



# 中國基礎能源控股有限公司 China Primary Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code : 8117)



INTERIM REPORT  
**2025**



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



***HIGHLIGHTS***

Total revenue was approximately HK\$111,920,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$88,713,000), representing an increase of approximately 26.1% from the corresponding period of last year.

Loss attributable to owners of the Company amounted to approximately HK\$8,348,000 (six months ended 30 June 2024: loss of approximately HK\$10,740,000).

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

***UNAUDITED RESULTS***

The board of Directors (the “Board”) of China Primary Energy Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 together with the comparative figures as follows. The consolidated interim financial statements of the Group have not been audited but have been reviewed by the audit committee of the Company.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		Six months ended	
		30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	2	111,920	88,713
Other income and gains and losses	3	1,254	1,850
Changes in inventories of finished goods		(78,848)	(66,332)
Staff costs, including directors' remuneration		(11,741)	(10,353)
Depreciation		(9,670)	(8,253)
Amortisation of other intangible assets		—	(189)
Other operating expenses	5	(12,054)	(11,555)
Finance costs	4	(8,829)	(5,104)
Loss before income tax	5	(7,968)	(11,223)
Income tax	6	—	—
Loss for the period		<u>(7,968)</u>	<u>(11,223)</u>
Attributable to:			
Owners of the Company		(8,348)	(10,740)
Non-controlling interests		<u>380</u>	<u>(483)</u>
Loss for the period		<u>(7,968)</u>	<u>(11,223)</u>



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		Six months ended	
		30 June	
		2025	2024
Note		HK\$'000	HK\$'000
	Other comprehensive income		
	Items that may be reclassified		
	subsequently to profit or loss:		
	Exchange differences on translation		
	of foreign operations	<u>8,944</u>	<u>(8,201)</u>
	Other comprehensive income for		
	the period	<u>8,944</u>	<u>(8,201)</u>
	Total comprehensive income for		
	the period	<u>976</u>	<u>(19,424)</u>
	Total comprehensive income		
	attributable to:		
	Owners of the Company	(683)	(17,860)
	Non-controlling interests	<u>1,659</u>	<u>(1,564)</u>
		<u>976</u>	<u>(19,424)</u>
	Loss per share		
	– Basic and diluted	<u>8</u> <u>HK\$(0.008)</u>	<u>HK\$(0.01)</u>



# **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>446,664</b>	437,428
Investment properties		<b>189,969</b>	184,491
Goodwill		<b>15,240</b>	14,800
Prepayment for property, plant and equipment		<b>1,639</b>	2,843
Equity instruments measured at fair value through other comprehensive income ("FVTOCI")		<b>15,317</b>	15,317
<b>Total non-current assets</b>		<b>668,829</b>	654,879
<b>Current assets</b>			
Inventories		<b>2,946</b>	6,299
Trade receivables	10	<b>17,302</b>	22,669
Other receivables, deposits and prepayments		<b>23,851</b>	23,350
Investments held for trading		<b>32</b>	49
Cash and cash equivalents		<b>67,820</b>	49,060
<b>Total current assets</b>		<b>111,951</b>	101,427
<b>Total assets</b>		<b>780,780</b>	756,306
<b>Current liabilities</b>			
Trade payables	11	<b>11,487</b>	11,129
Contract liabilities, other payables and accruals		<b>74,288</b>	72,377
Loans from a major shareholder		<b>1,235</b>	943
Lease liabilities		<b>1,282</b>	1,744
Bank borrowings	12	<b>88,248</b>	78,441
Tax payable		<b>7,762</b>	8,126
<b>Total current liabilities</b>		<b>184,302</b>	172,760
<b>Net current liabilities</b>		<b>(72,351)</b>	(71,333)



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		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current liabilities</b>			
Loans from a major shareholder		<b>53,196</b>	46,100
Deferred tax liabilities		<b>21,941</b>	21,308
Lease liabilities		<b>2,610</b>	2,555
Bank borrowings	12	<b>256,393</b>	252,221
<b>Total non-current liabilities</b>		<b>334,140</b>	322,184
<b>Total liabilities</b>		<b>518,442</b>	494,944
<b>NET ASSETS</b>		<b>262,338</b>	261,362
<b>Equity</b>			
Share capital	13	<b>63,999</b>	63,999
Reserves		<b>153,922</b>	154,605
<b>Equity attributable to owners of the Company</b>		<b>217,921</b>	218,604
<b>Non-controlling interests</b>		<b>44,417</b>	42,758
<b>TOTAL EQUITY</b>		<b>262,338</b>	261,362



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company									
	Share capital	Share premium account	Statutory surplus reserve	Exchange translation reserve	Property revaluation reserve	Financial assets at FVTOCI reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 31 December 2023 and at 1 January 2024 (audited)</b>	63,999	727,375	6,628	10,844	34,512	131	(588,917)	254,572	46,042	300,614
Loss for the period	-	-	-	-	-	-	(10,740)	(10,740)	(483)	(11,223)
Other comprehensive income:										
Exchange differences on translation of foreign operations	-	-	-	(7,120)	-	-	-	(7,120)	(1,081)	(8,201)
<b>Total comprehensive income</b>	-	-	-	(7,120)	-	-	(10,740)	(17,860)	(1,564)	(19,424)
<b>Balance at 30 June 2024 (unaudited)</b>	63,999	727,375	6,628	3,724	34,512	131	(599,657)	236,712	44,478	281,190

	Equity attributable to owners of the Company									
	Share capital	Share premium account	Statutory surplus reserve	Exchange translation reserve	Property revaluation reserve	Financial assets at FVTOCI reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 31 December 2024 and at 1 January 2025 (audited)</b>	63,999	727,375	6,628	785	34,512	695	(615,390)	218,604	42,758	261,362
Loss for the period	-	-	-	-	-	-	(8,348)	(8,348)	380	(7,968)
Other comprehensive income:										
Exchange differences on translation of foreign operations	-	-	-	7,665	-	-	-	7,665	1,279	8,944
<b>Total comprehensive income</b>	-	-	-	7,665	-	-	(8,348)	(683)	1,659	976
<b>Balance at 30 June 2025 (unaudited)</b>	63,999	727,375	6,628	8,450	34,512	695	(623,738)	217,921	44,417	262,338



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Six months ended 30 June 2025 HK\$'000	Six months ended 30 June 2024 HK\$'000
Net cash generated from operating activities	3,938	22,002
Net cash used in investing activities	8,300	(27,134)
Net cash generated from financing activities	<u>5,193</u>	<u>16,090</u>
Net increase in cash and cash equivalents	17,431	10,958
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49,060	30,644
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>1,329</u>	<u>(67)</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>67,820</u></u>	<u><u>41,535</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	<u><u>67,820</u></u>	<u><u>41,535</u></u>



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****1. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES**

The Company is a limited liability company incorporated in the Cayman Islands, as an exempted company under the Companies Law (2001 Revision) of the Cayman Islands on 5 September 2001. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Room 518, 5/F, Tower B, New Mandarin Plaza, 14 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Company's shares are listed on the GEM of the Stock Exchange.

The principal activity of the Company is investment holding. The Group engages in the transmission and distribution of natural gas, sales of heat and biomass gasification related products and property investment primarily in the People's Republic of China ("PRC").

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"), Hong Kong Accounting Standards ("HKASs") and interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The unaudited condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The accounting policies adopted in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.



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In this reporting period, the Group had applied for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2025. The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods as prepared and presented.

### 2. REVENUE

An analysis of the Group's revenue is as follows:

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers</b>		
Recognised at point in time:		
Sale and distribution of natural gas	<b>81,837</b>	65,937
Sale of heat and biomass gasification related products	<b>15,400</b>	13,652
Recognised over time:		
Natural gas transmission services	<u><b>7,463</b></u>	<u>1,004</u>
Total revenue from contracts with customers	<b>104,700</b>	80,593
<b>Revenue from other sources</b>		
Gross rental income	<u><b>7,220</b></u>	<u>8,120</u>
	<u><b>111,920</b></u>	<u>88,713</u>



**3. OTHER INCOME AND GAINS AND LOSSES**

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Bank interest income	<b>43</b>	108
Sundry income	<b>1,228</b>	1,694
Fair value (loss)/gain on investments held for trading	<b>(17)</b>	48
	<b>1,254</b>	<b>1,850</b>

**4. FINANCE COSTS**

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest on bank loans and other borrowings	<b>6,034</b>	2,462
Interest on loans from a major shareholder	<b>2,625</b>	2,490
Interest on lease liabilities	<b>170</b>	152
	<b>8,829</b>	<b>5,104</b>



**5. LOSS BEFORE INCOME TAX**

Loss before income tax is arrived at after charging:

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Depreciation of property, plant and equipment		
– owned	<b>8,644</b>	7,299
– right-of-use assets	<b>1,026</b>	954
	<b>9,670</b>	8,253
Items included in other operating expenses:		
Short-term lease expenses	<b>270</b>	372
Building management fees for self-used office premises	<b>36</b>	75
Investment property management fees	<b>1,638</b>	1,443
Entertainment and trip expenses	<b>1,761</b>	1,493
Legal and professional fees	<b>436</b>	685
Research and development expenses	<b>1,063</b>	1,130
Motor vehicle expenses	<b>997</b>	1,052
Other tax expenses	<b>1,645</b>	1,755



**6. INCOME TAX**

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Total income tax for the period	—	—

No provision has been made for Hong Kong profits tax as the Group has no assessable profit arising from Hong Kong subsidiaries during the current and prior periods.

In accordance with the PRC Enterprise Income Tax Law approved by the National People's Congress on 16 March 2007 and became effective from 1 January 2008, the Company's subsidiaries in the PRC are subject to enterprise income tax ("EIT") at the unified EIT rate of 25%.

**7. DIVIDEND**

The board of directors does not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).



## 8. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company	<u>(8,348)</u>	<u>(10,740)</u>
	Six months ended 30 June	
	Number of shares	
	2025	2024
	'000	'000
Weighted average number of ordinary shares in issue	<u>1,023,987</u>	<u>1,023,987</u>

The computation of diluted loss per share for the six months ended 30 June 2025 and 2024 does not assume the exercise of the Company's outstanding share options during the periods since their exercise price exceeds average market price during 2025 and 2024.

Accordingly, the basic and diluted loss per share for the six months ended 30 June 2025 and 2024 are the same.



## 9. REPORTABLE SEGMENTS

For the six months ended 30 June 2025

	Sale and distribution of natural gas HK\$'000 (Unaudited)	Sales of heat and biomass gasification related products HK\$'000 (Unaudited)	Natural gas transmission services HK\$'000 (Unaudited)	Property investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue from external customers	81,837	15,400	7,463	7,220	111,920
Reportable segment profit	5,382	35	1,265	1,956	8,638
Reportable segment assets	104,828	103,974	275,080	215,845	699,727
Reportable segment liabilities	(137,354)	(28,069)	(222,206)	(49,718)	(437,347)
Other segment information:					
Bank interest income	8	1	33	1	43
Unallocated: corporate and others					-
Total bank interest income					43
Depreciation	(4,604)	(489)	(1,775)	(2,575)	(9,443)
Unallocated: corporate and others					(227)
Total depreciation					(9,670)
Additions to non-current assets	787	2,304	4,860	349	8,300



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For the six months ended 30 June 2024

	Sale and distribution of natural gas HK\$'000 (Unaudited)	Sales of heat and biomass gasification related products HK\$'000 (Unaudited)	Natural gas transmission services HK\$'000 (Unaudited)	Property investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue from external customers	65,937	13,652	1,004	8,120	88,713
Reportable segment profit/(loss)	1,169	(2,531)	(45)	2,186	779
Reportable segment assets	119,965	103,984	242,623	223,398	689,970
Reportable segment liabilities	(125,508)	(27,368)	(197,981)	(38,602)	(389,459)
Other segment information:					
Bank interest income	92	1	11	3	107
Unallocated: corporate and others					1
Total bank interest income					108
Depreciation	(4,080)	(756)	(169)	(3,009)	(8,014)
Unallocated: corporate and others					(239)
Total depreciation					(8,253)
Amortisation of other intangible assets	(189)	–	–	–	(189)
Additions to non-current assets	4,154	917	16,152	320	21,543



## 10. TRADE RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	23,301	27,240
Less: provision for impairment	(5,999)	(5,826)
	17,302	21,414
Bills receivables	—	1,255
	17,302	22,669

- (a) The group granted a credit period of 3 and 5 working days after the billing date to customers relating to sale of biomass gasification related products and sale and distribution of natural gas respectively. For the sale of heat business and natural gas transmission services business, no credit period is granted to customers. For the business of property investment, tenants are required to pay rentals, generally 1 to 3 months, in advance. The Group sets a maximum credit limit for each customer and seeks to maintain strict control over its outstanding receivables. The sales department and the management of the responsible department for the sales together perform the credit control function to minimise credit risk. Overdue balances are reviewed and followed up regularly by senior management.
- (b) The table below reconciled the provision for impairment loss of trade receivables for the period:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
At beginning of the period/year	5,826	6,020
(Reversal of impairment loss)/impairment loss, net	—	101
Amount written off as uncollectible	—	(98)
Exchange realignment	173	(197)
At end of the period/year	5,999	5,826



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- (c) An ageing analysis of the trade receivables (net of impairment loss) as at the end of reporting period, based on the invoice dates, is as follows:

	<b>30 June</b>	31 December
	<b>2025</b>	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 30 days	<b>8,908</b>	21,899
31 – 60 days	<b>87</b>	131
61 – 90 days	<b>44</b>	61
Over 90 days	<b>8,263</b>	578
	<u><b>17,302</b></u>	<u>22,669</u>
	<u><u><b>17,302</b></u></u>	<u><u>22,669</u></u>

- (d) An ageing analysis of trade receivables (net of impairment loss) that are neither individually nor collectively considered to be impaired is as follows:

	<b>30 June</b>	31 December
	<b>2025</b>	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Not past due	<b>6,809</b>	21,223
Less than 31 days past due	<b>2,160</b>	783
31 – 60 days past due	<b>65</b>	26
61 – 90 days past due	<b>44</b>	61
Over 90 days but less than 1 year past due	<b>8,075</b>	548
More than 1 year past due	<b>149</b>	28
	<u><b>10,493</b></u>	<u>1,446</u>
	<u><u><b>17,302</b></u></u>	<u><u>22,669</u></u>



**11. TRADE PAYABLES**

An ageing analysis of trade payables, based on the invoice dates, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>3,878</b>	8,174
31 – 60 days	<b>606</b>	480
61 – 90 days	<b>290</b>	226
Over 90 days	<b>6,713</b>	2,249
	<b>11,487</b>	11,129

**12. BANK BORROWINGS AND LOAN FACILITIES**

The Group had the following interest-bearing borrowings at the end of the reporting period:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
<b>Current</b>		
– secured bank term loans	<b>80,634</b>	68,812
– unsecured bank loans	<b>7,614</b>	9,629
	<b>88,248</b>	78,441
<b>Non-current</b>		
– secured bank term loans	<b>247,627</b>	243,707
– secured bank revolving loans	<b>8,766</b>	8,514
	<b>256,393</b>	252,221
<b>Total</b>	<b>344,641</b>	330,662



The bank loans were secured by the following:

- (i) Certain investment properties;
- (ii) Certain property, plant and equipment;
- (iii) Corporate guarantee by a subsidiary of the Company;
- (iv) Corporate guarantee by a non-controlling shareholder;
- (v) Corporate guarantees by certain independent third parties;
- (vi) Legal charge over properties of Ms. Ma Zheng, a major shareholder and director of the Company; and
- (vii) Personal guarantees by a director of a subsidiary, Mr. Wei Bu Ti, and his spouse.

As at 30 June 2025, the effective interest rate of the interest-bearing borrowing was 3.762% per annum (2024: 4.113% per annum).

The carrying amounts of all borrowings are carried at amortised cost and approximate their fair values which carry interest at fixed rates.

The carrying amounts of the borrowings are denominated in RMB.



**13. SHARE CAPITAL**

	<b>Number of Shares '000</b>	<b>Amount HK\$'000</b>
Authorised:		
Ordinary shares of HK\$0.0625 each		
at 31 December 2024, 1 January 2025 and		
30 June 2025	1,920,000	120,000
	<u>1,920,000</u>	<u>120,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.0625 each		
at 31 December 2024, 1 January 2025 and		
30 June 2025	1,023,987	63,999
	<u>1,023,987</u>	<u>63,999</u>

**14. OPERATING LEASES****As lessor**

At the end of each reporting period, the undiscounted lease payments receivable by the Group in future periods in respect of leased properties under non-cancellable lease as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within one year	10,189	12,292
Later than one year and not later than two years	9,570	12,608
Later than two years and not later than three years	8,782	9,985
Later than three years and not later than four years	6,585	8,790
Later than four years and not later than five years	1,162	7,665
Over five years	9,650	12,411
	<u>45,938</u>	<u>63,751</u>



## 15. CAPITAL COMMITMENTS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Contracted for but not provided:		
– acquisition of property, plant and equipment	<b>23,058</b>	13,837



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND FUTURE OUTLOOK**

#### **Financial Performance**

The Group's total revenue for the six months ended 30 June 2025 experienced an increase of 26.1% compared to the corresponding period in 2024. Such increase contributed from the commencement of full operation of the natural gas business in Yichang and additional natural gas trading business in the relevant period. The increase of revenue had also improve the performance of the Group when compare to the corresponding period in 2024.

#### **Economic Overview**

The international economic landscape in the first half year of 2025 was marked by divergent growth trajectories and persistent challenges. The United States of America ("USA") maintained moderate expansion, with annualised gross domestic product ("GDP") growth averaging 2.0% in the first half year of 2025. However, performance fell slightly below forecasts as consumer spending softened amid elevated interest rates, while net trade continued to drag on growth. However, the tariff issue has still brought significant uncertainty to the world economy.

In the Eurozone, economic activity remained subdued, with 2025 first quarter GDP growth at just 0.2% quarter-on-quarter. A resilient services sector helped counterbalance ongoing manufacturing weakness, particularly in Germany, where industrial production struggled with weak external demand and high energy costs.

#### **China's Resilient but Uneven Growth**

The People's Republic of China ("PRC") posted approximately 4.8% year-on-year GDP growth in the first half year of 2025, supported by strong manufacturing output and strategic investments in clean energy. However, the economy faced headwinds from a sluggish property market and muted private consumption. Escalating USA-PRC trade tensions, including new tariffs on green technology, added to macroeconomic risks—though demand for low-carbon energy solutions helped offset some pressures.



### **Natural Gas Business: Core Driver of Growth**

The Group's natural gas operations benefited from the PRC's accelerating energy transition, with rising demand for liquefied natural gas and pipeline gas supporting stable revenues. Government policies promoting gas as a bridge fuel in power generation and heating further strengthened market opportunities, insulating the business from broader geopolitical volatility.

### **Biomass Gasification Heating Supply Business**

The biomass gasification heating supply business in Huaining County, Anhui Province, demonstrated stability in 2025. With strong demand for heat supply in the region, the Group anticipates this segment will increase its revenue in the future with the full-scale operations and drive revenue growth. The segment is projected to achieve breakeven in the near future.

### **Property Investment Business**

The property investment business in Yichang continued to provide stable cash flow for the Group in 2025. The Group's investment properties are located in an industrial park developed by the Yichang government, focusing on vehicle parts manufacturing. As a result, all tenants are manufacturers of vehicle parts. While rental income experienced a slight decline due to the overall performance of the property market, the sector remains supported by the Yichang government's development initiatives. The Group believes the property investment business will continue to be a key contributor to its operations.

### **CONTINUING CONNECTED TRANSACTIONS**

On 5 August 2024, Yichang China Primary Natural Gas Utilisation Company Limited# (宜昌中基天然氣利用有限公司) ("China Primary Utilisation"), being an indirect non-wholly owned subsidiary of the Company, entered into an agreement (the "Natural Gas Transmission Agreement") with Yichang City Yiling District China Primary Thermal Power Co. Limited# (宜昌市夷陵區中基熱電有限公司) ("Yiling China Primary Thermal Power"), pursuant to which China Primary Utilisation agreed to provide natural gas transmission services to Yiling China Primary Thermal Power by transmitting natural gas through the pipeline owned by China Primary Utilisation from the natural gas transmission station(s) to the natural gas delivery point(s) designated by Yiling China Primary Thermal Power for a term of three years.



Yiling China Primary Thermal Power is a company established in the PRC with limited liability and is principally engaged in the production and selling of electricity power. Yiling China Primary Thermal Power is statutorily owned as to 90% by Beijing Jingneng Clean Energy Co., Limited (“Beijing Jingneng”) and 10% by China Primary Energy (Shenzhen) Limited\* (中基能源(深圳)有限公司), being an indirect wholly-owned subsidiary of the Company. Beijing Jingneng is in turn a company established in the PRC with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 579).

In view of the increasing demand for natural gas, the Group has expanded its natural gas business and completed the construction of the clean energy business in Yichang, the PRC. Leveraging the close geographical locations between China Primary Utilisation and Yiling China Primary Thermal Power, the Company considers it is in its best interest to establish the business relationship between the Group and Yiling China Primary Thermal Power and/or its associates, provided that such parties shall pay to the Group transmission fee at prices comparable to market prices and are considered to be fair and reasonable to the Group.

The initial transmission fee for the period from the date of the Natural Gas Transmission Agreement to 31 December 2024 was RMB0.298 per cubic meter of natural gas in standard state (equivalent to approximately HK\$0.325). Thereafter, the transmission fee shall be reviewed and determined on an annual basis at the beginning of each year. Further details were disclosed in the announcement of the Company dated 5 August 2024.

Save as disclosed above, there is no related party transaction or continuing related party transaction that needs to be disclosed under the GEM Listing Rules. The Directors confirmed that the Company had complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.



## ***FINANCIAL REVIEW***

Total revenue was approximately HK\$111,920,000 for the six months ended 30 June 2025, which represented an increase of approximately 26.1% when compared with approximately HK\$88,713,000 in the corresponding period of last year's total revenue. The Board believes that revenue of the Group will be improved with the growing of the clean energy business, especially the Yichang operation in 2025.

For the six months ended 30 June 2025, unaudited loss before income tax was approximately HK\$7,968,000 (six months ended 30 June 2024: loss of approximately HK\$11,223,000). The loss attributable to owners of the Company was approximately HK\$8,348,000 (six months ended 30 June 2024: loss of approximately HK\$10,740,000). The loss was reduced when compared to the corresponding period of last year mainly because of increase of revenue and gross profit of the Group. In the current economic environment, the Board will continue to exercise stringent cost control and maintain a low and effective overheads structure and prudently utilise the Group's corporate resources to create wealth for the shareholders.

## ***BUSINESS OUTLOOK AND STRATEGIC FOCUS***

Despite facing multiple challenges, the global economy exhibited signs of stability in 2025. However, geopolitical risks, tariff and the high-interest-rate environment remain areas of concern. Fortunately, the Group's operations, particularly in natural gas transmission and distribution and property investment, are more reliant on domestic demand and the essential nature of natural gas, insulating the business from direct and significant global economic impacts. Nevertheless, the Company will continue to monitor the situation closely and assess any potential effects on its operations and financial performance.

In light of the uncertain global political and economic climate, the Board and management are committed to adopting a cautious and prudent approach to managing the Group's operations. At the same time, the Board is actively exploring potential investment opportunities to enhance the Company's long-term value and ensure sustainable growth.

### **Liquidity and financial resources**

As at 30 June 2025, the Directors anticipated that the Group has adequate financial resources to meet its ongoing operations and future development.



### **Funding activities**

Save as disclosed above, the Company did not carry out any fund raising activities during the period under review.

### **Employee information**

As at 30 June 2025, the Group has 9 full-time employees working in Hong Kong and 150 full-time employees working in the PRC respectively. The total of employee remuneration, including remuneration of the Directors, for the six months ended 30 June 2025 amounted to approximately HK\$11,741,000. The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

### **Capital structure**

The ordinary shares of the Company were initially listed on the GEM of the Stock Exchange on 13 December 2001. As at 30 June 2025, the issued share capital of the Company was made up of 1,023,987,439 ordinary shares of HK\$0.0625 each.

### **Significant investments**

Save as disclosed above, for the period under review, the Group had no other significant investments.

### **Material acquisition and disposal of subsidiaries and affiliated companies/ future plans for material investments**

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries and affiliated companies during the six months ended 30 June 2025.

### **Segment information**

Details have been set out in note 9 under “Notes to the unaudited condensed consolidated financial statements” and further elaborated under “Business review and future outlook” of this section.

### **Charge on group assets and contingent liabilities**

As at 30 June 2025, certain of the Group’s investment properties and land and buildings were pledged as security for the Group’s bank borrowing, and the Group did not have any significant contingent liabilities.



### **Gearing ratio**

As at 30 June 2025, current assets of the Group amounted to approximately HK\$111,951,000 which included cash and bank balances of approximately HK\$819,000 and approximately RMB61,143,000 (equivalent to HK\$67,001,000), while current liabilities stood at approximately HK\$184,302,000. The Group has external borrowings of approximately HK\$344,641,000. Equity attributable to owners of the Company amounted to approximately HK\$217,921,000. In this regard, the Group was in a net assets position and had a gearing ratio of approximately 158% (borrowings to equity attributable to owners of the Company) as of 30 June 2025.

### **Exposure to fluctuations in exchange rates**

Sales and payment of the Group are denominated in Hong Kong dollars and Renminbi (“RMB”). The Group’s cash and bank deposit were mainly denominated in Hong Kong dollars and RMB, and the business is mainly operated in the PRC. The only foreign currency exposure comes mainly from the funds movement between Hong Kong and the PRC. Exchange risk is not significant as the Group conducts business in PRC and does not have import and export business. No hedging or other alternatives had been implemented for foreign currency exposure. However, the Group will continue to monitor closely the exchange rate movements and will enter into hedging arrangements in future if necessary.



***DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION***

As at 30 June 2025, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or 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 under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

The approximate percentage of interests set out below is based on 1,023,987,439 ordinary shares in issue as at 30 June 2025.

Long position in the ordinary shares of HK\$0.0625 each in the Company as at 30 June 2025:

Name of Directors	<u>Number of ordinary shares held</u>		Approximate percentage of interests
	Type of interests	Number of ordinary shares	
Ms. Ma Zheng	Beneficial	373,951,632	36.52%
Mr. Yuan Geng	Beneficial	19,320,633	1.89%

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any other interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations, within the meaning of Part XV of 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 Rule 5.46 of the GEM Listing Rules.



## ***SHARE OPTION***

A share option scheme (the “Share Option Scheme”) was adopted by the shareholders of the Company at the annual general meeting of the Company (the “2022 AGM”) held on 17 May 2022 (the “Adoption Date”).

The Share Option Scheme which complies with Chapter 23 of the GEM Listing Rules. The Share Option Scheme is valid and effective for a period of ten years commencing on the Adoption Date.

The purpose of the Share Option Scheme is to provide incentives and/or rewards to Eligible Participants (as defined below) for their contribution to the growth of the Group and continuing efforts to promote the interests of the Group, and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

The definition of Eligible Participants in the Share Option Scheme include full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiary) and any suppliers, consultants, agents and advisers who, in the reasonable discretion of the Board, has contributed or may contribute to the Group eligible for options (the “Options”) under the Share Option Scheme.

Whilst the scope of the Eligible Participants does not limit to the employees and directors of the Group, the Company considers that there can be circumstances when the other Eligible Participants would make contribution to the Group. As the purpose of the Share Option Scheme is to recognise contributions made and to be made to the growth and development of the Group, the Company is of the view that the wide scope of Eligible Participants will allow flexibility to provide incentives to those Eligible Participants who will contribute to the Group. Granting Options to suppliers and agents of the Group will assist the Group to build its business network and consultants and advisers of the Group may provide valuable advices to the Group and they can be eligible to the Options in light of such advices. The Company will not grant Options to persons who would not or may not contribute to the Group.



The rules of the Share Option Scheme provide that the Company may specify the Eligible Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the Share Option Scheme. There is no performance target specified in the Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the Share Option Scheme at the 2022 AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and another other schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 10% Scheme Mandate Limit (as defined in the Share Option Scheme) on the basis that the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any Options outstanding and yet to be exercised under the Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time. Having taken into accounts of the outstanding Options, which are less than 10% of the total number of shares in issue, the Company is of the view that the 30% threshold requirement can be met.

The exercise price for shares under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a Business Day, (ii) the average of the closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant. The life of the Share Option Scheme shall be for ten years commencing from the Adoption Date. A nominal value of HK\$1.00 is payable on acceptance of each grant of share options.

No Options were granted by the Company and no Options were exercised during the period under review. No Options were outstanding as at 30 June 2025.



## ***SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY***

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 June 2025, the Company had been notified that the following substantial shareholders having the following interests and short positions, being 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, in the Company. These interests are shown in addition to those disclosed above in respect of the Directors and chief executives:

The approximate percentage of interests set out below is based on 1,023,987,439 ordinary shares in issue as at 30 June 2025.

Long position in the ordinary shares of HK\$0.0625 each in the Company as at 30 June 2025:

<b>Name of shareholders</b>	<b>Type of interests</b>	<b>Number of the shares held</b>	<b>Approximate percentage of interests</b>
Ms. Guo Xiuqin	Corporate	123,867,678	12.10%
Tung Shing Energy Investment Limited	Corporate	123,867,678	12.10%
Excel Sino Investments Limited	Beneficial ( <i>Note 1</i> )	123,867,678	12.10%
Mr. Ji Shengzhi	Corporate	110,000,000	10.74%
Ms. Lu Ke	Corporate	110,000,000	10.74%
Ultra Vantage Holdings Limited	Beneficial ( <i>Note 2</i> )	110,000,000	10.74%
萬科企業股份有限公司	Corporate	93,089,767	9.09%
成都萬科房地產有限公司	Corporate	93,089,767	9.09%
Chogori Investment (Hong Kong) Limited	Corporate	93,089,767	9.09%
Winsteria (BVI) Company Limited	Corporate	93,089,767	9.09%
Winmaxi (BVI) Company Limited	Beneficial ( <i>Note 3</i> )	93,089,767	9.09%



*Notes:*

1. Excel Sino Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is beneficially owned as to 80% by Tung Shing Energy Investment Limited, a company incorporated in the British Virgin Islands (which in turn is 100% beneficially owned by Ms. Guo Xiuqin), and as to the remaining 20% by an independent investor. Tung Shing Energy Investment Limited and Ms. Guo Xiuqin are deemed to be interested in these underlying shares under SFO.
2. Ultra Vantage Holdings Limited, a company incorporated in Samoa with limited liability, is jointly owned by Ms. Lu Ke and Mr. Ji Shengzhi. Ms. Lu Ke and Mr. Ji Shengzhi are deemed to be interested in these underlying shares under SFO.
3. Winmaxi (BVI) Company Limited (“Winmaxi”) is a company incorporated in the British Virgin Islands with limited liability and is a subsidiary of China Vanke Co., Ltd.# (萬科企業股份有限公司), a company listed on The Stock Exchange of Hong Kong Limited.

Winmaxi is wholly-owned by Winsteria (BVI) Company Limited, which in turn is wholly-owned by Chogori Investment (Hong Kong) Limited, which in turn is wholly-owned by 成都萬科房地產有限公司, while 成都萬科房地產有限公司 is a controlling subsidiary of 萬科企業股份有限公司.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who had an interest, directly or indirectly, 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 the Company, or any other substantial shareholders whose interests or short position were recorded in the register required to be kept by the Company under Section 336 of the SFO.



### ***DIRECTORS' RIGHTS TO ACQUIRE SHARES***

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### ***COMPETITION AND CONFLICT OF INTERESTS***

During the period under review, none of the Directors, significant shareholders, substantial shareholders and any of their respective associates had engaged in any business that competed or might compete directly or indirectly, with the business of the Group, or had or might have any other conflicts of interest with the Group.

### ***AUDIT COMMITTEE***

The Company established an audit committee (the “Audit Committee”) with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provisions D.3.3 and D.3.7 of the Corporate Governance Code. The primary role and function of the Audit Committee, among other things, are to (i) review the financial controls, internal controls and risk management systems of the Group; (ii) review and monitor the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and (iii) review the financial statements and the quarterly, interim and annual reports of the Group. During the period under review, the Audit Committee comprises three members, Mr. Wan Tze Fan Terence, Mr. Chung Chin Keung and Mr. Sung Ren Keh who are the independent non-executive Directors of the Company. The Audit Committee has reviewed the Group’s unaudited results for the six months ended 30 June 2025 and has provided advice and comments thereon.

### ***REMUNERATION COMMITTEE***

The remuneration committee of the Company (the “Remuneration Committee”) was established on 1 June 2005. The primary role and function of the Remuneration Committee is to consider and recommend to the Board on the Group’s remuneration policy and structure for the remuneration of all executive Directors and senior management and to review and determine the remuneration packages of the executive Directors and senior management. During the period under review, the Remuneration Committee comprises three members, Mr. Chung Chin Keung, Mr. Wan Tze Fan Terence and Mr. Sung Ren Keh who are the independent non-executive Directors of the Company.



### ***NOMINATION COMMITTEE***

The nomination committee of the Company (the “Nomination Committee”) was established on 22 March 2012. The primary role and function of the Nomination Committee, among other things, are to (i) review the structure, size and composition of the Board at least once a year and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy; (ii) assess the independence of the independent non-executive Directors; and (iii) make recommendations to the Board on appointment and re-appointment of Directors. During the period under review, the Nomination Committee comprises three members, Mr. Chung Chin Keung, Mr. Wan Tze Fan Terence and Mr. Sung Ren Keh who are the independent non-executive Directors of the Company.

### ***PURCHASE, SALE OR REDEMPTION OF SECURITIES***

The Company had not redeemed any of its ordinary shares during the six months ended 30 June 2025. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s ordinary shares during the six months ended 30 June 2025.

### ***COMPLIANCE WITH CORPORATE GOVERNANCE CODE***

The Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code (the “Code”) contained in Part 2 of Appendix C1 of the GEM Listing Rules, with the exception of the following code provision for the six months ended 30 June 2025:

#### **Code Provision C.2.1**

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

During the period under review, the Company still did not have an officer with the title of “Chief Executive” (the “CE”). The Code envisages that the management of the Board should rest with the Chairman, whereas the day-to-day management of the Company’s business should rest with the CE. Ms. Ma Zheng, the Chairman, is also a director of some of the Company’s operating subsidiaries. This constitutes a deviation of Code Provision C.2.1. The Board holds the view that this arrangement is appropriate for the Company but the Company does not compromise accountability and independent decision making for this since the Company has the Audit Committee, all members of which are independent non-executive Directors, to help to ensure the accountability and independence of Ms. Ma Zheng.



***CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS  
BY DIRECTORS***

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 June 2025.

By Order of the Board  
**China Primary Energy Holdings Limited**  
**Ma Zheng**  
*Chairman*

Hong Kong, 19 August 2025

# *For identification only*

*As at the date of this report, the Board comprises Ms. MA Zheng and Mr. YUAN Geng who are the executive Directors, Mr. JI Jianghua who is the non-executive Director, and Mr. WAN Tze Fan Terence, Mr. CHUNG Chin Keung and Mr. SUNG Ren Keh who are the independent non-executive Directors.*