3,155	600
	8,537	1,801

11. SEGMENT INFORMATION

Information reported to the Chief Executive Officer, being the chief operating decision maker (“CODM”), for the purpose of resources allocation and assessment of segment performance.

The Group has two reportable operating segments, which are (a) Energy Business; and (b) Investment Properties.

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

Segment results are measured as gross profit/(loss) of each segment without allocation of administrative expenses, finance costs, other income, other losses, reversal of allowance on trade receivables and contract assets, and income tax expense. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

No segment assets or liabilities information or other segment information is provided as the CODM does not review this information for the purpose of resource allocation and assessment of segment performance.

No geographical segment information is presented as all the sales and operating profits/(losses) of the Group are derived within the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

The segment information provided to the CODM for the reportable segments for the twelve months ended 31 December 2024 and 2023 is as follows:

	Energy Business RMB'000 (unaudited)	Investment Properties RMB'000 (unaudited)	Total RMB'000 (unaudited)
For the twelve months ended			
31 December 2024			
Revenue	89,033	160	89,193
Cost of sales	(85,657)	—	(85,657)
Segment results	3,376	160	3,536
Other income			1,374
Other losses			(789)
Impairment loss on property, plant and equipment			(497)
Fair value change on investment properties			(480)
Reversal of allowance on trade receivables and contract assets, net			10,699
Administrative expenses			(52,354)
Finance costs			(8,537)
Income tax expense			(77)
Loss for the period			(47,125)

11. SEGMENT INFORMATION (CONTINUED)

	Energy Business RMB'000 (audited)	Investment Properties RMB'000 (audited)	Total RMB'000 (audited)
For the twelve months ended			
31 December 2023			
Revenue	186,481	171	186,652
Cost of sales	(193,445)	—	(193,445)
Segment results	(6,964)	171	(6,793)
Other income			6,480
Other losses			(11,451)
Impairment loss on property, plant and equipment			(25,928)
Impairment loss on right-of-use assets			(945)
Reversal of allowance on trade receivables and contract assets, net			66,738
Administrative expenses			(30,005)
Finance costs			(1,801)
Income tax expense			(320)
Loss for the period			(4,025)

12. INCOME TAX EXPENSE

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

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Current tax		
Provision for the period — the PRC	(78)	(66)
Over/(under)-provision in prior periods	1	(4)
PRC dividend withholding tax	—	(250)
	(77)	(320)

12. INCOME TAX EXPENSE (CONTINUED)

No provision for Hong Kong Profits Tax was required since the Group had no assessable profits for the twelve months ended 31 December 2024 and 2023.

PRC Corporate Income Tax has been provided at a rate of 25% for the twelve months ended 31 December 2024 and 2023, except for subsidiaries eligible to be a "Small and Low-profit Enterprise" under PRC Corporate Income Tax Law to enjoy a beneficial rate of 20%.

13. LOSS FOR THE PERIOD

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

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Auditor's remuneration		
— Audit services	—	864
— Non-audit services	367	281
	367	1,145
Depreciation		
— Property, plant and equipment	728	11,429
— Right-of-use assets	1,137	1,708
	1,865	13,137
Directors' and chief executive's emoluments	6,904	5,712
Fair value change on investment properties	480	—
Impairment loss		
— Property, plant and equipment	497	25,928
— Right-of-use assets	—	945
	497	26,873
Reversal of allowance on trade receivables and contract assets, net	(10,699)	(66,738)
Staff costs, excluding those of Directors		
— Salaries and allowances	8,200	7,844
— Retirement benefits	1,055	1,067
— Discretionary bonus	642	—
— Equity-settled share-based payments	25,668	1,558
	35,565	10,469

14. DIVIDENDS

The Board of Directors does not recommend any payment of any dividend in respect of the twelve months ended 31 December 2024 and 2023.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following:

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Loss attributable to owners of the Company		
Loss for the purpose of calculating basic and diluted loss per share	(49,099)	(6,656)
	Twelve months ended 31.12.2024 '000 (unaudited)	Twelve months ended 31.12.2023 '000 (audited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	3,678,959	3,666,936

The computation of diluted loss per share for the twelve months ended 31 December 2024 and 2023 did not assume the exercises of the Company's outstanding share options as these are anti-dilutive.

16. PROPERTY, PLANT AND EQUIPMENT

During the twelve months ended 31 December 2024, the Group acquired a motor vehicles with amount of approximately RMB737,000 and disposed a motor vehicle with carrying amount of approximately RMB1,178,000 (for the twelve months ended 31 December 2023: acquired approximately RMB452,000 mainly relating to items of motor vehicles and leasehold improvements).

During the twelve months ended 31 December 2024, a property with carrying amount of approximately RMB4,400,000 was transferred to investment properties upon the change in use from self-occupied to let-out property (for twelve months ended 31 December 2023: None).

17. INVESTMENT PROPERTIES

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
At 1 January	3,780	3,780
Fair value change	(480)	—
Transfer from property, plant and equipment	4,400	—
At 31 December	7,700	3,780

The Group's investment properties are situated in the PRC and held under medium-term leases. The leases terms of leases whereby the Group lease out its investment properties under operating lease are two years.

18. RIGHT-OF-USE ASSETS

During the twelve months ended 31 December 2024, the Group entered into a new lease agreement with lease terms of three years. On lease commencement, the Group recognised right-of-use assets of approximately RMB3,945,000 (for the twelve months ended 31 December 2023, the Group did not enter into any new lease contracts). The balance as at 31 December 2024 relates to office premises.

19. TRADE RECEIVABLES AND CONTRACT ASSETS

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
Trade receivables	14,240	80,429
Contract assets	29,061	24,472
	43,301	104,901
	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
Trade receivables	226,912	305,596
Less: allowance of impairment	(212,672)	(225,167)
	14,240	80,429

19. TRADE RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

The settlement periods of the construction related and consultancy services are generally within one to two years after the completion of services. Meanwhile, the credit period granted to sales of LNG customers is 30 days.

The Group has recovered certain overdue trade receivables where provision was made in prior periods, this has resulted a reversal of allowance on trade receivables of approximately RMB12,495,000 recognised in profit and loss in the current period.

The aging analysis of trade receivables net of allowance of impairment on trade receivables, presented based on the invoice dates at the end of the reporting period, which approximate the respective revenue recognition dates, is as follows:

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
0-60 days	1,081	23,542
61-180 days	—	—
181-270 days	—	—
Over 270 days	13,159	56,887
	14,240	80,429

For unbilled revenue, the estimation is calculated using the daily delivery weight of liquefied natural gas (based on daily delivery records) and recent market prices of liquefied natural gas.

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
Contract assets		
— unbilled revenue	31,909	25,524
Less: allowance of impairment	(2,848)	(1,052)
	29,061	24,472

The carrying amounts of the Group's trade receivables and contract assets are denominated in RMB.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
Prepayments	276,492	32,756
Deposits	566	528
Other receivables	4,880	4,374
	281,938	37,658
Less: Portion classified as non-current assets	(482)	(36)
Portion classified as current assets	281,456	37,622

The carrying amounts of the Group's prepayments, deposits and other receivables are mainly denominated in RMB.

21. SHARE CAPITAL

	Number of shares '000	HK\$'000	RMB'000
Authorised:			
Ordinary shares of HK\$0.00125 each			
At 1 January 2023 (audited),			
31 December 2023 (audited),			
1 January 2024 (audited) and			
31 December 2024 (unaudited)	64,000,000	80,000	—
Issued and fully paid:			
Ordinary shares of HK\$0.00125 each			
At 1 January 2023 (audited),			
31 December 2023 (audited) and			
1 January 2024 (audited)	3,666,936	4,584	3,724
Issue of share under share option scheme	366,688	458	423
At 31 December 2024 (unaudited)	4,033,624	5,042	4,147

22. TRADE AND OTHER PAYABLES AND ACCRUALS

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
Trade payables	102,561	102,762
Other payables	8,088	8,658
Accruals	1,465	1,885
Accrued interest expense for late payment with suppliers	3,755	600
	115,869	113,905

Trade payables comprised amounts due to suppliers for purchase of goods or services used in regular course of business. Trade payables are non-interest bearing and generally due according to contract terms.

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

	31.12.2024 RMB'000 (unaudited)	31.12.2023 RMB'000 (audited)
0-30 days	—	201
31-60 days	—	—
61-90 days	—	—
91-180 days	—	—
Over 180 days	102,561	102,561
	102,561	102,762

The carrying amounts of the Group's trade and other payables and accruals are mainly denominated in RMB.

23. BANK BORROWING

The bank borrowing carried an interest rate at 5% per annum and denominated in RMB has been fully repaid on 25 May 2024.

24. OTHER LOAN

Other loan represents amount payable upon maturity of convertible bond, the Group did not repay the convertible bond within the timeframe as requested by convertible bond holder, therefore, based on the nature and terms of repayment, management has reclassified such from convertible bond to “Other Loan”.

As at 31 December 2023, the other loan are carried an interest rate at 8% per annum. The defaulted interest accrued for the twelve months ended 31 December 2024 is approximately RMB5,910,000.

The other loan and the accrued interest were fully paid on 19 December 2024.

25. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates share option schemes (the “Schemes”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The board of directors of the Company may grant options to directors and eligible employees and consultants of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options.

Options granted must be taken up within 28 days for Scheme 2011 and 21 days for Scheme 2023 from the date of grant, upon payment of HK\$1. Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the directors at their discretion.

The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to Scheme 2011. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under Scheme 2011 shall not exceed 10% of the shares in issue from time to time. For Scheme 2023, the maximum number of shares of the Company which may be issued in respect of all share options and awards which may be granted at any time under Scheme 2023 together with options and awards which may be granted under any other share schemes for the time being of the Company should not exceed such number of shares as equal to 10% of the issued share capital of the Company.

The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time. Each Scheme is valid and effective for a period of 10 years and may continue to be exercisable in accordance with their terms of issue.

25. SHARE-BASED PAYMENTS (CONTINUED)

Equity-settled share option scheme (Continued)

Scheme 2011

Scheme 2011 has become effective on 12 December 2011.

On 25 November 2014, the Company granted 28,000,000 share options to the Company's directors, employees and consultants at the exercise price of HK\$0.81 per option (i.e. 224,000,000 share options with exercise price of HK\$0.10125 each after the share subdivision on 20 May 2016). Further on 9 June 2017, the Company granted 343,536,000 share options to the Company's directors, employees and consultants at the exercise price of HK\$0.289 per option.

On 9 June 2024, the number of shares in respect of which options had been granted under Scheme 2011 of 209,480,000, representing 5.7% of the shares of the Company in issue were lapsed.

Details of specific categories of options under Scheme 2011 are as follows:

Option type	Date of grant	Exercise period	Exercise price	Fair value at grant date
Option to directors				
Option C	09/06/2017	09/06/2018– 09/06/2024	HK\$0.289	HK\$0.1262
Option D	09/06/2017	09/06/2019– 09/06/2024	HK\$0.289	HK\$0.1273
Option E	09/06/2017	09/06/2020– 09/06/2024	HK\$0.289	HK\$0.1287
Option to employees				
Option I	09/06/2017	09/06/2018– 09/06/2024	HK\$0.289	HK\$0.1117
Option J	09/06/2017	09/06/2019– 09/06/2024	HK\$0.289	HK\$0.1170
Option K	09/06/2017	09/06/2020– 09/06/2024	HK\$0.289	HK\$0.1219
Option to consultants				
Option F	09/06/2017	09/06/2018– 09/06/2024	HK\$0.289	HK\$0.1320
Option G	09/06/2017	09/06/2019– 09/06/2024	HK\$0.289	HK\$0.1320
Option H	09/06/2017	09/06/2020– 09/06/2024	HK\$0.289	HK\$0.1320

25. SHARE-BASED PAYMENTS (CONTINUED)

Equity-settled share option scheme (Continued)

Scheme 2011 (Continued)

The following table discloses movement of share options granted under Scheme 2011 for the twelve months ended 31 December 2024:

Option type	Outstanding at	Granted	Exercised	Lapsed	Outstanding at
	1 January				31 December
	2024	'000	'000	'000	2024
	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Option C	30,944	—	—	(30,944)	—
Option D	30,944	—	—	(30,944)	—
Option E	30,944	—	—	(30,944)	—
Option G	1,664	—	—	(1,664)	—
Option H	28,216	—	—	(28,216)	—
Option I	21,776	—	—	(21,776)	—
Option J	26,776	—	—	(26,776)	—
Option K	38,216	—	—	(38,216)	—
	209,480	—	—	(209,480)	—
Exercisable at the end of the period	209,480				—
Weighted average exercise price (HK\$)	0.289	—	—	—	—

25. SHARE-BASED PAYMENTS (CONTINUED)

Equity-settled share option scheme (Continued)

Scheme 2023

Scheme 2023 has become effective on 14 September 2023.

On 11 December 2023, the Company granted 366,688,000 share options to the Company's directors and employees at the exercise price of HK\$0.16 per option, those options had been exercised during the twelve months ended 31 December 2024.

Upon adoption of the Scheme 2023, 366,688,000 share options were granted on 11 December 2023. As such, as at 31 December 2024, the total number of share options available for grant under the scheme mandate limit (which is 366,693,600 shares, representing 10% of the issued share capital of the Company as at the date of approval of the Scheme 2023) of the Scheme 2023 was 5,600 (31 December 2023: 5,600).

Details of the specific categories of options under Scheme 2023 are as follows:

Option type	Grant date	Vesting period	Exercise period	Exercise price	Fair value at grant date
Options to directors	11.12.2023	11.12.2023 to 10.12.2024	11.12.2024–11.12.2033	HK\$0.160	HK\$0.095
Options to employees	11.12.2023	11.12.2023 to 10.12.2024	11.12.2024–11.12.2033	HK\$0.160	HK\$0.085

The following table discloses movement of share options granted under Scheme 2023 for the twelve months ended 31 December 2024:

Option type	Outstanding at 1 January 2024 '000 (audited)	Granted '000 (unaudited)	Exercised '000 (unaudited)	Outstanding at 31 December 2024 '000 (unaudited)
Options to Directors	14,656	—	(14,656)	—
Options to Employees	352,032	—	(352,032)	—
	366,688	—	(366,688)	—
Exercisable at the end of the period	—			—
Weighted average exercise price (HK\$)	0.160	—	0.160	—

26. CONTINGENT LIABILITIES

Up to the authorisation of this condensed consolidated financial information, 6 suppliers of the Group have initiated total 10 claims against the Group's subsidiary in the PRC.

Pursuant to the claims, these suppliers are seeking settlement of approximately RMB11,758,000 together with interest of approximately RMB4,597,000 for construction works completed in 2018 and 2019.

During periods from 1 April 2023 to 18 October 2023, the court has concluded 8 out of 10 cases, the Group is liable to repay the amount claimed of approximately RMB6,972,000 by suppliers together with related interest of approximately RMB1,734,000.

The progress of litigation with the remaining 2 cases is still ongoing at the date of authorisation of this condensed consolidated financial information.

As at 31 December 2024, the Group has recorded in the condensed consolidated statement of financial position an amount of approximately RMB11,565,000 (31 December 2023: approximately RMB6,779,000) as amount due to the suppliers and accrued interest of approximately RMB3,755,000 (31 December 2023: approximately RMB600,000).

27. SHAREHOLDER'S LOAN

The shareholder's loan is unsecured and non-interest-bearing. The shareholder has agreed not to demand repayment until the Group has enough cash to repay.

28. RELATED PARTY TRANSACTIONS

Save as disclosed in note 25, the Group had the following significant transactions with related parties.

The remuneration of key management members of the Group for both periods are as follows:

	Twelve months ended 31.12.2024 RMB'000 (unaudited)	Twelve months ended 31.12.2023 RMB'000 (audited)
Directors' fee	731	724
Salaries and other allowances	5,137	5,068
Retirement benefit scheme contributions	176	174
Equity-settled share-based payments	1,194	72
	7,238	6,038

Management Discussion and Analysis

BUSINESS REVIEW

For the Current Period, the Group's total revenue amounted to approximately RMB89.2 million, decreased approximately 52.2% from approximately RMB186.7 million for the Corresponding Period principally due to the operation of one of the Group's major LNG stations in Tianjin was suspended since October 2023 due to the customer's heat supply station was on the route of the nationwide natural gas network conversion project. The remaining LNG stations operates normally during the Current Period.

The Group continued to recover long outstanding trade receivables and contract assets but less was collected during the Current Period compared to the Corresponding Period. As a result, the reversal of allowance on trade receivables and contract assets decreased from approximately RMB66.7 million for the Corresponding Period to approximately RMB10.7 million for the Current Period.

The Energy Business continued to contribute over 99% to the Group's total revenue. Net loss after tax of approximately RMB47.1 million in the Current Period was recorded compared to net loss of approximately RMB4.0 million for the Corresponding Period. Such increase in net loss after tax was mainly attributable to (i) a decrease in reversal of allowance on trade receivables and contract assets from approximately RMB66.7 million for the corresponding period to approximately RMB10.7 million for the Current Period; and (ii) an increase in equity-settled share-based expense from approximately RMB1.6 million for the Corresponding Period to approximately RMB26.9 million for the Current Period. The effect is offset by (i) the decrease in impairment loss on property, plant and equipment and right-of-use assets of approximately RMB26.9 million for the Corresponding Period to approximately RMB0.5 million for the Current Period; and (ii) the decrease in depreciation of approximately RMB13.1 million for the Corresponding Period to approximately RMB1.9 million for the Current Period.

Energy Business

The Group is principally engaged in the provision of diverse integrated energy services including technological development, construction related and consultancy services in relation to heat supply and coal-to-natural gas conversion, supply of LNG, coupled with sales of LNG.

During the Current Period, the Energy Business generated revenue primarily from LNG supply and the management of customers' LNG supply stations. The LNG supply industry continued to experience intense competition. Also, the construction related and consultancy services of the Energy Business did not show sign of improvement and the coal-to-natural gas conversion in Tianjin is also becoming saturated and the Group expects the number of new projects to continue to decrease in the future.

During the Current Period, the Group remains strategic cooperation with a wholly-owned subsidiary of Jiangsu Shagang Group Co., Ltd. and continue the business through the supply of LNG to the partner and the management of its LNG supply station.

On 24 October 2024, the Group entered into a non-legally binding memorandum of understanding (the "MOU") with Tianjin Jinre Heating Group Co., Ltd. (天津市津熱供熱集團有限公司) ("Tianjin Jinre").

Pursuant to the MOU, Tianjin Jinre intends to assist the Company in its exploration of investment and business opportunities by searching for suitable natural gas pressure regulating and metering devices and related pipeline assets (collectively, the “Assets”). In particular, Tianjin Jinre intends to coordinate the owner(s) of the Assets and the Company so as to facilitate the acquisition of the Assets by the Company.

The Assets provide key linkage between natural gas pipeline transportation and gas-using equipment, as natural gas transported in high-pressure pipelines needs to be depressurized by the Assets before it can enter related gas equipment for use. The major functions of the Assets include (i) pressure regulation; (ii) metering and (iii) others (such as filtration and purification).

The Group remains committed to fostering strategic partnerships with a portfolio of significant partners, with the objective of identifying and pursuing new business opportunities with prospective customers.

Investment Properties

The Group owns two office premises on Beijing West Road, Jing An District, Shanghai, the People’s Republic of China (the “PRC”). Both the properties were held for investment purpose and they generated rental income. The investment properties were expected to bring stable long-term rental income to the Group.

FINANCIAL REVIEW

Revenue

For the Current Period, revenue of the Group amounted to approximately RMB89.2 million, representing a decrease of 52.2% from approximately RMB186.7 million for the Corresponding Period. The decrease was because the operation of one of the Group’s major LNG stations in Tianjin was suspended since October 2023 due to the customer’s heat supply station was on the route of the nationwide natural gas network conversion project.

Cost of Sales

The cost of sales for Energy Business amounted to approximately RMB85.7 million (Corresponding Period: approximately RMB193.4 million). The decrease was mainly attributable to the decrease in cost in LNG supply during the Current Period.

Gross Profit/(Loss) Margin

Gross profit/(loss) represents revenue less cost of sales. Gross profit margin of the Energy Business segment was 3.8% in the Current Period (Corresponding Period: gross loss margin of 3.7%). For the Current Period, as the property, plant and equipment was impaired, no depreciation was recorded. Hence, the gross margin increased. For the Corresponding Period, the intense price competition and price fluctuation of LNG led to a thin margin which could not cover the fixed direct cost, a gross loss margin is recorded.

The gross profit margin of the Investment Properties segment was 100% (Corresponding Period: 100%).

Other Losses

Other losses of approximately RMB0.8 million were recorded in the Current Period as compared to other losses of approximately RMB11.5 million in the Corresponding Period, mainly due to the foreign exchange losses of approximately RMB0.8 million recognised in the Current Period (Corresponding Period: mainly due to the fair value losses of Convertible Bonds of approximately RMB9.5 million and the foreign exchange losses of approximately RMB1.9 million).

Administrative Expenses

Administrative expenses increased by 74.5% from approximately RMB30.0 million for the Corresponding Period to approximately RMB52.4 million for the Current Period. The increase was mainly due to equity-settled share-based expenses of approximately RMB26.9 million which related to the share option granted in December 2023 was recorded in the Current Period (Corresponding Period: approximately RMB1.6 million).

Finance Costs

For the Current Period, the Group's finance costs were approximately RMB8.5 million (Corresponding Period: approximately RMB1.8 million), representing an increase of RMB6.7 million or 374.0%, which was mainly due to increase in the interest incurred from the other loan and late payment with suppliers.

Income Tax Expense

Income tax expense was recorded approximately RMB0.1 million for the Current Period and approximately RMB0.3 million for the Corresponding Period. It was derived from PRC income tax for the Current Period.

Profit and Total Comprehensive Income Attributable to Non-controlling Interests

Profit and total comprehensive income attributable to non-controlling interests was decreased from approximately RMB2.6 million in the Corresponding Period to approximately RMB2.0 million in the Current Period. This was mainly attributable to a decrease in reversal of allowance on trade receivables and contract assets for the Current Period.

Loss and Total Comprehensive Income Attributable to Owners of the Company

Loss and total comprehensive income attributable to owners of the Company was increased from approximately RMB6.7 million in the Corresponding Period to approximately RMB49.1 million in the Current Period. This was mainly attributable to a decrease in reversal of allowance on trade receivables and contract assets and the increase in equity-settled share-based expenses for the Current Period.

Basic and diluted loss per share for the Current Period were both RMB0.013, as compared to basic and diluted loss per share of RMB0.002 for the Corresponding Period.

PROSPECTS

Green energy LNG is set to become the dominant energy alternative in the future, with significant domestic growth potential in China. In the first half of 2023, China, replaced Japan as the world's top LNG importer once again. Global trade in LNG reached 404 million tonnes in 2023, representing an increase from 397 million tonnes in 2022. The global demand for natural gas is continuing to grow, with industry estimates indicating that LNG demand could reach 625–685 million tonnes a year by 2040.

China imported 38 million tonnes of LNG for the first half of 2024, representing a 13.9% increase year-on-year, according to data published by the customs department on 18 July 2024. In the first half of 2024, China imported 26.7 million tonnes of pipeline gas, representing a 15% increase year-on-year.

China's appetite for more natural gas and LNG is driven by the government's initiative to reduce coal use, both to combat pollution and to meet its Paris climate conference commitments. At the opening session of the 20th National Congress of the Communist Party of China, the government emphasised the importance of promoting harmony between humans and nature, accelerating the transition to a green development model and working actively and prudently towards the country's climate targets.

China has set a target of peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060. China will implement a comprehensive conservation strategy, boost green and low-carbon industries, encourage green consumption and promote green and low-carbon ways of production and life. It is forecast that the proportion of gas and LNG in China's energy mix will grow from the current 7% to 12% or more by 2040.

In light of the national policy for green energy, the "14th Five-Year Plan" for a modern energy system sets an ambitious target for natural gas production, aiming to reach 230 bcm by 2025. Additionally, the plan outlines a strategy to enhance national storage capacity, aiming to reach 55 to 60 bcm by the same year. The plan's objective is to guarantee the security of the energy supply chain through the promotion of domestic energy generation, while simultaneously advancing the transition to green energy. It calls for the development of new technologies for energy storage and the achievement of the goal of advanced industrial chain modernisation.

China also made significant progress in developing its national gas infrastructure, with an increase of over 3,000 kilometres in the length of long-distance natural gas pipelines and a 5 bcm expansion in gas storage capacity. The country made significant headway on a number of major LNG projects, including the commencement of operations at the Binhai LNG terminal and the commencement of construction on the Beijing Gas and Caofeidian LNG terminals. This presents a significant business opportunity for the Group to establish a presence in the provision of construction, management and supply of LNG. The Group is proactively exploring and collaborating closely with its business partners to prepare for the pipeline gas market.

Furthermore, China is accelerating the development of infrastructure for the transportation of gas and LNG. China has announced plans to expand its LNG terminals along the eastern coast, forming five major regional gas reserve groups. These developments are in line with China's projected gas consumption of up to 400 bcm per year by the end of the decade. Concurrently, China is developing a network of 34 coastal LNG receiving terminals, with an anticipated annual import capacity of 247 million tonnes by 2035, representing a threefold increase from current levels.

In line with the Group's collective understanding of the national policy on the Belt and Road Initiative, which was first presented by President Xi Jinping in 2013 with the goal of restoring the country's historic land and sea trade routes and enhancing economic connectivity between Asia, Europe and Africa. The Group is actively exploring business opportunities in the provision of a stable LNG supply, the management of LNG stations and consultancy services on construction projects in ASEAN countries in line with the government's Belt and Road Initiative. There are indications that Vietnam and the Philippines may start importing LNG to offset domestic gas declines.

The Group's current focus is on recovery, development and expansion of its Energy Business, as well as expansion of its emerging network and geographical footprint in line with China's recovery from the epidemic. While focusing on the LNG business, the Group will develop the pipeline gas market in northern China. It will leverage its solid relationships with upstream and downstream natural gas suppliers to provide safer, greener and more efficient natural gas resources to terminal customers. Additionally, the Group will seek opportunities to enter other overseas markets to expand its market presence.

The Group will pursue further growth through the formation of new joint ventures and mergers and acquisitions. This will include, but is not limited to, the provision of stable LNG supply and LNG supply station management services.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, cash and cash equivalents maintained by the Group were approximately RMB69.1 million, representing a decrease of 64.8% from approximately RMB196.1 million as at 31 December 2023.

Trade receivables and contract assets were approximately RMB43.3 million, decrease by 58.7% from approximately RMB104.9 million as at 31 December 2023, which mainly represented the effect of collection of trade receivables and contract assets.

Prepayments, deposits and other receivables were approximately RMB281.5 million, increase by 648.1% from approximately RMB37.6 million as at 31 December 2023, which mainly due to the increase in prepayments to suppliers.

Trade and other payables and accruals increased from approximately RMB113.9 million as at 31 December 2023 to approximately RMB115.9 million as at 31 December 2024, by 1.7%, mainly represented the increase in accrued interest expense for late payment with suppliers.

Tax liabilities amounted to approximately RMB1.4 million as at 31 December 2024 and 2023.

As a result of the above mentioned, the Group's current assets and current liabilities as at 31 December 2024 were approximately RMB393.9 million and approximately RMB231.8 million (31 December 2023: approximately RMB338.6 million and approximately RMB210.0 million) respectively.

The Group had Shareholder's loan of approximately RMB49.5 million as at 31 December 2024. Gearing ratio of the Group, measured as Shareholder's loan and lease liabilities to total equity, was 30.7% as at 31 December 2024 (31 December 2023: measured as bank borrowing, other loan and lease liabilities to total equity, was 68.4%). The Group recorded net assets of approximately RMB172.6 million as at 31 December 2024 as compared to approximately RMB139.2 million as at 31 December 2023. The increase was mainly due to the increase of prepayment to suppliers during the Current Period. During the Current Period, the Group financed its operations mainly with the funds from shareholder's loan, issuance of new shares through exercise of share options and its internal resources.

FUNDRAISINGS THROUGH ISSUANCE OF CONVERTIBLE BONDS

On 16 November 2020, 3-year Convertible Bonds were issued by the Company to New York Limited (the "Subscriber") under the general mandate pursuant to the Subscription Agreement dated 2 November 2020 entered into between the Company and the Subscriber. The Convertible Bonds can be converted into shares of the Company at an initial conversion price of HK\$0.27 per conversion share (subject to adjustment), during the conversion period of 3 years from 16 November 2020. Upon exercise of the conversion rights attached to the Convertible Bonds in full, the Convertible Bonds are convertible into 362,222,222 new shares of the Company at an initial conversion price of HK\$0.27 per conversion share (subject to adjustment), representing approximately 10% of the existing issued share capital of the Company on 16 November 2020.

The Board considers that the Subscription (as defined in the announcement of the Company dated 2 November 2020) represents an opportunity to strengthen the financial position of the Group while broadening the investor base and capital base of the Group potentially. The Directors are of the view that the Subscription is fair and reasonable and is in the interests of the Company and the shareholders of the Company as a whole.

On 16 November 2023, the Convertible Bonds matured and no Convertible Bonds have been converted into new conversion shares of the Company. Pursuant to the terms of the Subscription Agreement, all Convertible Bonds shall be repaid by the Company in Hong Kong dollars on the Maturity Date.

On Maturing Date, the Group did not pay the principal amount. For further details, please refer to the announcements of the Company dated 2 November 2020, 16 November 2020, 16 November 2023, 17 November 2023 published on the websites of the Stock Exchange and the Company and note 2 of the consolidated financial statements in Annual Report 2023.

On 20 May 2024, the Company and the bondholder of the Convertible Bonds has entered into a settlement agreement to vary the repayment terms of the Convertible Bonds and to settle such repayment in stages. For further details, please refer to the announcement of the Company dated 20 May 2024 published on the websites of the Stock Exchange and the Company.

On 19 December 2024, the Company had repaid all the principal amount and applicable interest to the bondholder.

USE OF PROCEEDS

On 16 November 2020, the Company has issued the Convertible Bonds to New York Limited under general mandate. The net proceeds from the issue of the Convertible Bonds are approximately HK\$97.5 million (equivalent to approximately RMB82.7 million). The Company intends to use the net proceeds as to 50% for general working capital of the Group and as to 50% for enhancement of the existing business of the Group. The net proceeds are expected to be fully applied by 2023.

As at 31 December 2024, the Company has utilized approximately HK\$44.7 million (equivalent to approximately RMB41.4 million) for general working capital of the Group and approximately HK\$44.6 million (equivalent to approximately RMB41.3 million) for enhancement of the existing business of the Group.

Due to COVID-19, there had been slowdown in the general economy in 2020 to 2023, also travel restrictions measures significantly deferred the implementation of our expansion plans. As such, the Company was unable to fully utilise the net proceeds for the purpose of enhancement of the existing business of the Group by 2023.

As a result of the delay in the use of the net proceeds, the unutilised net proceeds were not fully applied until 31 December 2024.

The intended and actual use of proceeds from the issuance of Convertible Bonds up to 31 December 2024 is set out as follows:

Net proceeds raised	Proposed use of proceeds	Utilised proceeds up to 31 December 2024	Unutilised proceeds up to 31 December 2024	Expected timeline for use of unutilised proceeds
approximately HK\$97.5 million (equivalent to approximately RMB82.7 million)	(i) general working capital of the Group (50%)	approximately RMB41.4 million	Nil	N/A
	(ii) enhancement of the existing business of the Group (50%)	approximately RMB41.3 million	Nil	N/A

PLANS TO ADDRESS THE DISCLAIMER OPINION IN ANNUAL REPORT 2023

On 19 December 2024, the Company had repaid all the principal amount and applicable interest to the convertible bond holder in accordance with the terms of the settlement agreement, the management expected the disclaimer opinion will be removed in the next audited financial statements. Please refer to the announcement of the Company dated 19 December 2024 for details of the update on settlement agreement.

CAPITAL STRUCTURE

During the Current Period, an aggregate of 366,688,000 shares were issued and allotted pursuant to the exercise of share options with exercise price of HK\$0.16. As at 31 December 2024, the Company had an aggregate of 4,033,624,000 shares of HK\$0.00125 each in issue.

DIVIDENDS

The Board does not recommend any payment of dividend for both periods.

FOREIGN CURRENCY EXPOSURE

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Group's subsidiaries denominated mainly in RMB, with some denominated in Hong Kong dollars. Some of the Group's cash and bank deposits were denominated in RMB, while others were denominated in Hong Kong dollars. Any significant exchange rate fluctuations of Hong Kong dollars against RMB as the functional currency may have a financial impact on the Group. The Group managed its foreign exchange risks by performing regular review and monitoring of the foreign exchange exposure. The Group would consider employing foreign exchange hedging arrangements when appropriate and necessary. During the Current Period, the Group did not use any financial instruments for hedging purposes (Corresponding Period: Nil).

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group are set out in note 26 of the interim financial information.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the Current Period.

There is no plans for material investments or capital assets as at the date of this report.

PLEDGE OF ASSETS

As at 31 December 2024, the Group did not have any mortgage or charge over its assets (31 December 2023: Nil).

IMPORTANT EVENTS AFTER THE TWELVE MONTHS ENDED 31 DECEMBER 2024

The Board does not aware of any important events affecting the Group, which have occurred subsequent to the end of the twelve months ended 31 December 2024 and up to the date of this report.

EMPLOYMENT AND REMUNERATION OF EMPLOYEES

As at 31 December 2024, the Group has 28 full time employees in the PRC and 17 staffs in Hong Kong. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited for reviewing and restructuring our existing business. The remuneration of the Group has maintained at competitive level with discretionary bonuses payable on a merit basis and in line with industrial practice. Apart from salary payments, other staff benefits provided by the Group includes mandatory provident fund, insurance schemes and performance related bonus.

SHARE OPTION SCHEME

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

(1) The Old Share Option Scheme

The share option scheme which was effective for a period of 10 years commencing on 12 December 2011 (the "Old Share Option Scheme") has expired on 12 December 2021. The share options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the Old Share Option Scheme. The Board may grant options to Directors and eligible employees and consultants of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options. Options granted must be taken up within 28 days from the date of grant, upon payment of HK\$1.00. Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the Directors at their discretion. The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of option granted pursuant to the Old Share Option Scheme. The maximum number of shares which may be issued upon exercise of all options to be granted under the Old Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as "refreshed" must not exceed 10% of the shares in issue as at the date of approval of the limit. The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Old Share Option Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time.

During the year 2017, the Company granted 343,536,000 share options to the Company's Directors, employees and consultants at the exercise price of HK\$0.289 per option under the Old Share Option Scheme. On 9 June 2024, all outstanding share options of 209,480,000 options under the Old Share Option Scheme were expired and lapsed (31 December 2023: outstanding share options under the Old Share Option Scheme was 209,480,000), representing 5.7% of the shares of the Company in issue at that date.

(2) The New Share Option Scheme

On the extraordinary general meeting of the Company held on 14 September 2023 (the "Adoption Date"), an ordinary resolution was passed by the shareholders that to approve and adopt a new share option scheme (the "New Share Option Scheme").

The New Share Option Scheme is valid and effective for a period of 10 years commencing on 14 September 2023 and may continue to be exercisable in accordance with their terms of issue. The Board may grant options to Directors, employees and service providers of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options. Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1.00. Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the Directors at their discretion. The maximum number of shares of the Company which may be issued in respect of all share options and awards which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of shares as equals to 10% of the issued share capital of the Company as at the Adoption Date (the "Scheme Mandate Limit"). The Company may seek approval of the shareholders in general meeting to refresh the Scheme Mandate Limit under the New Share Option Scheme after 3 years from the Adoption Date (or the date of shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of shares in issue as at the date of passing the relevant resolution.

On 11 December 2023, 366,688,000 share options have been granted under the New Share Option Scheme, representing 10% of the shares of the Company in issue at that date. All the share options were exercised during the Current Period. No outstanding share options as at 31 December 2024.

During the Current Period, no share options granted under the New Share Option Scheme were lapsed or cancelled in accordance with the terms of the scheme.

Upon adoption of the New Share Option Scheme, 366,688,000 share options were granted on 11 December 2023. As such, as at 1 January 2024 and 31 December 2024, the total number of share options available for grant under the scheme mandate limit (which is 366,693,600 shares, representing 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme) and the service provider sublimit (36,669,360 shares, representing 1% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme) of the New Share Option Scheme was 5,600.

As at 31 December 2024, no shares may be issued in respect of share options granted under the all schemes of the Company, as 209,480,000 share options granted under Old Share Option Scheme were lapsed on 9 June 2024 and no outstanding share options under New Share Option Scheme. Hence, no share option was granted but not yet exercisable. During the Current Period, the weighted average number of ordinary shares in issue was 3,678,959,000. As such, as at 31 December 2024, the number of shares that may be issued in respect of share options granted under all schemes of the Company during the Current Period divided by the weighted average number of ordinary shares in issue of the Company was 0%.

Details of the movements of share options granted, exercised, cancelled or lapsed during the Current Period and outstanding as at 31 December 2024 are as follows:

	Number of share options					Outstanding as at 31 December 2024	Exercise period	Exercise price HK\$	Closing price immediately before the date of grant HK\$
	At 1 January 2024	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
Directors									
Mr. Hu Yishi	2,880,000	—	—	—	(2,880,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	2,880,000	—	—	—	(2,880,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	2,880,000	—	—	—	(2,880,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
	3,664,000	—	(3,664,000)	—	—	—	11 December 2024 to 11 December 2033	0.160	0.160
Mr. Chan Wing Yuen, Hubert	11,448,000	—	—	—	(11,448,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	11,448,000	—	—	—	(11,448,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	11,448,000	—	—	—	(11,448,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
	3,664,000	—	(3,664,000)	—	—	—	11 December 2024 to 11 December 2033	0.160	0.160
Ms. Lin Min, Mindy	2,880,000	—	—	—	(2,880,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	2,880,000	—	—	—	(2,880,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	2,880,000	—	—	—	(2,880,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
	3,664,000	—	(3,664,000)	—	—	—	11 December 2024 to 11 December 2033	0.160	0.160
Ms. Kwong Wai Man, Karina	11,448,000	—	—	—	(11,448,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	11,448,000	—	—	—	(11,448,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	11,448,000	—	—	—	(11,448,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
	3,664,000	—	(3,664,000)	—	—	—	11 December 2024 to 11 December 2033	0.160	0.160
Ms. Ma Lee	1,144,000	—	—	—	(1,144,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	1,144,000	—	—	—	(1,144,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	1,144,000	—	—	—	(1,144,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
Mr. Lau Kwok Kee	1,144,000	—	—	—	(1,144,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	1,144,000	—	—	—	(1,144,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	1,144,000	—	—	—	(1,144,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
Total Directors	107,488,000	—	(14,656,000)	—	(92,832,000)	—			
Employees	21,776,000	—	—	—	(21,776,000)	—	9 June 2018 to 9 June 2024	0.289	0.28
	26,776,000	—	—	—	(26,776,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	38,216,000	—	—	—	(38,216,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
	352,032,000	—	(352,032,000)	—	—	—	11 December 2024 to 11 December 2033	0.160	0.160
Total Employees	438,800,000	—	(352,032,000)	—	(86,768,000)	—			
Consultants	1,664,000	—	—	—	(1,664,000)	—	9 June 2019 to 9 June 2024	0.289	0.28
	28,216,000	—	—	—	(28,216,000)	—	9 June 2020 to 9 June 2024	0.289	0.28
Total Consultants	29,880,000	—	—	—	(29,880,000)	—			
Total All Categories	576,168,000	—	(366,688,000)	—	(209,480,000)	—			
Exercisable at the end of the period	209,480,000					—			

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

At 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the ordinary shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in ordinary shares of HK\$0.00125 each of the Company

Name of Director	Notes	Nature of Interest	Number of shares	Percentage of the Company's issued share capital
Mr. Hu Yishi	1	Interest of controlled corporation and beneficial owner	550,848,000	13.66%
Ms. Lin Min, Mindy	2	Interest of controlled corporation and beneficial owner	497,120,000	12.32%
Mr. Chan Wing Yuen, Hubert		Beneficial owner	26,064,000	0.65%
Ms. Kwong Wai Man, Karina		Beneficial owner	26,064,000	0.65%
Ms. Ma Lee		Beneficial owner	2,240,000	0.06%

Notes:

- Mr. Hu Yishi ("Mr. Hu") is deemed to be interested in 448,000,000 shares held by Smart Lane Global Limited, and in 99,184,000 shares held by Front Riches Investments Limited, both companies were 100% controlled by Mr. Hu. Mr. Hu also interested in 3,664,000 shares which beneficially owned by himself.
- Ms. Lin Min, Mindy ("Ms. Lin") is deemed to be interested in 448,000,000 shares held by Uprise Global Investments Limited and in 23,056,000 shares held by Gainup Limited respectively, both companies were 100% controlled by Ms. Lin. Ms. Lin also interested in 26,064,000 shares which beneficially owned by herself.

Long position in the underlying shares of equity derivatives of the Company

As at 31 December 2024, none of the Directors or chief executives of the Company or their respective associates had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the Current Period, the Directors were not aware of any business or interest of the Directors and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group or any other conflict of interest which any such person has or may have with the Group.

DEED OF NON-COMPETITION

The deed of non-competition was no longer applied for both of the Current Period and the Corresponding Period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2024, so far as is known to the Directors, the following persons not being the Directors or chief executives of the Company had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long position in ordinary shares and underlying shares of the Company

Name	Capacity and nature of interest	Number of shares	Number of underlying shares	Percentage of the Company's issued share capital
Depot Up Limited ^(note 1)	Beneficial owner	640,000,000	—	15.87%
Mr. Song Zhi Cheng ^(note 2)	Interest of controlled corporation	640,000,000	—	15.87%
Smart Lane Global Limited ^(note 3)	Beneficial owner	448,000,000	—	11.11%
Uprise Global Investments Limited ^(note 4)	Beneficial owner	448,000,000	—	11.11%
Blossom Merit Limited ^(note 5)	Beneficial owner	219,112,000	—	5.43%
Mr. Chan Tai Neng ^(note 6)	Interest of controlled corporation	219,112,000	—	5.43%

Notes:

1. Depot Up Limited, a company incorporated in the Republic of Seychelles on 23 February 2015 with limited liability is an investment holding company where the entire issued share capital of which is held by Mr. Song Zhi Cheng.
2. Mr. Song Zhi Cheng is deemed to be interested in 640,000,000 shares through his interest in Depot Up Limited.
3. Smart Lane Global Limited, a company incorporated in Samoa on 19 February 2014 with limited liability and is an investment holding company where the entire issued share capital of which is held by Mr. Hu, an executive Director and chairman of the Board.
4. Uprise Global Investments Limited, a company incorporated in the British Virgin Islands on 19 December 2013 with limited liability is an investment holding company where the entire issued share capital of which is held by Ms. Lin, an executive Director.

5. Blossom Merit Limited, a company incorporated in British Virgin Islands on 6 July 2011 with limited liability is an investment holding company where the entire issued share capital of which is held by Mr. Chan Tai Neng and Mr. Cheung Chi Keung (both being former executive Directors) in the proportion of 90% and 10% respectively as at the 30 September 2017.
6. Mr. Chan Tai Neng is deemed to be interested in 219,112,000 shares held by Blossom Merit Limited. The issued share capital of Blossom Merit Limited is owned 90% by Mr. Chan Tai Neng and 10% by Mr. Cheung Chi Keung, (both being former executive Directors).

During the Current Period, there was no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 31 December 2024, the Directors are not aware of any other person other than the Directors and the chief executives of the Company who had, or was deemed to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections “Share Option Scheme” and “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company” above, at no time during the Current Period was the Company, or any of its subsidiaries, or associated corporations, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any of its body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Current Period.

COMMUNICATION WITH SHAREHOLDERS

The annual general meetings and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with Directors and senior management. In compliance with the requirements of the GEM Listing Rules, the Company issued regular reports, announcements, circulars, notice of general meetings. Shareholders can get the latest information of the Company through these publications of the Company. Always update with latest information, the corporate website of the Company (<http://www.8246hk.com>) has provided an effective communication platform to the public and the shareholders.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also has made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding the securities transactions by Directors for the twelve months ended 31 December 2024.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all the code provisions under the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the “Corporate Governance Code”) throughout the Current Period. The Board will continue to review regularly and take appropriate actions to comply with the Corporate Governance Code.

The Directors are of the opinions that the Company and the Board have complied with the Corporate Governance Code throughout the Current Period.

AUDIT COMMITTEE AND INDEPENDENT REVIEW BY EXTERNAL AUDITOR

The Company established an audit committee (the “Audit Committee”) pursuant to a resolution of the Directors passed on 12 December 2011 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the audit committee was adopted in compliance with paragraph D.3.3 of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the audit committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; oversee internal audit functions, internal control procedures and risk management matters of the Company.

As at 31 December 2024, the Audit Committee has three members comprising all the independent non-executive Directors, namely, Ms. Ma Lee (chairlady), Mr. Lau Kwok Kee and Mr. Wang Weijie. The Audit Committee had reviewed the results announcement and interim report for the twelve months ended 31 December 2024 and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made. The Audit Committee also monitored the Company’s progress in implementing the code provisions of Corporate Governance Code as required under the GEM Listing Rules.

The Group’s external auditor, RSM Hong Kong, has been appointed to review the interim financial information. On the basis of their review, they are not aware of any material modifications that should be made to the interim financial information for the twelve months ended 31 December 2024.

By order of the Board
Zhonghua Gas Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive Officer and Executive Director

Hong Kong, 26 February 2025

As at the date of this report, the executive Directors are Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert, Ms. Lin Min, Mindy and Ms. Kwong Wai Man, Karina; and the independent non-executive Directors are Ms. Ma Lee, Mr. Lau Kwok Kee and Mr. Wang Weijie.

This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the day of its posting and on the website of the Company at <http://www.8246hk.com>.