Zhonghua Gas Holdings Limited

中華燃氣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

08246.HK

2024-2025

ANNUAL REPORT

(For the fifteen months ended 31 March 2025)

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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

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Cricket Square,
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Share Registrar and Transfer Office in Cayman Islands

Conyers Trust Company (Cayman) Limited
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Hong Kong Share Registrar

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Room 2103B, 21/F,
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Stevenson, Wong & Co.

Auditors

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor
29/F, Lee Garden Two,
28 Yun Ping Road,
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Principal Bankers

The Hong Kong & Shanghai Banking Corporation Limited
Huaxia Bank
Shanghai Pudong Development Bank
Bank of China Limited

Company Website

http://www.8246hk.com

GEM Stock Code

8246

Executive Chairman's Statement

On behalf of the Board (the "Board") of Directors of the Company, I would like to present the annual report of the Company and its subsidiaries (collectively the "Group") for the fifteen months ended 31 March 2025 (the "Current Period").

In 2024, the international and domestic landscape for the natural gas industry remains challenging and complex. On the international front, factors such as geopolitical rivalry, energy transition and development, and regional supply-demand imbalances have led to significant fluctuations in international gas prices, with supply chain resilience continuing to face pressure. Domestically, policy regulation and market-oriented reforms are working in tandem to improve the natural gas supply and price stabilisation mechanism, significantly enhance infrastructure connectivity, and maintain steady growth in consumption demand. Under the framework of the "dual carbon" goals, natural gas's strategic positioning as a clean transition energy source is further strengthened, and the pace of industrial transformation and upgrading is accelerating. Against this backdrop, the Company is actively exploring new development opportunities in the energy sector.

The Company has been deeply involved in the natural gas sector for many years. In 2024, we focused on two main areas: firstly, in terms of extending the natural gas industry chain, we have conducted thorough research and made careful plans for business opportunities beyond LNG trade; Secondly, closely aligned with President Xi Jinping's "the Belt and Road" initiative, we actively expanded into the Southeast Asian energy market. Currently, these initiatives have begun to achieve results, though they have not yet had a significant impact on the performance of the Company in 2024, they have laid a solid foundation for the Company's future development.

On 6 June 2025, the Company entered into a memorandum of understanding (the "MOU") with the Ministry of Industry and Commerce ("Lao MOIC") of the Lao People's Democratic Republic ("Lao PDR"). The Company and Lao MOIC will cooperate with each other and conduct the feasibility studies for the development of fuel oil and gas supply network in the Lao PDR. By this way, the Group expects to diversify its business and expand its revenue base.

In recent years, the domestic natural gas market landscape has also been quietly undergoing changes. The overall landscape of gas sources, pipeline transportation, and urban gas has gradually stabilised, but competition for high-quality market resources in specific regions has become increasingly intense. We are confident that we can identify growth opportunities in this environment. In 2025, the Company will further lay out more links in the natural gas industry chain, including but not limited to urban gas and long-distance pipelines, etc. Concurrently, we will strengthen partnerships with long-term collaborators to establish a closer co-operation model. Through resource integration and innovative business models, we will seize new development opportunities and achieve dual growth in gas volume and scale. Furthermore, we will leverage our own resource advantages to expand diversified and personalised value-added services, and try to expand the integrated energy business, so as to realise the transformation and development from single energy sales to integrated energy services.

We will also focus more on market demand outside Tianjin, especially market expansion along "the Belt and Road" initiative. Building on our preliminary work, the Company will provide customers with high-quality services as an integrated energy service provider to achieve healthy development of the enterprise.

Hu Yishi
Executive Chairman

Hong Kong, 27 June 2025

Principal Activities

The principal activities of the Group are 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 ("Energy Business") and leasing of investment properties (the "Property Investments").

Financial Highlights

The Board of the Company announces the audited consolidated annual results of the Group for the Current Period, together with the audited comparative figures for the year ended 31 December 2023 ("the Previous Year") as follows:

	For the fifteen months ended 31 March 2025		For the year ended 31 December 2023		Increase/ (decrease)
	RMB'000	**HKD'000#**	RMB'000	HKD'000*	
Revenue	**121,516**	**131,675**	186,652	205,970	(34.9%)
Gross profit/(loss)[(a)]	**4,779**	**5,179**	(6,793)	(7,496)	(170.4%)
Loss and total comprehensive income for the period	**(59,995)**	**(65,011)**	(4,025)	(4,442)	1,390.6%
Loss and total comprehensive income attributable to owners of the Company	**(60,794)**	**(65,876)**	(6,656)	(7,345)	813.4%
Loss before tax	**(61,242)**	**(66,362)**	(3,705)	(4,088)	1,553.0%
(Loss)/profit before tax and depreciation	**(58,963)**	**(63,892)**	9,432	10,408	(725.1%)
Loss per share					
Basic and diluted	**RMB(0.016)**	**HK$(0.018)**	RMB(0.002)	HK$(0.002)	700.0%
Dividend	**Nil**	**Nil**	Nil	Nil	N/A

Financial Highlights

	As at 31 March 2025		As at 31 December 2023		Increase/ (decrease)
	RMB'000	**HKD'000#**	RMB'000	HKD'000*	
Total assets	**342,940**	**371,610**	349,670	385,861	(1.9%)
Net assets	**159,694**	**173,044**	139,242	153,654	14.7%
Cash and cash equivalents	**11,112**	**12,041**	196,083	216,378	(94.3%)
Equity attributable to owners of the Company	**125,016**	**135,467**	104,763	115,606	19.3%

Key Financial Indicators	**For the fifteen months ended 31 March 2025/ As at 31 March 2025**	For the year ended 31 December 2023/ As at 31 December 2023
Gross profit/(loss) margin[b]	**3.9%**	(3.6%)
Net loss margin[c]	**(49.4%)**	(2.2%)
Loss on average equity[d]	**(52.9%)**	(6.2%)
Current ratio (times)[e]	**1.8**	1.6
Net gearing ratio[f]	**35.5%**	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/year 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 borrowings and lease liabilities divided by total equity.

Converted to HK$ at exchange rate of RMB1 = HK$1.0836 on 31 March 2025 for reference.

* Converted to HK$ at exchange rate of RMB1 = HK$1.1035 on 31 December 2023 for reference.

Management Discussion and Analysis

BUSINESS REVIEW

For the Current Period, the Group's total revenue amounted to approximately RMB121.5 million, decreased approximately 34.9% from approximately RMB186.7 million for the Previous Year though we have secured new LNG customers in Tianjin, however, 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. As a result, overall revenue still decreased.

An impairment loss of approximately RMB25.9 million on the property, plant and equipment and approximately RMB0.9 million on right-of-use assets was recorded in the Previous Year mainly because of the suspension of one of the major LNG stations in Tianjin. In Current Period, the impairment loss on property, plant and equipment is approximately RMB0.5 million. In Current Period, the equity-settled share-based payment expenses was approximately RMB26.9 million, recorded an 1,548.0% increase compared to approximately RMB1.6 million in Previous Year.

The Energy Business continued to contribute over 99% to the Group's total revenue. A loss after tax of approximately RMB60.0 million was recorded for the Current Period as compared to a net loss after tax of approximately RMB4.0 million recorded in the Previous Year.

Loss and total comprehensive income attributable to owners of the Company for the Current Period amounted to approximately RMB60.8 million compared to loss and total comprehensive income attributable to owners of the Company of approximately RMB6.7 million recorded for the Previous Year.

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 station. The LNG supply business continued to face fierce 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.

The Group continues to maintain strategic partnerships with a number of other significant partners with a view to explore new business opportunities with potential customers.

Property Investments

The Group owns two office premises on Beijing West Road, Jing An District, Shanghai, 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 RMB121.5 million, representing a decrease of 34.9% from approximately RMB186.7 million for the Previous Year. The decrease was mainly attributable to the decrease in revenue of approximately RMB65.2 million from Energy Business during the Current Period, 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 of Energy Business decreased to approximately RMB116.7 million as compared to approximately RMB193.4 million for the Previous Year. The decrease was mainly attributable to the decrease in cost in LNG supply during the Current Period.

Gross Profit/(Loss) Margin

	For the fifteen months ended 31 March 2025	For the year ended 31 December 2023
Energy Business	**3.8%**	(3.7%)
Property Investments	**100%**	100%
Group total	**3.9%**	(3.6%)

Gross profit/(loss) represents revenue less cost of sales. Gross profit margin of the Energy Business segment was 3.8% in the Current Period (Previous Year: gross loss margin of 3.7%). For the Current Period, as the property, plant and equipment was impaired in Previous Year, no depreciation was recorded. Hence, the gross margin increased. For the Previous Year, 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 Property Investments segment was 100% (Previous Year: 100%).

Other Losses

Other losses of approximately RMB1.5 million were recorded in the Current Period as compared to other losses of approximately RMB11.5 million in the Previous Year, mainly due to the fair value changes of investment properties of approximately RMB0.9 million (Previous Year: Nil)) and the foreign exchange losses of approximately RMB0.6 million recognised in the Current Period (Previous Year: foreign exchange losses of approximately RMB1.9 million).

Administrative Expenses

Administrative expenses increased by 101.0% from approximately RMB30.0 million for the Previous Year to approximately RMB60.3 million for the Current Period. The increase was mainly due to equity-settled share-based payment expenses of approximately RMB26.9 million which related to the share option granted in December 2023 was recorded in the Current Period (Previous Year: approximately RMB1.6 million).

Finance Costs

For the Current Period, the Group's finance costs were approximately RMB9.9 million (Previous Year: approximately RMB1.8 million), representing an increase of RMB8.1 million or 450.4%, which was mainly due to increase in the interest incurred from the other loan and late payment with suppliers.

Income Tax Expense

Income tax credit was recorded approximately RMB1.2 million for the Current Period (Previous Year: income tax expense of approximately RMB0.3 million). It was mainly derived from the reversal of tax over-provision in previous years.

Profit and Total Comprehensive Income Attributable to Non-controlling Interests

Profit and total comprehensive income attributable to non-controlling interest of approximately RMB2.6 million was recorded for the Previous Year and approximately RMB0.8 million was recorded for the Current Period. This was mainly attributable to a decrease in reversal of allowance on trade receivables and contract assets for the Current Period.

Management Discussion and Analysis

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 Previous Year to approximately RMB60.8 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 payment expenses for the Current Period.

Basic and diluted loss per share for the Current Period were both RMB0.016, as compared to basic and diluted loss per share of RMB0.002 for the Previous Year.

Review of the Group's operations by segment during the Current Period is as follows:

Energy Business

The results of the Energy Business recorded a decrease in revenue of 34.9% from approximately RMB186.5 million for the Previous Year to approximately RMB121.3 million for the Current Period. The revenue from this business segment accounted for 99.8% of the Group's total revenue (Previous Year: 99.8%).

The table below set forth a breakdown of the Group's revenue generated from the Energy Business segment:

District	For the fifteen months ended 31 March 2025 Revenue RMB million	For the year ended 31 December 2023 Revenue RMB million
Beichen, Tianjin (北辰區，天津)	10.5	94.1
Xiqing, Tianjin (西青區，天津)	50.3	77.6
Zhangjiagang, Jiangshu (張家港市，江蘇)	17.5	14.8
Gaoxin, Tianjin (高新區，天津)	43.0	—
	121.3	186.5

The revenue from the Energy Business for the Current Period mainly contributed by the LNG supply in Tianjin and Shanghai.

Property Investments

The Group owns two office premises on Beijing West Road, Jing An District, Shanghai, the PRC. The two properties generated rental income and gross profit of approximately RMB0.2 million and RMB0.2 million respectively in the Current Period (Previous Year: approximately RMB0.2 million and RMB0.2 million respectively). The investment properties were expected to bring stable long-term rental income to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, cash and cash equivalents maintained by the Group were approximately RMB11.1 million, representing a decrease of 94.3% from approximately RMB196.1 million as at 31 December 2023, mainly due to cash outflow in operation in the Current Period.

Trade and other receivables and contract assets as at 31 March 2025 were approximately RMB34.3 million, decreased by 67.3% from approximately RMB104.9 million as at 31 December 2023, which mainly represented the collection of trade receivables.

Prepayments, deposits and other receivables were approximately RMB286.2 million, increase by 660.6% 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 RMB120.2 million as at 31 March 2025, by 5.5%, mainly reflected the increase in accrued interest expense for late payment with suppliers.

Finance lease liabilities raised from right-of-use assets of office locations of approximately RMB3.0 million compared with approximately RMB1.1 million as at 31 December 2023. The tax liability as at 31 March 2025 were approximately 0.1 million and as at 31 December 2023 were approximately RMB1.4 million.

As a result of the above mentioned, the Group's current assets and current liabilities as at 31 March 2025 were approximately RMB331.6 million and approximately RMB181.9 million (31 December 2023: approximately RMB338.6 million and approximately RMB210.0 million) respectively.

The Group had shareholder's loan of approximately RMB53.6 million as at 31 March 2025 (as at 31 December 2023: other loan of approximately RMB86.1 million and bank borrowings of approximately RMB8.0 million). The gearing ratio of the Group, measured as borrowings and lease liabilities (31 December 2023: borrowings and lease liabilities) to total equity, decreased to 35.5% as at 31 March 2025 (31 December 2023: 68.4%), such decrease was due to issuance of new shares through exercise of share options and repayment of other loan during the Current Period. The Group recorded net assets of approximately RMB159.7 million as at 31 March 2025 compared with approximately RMB139.2 million as at 31 December 2023. The increase was mainly due to the funds raised through exercise of share options during the Current Period. During the Current Period, the Group financed its operations 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 (the "Convertible Bonds") were issued by the Company to New York Limited under the general mandate pursuant to the subscription agreement dated 2 November 2020 entered into between the Company and New York Limited. 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 ("Maturing Date"), 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 and 17 November 2023 published on the websites of the Stock Exchange and the Company and note 2 of the consolidated financial statements for the year ended 31 December 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 announcements of the Company dated 20 May 2024 and 19 December 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 March 2025, the Company has utilized approximately HK$44.9 million (equivalent to approximately RMB41.4 million) for general working capital of the Group and approximately HK$44.8 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 Current Period.

The intended and actual use of proceeds from the issuance of Convertible Bonds up to 31 March 2025 is set out as follows:

Net proceeds raised	Proposed use of proceeds	Utilised proceeds up to 31 March 2025	Unutilised proceeds up to 31 March 2025	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

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 March 2025, the Company had an aggregate of 4,033,624,000 shares of HK$0.00125 each in issue.

DIVIDENDS

The Board did not recommend any payment of dividend for the Current Period (Previous Year: Nil).

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 to 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 purpose (Previous Year: Nil).

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group are set out in note 35 to the consolidated financial statements.

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 annual report.

PLEDGE OF ASSETS

As at 31 March 2025, the Group did not have any mortgage or charge over its assets (Previous Year: Nil).

EMPLOYMENT AND REMUNERATION OF EMPLOYEES

As at 31 March 2025, the Group has approximately 28 full time employees in the PRC and 16 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.

PROSPECTS

China's natural gas market, as a critical component of the national energy system, is currently undergoing an important period of deepening transformation. Against the backdrop of global energy restructuring, domestic economic optimization and upgrading, and accelerated technological advancements, the development of the natural gas market in the next three years will present both challenges and opportunities.

Liquefied Natural Gas (LNG), as a clean energy source, directly impacts market supply-demand balance through its trading and sales performance. In recent years, China's LNG imports have shown consistent growth, exceeding 80 million tonnes in 2022 with a year-on-year increase of 8.6%. The International Energy Agency (IEA) projects that China's LNG imports will maintain an average annual growth rate of 5% to 7% between 2024 and 2026. In terms of the policy, PipeChina is accelerating the construction of LNG receiving terminals, with annual receiving capacity projected to reach 120 million tonnes by 2025. On the demand side, industrial fuel and urban gas sectors are increasingly reliant on LNG, particularly in regions, such as the Beijing-Tianjin-Hebei cluster, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area, where clean energy substitution demand remains robust. In terms of the price, LNG prices are expected to remain volatile between US$500 and US$800 per tonne over the next three years due to the supply-demand mismatch in the global natural gas market, which is difficult to completely improve in the short term, as well as the volatility of international oil prices and geopolitical risks.

Management Discussion and Analysis

Urban pipeline natural gas, as a crucial terminal segment of the natural gas market, directly impacts residents' quality of life and industrial production efficiency through its development level. By the end of 2023, the total length of urban natural gas pipelines nationwide had exceeded 1 million kilometres, with an annual gas transmission volume surpassing 200 billion cubic metres. During the "14th Five-Year Plan" period, China plans to vigorously promote the upgrading and renovation of natural gas pipeline network by building 30,000 kilometres of new high-pressure pipelines and 50,000 kilometres of secondary high-pressure pipelines. Smart natural gas construction is also accelerating, with the widespread application of technologies such as the IoT, big data and other technologies increasing the intelligent rate of pipeline inspections to more than 80%. In terms of trading models, as natural gas price marketisation reforms deepen, the price linkage mechanism between pipeline gas and LNG is gradually being improved, and the construction of regional spot trading platforms is accelerating. It is expected that by 2025, the proportion of market-based transactions will exceed 50%. Meanwhile, urban natural gas companies are accelerating consolidation, with leading enterprises in the region expanding their scale through mergers and acquisitions and restructuring, further increasing market concentration.

The evolution of the market landscape is a key indicator for observing the development of the natural gas industry. China's natural gas market exhibits a "3+N" competitive structure, with the three major state-owned oil and gas companies dominating upstream resources, while local state-owned enterprises and private companies are active in the end market. With the establishment of the China Oil & Gas Pipeline Network Corporation, the monopoly on upstream resources has been broken, and the third-party access system is being implemented at an accelerated pace, leading to more vigorous market competition. Technological innovation has become a key driver for corporate breakthroughs. With the application of technologies such as hydrogen co-firing and distributed energy expanding gradually, some companies have already launched zero carbon natural gas demonstration projects. Regional market differentiation is also intensifying, with economically developed regions transitioning towards integrated energy service providers, while central and western regions remain focused on traditional natural gas supply. Capital operations are active, with the amount of merger and acquisition transactions in the natural gas industry exceeding RMB50 billion in 2022. Financial tools such as industrial funds and REITs are being widely applied.

Overall, China's natural gas market in the next three years will be characterised by a tight balance between supply and demand and accelerated structural adjustment. LNG imports will continue to expand, but price volatility will intensify; the transmission and distribution capacity of urban pipeline natural gas will significantly improve, with innovative trading models emerging; and the market competition landscape will be reshaped through market opening. Companies need to leverage their years of experience in the energy sector to deepen cooperation with long-term strategic partners, capitalise on complementary resource advantages, align with policy directions, increase investment in technological innovation, and actively respond to market changes. In the new year, companies should actively explore fields such as LNG trade, urban gas mergers and acquisitions, natural gas pipeline transportation, and integrated energy supply. Meanwhile, they should closely follow the pace of the China government's "the Belt and Road" initiative, strive to achieve breakthroughs in the energy markets of Southeast Asia, and usher in a new phase of greener, more efficient, and sustainable development.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Hu Yishi ("Mr. Hu"), aged 49, is our executive chairman (the "Executive Chairman") and executive Director. He joined our Group in August 2015 and is responsible for the overall corporate development and strategic planning of the Group. Mr. Hu is the spouse of Ms. Lin Min, Mindy, an executive Director of the Company. Mr. Hu holds directorship positions within other members of the Group.

Mr. Hu was previously an executive director of Zhong Fa Zhan Holdings Limited, now known as Central Development Holdings Limited (stock code: 475) and a non-executive director and the chairman of Kai Yuan Holdings Limited (stock code: 1215), the issued shares of both companies are listed on the Stock Exchange.

Mr. Hu graduated from Shanghai International Tourism Vocational Technology School. Mr. Hu has accumulated extensive experience in China affairs, business development and business expansion. He is also experienced in the overall strategic planning, management and operation of the Group.

Mr. Chan Wing Yuen, Hubert ("Mr. Chan"), aged 67, is our chief executive officer (the "CEO") and an executive Director. He joined the Group in August 2014 and is responsible for business policy formulation and execution. He is the compliance officer and the authorised representative of the Company and holds directorship positions within other members of the Group.

Mr. Chan has been an independent non-executive director of FIT Hon Teng Limited (stock code: 6088) since November 2016. The issued shares of the company is listed on the Stock Exchange.

Mr. Chan was an executive director of Central Development Holdings Limited (stock code: 475) from November 2011 to January 2025. Mr. Chan was an independent non-executive director of Tian Ge Interactive Holdings Limited (stock code: 1980) from June 2014 to January 2025. The issued shares of these companies are listed on the Stock Exchange.

Mr. Chan spent over ten years with the Stock Exchange and his last position was the director of the listing division in charge of the China Listing Affairs Department. He also held various senior management positions with companies listed on the Stock Exchange, including chief executive officer, director, executive director and independent non-executive director etc. Mr. Chan was previously a director of Guangdong Investment Limited (stock code: 270), an independent non-executive director of China Smarter Energy Group Holdings Limited (stock code: 1004), an executive director of EverChina Int'l Holdings Company Limited (stock code: 202) and an executive director of China Pipe Group Limited (stock code: 380). He was also an independent non-executive director of Xinjiang La Chapelle Fashion Co., Ltd., a company listed on the Stock Exchange (stock code: 6116) and The Shanghai Stock Exchange (stock code: 603157).

Mr. Chan obtained a higher diploma in company secretaryship and administration from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mr. Chan has been an associate member and a fellow member of The Hong Kong Institute of Directors since 1998 and 2022 respectively, and an ordinary member of Hong Kong Securities and Investment Institute since 1999. Mr. Chan has been an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance. In addition, Mr. Chan was a member of the 10th, 11th and 12th Heilongjiang Province Committee of the Chinese People's Political Consultative Conference.

Biographical Details of Directors and Senior Management

Ms. Lin Min, Mindy ("Ms. Lin"), aged 49, is our executive Director. She joined our Group in August 2014 and is the spouse of Mr. Hu, an executive Director and the Executive Chairman of the Company. She is a member of the Remuneration Committee and the Nomination Committee of the Company and holds directorship positions within other members of the Group.

Ms. Lin was previously an executive director of Sheng Yuan Holdings Limited (stock code: 851), the issued shares of which are listed on the Stock Exchange.

Ms. Lin graduated from the research programme on enterprise management from East China Normal University (華東師範大學) and the enterprise management programme from Shanghai Jingan District College (上海市靜安區業餘大學).

Ms. Kwong Wai Man, Karina ("Ms. Kwong"), aged 55, is our chief financial officer (the "CFO") and executive Director. She joined our Group in August 2014 and is responsible for the overall finance and administration functions and corporate governance enforcement of the Group. She is the process agent and the authorised representative of the Company and holds directorship positions within other members of the Group.

Ms. Kwong has extensive experience in accounting, financial management and corporate finance. Ms. Kwong worked as senior executives in sizable organisations of various industries in Canada and Hong Kong.

Ms. Kwong was previously an executive director of Zhong Fa Zhan Holdings Limited (now known as Central Development Holdings Limited) (stock code: 475), Sheng Yuan Holdings Limited (stock code: 851) and Kai Yuan Holdings Limited (stock code: 1215), the issued shares of all companies are listed on the Stock Exchange.

Ms. Kwong holds a bachelor's degree in Business Administration from the Simon Fraser University, is a member of the American Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute, and a fellow member of the Hong Kong Institute of Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Ma Lee ("Ms. Ma"), aged 61, is our independent non-executive Director. She joined our Group in October 2014 and is the chairlady in each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Ms. Ma has years of experience in financial management and professional accounting. Having started her career as a professional accountant in an international accountancy firm, she has undertaken key financial management positions in companies engaged in different industries.

Ms. Ma holds a bachelor's degree of Commerce from the Australian National University and a master degree of Business Administration from the Chinese University of Hong Kong. She is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Biographical Details of Directors and Senior Management

Mr. Lau Kwok Kee ("Mr. Lau"), aged 65, is our independent non-executive Director. He joined our Group in June 2017 and is a member in each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Mr. Lau is a practicing solicitor in Hong Kong in the past 35 years. He is currently a consultant with Messrs. Hau, Lau, Li and Yeung, a firm of solicitors and notaries in Hong Kong. He is also a director of K. K. Lau Consulting Limited, a trust and company secretary provider in Hong Kong.

Mr. Lau graduated with a Bachelor's Degree in Science from the University of Hong Kong in 1982 and later obtained a Bachelor's Degree in Laws from the University of London in 1985. He subsequently obtained a Postgraduate Certificate in Laws at the University of Hong Kong and a Diploma in Chinese Law from the University of East Asia Macau and the China University of Political Science and Law, Beijing.

Mr. Wang Weijie ("Mr. Wang"), aged 48, is our independent non-executive Director. He joined our Group in November 2023 and is a member in each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

He graduated from Liaoning University in June 2004. Mr. Wang is a qualified lawyer in the People's Republic of China (the "PRC"). Mr. Wang went to Oklahoma City University School of Law to study as a visiting scholar in July 2010.

Mr. Wang has more than 20 years professional background in legal industry specialising in provision of special legal service for financing and merger and acquisition. Currently Mr. Wang is a solicitor of 天津依法律師事務所 (transliterated as Tianjin Yifa Law Office) in the PRC and he previously held certain social positions including a committee member of Tianjin Youth Federation; and the guest supervisor of Economic Crime Investigation Corps, Tianjin Municipal Public Security Bureau.

COMPANY SECRETARY

Mr. Wong Lok Man ("Mr. Wong"), was appointed as company secretary of the Company (the "Company Secretary") on 24 June 2021. Mr. Wong obtained a Diploma of Business Administration from Sydney Institute of Business and Technology in 2003 and Bachelor of Commerce-Accounting from Macquarie University in 2005. He is a member of the Hong Kong Institute of Certified Public Accountants with over 15 years of accounting and audit experience, including, among others, as the chief financial officer and company secretary of L & A International Holdings Limited (now known as Legendary Education Group Limited) (stock code: 8195) from September 2014 to May 2016 and as the group financial controller, joint company secretary and authorised representative of Kaisun Holdings Limited (stock code: 8203) from August 2020 to April 2021, the issued shares of both of which is listed on GEM of the Stock Exchange.

Mr. Wong was appointed as an independent non-executive director of UBoT Holding Limited (stock code: 8529) on 20 May 2024 which is listed on GEM of the Stock Exchange.

Mr. Wong was an independent non-executive director of China Financial International Investments Limited (stock code: 721) which is listed on main board of the Stock Exchange from 18 November 2020 to 5 January 2024. Mr. Wong was also an independent non-executive director of China Trustful Group Limited (stock code: 8265) from December 2020 to November 2021 which was listed on GEM of the Stock Exchange and was delisted on 12 November 2021.

Corporate Governance Report

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value and provide transparency, accountability and independence. Various measures have been adopted to ensure that a high level of corporate governance is maintained throughout the operation of the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To comply with all the new code provisions set out in the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules (the "Corporate Governance Code"), relevant amendments and adoptions have been adopted by the Company for 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.

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

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Upon the Group's specific enquiry, each Director confirmed that during the Current Period, he/she had fully complied with the required standard of dealings and there was no event of non-compliance.

BOARD OF DIRECTORS

As at 31 March 2025, the Board comprises four executive Directors and three independent non-executive Directors and the Board is accountable to shareholders. The management and control of the business of the Company is vested in its Board. It is the duty of the Board to enhance value to the shareholders. The composition of the Board and biographies of the Directors are set out on pages 16 to 18.

The four executive Directors are responsible for the leadership and control of the Company and oversee the Group's businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The three independent non-executive Directors are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as to provide a balance in the Board in order to protect shareholders' interest and overall interest of the Group.

Each independent non-executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

Save for that Ms. Lin is the spouse of Mr. Hu, each of the Directors has no relationship with other Directors.

The Company has arranged appropriate Directors' and officers' liability insurance cover for the Directors and officers of the Group. The Company reviews the extent of insurance coverage on an annual basis.

The Roles of the Executive Chairman and Chief Executive Officer

The Company has appointed Mr. Hu to be the executive Director and Executive Chairman of the Company in August 2015. Mr. Hu is responsible for the overall corporate development and strategic planning of the Group.

According to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. At present, Mr. Hu serves as the Executive Chairman. The Executive Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner while Mr. Chan serves as the CEO of the Group. The CEO is responsible for running the Group's business and the implementation of the approved strategies of the Group.

Number of Meetings and Directors' Attendance

Regular Board meetings should be held at least 4 times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the Current Period, the Board held 8 Board meetings and 1 general meeting. The Directors attended those meetings in person, by phone or through other electronic means of communication.

The individual attendance record of each Director at the meetings during the financial year is set out below:

	Attendance/ Number of meetings	
Name of Directors	**Board meeting**	**General meeting**
Executive Directors		
Mr. Hu Yishi *(Executive Chairman)*	8/8	1/1
Mr. Chan Wing Yuen, Hubert *(Chief Executive Officer)*	8/8	1/1
Ms. Lin Min, Mindy	8/8	1/1
Ms. Kwong Wai Man, Karina *(Chief Financial Officer)*	8/8	1/1
Independent non-executive Directors		
Ms. Ma Lee	8/8	1/1
Mr. Lau Kwok Kee	8/8	1/1
Mr. Wang Weijie	8/8	1/1

All business transacted at the Board meetings and by written resolutions were well-documented. Minutes of the Board meetings and written resolutions are kept by the Company Secretary and are available to all Directors.

Corporate Governance Report

Practice and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are made available to Directors in advance. Code Provision C.5.3 of Part 2 of the Corporate Governance Code stipulates that at least fourteen (14) days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three (3) days before each Board meeting or committee meetings to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are given an opportunity to include matters in the agenda for regular Board meetings. The Board and each Director also have separate and independent access to the senior executives whenever necessary. With the support of the senior executives, the chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are kept by the Company Secretary and opened for inspection by the Directors.

The memorandum and articles of association of the Company (the "Articles of Association") contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Training and Support of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director. The relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to ensure Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expenses.

The individual training record of each Director received for the Current Period is summarised as follows:

Name of Director	Types of Trainings
Executive Directors	
Mr. Hu Yishi	A, B
Mr. Chan Wing Yuen, Hubert	A, B
Ms. Lin Min, Mindy	A, B
Ms. Kwong Wai Man, Karina	A, B
Independent non-executive Directors	
Ms. Ma Lee	A, B
Mr. Lau Kwok Kee	A, B
Mr. Wang Weijie	A, B

Type of trainings:

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, risk management, corporate governance and directors' duties and responsibilities

The Directors confirmed that they have complied with the code provision C.1.4 of Part 2 of the Corporate Governance Code on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge.

Independent non-executive Directors

Each of the independent non-executive Director has entered into a letter of appointment with the Company respectively on 1 October 2014, 8 June 2017 and 13 November 2023, and shall continue thereafter unless terminated by not less than one month's notice in writing. Each of the independent non-executive Director is entitled to a Director's fee.

Independence

Pursuant to the Code Provision B.2.3 of Part 2 of the Corporate Governance Code, if an independent non-executive director serves more than 9 years, his or her further appointment should be subject to a separate resolution to be approved by shareholders of the Company.

During the Current Period, Ms. Ma has served as independent non-executive Directors for more than 9 years and the re-election of Ms. Ma as an independent non-executive Director will be subject to a separate resolution to be approved by the shareholders pursuant to the GEM Listing Rules. The Company has received from Ms. Ma a confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules, Ms. Ma continues to demonstrate the attributes of an independent non-executive Director and there is no evidence that her tenure has had any impact on her independence. Ms. Ma is not involved in the daily management of the Group nor in any relationships or circumstances which would interfere with the exercise of her independent judgment. The nomination committee of the Company has assessed and is satisfied with Ms. Ma's independence. In view of Ms. Ma's years of experience in financial management and professional accounting positions, which the Board believes that she is capable to provide constructive contributions as well as wide spectrum of independent opinion to the Company. Hence, the nomination committee and the Board are of the opinion that Ms. Ma has the required charter, integrity, experience and knowledge to continue fulfilling the role of an independent non-executive Director effectively and is of the opinion that Ms. Ma remains independent and believes that her experience continues to generate significant contribution to the Company and the shareholders as a whole.

The Nomination Committee and the Board considered that the independent non-executive Directors continue to provide a balanced and independent view to the Board. The independent non-executive Directors expressed objective views and have given independent guidance to the Company and have the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. None of the independent non-executive Directors has any involvement in the daily management of the Group and in any circumstances which would materially interfere with their exercise of independent judgment. Independent non-executive Directors do not receive any equity-based remuneration with performance-related elements.

Mechanism to Ensure Independent Views and Input

The Board has established mechanism to ensure independent views and input are available to the Board. The Board comprises of three independent non-executive Directors out of seven Directors, representing more than one-third of the Board. All independent non-executive Directors have devoted sufficient time in addressing Company's business and affairs and provided independent judgements. The Chairman has held meeting with the independent non-executive Directors without the presence of other Directors annually to listen to independent views on issues concerning the Group. Independent professional advice would be provided by the independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

The Nomination Committee and the Board has reviewed the implementation and the effectiveness of the board independence mechanism and considered it to be effective.

Corporate Governance Functions

The Board recognises that corporate governance should be the collective responsibility of the Directors, including but not limited to:

1. developing and reviewing the Company's policies and practices on corporate governance;

2. reviewing and monitoring the training and continuous professional development of the Directors and senior management;

3. reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

4. developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors;

5. reviewing the Company's compliance with the Corporate Governance Code and disclosure in this annual report; and

6. continue monitoring, assessing and managing material environmental and social risks and disclosing environmental and social matters in Environmental, Social and Governance ("ESG") reports.

During the Current Period, the Board has reviewed and discussed the corporate governance practices and is satisfied with the effectiveness of the corporate governance practices.

Audit Committee

The Company has established the Audit Committee on 12 December 2011 with written terms of reference in compliance with the GEM Listing Rules. The current 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 updated terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company.

All committee members possess appropriate industry and financial experience to advise on the Group's strategy and other matters. The composition of the Audit Committee meets the requirements of Rule 5.28 of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal audit functions, internal control systems, risk management matters and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and oversee independence and qualifications of the external auditor.

During the Current Period, 6 meetings were held and the attendance of each member is set out as follows:

Members of the Audit Committee	Number of attendance
Ms. Ma Lee	6/6
Mr. Lau Kwok Kee	6/6
Mr. Wang Weijie	6/6

The following is a summary of work performed by the Audit Committee during the Current Period:

1. Reviewed the Group's interim and annual results and corporate governance matters for inclusion in the Company's annual report and recommended them to the Board for review and approval;

2. Reviewed and discussed the Company's financial controls, internal audit function, internal control and risk management systems with management to ensure that management has performed its duty to have effective systems;

3. Reviewed with the management of the Company the accounting principles and practices adopted by the Group for the Current Period; and

4. Reviewed the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, their independence and objectivity and made recommendation to the Board on the re-appointment of RSM Hong Kong as the auditor of the Company.

Remuneration Committee

The Company has established the Remuneration Committee on 12 December 2011 with written terms of reference in compliance with the GEM Listing Rules. The current Remuneration Committee comprises one executive Director, namely, Ms. Lin Min, Mindy and three independent non-executive Directors, namely, Ms. Ma Lee (Chairlady), Mr. Lau Kwok Kee and Mr. Wang Weijie. The Remuneration Committee is mainly responsible for making recommendations to the Board as to the policy and structure for the remuneration of the executive Directors and senior management, determining the specific remuneration packages of all the executive Directors and senior management, reviewing and approving performance based remuneration and compensation for loss or termination of office payable to executive Directors and senior management, ensuring no Director is involved in deciding his/her own remuneration, approving the service contracts of Directors and senior management and reviewing and/or approving matters relating to Share Schemes under Chapter 23 of the GEM Listing Rules.

The updated terms of reference of the Remuneration Committee are posted on the websites of the Stock Exchange and the Company.

During the Current Period, 1 meeting was held and the attendance of each member is set out as follows:

Members of the Remuneration Committee	Number of attendance
Ms. Ma Lee	1/1
Ms. Lin Min Mindy	1/1
Mr. Lau Kwok Kee	1/1
Mr. Wang Weijie	1/1

The following is a summary of work performed by the Remuneration Committee during the Current Period:

1. Reviewed the policy for the remuneration of the executive Directors;

2. Assessed performance of the executive Directors;

3. Made recommendations to the Board on the remuneration packages of individual Directors and senior management; and

Nomination Committee

The Company has established the Nomination Committee on 12 November 2011 with written terms of reference in compliance with the GEM Listing Rules. The current Nomination Committee comprises one executive Director namely, Ms. Lin Min, Mindy and three independent non-executive Directors, namely, Ms. Ma Lee (Chairlady), Mr. Lau Kwok Kee and Mr. Wang Weijie. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and succession planning of the Directors.

The updated terms of reference of the Nomination Committee are posted on the websites of the Stock Exchange and the Company.

During the Current Period, 1 meeting was held and the attendance of each member is set out as follows:

Members of the Nomination Committee	Number of attendance
Ms. Ma Lee	1/1
Ms. Lin Min Mindy	1/1
Mr. Lau Kwok Kee	1/1
Mr. Wang Weijie	1/1

The following is a summary of work performed by the Nomination Committee during the Current Period:

1. Reviewed the policy for the nomination of Directors;

2. Reviewed the nomination procedures, the process and criteria to select and recommend candidates for directorship;

3. Reviewed the structure, size and composition of the Board;

4. Recommended to the Board the appointment of and the re-appointment of executive Directors and independent non-executive Directors;

5. Reviewed the independence of independent non-executive Directors; and

6. Reviewed the Board Diversity Policy to achieve a more balanced and diverse Board composition.

Board Nomination Policy

The Company has adopted a nomination policy (the "Board Nomination Policy") for the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. In selecting and recommending candidates for directorship to the Board, the Nomination Committee would consider various aspects such as candidate's qualification, time commitment to the Company and contributions that will bring to the Board as well as factors concerning the Board diversity as set out in the Company's Board Diversity Policy, before making recommendation to the Board on the appointment of Directors. The Nomination Committee will review the Board Nomination Policy, as appropriate, to ensure its continued effectiveness from time to time.

Board Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") effective on 1 September 2013 which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board. The Nomination Committee has set measurable objectives based on four focus areas: gender, age, working experience and ethnicity to implement the Board Diversity Policy.

As at the date of this report, the Board comprises three female Directors and four male Directors. The Board considers that the gender diversity in respect of the Board is satisfactory and will continue to maintain a diverse Board. The Nomination Committee will select appropriate candidates through multiple channels and make recommendation to the Board based on the Company's Board Diversity Policy and Board Nomination Policy. Such objectives will be reviewed from time to time to ensure their appropriateness. The Nomination Committee and the Board will review the Board Diversity Policy annually to ensure its continued effectiveness.

Workforce Diversity

The Company also considers relevant factors in the recruitment and selection of key management and other personnel, and strives to maintain gender diversity. As at 31 March 2025, the male and female of all staff (including the senior management) of the Company accounted 61% and 39% respectively. We will continue to maintain gender diversity among all our staff as the goal and review our policies on employee recruitment and management in a timely manner in accordance with the Company's business development and needs.

COMPANY SECRETARY

Mr. Wong Lok Man was appointed as the Company Secretary on 24 June 2021. Mr. Wong reports to the Board directly and ensures that the Board procedures, applicable law, rules and regulations are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant corporate governance developments relating to the Group and facilitating the induction and professional development of Directors. According to the Rule 5.15 of the GEM Listing Rules, Mr. Wong has taken no less than 15 hours of relevant professional training for the Current Period. The Company Secretary's biography is set out in the "Biographical Details of Directors and Senior Management".

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of interim and annual reports, price-sensitive announcements and other disclosures required by the GEM Listing Rules and other regulatory requirements.

The Directors acknowledged their responsibility for preparing the consolidated financial statements of the Company for the Current Period and ensure that the preparation of the consolidated financial statements of the Company is accordance with the applicable standards and requirements. The Directors have prepared the consolidated financial statements on the assumption that the Group will continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 52 to 57.

GEM Listing Reformation

The HKEx announced the GEM listing reforms and proposed changes to the Listing Rules effective from 1 January 2024. One of the key changes is removal of the mandatory quarterly reporting requirements for GEM listed companies and the alignment of other ongoing obligations with those of the Main Board listed companies. For those changes have taken effect, the Company will only publish its interim report and annual report afterward.

CHANGE OF AUDITOR

There has been no other change in auditor of the Company in the past three years.

AUDITOR'S REMUNERATION

Analysis of remuneration in respect of audit and non-audit service provided by the external auditor of the Group, RSM Hong Kong, for the Current Period is as follows:

Nature of services	**Amount** RMB'000
Audit services	876
Non-audit services	367
	1,243

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of the Board to maintain effective risk management and internal control systems in order to protect the overall interests of the Company and its shareholders. However, the systems are designed to manage but not eliminate all risks of failure to achieve business objectives. It does not provide an absolute shield against unpredictable risks and uncontrollable events such as natural catastrophes, fraud, and errors of judgement. It can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has established an Enterprise Risk Management (the "ERM") framework to implement effective risk management. The ERM framework mainly comprises of two parts: (1) risk management structure and (2) risk management process.

Risk Management Structure

Board

As a body in charge of the Group's risk management and internal control systems, the Board is responsible for setting up the clear ERM framework and risk management policies, the purposes of which are to assess and evaluate the business strategies of the Group and its degree of risk tolerance. With the assistance of the Audit Committee, whose authority has been delegated by the Board, the Board maintains constant monitoring of the risk management and internal control systems of the Group, as well as conducting review at least once a year as to its effectiveness.

Audit Committee

As the highest body, second only to the Board, being responsible for the risk management and internal control systems, the Audit Committee provides advices and supports to the Board in respect of all risk-related matters, including monitoring the implementation of the overall risk management procedures of the Group, conducting review on the risk register of the Group, review and approve the internal control review plan and its results.

Management

The management of the Group is responsible for identifying and continuous monitoring of the Group's exposure to risks in relation to strategy, operation, finance, reporting and compliance during the daily operations of the Group. It reports to the Board and the Audit Committee regarding the risks and their changes, formulates a set of internal control measures to mitigate the risks, collects through various channels the deficiencies of the internal control system and conducts rectifications in a timely manner.

Internal Audit Function

The Group has put in place the internal audit function. Annual review on the effectiveness of the risk management procedures of the Group will be conducted by the management and the Audit Committee, and professional internal control advisers may be consulted if necessary. The plan of internal control review will be submitted to the Audit Committee for review and approval, and the person in charge of the internal control review will also report the review results to the Audit Committee.

Risk Management Process

The ERM framework has been set up by the Group so as to manage the Group's risk exposures in an effective manner. The framework defines the procedures to identify, evaluate, response and monitor risks (including ESG risks) and any change thereof. Through periodic internal discussion, the risk management knowledge of different departments will be enriched, which enables better understanding and timely reporting of risks by all staff, thereby strengthening the Group's risk management capability.

When identifying risks (including ESG risks), the management will communicate with different operational departments and collect information of significant risk factors in various aspects such as strategy, operations and finance, reporting and compliance in a bottom up approach. Upon specifying areas of risk assessment, the management will evaluate the importance of risks based on their potential impact and the possibility of occurrence and set up internal control measures to mitigate the risks. On-going monitoring and reporting of any change of risks will also be conducted.

Main Features of Risk Management and Internal Control System

Maintaining an Effective Internal Control System (Operational Level)

- Definite internal control policies and procedures are in place to enable clear segregation of responsibilities, authority and accountability of different departments and positions;
- Code of conducts have been formulated to promote integrity and ethical conducts to the staff;
- Whistleblowing system is set up to encourage employees to report any misconduct or fraud;
- Appropriate IT system access restrictions have been set to avoid disclosure of price sensitive information;
- Policies regarding inside information disclosure are established, which involve reporting channels. The person in charge of the information disclosure will be responsible for answering external enquiries and seek consultation from professional financial consultants or the Stock Exchange when necessary.

During the Current Period, the Board had reviewed the effectiveness of the internal control policies and procedures, including the procedures regarding financial reporting and those as stipulated under the Listing Rules. When carrying out review on the risk management and internal control procedures, the Board had taken into consideration the adequacy of resources for accounting, internal audit and financial reporting, the qualifications and experience of the staff, trainings to be provided to the staff and the relevant budget.

Ongoing Monitoring of Risks (Risk Management Level)

Based on the ERM framework and risk management policies as formulated by the Board, the management will communicate with different operational departments and collect information of significant risk factors which will affect the Group in a bottom up approach and consistently monitor changes in risks. Risks (including ESG risks) which has been identified will be recorded in a risk register. Regular assessment will be carried out on the potential impact to the Group and the possibility of occurrence of each major risk so as to lay down relevant internal control measures.

During the Current Period, the management had reviewed risk management structure and procedures and had submitted to the Board and the Audit Committee a risk assessment report and a 3-year plan of internal control review, so that the Board and the Audit Committee can enable effective monitoring of the Group's major risk and better understanding of how the management handle and mitigate the risks.

Independent Review

The internal audit team of the Group is comprised of the persons who are not responsible for areas under the review. The list of review team and scope of review have been approved by the Audit Committee. The team conducts independent review on risk management and internal control systems of the Group so as to assess the effectiveness. A report of internal control review is submitted to the Audit Committee.

During the Current Period, the internal audit team had completed review on internal control, period of reviews covered transactions carried out from 1 January 2024 to 31 March 2025. The management had implemented rectifications and remediated internal control weaknesses identified. The internal audit team had report the review results to the Audit Committee.

Nothing has come to the Audit Committee's or the Board's attention to believe that the risk management and internal control systems of the Group are inadequate or ineffective.

Whistleblowing Policy and Anti-Corruption Policy

The Company has established whistleblowing policy which enhance the awareness of corporate governance and it constitutes an important part of the effective internal control and risk management system. It provides employees or relevant third parties with reporting channels and guidance on whistleblowing about possible improprieties in any matter related to the Company.

The Group adopts a zero-tolerance approach to any unethical behaviour such as bribery, extortion, fraud and money laundering, and actively strengthens the Group's culture of integrity and maintains a fair and ethical business and working environment. The Company has established anti-corruption policy to uphold high standards of integrity, honesty and transparency in all its business dealings.

THE GROUP'S MAJOR RISKS AND THEIR CHANGES

The Group's major risks and their changes thereof are set out as follows:

Risk	Description	Internal Control Measures	Change
Market Competition	The natural gas market in Mainland China continues to evolve. As the "X+1+X" reform model deepens, the market structure shows the following characteristics: upstream gas sources are becoming more diversified, midstream transportation is centralized through a unified pipeline network, while the downstream LNG retail market faces intense competition and increased price volatility, resulting in overall margin decline.	• The Group actively seeks opportunities to expand its business scope and develop the Energy Business in other northern regions and the Yangtze River Delta region to lower risks. • The Company keeps abreast of market trends and maintains cooperative relationships with upstream suppliers, utilizing seasonal LNG price fluctuations to reduce the economic impact of supply growth.	Unchanged
Changes in Government Policies	The national 14th Five-Year Plan and 20th National Congress emphasized the importance of low-carbon transition and energy security strategies. Energy security is the key to the oil-to-gas substitution. The government will coordinate the construction of national underground gas storage facilities, LNG terminals and other gas storage facilities to improve the peak-shaving capability of the natural gas pipeline network during the guaranteed supply period. China has successively introduced relevant policies and plans to promote the growth of the natural gas industry. However, relevant policies and regulations may be gradually tightened at the same time to improve the overall planning, which may increase the operating costs of our business.	• The management closely follows the dynamics of relevant policies and adjusts the business following relevant policies promptly. • Increase the types of services the Group can provide to diversify risks. • Conduct sales structure analysis in advance, optimize client structure, and strengthen LNG sales.	Unchanged

Risk	Description	Internal Control Measures	Change
Health and Safety	Given that the Company's core business involves LNG operations, safety production management is crucial. Any operational accidents could lead to significant safety risks and economic losses, which would adversely affect the Group's overall business performance. At the same time, China is also promoting optimization of gas storage facilities planning and construction, and the safety supervision of natural gas pipelines may be further tightened, and may propose intelligent upgrades and legislation for gas station safety management in the future, which may further increase the Group's operating costs.	• The Company's operations and on-site operations strictly comply with the relevant laws and regulations on hazardous chemicals in China and the Group's relevant operating specifications. • Strengthen equipment and facility operation and maintenance management to improve equipment management level and ensure equipment integrity rate. • Employ professionals with qualifications and improve employees' safety awareness through training etc. • Timely warning of abnormalities through the self-control monitoring system to ensure 100% monitoring rate of important production operations. • Formulate the Emergency Plan to continuously improve the business capabilities of teams at all levels such as dispatching operation, on-site operation, patrol, repair and maintenance.	Unchanged
Environmental Protection	In terms of environmental compliance, the Company must strictly adhere to environmental protection regulations issued by Chinese environmental authorities at all levels. Failure to comply with relevant standards may result in administrative penalties, including mandated operational suspension for rectification by regulatory authorities until violations are fully addressed. Furthermore, under the current environmental tax system, the Company is legally required to declare and pay taxes on pollutants, waste, and noise generated during production processes. Failure to effectively implement energy conservation and emission reduction measures may lead to a substantial increase in environmental tax obligations.	• The Company complies with local regulatory agencies' laws and regulations, and conducts internal inspections from time to time to reduce the possibility of violating laws and regulations. • The Company establishes environmental protection specifications for the projects, which are organized by the management and require all employees to follow; at the same time, environment-related key performance indicators are set up in the projects and completed by project participants.	Unchanged

Risk	Description	Internal Control Measures	Change
Supply Chain	The huge increase in demand for natural gas during winter may lead to supply shortages, affecting coal-to-gas, gas supply, heating and other services. Insufficient supervision of subsuppliers may affect our direct suppliers and our business. If the Group relies excessively on a small number of major suppliers, it may increase the risks of supply chain disruption and difficulty in controlling LNG procurement prices. In the procurement process of working closely with other LNG suppliers, the Group may incur additional costs due to regulations on natural gas pipeline transportation, quality testing, etc., which may adversely affect the business.	• Conduct rigorous evaluation when selecting suppliers and engineering contractors. • Outsourcing contract terms are reviewed by project managers and internal or external legal counsel to ensure clear and unambiguous party responsibilities. • Arrange for a person in charge of the project to regularly inspect the quality and performance of suppliers and engineering contractors on project sites to ensure their products and services meet the Group's requirements. • Seek multiple stable LNG suppliers to avoid a single supplier monopolizing the Company's supply chain. • Make reasonable forecasts of future sales volumes, stock up LNG in advance based on expected sales volume, and reserve during seasons with lower prices, to cope with unexpected price and supply fluctuations. • Stabilize the number of suppliers and LNG prices through seeking temporary supply chain solutions, signing guaranteed supply agreements, etc. • Cooperate with the Company's direct suppliers to effectively supervise subsuppliers and reduce the impact of subsuppliers on the business.	Unchanged
Human Resources	Human resources are a core element of the Group's sustainable operation. If the Group fails to effectively recruit, develop, and retain key personnel (including core employees like senior management team, project engineers, and technical directors), and fails to establish a comprehensive talent training system, it may lead to the following operational risks: potential disruption of daily business operations, possible impact on product and service quality, and further constraints on the implementation of the Group's medium to long-term development strategies.	• Maintain a healthy and positive working environment. • Regularly review employee benefits. • Conduct human resources planning and replenish manpower shortages in advance. • Formulate reasonable employee training programs to ensure employees meet operational and regulatory requirements.	Unchanged

Risk	Description	Internal Control Measures	Change
Exchange Rate	The Group holds assets and liabilities denominated in HKD and RMB. Fluctuations in foreign exchange rates may result in exchange losses for the Company.	• Continuously monitor exchange rate risks and formulate relevant response policies. • Conduct sensitivity analysis regularly to quantify relevant risks.	Unchanged
Credit Risk	Due to changes in the economic environment caused by the COVID-19 pandemic, the Group's clients face financial difficulties and cash flow constraints, slowing down repayments.	• Each business unit manages client credit risk following the Group's established policies, procedures and controls regarding client credit risk management. • To minimize credit risk on trade receivables, the Group's management has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and that each client's situation is closely monitored. Credit investigations are performed on all clients exceeding a specific credit amount on a regular annual basis. • In addition, at the end of the Current Period, the Group's management reviews the recoverable amount of each individual debt to ensure that adequate impairment losses are made for irrecoverable trade receivable amounts. We have also increased the headcount of the collection team to ensure smooth collection procedures. • The Group applies the simplified approach for providing for expected credit losses prescribed by IFRS 9.	Unchanged

Risk	Description	Internal Control Measures	Change
Climate Change	Climate change leads to more frequent and intensified extreme weather. Abnormal weather such as extreme high and low temperatures and torrential rains can easily cause varying degrees of damage or even destruction to gas station infrastructure (such as transport pipelines), which may increase the risks of safety accidents and rising repair costs. Frequent extreme weather also adversely affects employees' commuting.	• The Group has developed emergency response procedures and employee work guidelines for responding to extreme weather in the contingency plans, and regularly conducts safety inspections and rectifications on gas station facilities to safeguard the overall business operations. • In the future, we will research on strengthening the climate resilience of supply systems and further identify the physical and transitional risks of climate change to the Group.	Unchanged

CONSTITUTIONAL DOCUMENTS

The Board is not aware of any significant changes in the constitutional documents of the Company during the Current Period, the memorandum and articles of the Company is available on both websites of the Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting and to Put Forward Proposal

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders are requested to follow article 58 of the Articles of Association, general meetings shall be convened on the written requisition of any one or more member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Shareholders to Propose a Person for Election as a Director

Procedures for shareholders proposing a person for election as a Director are as follows:

A. in the event where no notice of general meeting regarding election of Director has been despatched

1. Shareholder(s) can by written requisition to the Board or the company secretary to require an extraordinary general meeting be called by the Board for the transaction of any business or resolution specified in such requisition. To raise such requisition, the shareholder(s) must have held at the date of deposit of such requisition not less than one-tenth of the paid up capital of the Company carrying right to vote at general meetings of the Company (article 58 of the Articles of Association).

2. The meeting so requisitioned shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company (article 58 of the Articles of Association).

B. in the event where notice of meeting has already been despatched for a general meeting regarding election of Director

1. In order to propose the appointment of a new Director (other than a Director retiring at the already appointed general meeting who has been recommended by the Board to stand for re-election at such general meeting) at the already appointed meeting, a shareholder (other than the person to be proposed) shall sign a written notice (the "Shareholder Notice") for which such notice is given of his intention to propose such person for election (article 85 of the Articles of Association).

2. The proposed Director shall also sign a written notice (the "Director Notice", together with the Shareholder Notice, the "Notices") of his willingness to be elected (article 85 of the Articles of Association). The nominating shareholder or the proposed Director shall also provide particulars (as stipulated in Rule 17.50(2) of the GEM Listing Rules) of the proposed Director (Rule 17.46B of the GEM Listing Rules).

3. The Notices shall have been lodged at the registered office of the Company or at the head office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the already appointed general meeting and end no later than seven (7) days prior to the date of such already appointed general meeting (article 85 of the Articles of Association). If the Notices are received less than twelve (12) business days prior to the general meeting, the Company may need to consider the adjournment of such general meeting in order to allow the shareholders ten (10) business days to consider the proposal (Rule 17.46B of the GEM Listing Rules).

Procedures for Sending Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders. The Company has adopted the shareholders communication policy, which ensures that shareholders are provided with ready, equal, and timely access to information about the Company. The policy is regularly reviewed to ensure its effectiveness.

The Company updates the shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports and communicates with the shareholders through annual general meetings and extraordinary general meetings. The annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management. In compliance with the requirements of the GEM Listing Rules, the Company issues regular reports, announcements, circulars and notice of general meetings. Always updated 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.

The Company reviewed the implementation and effectiveness of the shareholders communication policy and considered it to be effective.

Expansion of the Paperless Listing Regime

Pursuant to the amended Rules 16.04A and 16.04B of the GEM Listing Rules effective on 31 December 2023 and the Articles of Association of the Company, the Company will disseminate future corporate communications, including but not limited to: (a) the directors' report, its annual report together with a copy of the auditors' report and, where applicable, its summary financial report; (b) the interim report and, where applicable, summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; (f) a proxy form; and (g) a reply slip (the "Corporate Communications") to you by electronic means through the website of the Stock Exchange (the "HKEx's website") at www.hkexnews.hk and the Company's website at www.8246hk.com (the "Company's website").

To support environmental protection and enhance efficient communication with the shareholders and stakeholders, the Company encourages the shareholders and stakeholders to access the corporate communications through the HKEx's or the Company's website in place of receiving printed copies by mail.

For details, please refer to the letters to registered shareholders and non-registered shareholders that were published on 18 January 2024.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "AGM") of the Company is expected to be held on or before 30 September 2025. A notice convening the AGM will be issued and despatched to the shareholders of the Company as soon as practicable in accordance with the Articles of Association and the Corporate Governance Code.

Report of the Directors

The Board hereby presents its report and the audited financial statements of the Group for the Current Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in

(1) Energy Business; and

(2) Property Investments.

RESULTS

The Group's loss for the Current Period and the state of affairs of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 58 to 128.

CHANGE OF FINANCIAL YEAR END DATE

On 19 December 2024, the Board resolved to change the financial year end date of the Company from 31 December to 31 March. Accordingly, the financial year end date of the Company became 31 March 2025 and the audited financial statements of the Group covered the period of 15 months commencing from 1 January 2024 and ending on 31 March 2025.

BUSINESS REVIEW

The business review and future development in the Company's business for the Current Period are set out in the section headed "Management Discussion and Analysis" on pages 7 to 15.

The description of the principal risks and uncertainties facing the Company are set out in the section headed "The Group's major risks and their changes" on pages 31 to 35.

The analysis using financial key performance indicators are set out in the section headed "Financial Highlights" on pages 5 to 6.

Environmental Policies and Performance

The Group adheres to the concept of sustainable development and actively responds to national policies, and strives to promote the use of "coal-to-natural gas conversion" and extensive use of natural gas, such that more people can be benefited from this clean energy and help the Company reduce air pollutants and greenhouse gas emissions. The ESG Regulations formulated by the Group will cover the policies on emissions management and use of resources, and clarify the commitments to reduce the impact on the environment and natural resources. The laws and regulations relating to environmental protection of the Group includes the Environmental Protection Law of the PRC. During the Current Period, the Group did not have any incidents of non-compliance with relevant environmental laws or regulations that have a significant impact on the Group relating to environmental issues.

For further details on environmental performance of the Group during the Current Period, please refer to our environmental, social and governance report published on the HKEx's website and the Company's website.

Environmental, Social and Governance Report

The Group strives to protect the environment and minimize any negative impact on the environment and occupational health and safety induced by our business, achieving the goal of sustainable development.

Pursuant to Rule 17.103 of the GEM Listing Rules, an ESG Report of the Company for the Current Period in compliance with the provisions set out in the ESG Reporting Guide in Appendix C2 to the GEM Listing Rules published on the HKEx's website and the Company's website at the same time as the publication of this report.

Compliance with the Relevant Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with such requirements. During the Current Period and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

Key Relationships with Employees, Customers and Suppliers

The Group believes that employees are a key element to the success of its business. The Group aims to continue establishing a caring environment to employees and emphasis the personal development of its employees. The Group maintains a good relationship with our customers and suppliers, and will continue providing products or services with good quality.

DIVIDEND AND POLICY

The Board has always put the interest of our shareholders in mind and laid down a long-term dividend policy (the "Dividend Policy") that targets to propose to distribute dividend on a continuous basis, when the business conditions of the Company are satisfactory and our business is profitable, and subject to the conditions of this policy, so that our shareholders can share the fruitful success of our business as and when appropriate. Under the Dividend Policy, the Company does not have any pre-determined dividend payout ratio. When considering dividend declaration or recommendation, the Board shall take into account various factors including but not limited to the Group's business condition and strategy, capital requirement; and earnings, financial and cash flow position, and distributable reserves of the Company and the Group.

The Board did not recommend any payment of dividend for the Current Period (Previous Year: Nil).

SEGMENT INFORMATION

Details of the segment information of the Group are set out in note 13 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the Current Period, the five largest customers of the Group accounted for 91.3% (Previous Year: 99.9%) of the turnover of the Group and the largest customer of the Group accounted for about 35.4% (Previous Year: 50.4%) of the total turnover.

The five largest suppliers of the Group accounted for 100% (Previous Year: 100%) of the Group's total purchases for the Current Period and the largest supplier accounted for 88.4% (Previous Year: 81.6%) of the Group's total purchases.

So far as is known to the Directors, none of the Directors, their associates or substantial shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the share capital of the Group's five largest suppliers or customers.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Details of the movements in property, plant and equipment and investment property of the Group are set out in notes 20 and 21 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of the Company's share capital are set out in note 26 to the consolidated financial statements.

DEBENTURE ISSUED

The Group did not issue any debenture during the Current Period.

RESERVES

Reserves of the Company available for distribution to equity shareholders of the Company as at 31 March 2025 amounted to approximately RMB125.0 million (as at 31 December 2023: approximately RMB104.8 million). Movements in the reserves of the Group during the Current Period are set out in the consolidated statement of changes in equity on page 60.

SUBSIDIARIES

Particulars of the Group's principal subsidiaries are set out in note 36 to the consolidated financial statements.

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.

BANK BORROWING

The Group has no bank borrowing as at 31 March 2025 (as at 31 December 2023: approximately RMB8.0 million).

INTEREST CAPITALISED

No interest was capitalised by the Group during the Current Period (Previous Year: Nil).

RETIREMENT BENEFIT SCHEMES

Particulars of the retirement benefit schemes are set out in note 5(n) to the consolidated financial statements.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results of the Group for the past five financial years is set out on page 129.

DIRECTORS

The Directors during the Current Period and up to the date of this annual report were as follows:

Executive Directors:

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

Independent non-executive Directors:

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

According to the article 84(1) of the Article of Association, Mr. Hu Yishi and Ms. Kwong Wai Man, Karina, the executive Directors, and Ms. Ma Lee and Mr. Lau Kwok Kee, the Directors, will retire from office by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Director is entitled to a Director's fee, and is also entitled to a discretionary management bonus by reference to the consolidated net profits of the Group after taxation and non-controlling interest but before extraordinary items as the Remuneration Committee may approve, provide that the relevant executive Director shall abstain from voting and not counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him/her.

Each of the independent non-executive Director has entered into a letter of appointment with the Company on 1 October 2014, 8 June 2017 and 13 November 2023, respectively, and shall continue thereafter unless terminated by not less than one month's notice in writing. Each of the independent non-executive Director is entitled to a Director's fee.

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 16 to 18.

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmations of independence from all three existing independent non-executive Directors pursuant to the GEM Listing Rules. The Company considers the independent non-executive Directors to be independent pursuant to Rule 5.09 of the GEM Listing Rules as at the date of this annual report.

EMOLUMENTS POLICY

All emoluments of the Directors are determined and approved by the Remuneration Committee with reference to the Directors' duties, responsibilities and performance and the results of the Group. Each Director may also receive a year end bonus in respect of each financial year. The amount of such bonus will be determined by the Remuneration Committee.

The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted a share option scheme as an incentive to eligible participants, details of which are set out below in the section "Share option scheme".

Details of the emoluments of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in notes 17 and 16 to the consolidated financial statements.

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, no outstanding share options under the Old Option Scheme as at 31 March 2025 (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 March 2025.

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 March 2025, 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 March 2025, 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 3,748,958,000. As such, as at 31 March 2025, 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 March 2025 are as follows:

	Number of share options								
	At 1 January 2024	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31 March 2025	Exercise period	Exercise price HK$	Closing price immediately before the date of grant HK$
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

	Number of share options								
	At 1 January 2024	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31 March 2025	Exercise period	Exercise price HK$	Closing price immediately before the date of grant HK$
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 March 2025, 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, beneficial owner and interest of spouse	1,047,968,000	25.98%
Ms. Lin Min, Mindy	2	Interest of controlled corporation, beneficial owner and interest of spouse	1,047,968,000	25.98%
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:

1. 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 Investment Limited, as both companies were 100% controlled by Mr. Hu. Mr. Hu is also interested in 3,664,000 shares which are beneficially owned by himself. Mr. Hu is the spouse of Ms. Lin and therefore is deemed to be interested in 497,120,000 shares in which Ms. Lin is interested in under the SFO.

2. 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, as both companies were 100% controlled by Ms. Lin. Ms. Lin is also interested in 26,064,000 shares which are beneficially owned by herself. Ms. Lin is the spouse of Mr. Hu and therefore is deemed to be interested in 550,848,000 shares in which Mr. Hu is interested in under the SFO.

Long Position in the Underlying Shares of Equity Derivatives of the Company

On 16 April 2025, the Company (as issuer) and Mr. Hu (as Subscriber) entered into a loan capitalisation agreement, pursuant to which the parties conditionally agreed that the Subscriber shall subscribe for, and the Company shall allot and issue, a total of 230,000,000 capitalisation shares at the capitalisation price of HK$0.119 per capitalisation share. The aggregate capitalisation price of all capitalisation shares payable by the Subscriber shall be satisfied by capitalising and setting off against the partial loan from Mr. Hu upon completion.

Completion of the loan capitalisation agreement is conditional upon, among other things, approval at the extraordinary meeting on 2 July 2025 and the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the capitalisation shares.

Saved as disclosed above, as at 31 March 2025, 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 Previous Year.

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

As at 31 March 2025, so far as is known to the Directors, the following persons, not being 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 which is a subsidiary of Yuan Rong where the entire issued share capital of which is held by Mr. Hu, an executive Director and Executive Chairman.

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 the 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 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.

Saved as disclosed above, as at 31 March 2025, 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.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Current Period, all other transactions as set out in note 37 of the consolidated financial statements were entered into by the Group in the ordinary and usual course of business and on normal commercial terms and, if constituted connected transactions or continuing connected transactions, are exempt from the relevant disclosure requirements under Chapter 20 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Related Party Transactions and Connected Transactions" in this report of the Directors, no transactions, arrangements or contracts of significance, to which the Company, its holding company, fellow subsidiaries or its subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Current Period was the Company, its subsidiaries or its ultimate holding company or any subsidiary of such ultimate holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

CORPORATE GOVERNANCE

Principle corporate governance practices as adopted by the Company are set out in the corporate governance report section set out on pages 19 to 37.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief at the date of this annual report, the Company has maintained sufficient public float as required by the GEM Listing Rules since the listing of the shares of the Company on the GEM.

MATERIAL EVENTS SINCE THE END OF THE FINANCIAL PERIOD

On 16 April 2025, the Company entered into a loan capitalisation agreement with Mr. Hu, an executive Director and chairman of the Board, to convert part of the shareholder's loan owned to him into equity amounting to HK$27,370,000 by issuing a total of 230,000,000 capitalisation shares at the capitalisation price of HK$0.119 per capitalisation share (the "Loan Capitalisation"). The Loan Capitalisation constitutes a connected transaction under the GEM Listing Rules and is subject to approval at an extraordinary general meeting to be held on 2 July 2025. Please refer to the Company's announcements dated 16 April 2025 and 6 June 2025 and circular dated 6 June 2025 for details.

On 11 June 2025, the Company entered into a subscription agreement with a subscriber to issue 200,000,000 shares under general mandate at HK$0.12 per shares, generating net proceeds of approximately HK$23,900,000, which will be used for general working capital purposes. Please refer to the Company's announcements dated 11 June 2025 and 17 June 2025 for details. Conditional listing approval for the subscription was obtained from the Stock Exchange on 19 June 2025. The subscription is expected to be completed by July 2025.

Save as disclosed, there were no material events subsequent to the Current Period which would materially affect the Group's operating and financial performance as at the date of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands where the Company is incorporated.

AUDITOR

The financial statements of the Group for the year ended 31 December 2023 and for the fifteen months ended 31 March 2025 have been audited by RSM Hong Kong.

RSM Hong Kong will retire and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of RSM Hong Kong as auditor of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board

Chan Wing Yuen, Hubert
Chief Executive Officer

Hong Kong, 27 June 2025

Independent Auditor's Report

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TO THE SHAREHOLDERS OF ZHONGHUA GAS HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Zhonghua Gas Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 58 to 128, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fifteen months ended 31 March 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material uncertainty relating to the going concern basis

We draw attention to Note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to the owners of the Company of RMB60,794,000 and had a net operating cash outflow of RMB190,841,000 for the fifteen months ended 31 March 2025. As at the same date, the Group's total and current borrowings amounted to RMB53,601,000, while its cash and cash equivalents amounted to RMB11,112,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the material uncertainty relating to the going concern basis, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of trade receivables and contract assets	
Refer to Notes 5(t), 6(b)(ii) and 23 to the consolidated financial statements, respectively. We identified the impairment of trade receivables and contract assets as a key audit matter due to the significant management estimation and judgement required in determining the expected credit losses ("ECL"). As described in note 6(b)(ii) to the consolidated financial statements, the impairment of trade receivables and contract assets is considered a key source of estimation uncertainty. Details of loss allowance for trade receivables and contract assets are disclosed in notes 7(b) and 23 to the consolidated financial statements.	Our procedures included: • Assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity; • Understanding and evaluating key internal controls over the Group's impairment assessment of trade receivables and contract assets; • Evaluating the outcome of the prior period assessment of the impairment of trade receivables and contract assets to assess the effectiveness of management's estimation process; • Engaging our external valuation expert as auditor's expert to review management's expert calculation model on the ECL of trade receivables and contract assets and test the underlying information including the historical payment records of the Group's customers, if available; • Assessing whether trade receivables and contract assets were appropriately grouped by the management into categories with shared credit risk characteristics;

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of trade receivables and contract assets	*(Continued)*

- Evaluating the competence, capabilities and objectively of the management and auditor's expert;
- Testing on a sample basis the accuracy and completeness of the data used by the management to develop historical loss rates and assessing the sufficiency, relevance and reliability of that data;
- Testing on a sample basis the aging of trade receivables; and
- With the assistance of auditor's expert:

  (i) assessing the appropriateness of the impairment model used by the Group;

  (ii) assessing the appropriateness of forward-looking adjustments to historical loss rates;

  (iii) testing the calculation of historical loss rates; and

  (iv) testing the calculation of the expected credit loss provisions.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities Of Directors And Audit Committee For The Consolidated Financial Statements

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

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

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

Auditor's Responsibilities For The Audit Of The Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Auditor's Responsibilities For The Audit Of The Consolidated Financial Statements *(Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Auditor's Responsibilities For The Audit Of The Consolidated Financial Statements *(Continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yu Kwok Keung (practicing certificate number: P07372).

RSM Hong Kong
Certified Public Accountants

Hong Kong
27 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the fifteen months ended 31 March 2025

	Note	**Fifteen months ended 31 March 2025 RMB'000**	Year ended 31 December 2023 RMB'000
Revenue	9	**121,516**	186,652
Cost of sales		**(116,737)**	(193,445)
Gross profit/(loss)		**4,779**	(6,793)
Other income	10	**2,018**	6,480
Other losses	11	**(1,502)**	(11,451)
Impairment loss on property, plant and equipment		**(497)**	(25,928)
Impairment loss on right-of-use assets		**—**	(945)
Reversal of allowance on trade receivables and contract assets		**4,174**	66,738
Administrative expenses		**(60,301)**	(30,005)
Loss from operations		**(51,329)**	(1,904)
Finance costs	12	**(9,913)**	(1,801)
Loss before tax		**(61,242)**	(3,705)
Income tax credit/(expense)	14	**1,247**	(320)
Loss and total comprehensive income for the period/year	15	**(59,995)**	(4,025)
Attributable to:			
Owners of the Company		**(60,794)**	(6,656)
Non-controlling interests ("NCI")		**799**	2,631
		(59,995)	(4,025)
Loss per share attributable to owners of the Company			
Basic and diluted	19	**RMB(0.016)**	RMB(0.002)

Consolidated Statement of Financial Position

At 31 March 2025

	Note	**31 March 2025 RMB'000**	31 December 2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	20	**948**	7,097
Investment properties	21	**7,300**	3,780
Right-of-use assets	22	**2,660**	151
Deposits	24	**454**	36
		11,362	11,064
Current assets			
Trade receivables and contract assets	23	**34,301**	104,901
Prepayment, deposits and other receivables	24	**286,165**	37,622
Cash and cash equivalents	25	**11,112**	196,083
Total current assets		**331,578**	338,606
TOTAL ASSETS		**342,940**	349,670
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	**4,147**	3,724
Reserves	28	**120,869**	101,039
		125,016	104,763
NCI		**34,678**	34,479
		159,694	139,242
LIABILITIES			
Non-current liabilities			
Lease liabilities	29	**1,316**	444
Current liabilities			
Trade and other payables and accruals	30	**120,165**	113,905
Contract liabilities	31	**6,446**	—
Borrowings	32	**53,601**	94,082
Lease liabilities	29	**1,705**	646
Income tax payables		**13**	1,351
Total current liabilities		**181,930**	209,984
TOTAL LIABILITIES		**183,246**	210,428
TOTAL EQUITY AND LIABILITIES		**342,940**	349,670

Approved by the board of directors on 27 June 2025 and are signed on its behalf by:

Hu Yishi **Chan Wing Yuen, Hubert**

Consolidated Statement of Changes in Equity

For the fifteen months ended 31 March 2025

	Attributable to owners of the Company						
	Share Capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	(Accumulated losses)/ retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	(Note 26)	(Note 28)	(Note 28)			(Note 36)	
At 1 January 2023	3,724	57,075	21,540	27,450	109,789	33,164	142,953
Total comprehensive income for the year	–	–	–	(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 year	–	–	1,630	(6,656)	(5,026)	1,315	(3,711)
At 31 December 2023 and 1 January 2024	3,724	57,075	23,170	20,794	104,763	34,479	139,242
Total comprehensive income for the period	**–**	**–**	**–**	**(60,794)**	**(60,794)**	**799**	**(59,995)**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(600)**	**(600)**
Equity-settled share-based payments transaction	**–**	**–**	**26,862**	**–**	**26,862**	**–**	**26,862**
Issue of shares under share option schemes (Note 26)	**423**	**82,254**	**(28,492)**	**–**	**54,185**	**–**	**54,185**
Transfer upon lapse of share options (Note 33)	**–**	**–**	**(21,540)**	**21,540**	**–**	**–**	**–**
Changes in equity for the period	**423**	**82,254**	**(23,170)**	**(39,254)**	**20,253**	**199**	**20,452**
At 31 March 2025	**4,147**	**139,329**	**–**	**(18,460)**	**125,016**	**34,678**	**159,694**

Consolidated Statement of Cash Flows

For the fifteen months ended 31 March 2025

	Note	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(61,242)**	(3,705)
Adjustments for:			
Depreciation of property, plant and equipment	20	**811**	11,429
Depreciation of right-of-use assets	22	**1,468**	1,708
Finance costs		**9,913**	1,801
Loss on disposals of property, plant and equipment	11	**31**	—
Reversal of allowance on trade receivables and contract assets		**(4,174)**	(66,738)
Impairment loss on property, plant and equipment	20	**497**	25,928
Impairment loss on right-of-use assets	22	**—**	945
Interest income on bank deposits		**(171)**	(794)
Equity-settled share-based payment expenses		**26,862**	1,630
Fair value losses of convertible bonds		**—**	9,517
Fair value changes of investment properties	21	**880**	—
Foreign exchange losses		**345**	1,935
Operating loss before working capital changes		**(24,780)**	(16,344)
Decrease in trade receivable and contract assets		**74,774**	65,420
(Increase)/decrease in prepayment, deposits and other receivables		**(248,961)**	116,150
Increase/(decrease) in trade and other payables and accruals		**1,766**	(1,653)
Increase in contract liabilities		**6,446**	—
Cash (used in)/generated from operations		**(190,755)**	163,573
Income tax paid		**(86)**	(341)
Net cash (used in)/generated from operating activities		**(190,841)**	163,232
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	20	**(737)**	(452)
Proceeds from disposals of property, plant and equipment		**1,147**	—
Interest income on bank deposits received		**171**	794
Net cash generated from investing activities		**581**	342

Consolidated Statement of Cash Flows

For the fifteen months ended 31 March 2025

	Note	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of interest of convertible bonds		**—**	(7,041)
Payment of lease liabilities	34(b)	**(2,243)**	(1,916)
Interest paid on bank borrowing	34(b)	**(173)**	(232)
Repayment of other loan	34(b)	**(91,124)**	(4,550)
Repayment of bank borrowing	34(b)	**(8,000)**	—
Drawdown of bank borrowing		**—**	8,000
Dividend paid to NCI		**(600)**	(761)
Advances from a shareholder		**53,093**	—
Proceeds from issuance of shares	26	**54,185**	—
Net cash generated from/(used in) financing activities		**5,138**	(6,500)
Effect of foreign exchange rate changes		**151**	257
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(184,971)**	157,331
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		**196,083**	38,752
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	25	**11,112**	196,083

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 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 ("Property Investments").

The Company is an investment holding company. The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to the owners of the Company of RMB60,794,000 and had a net operating cash outflow of RMB190,841,000 for the fifteen months ended 31 March 2025. As at the same date, the Group's total and current borrowings amounted to RMB53,601,000, while its cash and cash equivalents amounted to RMB11,112,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the directors have taken the following plans and measures:

(a) The Group is in progress to implement operational plans to control costs and generate sufficient operating cash flows to meet its current and future obligations. These actions include cost control measures, and timely collection of outstanding receivables.

(b) It is anticipated that a substantial portion of the prepayments for LNG purchases as of 31 March 2025 will be utilised based on the contracted sales. These sales are expected to generate operating cash inflows to the Group.

(c) The Group's borrowing of RMB53,601,000 consists solely of a loan from a shareholder (the "Shareholder") who has committed not to demand repayment until the Group has sufficient resources to settle. Furthermore, the Shareholder has confirmed his intention to provide additional financial support to ensure the Group can continue its operations and meet all third-party obligations over the next twelve months.

    On 16 April 2025, the Company entered into a loan capitalisation agreement with the Shareholder to convert part of the shareholder's loan owed to him into equity amounting to HK$27,370,000 by issuing a total of 230,000,000 capitalisation shares at the capitalisation price of HK$0.119 per capitalisation share (the "Loan Capitalisation"). This transaction aims to reduce liabilities without depleting cash resources, thereby strengthening the Group's liquidity and supporting its going concern. The Loan Capitalisation is subject to approval at an extraordinary general meeting ("EGM"), which is scheduled to be held on 2 July 2025.

2. GOING CONCERN BASIS *(Continued)*

(d) On 11 June 2025, the Company entered into a subscription agreement (the "Subscription Share Agreement") with a subscriber to issue 200,000,000 shares at a price of HK$0.12 per share under the general mandate granted at the annual general meeting held on 20 June 2024 (the "Subscription"). Conditional listing approval for the Subscription was obtained from The Stock Exchange of Hong Kong Limited on 19 June 2025, and the Subscription is expected to be completed by July 2025.

The directors of the Company have reviewed the Group's cashflow projections prepared by the management. The cash flow projection covers a period of not less than twelve months from 31 March 2025. Having taken into account the above-mentioned plans and measures, the directors of the Company concluded that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due within the next twelve months from the date of the consolidated statement of financial position. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group fail to achieve the above-mentioned plans and measures, it may be unable to continue as a going concern, and adjustments would have to be made to write down the carrying value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effect of these potential adjustments have not been reflected in these consolidated financial statements.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Companies Ordinance.

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 4 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

On 18 December 2024, the directors of the Company resolved to change the financial year end date of the Group and the Company from 31 December to 31 March in order to align with the business cycle of the energy business.

The financial statements for the year presented cover a period of fifteen months from 1 January 2024 to 31 March 2025. Accordingly, the comparative figures (which cover a period of twelve months from 1 January 2023 to 31 December 2023) for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes are not comparable with those of the current period.

4. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY

(a) Application of new and revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the new amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") — Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the Hong Kong Special Administrative Region gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

4. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY *(Continued)*

(b) Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") — Long Service Payment ("LSP") offsetting mechanism in Hong Kong *(Continued)*

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of IAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of IAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of IAS 19.

To better reflect the substance of the Abolition of the offsetting mechanism, the Group has applied the above HKICPA guidance and no material impact on the Group's profit or loss for the fifteen months ended 31 March 2025 and year ended 31 December 2023 and the Group's and the Company's financial position as at 31 March 2025 and 31 December 2023.

4. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING POLICY *(Continued)*

(c) Revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective for the period ended 31 March 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation that are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the adoption of IFRS 18 – Presentation and Disclosure in Financial Statements.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of financial statements", introducing new requirements that will help to provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, it introduces significant changes to the presentation of consolidated 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, and (ii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

5. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties that are measured at fair value).

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6 to the consolidated financial statements.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the period/year presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March/31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NCI represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. NCI are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. NCI are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the NCI having a deficit balance.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's presentation and functional currency. The directors consider that choosing RMB as the presentation currency best suits the needs of the shareholders and investors.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(c) Foreign currency translation *(Continued)*

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

(d) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purpose, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

An owner-occupied property becomes an investment property is carried at fair value at the date of change in use. Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in property, plant and equipment revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property, plant and equipment revaluation reserve relating to a previous revaluation of that property.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(d) Property, plant and equipment *(Continued)*

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land-use-right and building	The shorter of the period of the respective leases or 30 years
Leasehold improvements	The shorter of the period of the respective leases or 5 years
Machinery and equipment	12%
Furniture, fixtures and equipment	19% – 32%
Motor vehicles	20% – 25%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment property are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is withdrawn from use. Any gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 5(m).

(f) Leases

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Leases *(Continued)*

(i) The Group as a lessee

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

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 5(e).

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Leases *(Continued)*

(i) The Group as a lessee *(Continued)*

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 *Financial instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

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

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(g) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in Note 5(t) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments held by the Group are classified as amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(j) Trade and other receivables *(Continued)*

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(l) Financial liabilities and equity instruments *(Continued)*

(ii) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(m) Revenue and other income

The Group recognises revenue when or as the control of the goods or services is transferred to the customer. A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same. Revenue is measured at the fair value of the consideration received or receivable, and stated net of value added taxes and discounts.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

(i) Revenue from sales of LNG

Revenue from sales of LNG are recognised at a point in time, when control of the good and services is transferred to the customer upon delivery of goods. The credit period granted to customer is 30 days.

(ii) Management fee income and operation management service income are recognised over time.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(m) Revenue and other income *(Continued)*

(iii) Interest income is recognised on a time-proportion basis using the effective interest method.

(iv) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(n) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations — defined contribution plans

Hong Kong

The Group contributes to defined contribution MPF scheme under the Mandatory Provident Fund Schemes Ordinance in Hong Kong (the "MPF Scheme"), for those employees who are eligible to participate in the MPF Scheme. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

The People's Republic of China ("PRC")

As stipulated by rules and regulations in the PRC, subsidiaries in the PRC are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees (the "PRC Retirement Scheme"). The PRC Retirement Scheme is responsible for the entire pension obligations payable to all retired employees. Under PRC Retirement Scheme, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

(iii) Post employment benefits

The Group has a defined benefit plan for LSP under the Hong Kong Employment Ordinance.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(n) Employee benefits *(Continued)*

(iii) Post employment benefits *(Continued)*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, and the effect of any asset ceiling (excluding interest), are recognised immediately in other comprehensive income. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(o) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants. Equity-settled share-based payments to directors, employees and consultants are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are initially recognised and subsequently accounted for resembling to accounting policy for equity-settled share-based payments to certain directors and employees taking into consideration by the management of the Group the services rendered from the consultants to be in substance as the outputs from employees.

(p) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(q) Government grants *(Continued)*

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all deductible taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(r) Taxation *(Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

(s) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss and other comprehensive income to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGU are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(t) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECL on trade receivables, contract assets and cash and cash equivalents. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) Impairment of financial assets and contract assets *(Continued)*

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; or

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) Impairment of financial assets and contract assets *(Continued)*

Significant increase in credit risk *(Continued)*

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default;

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) Impairment of financial assets and contract assets *(Continued)*

Definition of default (Continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulties of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) Impairment of financial assets and contract assets *(Continued)*

Measurement and recognition of ECL *(Continued)*

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(u) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

(v) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 5, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(i) Going concern basis

These consolidated financial statements have been prepared on a going concern basis. Details are explained in Note 2 to the consolidated financial statements.

(ii) Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Continued)*

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Fair value of investment properties

The Group appointed Masterpiece Valuation Advisory Limited, an independent qualified professional valuer, to assess the fair values of the investment properties as at 31 March 2025. In determining the fair values, the valuers have utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of investment properties as at 31 March 2025 is disclosed in Note 21 to the consolidated financial statements.

(ii) Impairment of trade receivables and contract assets

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss of trade receivables and contract assets based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The carrying amount of trade receivables and contract assets as at 31 March 2025 is disclosed in Note 23 to the consolidated financial statements.

7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk mainly relating to shareholder's loan and cash and cash equivalents denominated in Hong Kong dollars but presented in the functional currency of RMB by the Group. The Group currently does not have a formal foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities but will consider hedging significant foreign currency exposure should the need arise.

7. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Foreign currency risk *(Continued)*

The table below summaries the changes in the Group's consolidated loss after tax and total equity in response to reasonably possible changes in the foreign exchange rate of Hong Kong dollars, referred from the trend in foreign exchange rate of Hong Kong dollars in the corresponding reporting period, to which the Group has significant exposure to the foreign currency risk at the end of the reporting period, with all other variables constant.

	Increase/ (decrease) in foreign exchange rate	**(Increase)/ decrease on consolidated loss after tax and total equity** RMB'000
31 March 2025	**2%/(2%)**	**(1,018)/1,018**
31 December 2023	5%/(5%)	(3,946)/3,946

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions. The Group's exposure to credit risk arising from other receivables and deposits is limited after taking into consideration the financial positions of the counterparties, and the Group's historical credit loss experience. In addition, the Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks or financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due in 30 days from the date of billing for sales of LNG, and are due within one to two years after the completion of works for construction related and consultancy service. Debtors with balances past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

7. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

The Group measures allowance of impairment on trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicate significantly different loss patterns for different customer segments, the allowance of impairment on trade receivables based on historical credit loss experience is further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables and contract assets as at 31 March 2025 and 31 December 2023:

31 March 2025	**Expected loss rate %**	**Gross carrying amount RMB'000**	**Total allowance for impairment RMB'000**
Not past due	**2.71%**	**31,021**	**842**
Past due:			
— 1 to 60 days	**N/A**	**—**	**—**
— 61 to 120 days	**N/A**	**—**	**—**
— 121 to 180 days	**N/A**	**—**	**—**
— 181 to 365 days	**24.76%**	**5,478**	**1,356**
— Over 365 days	**100.00%**	**17,117**	**17,117**
		53,616	**19,315**
31 December 2023			
Not past due	4.12%	59,352	2,445
Past due:			
— 1 to 60 days	4.81%	8,866	426
— 61 to 120 days	N/A	—	—
— 121 to 180 days	N/A	—	—
— 181 to 365 days	13.65%	45,809	6,255
— Over 365 days	100.00%	217,092	217,092
		331,119	226,218

7. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

Expected loss rates are based on actual loss experience over the last nine quarter periods (2023: twelve half-year periods). These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

As at 31 March 2025, the Group has revisited and re-estimated the expected credit loss rates on each age buckets, this has resulted in recognition of RMB18,538,000 allowance of impairment in profit and loss during the period.

In addition, during the period, the Group has also recognised a reversal of allowance of RMB14,364,000 following recovered of certain overdue trade receivables and contract assets.

As a result, during the period, the Group has recognised a net reversal of allowance on trade receivables and contract assets of RMB4,174,000.

Movements in the loss allowance for trade receivables and contract assets during the period/year are as follows:

	31 March 2025 RMB'000	31 December 2023 RMB'000
At beginning of period/year	**226,218**	292,956
Amount written off during the period/year	**(202,729)**	—
Reversal of allowance, net	**(4,174)**	(66,738)
At end of period/year	**19,315**	226,218

Concentration of credit risk

The Group's concentration of credit risk by geographical locations is solely in the PRC, which accounted for 100% (31 December 2023: 100%) of the total carrying amount of trade receivables and contract assets as at 31 March 2025. The Group has concentration of credit risk as 83.9% (31 December 2023: 58.2%) and 100.0% (31 December 2023: 100.0%) of the total trade receivables and contract assets was due from the Group's largest debtor and the five largest debtors respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

7. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The directors of the Company closely monitor the Group's liquidity requirements and have taken a number of measures to improve the Group's cash flows and mitigate the liquidity pressures as described in Note 2.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Within 1 year or on demand	Between 1 and 2 years	Total undiscounted cash flows	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 March 2025				
Trade and other payables and accruals	**120,165**	**—**	**120,165**	**120,165**
Lease liabilities	**1,815**	**1,350**	**3,165**	**3,021**
Borrowings	**53,601**	**—**	**53,601**	**53,601**
	175,581	**1,350**	**176,931**	**176,787**
At 31 December 2023				
Trade and other payables and accruals	113,905	—	113,905	113,905
Lease liabilities	681	456	1,137	1,090
Borrowings	99,583	—	99,583	94,082
	214,169	456	214,625	209,077

7. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Categories of financial instruments

	31 March 2025 RMB'000	31 December 2023 RMB'000
Financial assets:		
Financial assets measured at amortised cost	**45,964**	301,513
Financial liabilities:		
Financial liabilities measured at amortised cost	**172,828**	206,976
Lease liabilities	**3,021**	1,090

(e) Fair values

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

8. FAIR VALUE MEASUREMENTS

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.

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.

8. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Disclosures of level in fair value hierarchy

	Fair value measurements as at	
	31 March 2025 Level 3 RMB'000	31 December 2023 Level 3 RMB'000
Recurring fair value measurements:		
Financial assets		
Investment properties		
Commercial units – the PRC	**7,300**	3,780

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2025 and 31 December 2023:

The Group's Financial Controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes and reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the Financial Controller and the board of directors regularly.

For level 3 fair value measurements, the following valuation techniques were applied:

Investment properties

Income approach by taking into account the current passing rent of the properties being held under existing tenancies and the reversionary values upon expiry of the existing tenancies.

8. FAIR VALUE MEASUREMENTS *(Continued)*

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurement at 31 March 2025 and 31 December 2023: *(Continued)*

Description	Valuation technique	Unobservable input	Range	Effect on fair value for increase of input	Fair value
					RMB'000
31 March 2025					
Investment properties	Income approach	Reversionary value (market unit rate per metre)	RMB33,410 per square metre	Increase	**7,300**
		Capitalisation rate	5%	Decrease	
31 December 2023					
Investment properties	Income approach	Average monthly rental of the properties derived from the existing leases and leases of similar properties in close proximity	RMB176 per square metre	Increase	3,780
		Discount rate	5%	Decrease	

(c) The reconciliation of investment properties measured at fair value based on Level 3 are disclosed in Note 21 to the consolidated financial statements.

9. REVENUE

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Energy Business		
Sales of LNG	**120,104**	185,515
Management fee income	**1,218**	966
Revenue from other sources		
Rental income from property investments	**194**	171
	121,516	186,652
Timing of revenue recognition		
At a point in time	**120,104**	185,515
Over time	**1,412**	1,137
	121,516	186,652

10. OTHER INCOME

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Operation management service income	**1,577**	5,435
Interest income on bank deposits	**171**	794
Others	**270**	251
	2,018	6,480

11. OTHER LOSSES

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Foreign exchange losses	**(591)**	(1,934)
Fair value losses of convertible bonds	**—**	(9,517)
Fair value changes of investment properties	**(880)**	—
Net losses on disposal of property, plant and equipment	**(31)**	—
Others	**— (*)**	—
	(1,502)	(11,451)

(*) Represent amount less than RMB1,000

12. FINANCE COSTS

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Interest expenses on:		
Bank borrowing	**173**	232
Lease liabilities	**209**	101
Other loan	**5,042**	868
Late payment with suppliers	**4,489**	600
	9,913	1,801

13. 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) Property Investments. 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.

The accounting policies of the operating segments are the same as those described in Note 5 to the consolidated financial statements.

Segment results are measured as gross loss of each segment without allocation of administrative expenses, finance costs, other income, other losses, reversal of allowance of impairment on trade receivables and contract assets, impairment loss on property, plant and equipment, impairment loss on right-of-use assets and income tax credit/(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 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.

13. SEGMENT INFORMATION *(Continued)*

Information about operating segment results

	Energy business RMB'000	Investment properties RMB'000	Unallocated RMB'000	Total RMB'000
Fifteen months ended 31 March 2025				
Revenue from external customers	**121,322**	**194**	**–**	**121,516**
Segment results	**(9,010)**	**(2,713)**	**(49,519)**	**(61,242)**
Depreciation of property, plant and equipment	**(651)**	**(160)**	**–**	**(811)**
Depreciation of right-of-use assets	**(1,101)**	**(367)**	**–**	**(1,468)**
Impairment loss on property, plant and equipment	**–**	**(497)**	**–**	**(497)**
Fair value changes on investment properties	**–**	**(880)**	**–**	**(880)**
Reversal of allowance on trade receivables and contract assets	**4,174**	**–**	**–**	**4,174**
Other material items of income and expense:				
Cost of inventory sold	**(116,737)**	**–**	**–**	**(116,737)**
Staff cost, including directors' emoluments	**(7,810)**	**(8)**	**(38,884)**	**(46,702)**

	Energy business RMB'000	Investment properties RMB'000	Unallocated RMB'000	Total RMB'000
Year ended 31 December 2023				
Revenue from external customers	186,481	171	–	186,652
Segment results	25,443	(582)	(28,566)	(3,705)
Depreciation of property, plant and equipment	(11,226)	(203)	–	(11,429)
Depreciation of right-of-use assets	(1,407)	(301)	–	(1,708)
Impairment loss on property, plant and equipment	(25,917)	(11)	–	(25,928)
Impairment loss on right-of-use assets	(907)	(38)	–	(945)
Fair value losses on convertible bonds	–	–	(9,517)	(9,517)
Reversal of allowance on trade receivables and contract assets	66,738	–	–	66,738
Other material items of income and expense:	–			
Cost of inventory sold	(183,113)	–	–	(183,113)
Staff cost, including directors' emoluments	(5,754)	(6)	(10,421)	(16,181)

13. SEGMENT INFORMATION *(Continued)*

Reconciliations of segment results	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Revenue		
Total revenue of reportable segments	**121,516**	186,652
Segment results		
Total segment results of reportable segments	**(11,723)**	24,861
Unallocated amounts:		
Unallocated income	**9**	427
Unallocated corporate expenses	**(48,281)**	(29,313)
Loss for the period/year	**(59,995)**	(4,025)

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

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Customer A	**42,961**	—
Customer B	**26,597**	55,207
Customer C	**17,498**	N/A[1]
Customer D	**15,478**	N/A[1]
Customer E	**N/A[1]**	94,126

(1) The corresponding revenue did not contribute over 10% of the total revenue of the Group.

14. INCOME TAX (CREDIT)/EXPENSE

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

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Current tax		
Provision for the year – the PRC	**120**	66
(Over)/under-provision in prior years	**(1,336)**	4
Under-provision in current period	**(31)**	—
PRC dividend withholding tax	**—**	250
	(1,247)	320

No provision for Hong Kong Profits Tax was required since the Group had no assessable profits for the fifteen months ended 31 March 2025 and year ended 31 December 2023.

PRC Corporate Income Tax has been provided at a rate of 25% (year ended 31 December 2023: 25%) for the fifteen months ended 31 March 2025, 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%.

Tax charged on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

14. INCOME TAX (CREDIT)/EXPENSE *(Continued)*

The reconciliation between the income tax (credit)/expense and the product of loss before tax multiplied by the respective applicable tax rates is as follows:

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Loss before tax	**(61,242)**	(3,705)
Tax at the respective applicable tax rates	**(11,081)**	1,592
Tax effect of expenses not deductible	**9,083**	5,536
Tax effect of income not taxable	**(6)**	(172)
Tax effect of tax losses not recognised	**3,440**	3,062
Net tax effect of temporary differences not recognised	**(1,316)**	(9,952)
Tax effect of withholding tax	**—**	250
(Over)/under-provision in prior years	**(1,336)**	4
Under-provision in current period	**(31)**	—
Income tax (credit)/expense	**(1,247)**	320

At the end of the reporting period, the Group has not recognised deferred tax assets in respect of unused tax losses of approximately RMB29,594,000 due to the unpredictability of future profit streams. Tax losses are all arisen in the PRC and will be expired within five years for offsetting against future taxable profits.

Under the Corporate Income Tax Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries of approximately RMB230,422,000 as at 31 March 2025 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

15. LOSS FOR THE PERIOD/YEAR

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

	Note	**Fifteen months ended 31 March 2025 RMB'000**	Year ended 31 December 2023 RMB'000
Auditor's remuneration:			
Audit services		**876**	864
Non-audit services		**367**	281
		1,243	1,145
Depreciation:			
Property, plant and equipment	20	**811**	11,429
Right-of-use assets	22	**1,468**	1,708
		2,279	13,137
Fair value changes on investment properties	21	**880**	—
Impairment loss:			
Property, plant and equipment	20	**497**	25,928
Right-of-use assets	22	**—**	945
		497	26,873
Lease payments not included in the measurement of lease liabilities	22	**374**	437
Net losses on disposal of property, plant and equipment		**31**	—
Reversal of allowance on trade receivables and contract assets		**(4,174)**	(66,738)

16. EMPLOYEE BENEFITS EXPENSE INCLUDING DIRECTORS' EMOLUMENTS

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Employee benefits expense:		
Salaries and other allowances	**15,582**	12,060
Directors' fee	**1,603**	1,266
Discretionary bonus	**1,197**	—
Retirement benefit for defined contribution plans (Note)	**1,540**	1,225
Equity-settled share-based payment expenses	**26,862**	1,630
	46,784	16,181

Note:

During the fifteen months ended 31 March 2025 and year ended 31 December 2023, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 March 2025 and 31 December 2023 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

16. EMPLOYEE BENEFITS EXPENSE INCLUDING DIRECTORS' EMOLUMENTS *(Continued)*

Five highest paid individuals

The five highest paid individuals in the Group during the period included four directors (year ended 31 December 2023: four) whose directors' emoluments are reflected in the analysis presented in Note 17(a). The emoluments of the remaining one individual (year ended 31 December 2023: one) are set out below:

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Salaries and allowances	**1,068**	852
Discretionary bonus	**—**	—
Retirement benefit for defined contribution plans	**21**	16
	1,089	868

The emoluments fell within the following band:

	Number of individuals	
	Fifteen months ended 31 March 2025	Year ended 31 December 2023
HK$500,000 to HK$1,000,000 (equivalent to RMB470,000 to RMB914,000)	**—**	1
HK$1,000,001 to HK$2,000,000 (equivalent to RMB914,001 to RMB1,829,000)	**1**	—

During the fifteen months ended 31 March 2025 and year ended 31 December 2023, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office, whether directly or indirectly, subsisting at the end of the period/year or any time during the period/year.

17. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Name of directors	Directors' fee	Salaries and allowances	Discretionary bonus	Retirement benefit for defined contribution plans	Equity-settled share based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the fifteen months ended 31 March 2025						
Executive directors						
Mr. Hu Yishi	**229**	**1,463**	**–**	**21**	**299**	**2,012**
Mr. Chan Wing Yuen, Hubert	**229**	**1,171**	**–**	**79**	**299**	**1,778**
Ms. Lin Min, Mindy	**229**	**1,463**	**–**	**21**	**299**	**2,012**
Ms. Kwong Wai Man, Karina	**229**	**1,171**	**–**	**79**	**299**	**1,778**
Independent non-executive directors						
Ms. Ma Lee	**229**	**–**	**–**	**–**	**–**	**229**
Mr. Lau Kwok Kee	**229**	**–**	**–**	**–**	**–**	**229**
Mr. Wang Weijie	**229**	**–**	**–**	**–**	**–**	**229**
	1,603	**5,268**	**–**	**200**	**1,196**	**8,267**
For the year ended 31 December 2023						
Executive directors						
Mr. Hu Yishi	181	1,171	–	16	18	1,386
Mr. Chan Wing Yuen, Hubert	181	937	–	63	18	1,199
Ms. Lin Min, Mindy	181	1,171	–	16	18	1,386
Ms. Kwong Wai Man, Karina	181	937	–	63	18	1,199
Independent non-executive directors						
Ms. Ma Lee	181	–	–	–	–	181
Mr. Lau Kwok Kee	181	–	–	–	–	181
Ms. Qin Xuwen	156	–	–	–	–	156
Mr. Wang Weijie	24	–	–	–	–	24
	1,266	4,216	–	158	72	5,712

17. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

During the years, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office, whether directly or indirectly, subsisting at the end of the period/year or any time during the period/year.

No director waived or has agreed to waive any emoluments for the fifteen months ended 31 March 2025 and year ended 31 December 2023.

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company, any of its fellow subsidiaries, its holding companies or its subsidiaries was a party and in which the directors of the Company or the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the period/year or at any time during the period/year.

18. DIVIDENDS

The board of directors does not recommend any payment of dividend in respect of the fifteen months ended 31 March 2025 and year ended 31 December 2023.

19. LOSS PER SHARE

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

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Loss attributable to owners of the Company		
Loss for the purpose of calculating basic and diluted loss per share	**(60,794)**	(6,656)

	Fifteen months ended 31 March 2025 '000	Year ended 31 December 2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	**3,748,958**	3,666,936

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

20. PROPERTY, PLANT AND EQUIPMENT

	Land-use-right and building RMB'000	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost						
At 1 January 2023	5,200	1,109	87,008	1,146	4,009	98,472
Additions	–	83	–	76	293	452
Written off	–	(757)	–	–	–	(757)
At 31 December 2023 and 1 January 2024	**5,200**	**435**	**87,008**	**1,222**	**4,302**	**98,167**
Additions	**–**	**–**	**–**	**–**	**737**	**737**
Disposals	**–**	**–**	**–**	**–**	**(3,048)**	**(3,048)**
Transfer to investment properties (Note 21)	**(5,200)**	**–**	**–**	**–**	**–**	**(5,200)**
At 31 March 2025	**–**	**435**	**87,008**	**1,222**	**1,991**	**90,656**
Accumulated depreciation and impairment losses						
At 1 January 2023	14	1,099	50,803	1,056	1,498	54,470
Charge for the year	173	17	10,332	47	860	11,429
Written off	–	(757)	–	–	–	(757)
Impairment loss	–	–	25,873	55	–	25,928
At 31 December 2023 and 1 January 2024	**187**	**359**	**87,008**	**1,158**	**2,358**	**91,070**
Charge for the period	**116**	**20**	**–**	**26**	**649**	**811**
Disposals	**–**	**–**	**–**	**–**	**(1,870)**	**(1,870)**
Impairment loss	**497**	**–**	**–**	**–**	**–**	**497**
Transfer to investment properties (Note 21)	**(800)**	**–**	**–**	**–**	**–**	**(800)**
At 31 March 2025	**–**	**379**	**87,008**	**1,184**	**1,137**	**89,708**
Carrying amount						
At 31 March 2025	**–**	**56**	**–**	**38**	**854**	**948**
At 31 December 2023	5,013	76	–	64	1,944	7,097

21. INVESTMENT PROPERTIES

	31 March 2025 RMB'000	31 December 2023 RMB'000
At beginning of period/year	**3,780**	3,780
Transfer from property, plant and equipment (Note 20)	**4,400**	—
Fair value changes	**(880)**	—
At end of period/year	**7,300**	3,780

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

The valuations of investment properties were performed by Masterpiece Valuation Advisory Limited to assist on the fair value determinations using income approach by taking into account the current passing rent of the properties being held under existing tenancies and the reversionary values upon expiry of the existing tenancies.

Amount recognised in consolidated statement of profit or loss for investment properties:

	31 March 2025 RMB'000	31 December 2023 RMB'000
Rental income	**194**	171

Operating leases relate to investment properties owned by the Group with lease terms of three years (year ended 31 December 2023: two years). All operating lease contracts contain market review clauses in the vent that the lessee exercises its options to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

	31 March 2025 RMB'000	31 December 2023 RMB'000
Within one year	**251**	120
In the second year	**251**	—
In the third year	**143**	—
	645	120

22. RIGHT-OF-USE ASSETS

	Office premises	
	31 March 2025 RMB'000	31 December 2023 RMB'000
At beginning of period/year	**151**	2,804
Addition	**3,923**	—
Depreciation	**(1,468)**	(1,708)
Impairment loss	**—**	(945)
Exchange differences	**54**	—
At end of period/year	**2,660**	151

Lease liabilities of RMB3,021,000 (year ended 31 December 2023: RMB1,090,000) are recognised with related right-of-use assets of RMB2,660,000 as at 31 March 2025 (31 December 2023: RMB151,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Depreciation expenses on right-of-use assets	**1,468**	1,708
Interest expense on lease liabilities (included in finance costs)	**209**	101
Expenses relating to short-term lease (included in administrative expenses)	**374**	437

Details of total cash outflow for leases is set out in Note 34(b) to the consolidated financial statements.

The Group leases office premises for its operations. Lease contracts are entered into for fixed terms of 3 to 5 years for the fifteen months ended 31 March 2025 (year ended 31 December 2023: 3 to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

23. TRADE RECEIVABLES AND CONTRACT ASSETS

	31 March 2025 RMB'000	31 December 2023 RMB'000
Trade receivables and contract assets	**53,616**	331,119
Allowance for impairment	**(19,315)**	(226,218)
	34,301	104,901

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

	31 March 2025 RMB'000	31 December 2023 RMB'000
0 to 60 days	**30,179**	65,347
61 to 120 days	**—**	—
121 to 180 days	**—**	—
181 to 365 days	**4,122**	39,554
	34,301	104,901

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

24. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

	31 March 2025 RMB'000	31 December 2023 RMB'000
Prepayment		
LNG purchases	**280,714**	32,153
Administrative expenses	**469**	603
	281,183	32,756
Deposits		
Rental deposits	**484**	460
Utility deposits	**12**	12
Others	**6**	56
	502	528
Other receivables		
Value-added tax receivables	**4,885**	4,373
Others	**49**	1
	4,934	4,374
	286,619	37,658
Less: Portion classified as non-current assets	**(454)**	(36)
Portion classified as current assets	**286,165**	37,622

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

25. CASH AND CASH EQUIVALENTS

	31 March 2025 RMB'000	31 December 2023 RMB'000
Cash on hand	**177**	163
Bank balances	**10,935**	195,920
	11,112	196,083

Cash and cash equivalents comprise cash held by the Group and short-term deposits with an original maturity of three months or less. The balances are mainly denominated in RMB.

Conversion of RMB into foreign currencies is required to comply with the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

26. SHARE CAPITAL

	Number of shares '000	HK$'000	RMB'000
Authorised:			
Ordinary shares of HK$0.00125 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 March 2025	64,000,000	80,000	—
Issued and fully paid:			
Ordinary shares of HK$0.00125 each			
At 1 January 2023, 31 December 2023 and 1 January 2024	3,666,936	4,584	3,724
Issue of shares under share option schemes	366,688	458	423
At 31 March 2025	4,033,624	5,042	4,147

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

During the fifteen months ended 31 March 2025, 366,688,000 (year ended 31 December 2023: Nil) ordinary shares of the Company were issued under share option schemes. The net proceeds of RMB54,185,000 (year ended 31 December 2023: Nil) were credited to share capital and share premium of RMB423,000 and RMB82,254,000 and debited to share option reserve of RMB28,492,000 respectively with the exercise price of HK$0.16 (year ended 31 December 2023: Nil) per share at the respective exercise day.

26. SHARE CAPITAL *(Continued)*

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by total equity. Total debt comprises lease liabilities and shareholder's loan (year ended 31 December 2023: lease liabilities, other loan and bank borrowing). Adjusted capital comprises all components of equity, accumulated losses and other reserves except for NCI.)

The debt-to-adjusted capital ratios at 31 March 2025 and at 31 December 2023 were as follows:

	31 March 2025 RMB'000	31 December 2023 RMB'000
Total debt	**56,622**	95,172
Less: Cash and cash equivalents	**(11,112)**	(196,083)
Net debt	**45,510**	(100,911)
Total equity	**125,016**	104,763
Debt-to-adjusted capital ratio	**36%**	N/A

The increase in the debt-to-adjusted equity ratio as of 31 March 2025 was primarily attributed to a reduction in total debt, driven by the repayment of borrowings, alongside an increase in total equity resulting from the combined impact of recorded losses and the issuance of shares under share option schemes during the period.

The externally imposed capital requirement for the Group is to have a public float of at least 25% of the shares in order to maintain its listing on GEM of the Stock Exchange.

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this annual report, the Company has maintained sufficient public float with at least 25% of the shares held by the public as required under the GEM Listing Rules.

27. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	31 March 2025 RMB'000	31 December 2023 RMB'000
Non-current assets		
Investments in subsidiaries	**–**	–
Current assets		
Prepayments	**248**	357
Cash and cash equivalents	**987**	4,681
	1,235	5,038
TOTAL ASSETS	**1,235**	5,038
Capital and reserves		
Share capital	**4,147**	3,724
Reserves	**(76,216)**	(102,388)
TOTAL EQUITY	**(72,069)**	(98,664)
Current liabilities		
Other payables and accruals	**2,264**	1,514
Borrowings	**53,601**	86,082
Amounts due to subsidiaries	**17,439**	16,106
	73,304	103,702
TOTAL EQUITY AND LIABILITIES	**1,235**	5,038

Approved by the board of directors on 27 June 2025 and are signed on its behalf by:

Hu Yishi
Director

Chan Wing Yuen, Hubert
Director

27. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(b) Reserve movement of the Company

	Share premium RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	57,075	21,540	(183,486)	(104,871)
Total comprehensive income for the year	–	–	853	853
Equity-settled share-based payments transaction	–	1,630	–	1,630
At 31 December 2023 and 1 January 2024	**57,075**	**23,170**	**(182,633)**	**(102,388)**
Total comprehensive income for the period	**–**	**–**	**(54,452)**	**(54,452)**
Equity-settled share-based payments transaction	**–**	**26,862**	**–**	**26,862**
Issue of shares under share option schemes (Note 26)	**82,254**	**(28,492)**	**–**	**53,762**
Forfeiture of share options (Note 33)	**–**	**(21,540)**	**21,540**	**–**
At 31 March 2025	**139,329**	**–**	**(215,545)**	**(76,216)**

28. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the share premium account is available for distribution to shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company is in a position to pay off its debts as they fall due in the ordinary course of business of the Company.

(ii) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 5(o) to the consolidated financial statements.

29. LEASE LIABILITIES

	Minimum lease payments		**Present value of minimum lease payments**	
	31 March 2025 RMB'000	31 December 2023 RMB'000	**31 March 2025 RMB'000**	31 December 2023 RMB'000
Within 1 year	**1,815**	681	**1,705**	646
Between 1 and 2 years	**1,350**	456	**1,316**	444
	3,165	1,137	**3,021**	1,090
Less: Total future interest expenses	**(144)**	(47)		
Present value of lease liabilities	**3,021**	1,090		

The weighted average incremental borrowing rate applied was 5% (31 December 2023: 5%).

The carrying amounts of lease liabilities are mainly denominated in HKD (31 December 2023: RMB).

30. TRADE AND OTHER PAYABLES AND ACCRUALS

	31 March 2025 RMB'000	31 December 2023 RMB'000
Trade payables	**102,561**	102,762
Other payables:		
Payables to construction suppliers	**7,022**	7,022
Dividend payables	**1,229**	555
Other tax payables	**938**	1,011
Others	**1,126**	220
	10,315	8,808
Accruals:		
Accrual staff costs	**476**	478
Accrual administrative expenses	**1,724**	1,257
Accrued interest for late payment to suppliers	**5,089**	600
	7,289	2,335
	120,165	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 invoice date is as follows:

	31 March 2025 RMB'000	31 December 2023 RMB'000
0 to 30 days	**–**	201
31 to 60 days	**–**	–
61 to 90 days	**–**	–
91 to 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.

31. CONTRACT LIABILITIES

Contract liabilities represent receipt in advance from customers and the movements during the period/year are as below:

	31 March 2025 RMB'000	31 December 2023 RMB'000
Balance at beginning of period/year	**–**	–
Increase in contract liabilities as a result of billing in advance of sales of goods	**6,446**	–
Balance at end of period/year	**6,446**	–

The carrying amount of the Group's contract liabilities is solely denominated in RMB.

32. BORROWINGS

	Note	**31 March 2025 RMB'000**	31 December 2023 RMB'000
Bank borrowing	(i),(iii)	**–**	8,000
Other loan	(ii),(iii)	**–**	86,082
Shareholder's loan	(iv)	**53,601**	–
		53,601	94,082

Note:

(i) The bank borrowing as at 31 December 2023 is repayable within one year and denominated in RMB.

(ii) Other loan represents amount payable upon maturity of convertible bond. The Group did not repay the convertible bond within the timeframe as requested by CB holder, therefore, based on the nature and terms of repayment, as at 31 December 2023, management has reclassified such from convertible bond to "Other Loan". Other loan is denominated in HKD.

(iii) The bank borrowing and other loan have been fully settled during the fifteen months ended 31 March 2025.

(iv) The shareholder's loan is unsecured, non-interest bearing and denominated in HKD. The shareholder has agreed not to demand repayment until the Group has enough cash to repay.

Subsequent to the reporting period, the Company entered into a loan capitalisation agreement with the shareholder to convert part of the shareholder's loan owed to him into equity amounting to HK$27,370,000. The Loan Capitalisation is subject to approval at an EGM, which is scheduled to be held on 2 July 2025.

33. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates share option scheme 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 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 respective scheme. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under respective scheme shall not exceed 10% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options granted to a participant under respective 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.

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.

33. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

Scheme 2011 *(Continued)*

Details of the specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price	Fair value at grant date
Option to directors				
Option C (Note 1)	09.06.2017	09.06.2018 to 09.06.2024	HK$0.289	HK$0.1262
Option D (Note 2)	09.06.2017	09.06.2019 to 09.06.2024	HK$0.289	HK$0.1273
Option E (Note 3)	09.06.2017	09.06.2020 to 09.06.2024	HK$0.289	HK$0.1287
Option to employees				
Option I (Note 1)	09.06.2017	09.06.2018 to 09.06.2024	HK$0.289	HK$0.1117
Option J (Note 2)	09.06.2017	09.06.2019 to 09.06.2024	HK$0.289	HK$0.1170
Option K (Note 3)	09.06.2017	09.06.2020 to 09.06.2024	HK$0.289	HK$0.1219
Option to consultants				
Option F (Note 1)	09.06.2017	09.06.2018 to 09.06.2024	HK$0.289	HK$0.1320
Option G (Note 2)	09.06.2017	09.06.2019 to 09.06.2024	HK$0.289	HK$0.1320
Option H (Note 3)	09.06.2017	09.06.2020 to 09.06.2024	HK$0.289	HK$0.1320

Note:

1. Option vested upon the first anniversary of the date of granted, being 9 June 2018, which shall be exercisable immediately until expiry of the period from 9 June 2018 to 9 June 2024 (both dates inclusive).

2. Option vested upon the second anniversary of the date of granted, being 9 June 2019, which shall be exercisable immediately until expiry of the period from 9 June 2019 to 9 June 2024 (both dates inclusive)

3. Option vested upon the third anniversary of the date of granted, being 9 June 2020, which shall be exercisable immediately until expiry of the period from 9 June 2020 to 9 June 2024 (both dates inclusive).

33. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

Scheme 2011 *(Continued)*

The following table discloses movement of Scheme 2011 for the fifteen months ended 31 March 2025 and year ended 31 December 2023:

Option type	Outstanding at 1 January 2023 '000	Forfeited/ lapsed '000	Outstanding at 31 December 2023 and 1 January 2024 '000	**Forfeited/ lapsed '000**	**Outstanding at 31 March 2025 '000**
Option C	30,944	–	30,944	**(30,944)**	**–**
Option D	30,944	–	30,944	**(30,944)**	**–**
Option E	30,944	–	30,944	**(30,944)**	**–**
Option G	1,664	–	1,664	**(1,664)**	**–**
Option H	28,216	–	28,216	**(28,216)**	**–**
Option I	22,776	(1,000)	21,776	**(21,776)**	**–**
Option J	27,776	(1,000)	26,776	**(26,776)**	**–**
Option K	39,216	(1,000)	38,216	**(38,216)**	**–**
	212,480	(3,000)	209,480	**(209,480)**	**–**
Exercisable at the end of the period/year			209,480		**–**
Weighted average exercise price (HK$)	0.289		0.289		**–**

The fair values of the options granted under Scheme 2011 were calculated using the Binomial model. The inputs into the model were as follows:

	Share price	**Exercise price**	**Expected volatility**	**Expected life**	**Risk-free rate**	**Expected dividend yield**
Option C	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option D	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option E	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option G	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option H	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option I	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option J	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%
Option K	HK$0.28	HK$0.289	46.380%	7 years	1.040%	0%

The expected volatilities are based on historical volatilities of the Company. Expected dividend yields are based on historical dividend yields of the Company. Changes in these subjective input assumptions could materially affect the fair value estimate.

33. 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.

Details of the specific categories of options are as follows:

Option type	Date of grant	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 to 10.12.2033	HK$0.160	HK$0.095
Options to employees	11.12.2023	11.12.2023 to 10.12.2024	11.12.2024 to 10.12.2033	HK$0.160	HK$0.085

The following table discloses movement of Scheme 2023 for the fifteen months ended 31 March 2025 and year ended 31 December 2023:

Option type	Outstanding at 1 January 2023 '000	Granted '000	Outstanding at 31 December 2023 and 1 January 2024 '000	Exercised '000	Outstanding at 31 March 2025 '000
Options to Directors	–	14,656	14,656	(14,656)	–
Options to Employees	–	352,032	352,032	(352,032)	–
	–	366,688	366,688	(366,688)	–
Exercisable at the end of the period/year			–		–
Weighted average exercise price (HK$)	–		0.160		–

33. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

Scheme 2023 *(Continued)*

The fair values of the options granted under Scheme 2023 were calculated using the Binomial model. The inputs into the model were as follows:

	Share price	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
Directors	HK$0.160	HK$0.160	59.819%	10 years	3.830%	0%
Employees	HK$0.160	HK$0.160	59.819%	10 years	3.830%	0%

The expected volatilities are based on historical volatilities of the Company. Expected dividend yields are based on historical dividend yields of the Company. Changes in these subjective input assumptions could materially affect the fair value estimate.

The Group recorded total expenses of approximately RMB26,862,000 (year ended 31 December 2023: approximately RMB1,630,000) during the fifteen months ended 31 March 2025 in respect of the share option schemes.

209,480,000 share options were lapsed due to expiry of exercisable period during the fifteen months ended 31 March 2025, resulting in the transfer of the corresponding share-based payment reserve of approximately RMB21,540,000 to accumulated losses.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) During the fifteen months ended 31 March 2025, the Group entered into a new lease agreement for the use of office premises in Hong Kong for 3 years. On the lease commencement, the Group recognised approximately RMB3,946,000 (year ended 31 December 2023: Nil) right-of use assets and lease liabilities respectively.

(ii) During the fifteen months ended 31 March 2025, addition of investment properties of RMB4,400,000 (year ended 31 December 2023: Nil) were transferred from property, plant and equipment.

(b) Reconciliation of liabilities arising from financing activities

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

			Non-cash charges					
	At beginning of period/year	Net cash flows	Addition of right-of-use assets	Interest expense	Transfer	Foreign exchange	Fair value change	At end of period/year
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(Note 22)	(Note 12)				
31 March 2025								
Lease liabilities	**1,090**	**(2,243)**	**3,923**	**209**	**–**	**42**	**–**	**3,021**
Other loan	**86,082**	**(91,124)**	**–**	**5,042**	**–**	**–**	**–**	**–**
Bank borrowing	**8,000**	**(8,173)**	**–**	**173**	**–**	**–**	**–**	**–**
Shareholder's loan	**–**	**53,093**	**–**	**–**	**–**	**508**	**–**	**53,601**
	95,172	**(48,447)**	**3,923**	**5,424**	**–**	**550**	**–**	**56,622**
31 December 2023								
Lease liabilities	2,905	(1,916)	–	101	–	–	–	1,090
Convertible bonds	85,096	(7,041)	–	–	(89,764)	2,192	9,517	–
Other loan	–	(4,550)	–	868	89,764	–	–	86,082
Bank borrowing	–	7,768	–	232	–	–	–	8,000
	88,001	(5,739)	–	1,201	–	2,192	9,517	95,172

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
(Continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Within operating cash flows	**374**	437
Within financing cash flows	**2,243**	1,916
	2,617	2,353

These amounts relate to the following:

	Fifteen months ended 31 March 2025 RMB'000	Year ended 31 December 2023 RMB'000
Lease rental paid	**2,617**	2,353

35. CONTINGENT LIABILITIES

As at 31 March 2025 and 31 December 2023, the Group did not have any material contingent liabilities. Except for the following disclosed.

On 23 September and 31 October 2022, two suppliers of the Group initiated two claims against the Group's subsidiary in the PRC. Pursuant to the claim, the suppliers are seeking settlement of approximately RMB5,771,000 together with interest of approximately RMB600,000 for construction works completed in 2018 and 2019.

On 20 June 2023, the court has concluded that the Group is liable to repay the amount claimed by suppliers together with related interest claimed.

As at 31 March 2025, the Group has recorded in the consolidated financial statements an amount of approximately RMB11,564,000 as amount due to the suppliers and accrued interest of approximately RMB5,089,000.

36. INVESTMENTS IN SUBSIDIARIES

Particulars of the Group's subsidiaries at 31 March 2025 and 31 December 2023 are set out as follows:

Name of subsidiary	Country of incorporation/ Kind of legal entity	Issued and paid-up capital/ Registered capital	Percentage of ownership interest/voting power/ profit sharing		Principal activities/ Place of operation
			31 March 2025	31 December 2023	
Indirectly owned					
華夏北方能源科技發展(天津)有限公司 Hua Xia Northern Energy Technology Development (Tianjin) Limited**	PRC/Limited liability company	RMB20,000,000	**89.9%**	89.9%	Provision of technological development, construction and consultancy services on energy business/ PRC
華夏北方新能源科技發展(天津)有限公司 Hua Xia Northern New Energy Technology Development (Tianjin) Limited**	PRC/Limited liability company	RMB1,000,000	**90.0%**	90.0%	Provision of technological development, construction and consultancy services on energy business/ PRC
華夏北方科技發展(天津)有限公司 Hua Xia Northern Technology Development (Tianjin) Limited**	PRC/Limited liability company	RMB45,000,000	**89.9%**	89.9%	Provision of technological development, construction and consultancy services on energy business/ PRC
天晟九燃(上海)新能源有限公司 Tian Cheng Jiu Ran (Shanghai) New Energy Company Limited** (Note (a))	PRC/Wholly foreign owned enterprise	US$2,200,000	**100.0%**	100.0%	Sales of LNG/PRC
上海灝華能源發展有限公司 Shanghai Hao Hua Energy Development Limited**	PRC/Limited liability company	RMB5,000,000	**60.0%**	60.0%	Sales of LNG/PRC
天津津熱天然氣銷售有限公司 Tianjin Jin Re Natural Gas Sales Company Limited**	PRC/Limited liability company	RMB20,000,000	**81.8%**	81.8%	Sales of LNG/PRC
上海盈愷投資管理有限公司 Shanghai Ying Kai Investment Management Limited** (Note (a))	PRC/Wholly foreign owned enterprise	US$1,500,000	**100.0%**	100.0%	Property investment/ PRC

36. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Country of incorporation/ Kind of legal entity	Issued and paid-up capital/ Registered capital	Percentage of ownership interest/voting power/ profit sharing		Principal activities/ Place of operation
			31 March 2025	31 December 2023	
Indirectly owned (Continued)					
冠能集團有限公司 Crown Glory Holdings Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Money lending/ Hong Kong
怡大有限公司 Total Joy Corporation Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Provision of corporate services/Hong Kong
冠悦管理有限公司 Crown Joy Management Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Investment holding/ Hong Kong
北方新能源發展有限公司 Northern New Energy Development Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Investment holding/ Hong Kong
北方新能源管理有限公司 Northern New Energy Management Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Investment holding/ Hong Kong
鋭力管理有限公司 Sharp Power Management Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Investment holding/ Hong Kong
中華燃氣(香港)有限公司 Zhonghua Gas (Hong Kong) Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Investment holding/ Hong Kong
寶順發展有限公司 Treasure Trend Development Limited	Hong Kong/Limited liability company	HK$1	**100.0%**	100.0%	Investment holding/ Hong Kong

Note:

(a) These subsidiaries established in the PRC are wholly foreign owned enterprise.

** The English names of these companies represented the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

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

36. INVESTMENTS IN SUBSIDIARIES *(Continued)*

The following table shows information on the subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Hua Xia Northern Energy Technology Development (Tianjin) Limited 華夏北方能源科技發展(天津)有限公司		Hua Xia Northern New Energy Technology Development (Tianjin) Limited 華夏北方新能源科技發展(天津)有限公司		Hua Xia Northern Technology Development (Tianjin) Limited 華夏北方科技發展(天津)有限公司		Tianjin Jin Re Natural Gas Sales Company Limited 天津津熱天然氣銷售有限公司		Shanghai Hao Hua Energy Development Limited 上海灝華能源發展有限公司	
	31 March 2025	31 December 2023	**31 March 2025**	31 December 2023	**31 March 2025**	31 December 2023	**31 March 2025**	31 December 2023	**31 March 2025**	31 December 2023
Place of incorporation/Place of operation	**PRC/PRC**	PRC/PRC	**PRC/PRC**	PRC/PRC	**PRC/PRC**	PRC/PRC	**PRC/PRC**	PRC/PRC	**PRC/PRC**	PRC/PRC
% of ownership interest/voting power/profit sharing held by NCI	**10.1%/10.1%**	10.1%/10.1%	**10.0%/10.0%**	10.0%/10.0%	**10.1%/10.1%**	10.1%/10.1%	**18.2%/18.2%**	18.2%/18.2%	**40%/40%**	40%/40%
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Non-current assets	**–**	–	**19**	18	**78,419**	78,418	**–**	–	**7**	10
Current assets	**3,014**	3,016	**54,309**	55,207	**204,510**	208,831	**319,341**	322,215	**6,199**	5,702
Non-current liabilities	**–**	–	**–**	(456)	**–**	(410)	**–**	–	**–**	–
Current liabilities	**(9,345)**	(9,345)	**(16,644)**	(13,440)	**(90,750)**	(90,288)	**(265,805)**	(272,977)	**(204)**	(267)
(Net liabilities)/net assets	**(6,331)**	(6,329)	**37,684**	41,329	**192,179**	196,551	**53,536**	49,238	**6,002**	5,445
Accumulated NCI	**(639)**	(639)	**3,768**	4,132	**19,410**	19,852	**9,738**	8,956	**2,401**	2,178
Revenue	**–**	–	**–**	–	**–**	–	**103,823**	171,735	**17,498**	14,746
Profit/(loss)	**(1)**	–	**(3,644)**	(1,145)	**(4,371)**	45,074	**4,298**	(12,872)	**2,058**	1,340
Total comprehensive income	**(1)**	–	**(3,644)**	(1,145)	**(4,371)**	45,074	**4,298**	(12,872)	**2,058**	1,340
Profit/(loss) allocated to NCI	**–(*)**	–	**(364)**	(116)	**(441)**	4,552	**782**	(2,341)	**823**	536
Net cash (used in)/generated from operating activities	**–**	–	**300**	(4,860)	**287**	206	**(172,257)**	137,082	**361**	(139)
Net cash (used in)/generated from financing activities	**–**	–	**(300)**	4,907	**(270)**	(216)	**(8,173)**	46,290	**–**	–
Net (decrease)/increase in cash and cash equivalents	**–**	–	**–**	47	**17**	(10)	**(180,430)**	183,372	**361**	(139)

(*) Represent amount less than RMB1,000

As at 31 March 2025, the cash and cash equivalents of the Group's subsidiaries in the PRC denominated in RMB amounted to RMB8,218,000 (31 December 2023: RMB188,845,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

37. RELATED PARTY TRANSACTIONS

The directors of the Company and the five highest paid employees are identified as key management members of the Group, whose compensations for the fifteen months ended 31 March 2025 and year ended 31 December 2023 are set out in Notes 17 and 16 to the consolidated financial statements. The remunerations of the directors and key management members are determined by the Remuneration Committee of the Company having regard to the performance of individuals and market trends.

38. EVENTS AFTER THE REPORTING PERIOD

Except for the Loan Capitalisation and the Subscription Share Agreement as mentioned in Note 2 to the consolidated financial statements, there were no other significant events after the reporting period up to the date of this report.

Summary of Financial Information

	For the year ended 31 December				For the fifteen months ended 31 March
	2020	2021	2022	2023	**2025**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	243,697	420,656	200,529	186,652	**121,516**
Loss before taxation	(145,451)	(209,590)	(3,695)	(3,705)	**(61,242)**
Income tax credit/(expense)	1,987	(3,995)	(44)	(320)	**1,247**
Loss for the period/year	(143,464)	(213,585)	(3,739)	(4,025)	**(59,995)**

	As at 31 December				As at 31 March
	2020	2021	2022	2023	**2025**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
ASSETS AND LIABILITIES					
Total assets	595,030	358,922	346,729	349,670	**342,940**
Total liabilities	(240,481)	(214,230)	(203,776)	(210,428)	**(183,246)**
Net assets	354,549	144,692	142,953	139,242	**159,694**

A summary of the Group's result for the five financial years and the assets and liabilities of the Group as at 31 March 2025 and 31 December 2023, 2022, 2021 and 2020 as extracted from the published audited financial statements for the fifteen months ended 31 March 2025 and for the year ended 31 December 2023, 2022, 2021 and 2020, is set out above. The amounts set out in this financial summary are prepared as if the current structure of the Group had been in existence throughout the period/year presented.

Particular of Investment Property

Location	Type	Tenure	Attributable interest of the Group
Unit 609, Jing An China Tower, 1701 Beijing West Road, Shanghai, the PRC*	Commercial	Medium-term lease	100%
Unit 1604, Jing An China Tower, 1701 Beijing West Road, Shanghai, the PRC	Commercial	Medium-term lease	100%

* Redesignated for lease out and transferred from property, plant and equipment to investment property in September 2024.