

2025
中期報告
Interim report



UEG

聯合能源



聯合能源集團有限公司
UNITED ENERGY GROUP LIMITED

(於開曼群島註冊成立及於百慕達存續之有限公司)
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(股份代號 Stock Code : 0467)

UNITED ENERGY GROUP LIMITED INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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Management Discussion and Analysis

Business Review

The Group is one of the largest listed integrated energy companies in Hong Kong, with business presence in South Asia, MENA and Europe. The Group is principally engaged in upstream oil & natural gas, clean energy and energy trading businesses. Leveraging on management's extensive experience in oil & gas business, the Group has successfully grown its footprint as one of the major players in energy space. Over time, the Group has established a solid and diversified portfolio through acquisitions and capital investments.

As projected by the IMF in July 2025, global growth is expected at 3.0% in 2025 and 3.1% in 2026, slightly higher than April's forecast due to lower effective U.S. tariff rates, stronger front-loading of trade, and improved financial conditions. Global inflation is forecast to decline to 4.2% in 2025 and 3.6% in 2026, with notable variations across economies. Downside risks remain elevated, including potential tariff escalations, geopolitical tensions, and fiscal vulnerabilities, while a lasting reduction in trade barriers and greater policy predictability could lift global growth prospects. Global oil demand in 2025 is projected to grow by 1.3 million barrels per day, reaching an average of 105.13 mmbbld, as reported in the July 2025 OPEC Monthly Oil Market Report. The non-OECD region remains the key driver, contributing more than 1.16 mmbbld to global demand growth. Meanwhile, OECD countries are expected to see only modest increases, primarily coming from Americas while being flat in Europe. On the supply side, OPEC+ continues to manage production carefully with faster unwinding of voluntary cuts by some members anticipated in second half of 2025. OPEC+ increased production by 0.35 mmbbld in June 2025 to 41.56 mmbbld, while the non-OPEC+ supply is expected to grow by 0.8 mmbbld in 2025.

Oil price fluctuated between US\$60/bbl and US\$83/bbl in the first half of 2025, while the market was overall balanced in terms of supply and demand. Correspondingly, average Brent Oil Price in the reporting period, was US\$72.03/bbl, which is 14.04% lower than US\$83.79/bbl for corresponding period of 2024, according to data from U.S. Energy Information Administration.

The Group reported a profit attributable to the owners of the Company for the reporting period of approximately HK\$740,147,000, representing a decrease of 26.7% compared to the corresponding period of approximately HK\$1,010,276,000.

Cost of sales and services for exploration and production rendered by the Group for the reporting period was approximately HK\$3,066,128,000, it invested approximately HK\$2,235,498,000 of capital expenditure in oil and gas exploration, development and production activities. The Group drilled 24 wells during the reporting period, including 8 wells and 16 wells in its Pakistan Assets and MENA Assets respectively.

Exploration, Development and Production

In the first half of 2025, the Group devoted continuous efforts to its oil and gas exploration. Adhering to the value-driven philosophy and anchoring on exploration and discoveries of small prolific oil and gas fields, 3 commercial discoveries were achieved of which 1 was in Pakistan and 2 in Egypt.

For the six months ended 30 June 2025, the Group's average daily gross production was approximately 187,258 boed, a 9.4% increase compared to approximately 171,195 boed in the corresponding period. Gross accumulated production was approximately 33.89 mmbœ, a 8.8% increase compared to approximately 31.15 mmbœ in the corresponding period. The Group's average daily working interest production was 111,762 boed, a 9.3% increase compared to approximately 102,298 boed in the last period. Working interest accumulated production was approximately 20.23 mmbœ, a 8.6% increase compared to approximately 18.62 mmbœ in the corresponding period. Both the accumulated gross production and working interest production steadily increased in the reporting period, mainly driven by aggressive management of existing wells and sound commercial discoveries from new wells.

Pakistan

As of 30 June 2025, the Group holds interests in 20 concessions and blocks for oil and gas exploration and production in Pakistan.

For the six months ended 30 June 2025, Pakistan Assets achieved an average daily gross production of approximately 44,686 boed, a decrease of 18% compared to the corresponding period, and an average daily working interest production of approximately 31,571 boed, a decrease of 17.7% compared to the corresponding period and an oil and liquids ratio of ~21% which was 5 percentage points lower than the corresponding period. Accumulated gross production and working interest production of the reporting period was approximately 8.1 mmbœ and 5.7 mmbœ, respectively. The 1 commercial discovery in Pakistan in the reporting period, will contribute to reserve base and production profile.

Iraq

The Group holds a 60% participating interest in the EDPSC of Block 9 in Iraq and is the Operator of this block. For the six months ended 30 June 2025, average daily gross production was approximately 101,390 boed, increasing by 35.5% compared to the corresponding period. Average daily working interest production was approximately 60,834 boed, increasing by 35.5% compared to the corresponding period. Accumulated gross and working interest production for the reporting period was approximately 18.35 mmbœ and 11.01 mmbœ respectively. Block 9 has an oil and liquids ratio of 100%.

The Group holds a 30% participating interest in the GDPSC for the Siba contract area in Iraq and is the Operator of this block. Average daily gross production in the six months ended 30 June 2025 was approximately 26,604 boed, an increase of 1.1% compared to the corresponding period, and average daily working interest production was approximately 7,981 boed, increased by 1.1% compared to the corresponding period. Accumulated gross and working interest production were approximately 4.82 mmbœ and 1.44 mmbœ, respectively. Siba has an oil and liquids ratio of ~67%.

Egypt

The Group mainly holds interests in four blocks in Egypt. It has a 100% participating interest in Burg El Arab. Participating interest in Area A, Abu Sennan and East Ras Qattara are 70%, 32.05% and 49.5% respectively. The Group is Operator of all these blocks, except for East Ras Qattara. In the six-month period ended 30 June 2025, average daily gross production was approximately 14,577 boed, a decrease of 6.4% compared to the corresponding period. Average daily working interest production was approximately 11,376 boed, an increase of 1.9% compared to the corresponding period. Accumulated gross and working interest production for the reporting period was approximately 2.64 mmmboe and 2.06 mmmboe respectively. Oil and liquids ratio was ~99%. 2 commercial discoveries made in Egypt in the reporting period, will contribute to reserve base and production profile.

Core Strengths

1. *Successful exploration program and solid resources base*

The Group had 3 commercial discoveries in the first half of the year, laying a solid foundation for its future reserves and production and maintained a stable production growth momentum. Reserve life remains around 16 years.

2. *Rapid development of large-scale oilfields and substantial increase in production capacity*

In Block 9, Iraq, both 100,000-barrels per day Oil CPF and 130-mmscf per day gas CPF were fully operational in the reporting period. In the meantime, the Group successfully laid an LPG pipeline of 72km for export of LPG which will help sale of gas going forward.

3. *Significant low-cost advantage and solid financial performance*

The Group remains committed to efficient business management, maintaining an industry-leading low-cost advantage. Operating expenses continue to be well-controlled, supporting strong cash flow generation. With a stable financial position and a low gearing ratio, the Group has a solid foundation for future growth and expanded financing capacity.

4. *Industry-leading HSE performance*

The Group recognizes the importance of operational safety. Various HSE indicators are at leading industry level. It has established a holistic risk prevention and control system backed by a robust safety inspection mechanism.

5. *Advancing a lower-carbon future*

In response to the call for carbon emission reduction and carbon neutrality as well as the international trend of energy transformation, the Group has formulated a two pronged strategy to produce both traditional hydrocarbons and clean energy to meet the world's energy needs. Clean energy portfolio includes solar and wind projects. Other clean energy opportunities are being explored with the deployment of the latest technologies and innovative ideas.

6. *Commitment to social responsibility*

The Group values its employees as its most important asset, fostering a diverse workforce representing multiple nationalities, cultures, and religions. Committed to social development in local communities, the Group actively invests in education, healthcare, and vocational training programs, promoting sustainable income generation in the regions where it operates.

Sales and Marketing

Sales of Crude Oil

The Group sells crude oil and condensates produced in Pakistan and Iraq primarily through traders in international markets. Crude oil sales price is mainly determined by international benchmark prices of similar quality, with certain adjustments subject to prevailing market conditions. Prices are quoted and settled in US dollars with Brent Oil Price as basis. Regarding Egypt Assets, as per the articles of PSC, the Group sells crude oil to Egyptian General Petroleum Corporation ("EGPC") at a price determined under the PSC, with a small discount to Brent Oil Price.

For the six months ended 30 June 2025, the Group's total working interest crude and condensate selling volumes was 15.1 million barrels, representing a year-on-year increase of approximately 18.9%. Average realized oil price (before government royalty, windfall levy and government take at working interest production) was approximately US\$68.19/bbl, representing a year-on-year decrease of 13.6%, mainly due to the decrease of Brent Oil Price.

Sales of Natural Gas

The Group's natural gas sales prices are based on negotiated long-term sales agreements. Contract terms normally include a price review mechanism which links the price of natural gas sold to international crude oil prices. The Group's natural gas customers are primarily located in Pakistan and are government owned entities namely Sui Southern Gas Company Limited ("SSGCL") and Sui Northern Gas Pipeline Limited ("SNGPL").

For the six months ended 30 June 2025, the Group's total working interest natural gas selling volume was 5.0 mmbbl, representing a year-on-year decrease of 12.3%. Average realized gas price (before government royalty, windfall levy and government take at working interest production) was approximately US\$29.75/boe, representing a year-on-year decrease of 3.0%.

Sales of Energy Products

The Group's energy trading business carried energy products trading and optimized equity crude and product sales cargo liftings in Iraq and Pakistan. Trading activities were carried out with international counterparts, including Trafigura Pte Ltd, Repsol Trading Singapore Pte. Ltd, Itochu, Moeve Trading Asia (formerly Cepsa Trading Asia) etc. Price is mainly determined by the prices of international benchmark energy products of similar quality, with certain adjustments subject to prevailing market conditions.

For the six months ended 30 June 2025, the Group's total trading volume was approximately 896,723 tonnes with an average realized price of approximately US\$532.15/tonne.

Financial Results

Financial Review

For the six months ended 30 June 2025 (the “reporting period”), the Group reported a profit attributable to the owners of the Company of approximately HK\$740,147,000, representing a decrease of 26.7% compared to the six months ended 30 June 2024 (the “corresponding period”) of approximately HK\$1,010,276,000.

During the reporting period, the Group’s average daily working interest production was approximately 111,762 boed (Pakistan Assets of 31,571 boed plus MENA Assets of 80,191 boed), increased compared to approximately 102,298 boed (Pakistan Assets of 38,349 boed plus MENA Assets of 63,949 boed) of the corresponding period. The Group aggressively managed customer demand to achieve the above production results. The average realised oil and gas price of exploration and production (before government royalty, windfall levy and government take at working interest quantity) was approximately US\$58.58/boe, compared to approximately US\$63.93/boe of the corresponding period, representing a decrease of 8.4%.

Turnover

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Exploration and production	4,318,738	5,049,188
Trading	3,722,090	3,390,619
Clean energy business	47,128	–
	8,087,956	8,439,807

The Group’s turnover for the reporting period was approximately HK\$8,087,956,000, representing a decrease of 4.2% as compared with the turnover of approximately HK\$8,439,807,000 of the corresponding period. The decrease in turnover was mainly contributed by the effect of the decrease in average realised sales price in crude oil and liquids; but partial offset by increased trading business and new clean energy business during the reporting period.

Exploration and Production Category		Six months ended 30 June 2025	Six months ended 30 June 2024	Change	
Oil and gas sales*	USD'000	1,182,219	1,180,357	+1,862	+0.2%
Crude oil and liquids	USD'000	1,028,267	999,915	+28,352	+2.8%
Natural gas	USD'000	149,080	173,650	-24,570	-14.1%
LPG	USD'000	4,872	6,792	-1,920	-28.3%
Sales Volume	mmboe	20.2	18.5	+1.7	+9.2%
Crude oil and liquids	mmboe	15.1	12.7	+2.4	+18.9%
Natural gas	mmboe	5.0	5.7	-0.7	-12.3%
LPG	mmboe	0.1	0.1	0.0 [#]	0.0% [#]
Realised prices*	US\$/boe	58.58	63.93	-5.35	-8.4%
Crude oil and liquids	US\$/bbl	68.19	78.93	-10.74	-13.6%
Natural gas	US\$/boe	29.75	30.67	-0.92	-3.0%
LPG	US\$/boe	52.65	51.21	+1.44	+2.8%

* before government royalty, windfall levy and government take (at working interest quantity)

[#] represents volume less than 100,000 boe

Cost of sales and services rendered

Operating expenses for exploration and production activities

The Group's operating expenses for exploration and production activities (which is defined as the cost of sales excluding depreciation and amortisation and distribution expenses) increased 14.8% to approximately HK\$697,058,000 in the first half of 2025, compared with approximately HK\$607,296,000 in the corresponding period. The overall operating expenses per boe (at working interest production) was approximately US\$4.4 in the reporting period, compared with approximately US\$4.2 in the corresponding period, slightly increased by 4.8%. For Pakistan Assets, operating expenses per boe was approximately US\$5.7, increased by 21.3% (2024: approximately US\$4.7 per boe); while for MENA Assets, operating expense per boe was approximately US\$3.9, decreased by 2.5% (2024: approximately US\$4.0 per boe).

Depreciation, depletion and amortisation

Included in the cost of sales and services rendered, the depreciation, depletion and amortisation was approximately HK\$2,354,880,000, representing a decrease of 7.7% as compared with the amount of approximately HK\$2,550,087,000 in the corresponding period.

Gross profit

The Group's gross profit for the reporting period was approximately HK\$1,306,118,000 (gross profit ratio 16.1%) which represented a decrease of 30.8% as compared with gross profit of approximately HK\$1,888,578,000 (gross profit ratio 22.4%) for the corresponding period. The significant decrease in gross profit was mainly due to lower average realised sales price during the period.

Exploration expenses

The Group's exploration expenses for the reporting period were approximately HK\$65,168,000 (2024: approximately HK\$92,684,000) which included the expenses for performance of geological and geophysical studies and surface use rights and the written off loss of approximately HK\$11,799,000 arising from dry exploration wells in Egypt Assets (2024: HK\$Nil).

Administrative expenses

The Group's administrative expenses for the reporting period were approximately HK\$374,030,000 (2024: approximately HK\$292,463,000) representing 4.6% (2024: 3.5%) of the turnover.

Finance costs

The Group's finance costs for the reporting period were approximately HK\$141,655,000, which represented a decrease of 13.3% as compared with the finance costs of approximately HK\$163,465,000 for the corresponding period. The decrease in finance costs was mainly due to there was one-off amortisation effect of upfront fee upon repayment of borrowings in corresponding period; offset by the effect of increased prepayment facilities financing during the reporting period. The weighted average interest rate of borrowings for the reporting period was 9.69% (2024: 13.47%).

Income tax expense

The Group's income tax expense for the reporting period was approximately HK\$288,936,000. This included the current income tax of approximately HK\$353,872,000 and deferred tax income of approximately HK\$64,936,000, compared with current income tax of approximately HK\$573,721,000 and deferred tax income of approximately HK\$208,723,000 for the corresponding period respectively. The Group's effective tax rate for the reporting period was approximately 28.1%, representing an increase 1.6 percentage points as compared with 26.5% for the corresponding period.

Cash generated from operating activities

The Group's net cash inflow from operating activities for the reporting period was approximately HK\$2,739,813,000, representing a decrease of 36.9% as compared with the corresponding period of approximately HK\$4,343,781,000. This was primarily attributed to decrease in average net sales price resulted in a decrease in sales receipt during the current period.

Cash used in investing activities

In the first half 2025, the Group's net cash used in investing activities decreased by 27.3% to approximately HK\$2,122,961,000 compared to approximately HK\$2,920,852,000 in the corresponding period, mainly due to the development expenditure of approximately HK\$2,211,950,000 for the reporting period with an overall decreased by 22.3% as compared to the corresponding period.

Cash used in financing activities

In the first half 2025, the net cash used in financing activities was approximately HK\$1,565,619,000, mainly attributed to the payment of dividend of approximately HK\$1,292,480,000 and repayment of borrowings of approximately HK\$186,420,000 during the period.

Dividend

The Board has not recommended the payment of interim dividend for the reporting period.

Other Financial Information

To supplement our consolidated results which are prepared and presented in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certificate Public Accountants (“HKICPA”), we utilize non-HKFRS EBITDA and adjusted EBITDA as an additional financial measure.

EBITDA and adjusted EBITDA are not required by, or presented in accordance with HKFRS Accounting Standards. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and the impact of non-recurring transactions. We also believe that the non-HKFRS measures are appropriate for evaluating the Group’s operating performance. However, the use of this particular non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRS Accounting Standards. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following table set forth reconciliations of the Group's non-HKFRS measures for the six months period ended 30 June 2025 and 2024 to the nearest measures prepared in accordance with HKFRS Accounting standards.

	<i>Note</i>	Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
Profit for the period		740,142	1,010,270
<i>Adjustments:</i>			
Amortisation of intangible assets	10	99,380	166,926
Depreciation	10	2,285,989	2,409,060
Depreciation of right-of-use assets	10	44,228	40,316
Finance costs	8	141,655	163,465
Income tax expense	9	288,936	364,998
EBITDA		3,600,330	4,155,035
<i>Adjustments:</i>			
Property, plant and equipment written off in exploration expenses	10	11,799	–
Impairment losses on investment in associates	10	–	38,842
Impairment losses on property, plant and equipment	10	24,020	–
Share of profits of associates		(7,913)	(37,405)
Gain on disposals of property, plant and equipment		–	(101)
Gain on bargain purchase for acquisition of subsidiaries	10	(114,381)	–
Gain on release of financial guarantee contracts		(7,523)	–
Gain on deemed disposal of investment in associates	10	(78,912)	–
Adjusted EBITDA		3,427,420	4,156,371

EBITDA is calculated as the profit for the period, adjust for finance costs, income tax expense, depreciation and amortisation and depreciation on right-of-use assets.

Adjusted EBITDA is calculated as the profit for the period, adjust for finance costs, income tax expense, depreciation and amortisation, depreciation on right-of-use assets, property, plant and equipment written off, impairment losses on investment in associates and property, plant and equipment, share of profits of associates, gain on disposals of property, plant and equipment, gain on bargain purchase for acquisition of subsidiaries, gain on release of financial guarantee contracts and gain on deemed disposal of investment in associates.

The adjusted EBITDA for the reporting period was approximately HK\$3,427,420,000, decreased by 17.5% from the corresponding period of approximately HK\$4,156,371,000. The decrease in adjusted EBITDA was mainly attributable to the decrease in average net realised sales price during the reporting period.

Business and Market Outlook

IMF projects global growth at 3.0% in 2025, slightly above April's forecast, supported by lower tariff rates and improved financial conditions. Inflation is expected to ease to 4.2%, but risks remain skewed to the downside amid trade tensions, geopolitical uncertainties, and fiscal vulnerabilities. Trade tensions and elevated policy-induced uncertainty may hinder growth.

On the commodity front, global oil demand is forecasted to increase by 1.3 mmbbld to an average of 105.13 mmbbld as stated in the OPEC Monthly Market Report of July 2025. While global oil demand is expected to see a modest increase, this growth is being outpaced by supply increases, leading to likely lower price environment in rest of 2025.

For 2025, the Group targets an average daily gross production of 178,900 to 204,200 boed, and an average daily working interest production of 104,200 to 120,600 boed. Capital expenditure is anticipated to reach US\$750 million, which is essential to support exploration, development and construction plans of the Group. It aims to continue with its financial discipline and manage capital expenditure to a possible extent through optimization of its exploration and development plans.

Pakistan Assets:

According to Pakistan Energy Outlook report prepared by Government of Pakistan, gas demand is expected to increase from approximately 3.56 bcfd in 2020 to approximately 4.24 bcfd in 2030. On the supply side, domestic production amounted to approximately 3.69 bcfd in 2020 and is expected to decline quickly to approximately 2.82 bcfd in 2025, and approximately 2.18 bcfd by 2030. Gas shortage in Pakistan is mitigated by importing significantly more expensive LNG from the neighboring countries. Given that the Group's production is predominantly gas, sale of natural gas is almost guaranteed to be taken up by the state-owned gas distribution customers. The Group continues to leverage its experience and understanding of the geology and geophysics in Lower Indus Basin, Middle Indus Basin, Kirthar and Suleman Fold Belt of Pakistan to unlock the potentials of these assets. Besides, the Group will continue to look for similar opportunities in the market, such as participating in government bidding process, and strengthen cooperation with state-owned oil companies to expand its footprint in Pakistan.

For Pakistan Assets, the Group plans to achieve an average daily working interest production of 29,500 to 35,500 boed in 2025.

MENA Assets:

MENA Assets bring high-quality assets to the Group's portfolio with significant scale and strong development potential. The production base and long reserve life of these assets provide a sustainable development profile for the Group for the next two decades. As per reserve report issued by independent reserve auditor as of 31 December 2024, the MENA Assets were reported with 2P working interest reserve of 576.7 mmboe with almost 97.0% located in Iraq. The Group will leverage its strong financial capability to further unlock the potential of MENA Assets and replicate its past success story in the region where it operates. Average daily gross production of Block 9 in Iraq is expected to reach 130,000 boed in the near future. Gas production of Siba in Iraq is expected to maintain at a sustainable Plateau Production Target. Egypt Assets will double its current portfolio, subject to successful completion of the contemplated acquisition.

In 2025, Iraq Assets are expected to achieve an average daily working interest production of 65,100 to 73,000 boed, whereas Egypt Assets will achieve an average daily working interest production of 9,500 to 12,100 boed.

Conclusion

The first half of 2025 presented some challenges for the Group, including increased cost and lower profitability. However, we remain committed to strengthening our strategic position through targeted investments and operational efficiencies. Our focus on sustainable practices and exploring new opportunities in emerging markets will be pivotal as we navigate the evolving energy landscape. We are confident that our resilience and adaptability will enable us to achieve long-term growth and value for our stakeholders.

Liquidity and Financial Resources

During the reporting period, the Group continues to maintain a strong financial position, with bank and cash balances amounting to approximately HK\$1,993,774,000 as at 30 June 2025 (31 December 2024: approximately HK\$2,935,796,000).

The Group borrowings are noted below. These are from the banks and other trading commodity corporation, which show lenders confidence in the Group financial strength and its future plans.

	Principal amount outstanding at 30 June 2025	
	<i>US\$</i>	<i>Equivalent to HK\$</i>
Term loans	42,600,000	332,280,000
Prepayment facilities	240,000,000	1,872,000,000
	282,600,000	2,204,280,000

As at 30 June 2025, the gearing ratio was approximately 9.7% (31 December 2024: 11.6%), based on borrowings, advance from customers and lease liabilities under current liabilities and non-current liabilities of approximately HK\$1,866,949,000 (31 December 2024: approximately HK\$1,845,348,000) and approximately HK\$564,943,000 (31 December 2024: approximately HK\$1,180,702,000) respectively and total assets of approximately HK\$25,034,842,000 (31 December 2024: approximately HK\$26,120,400,000). As at 30 June 2025, the current ratio was approximately 0.87 times (31 December 2024: approximately 1.01 times), based on current assets of approximately HK\$9,374,037,000 (31 December 2024: approximately HK\$10,832,994,000) and current liabilities of approximately HK\$10,808,619,000 (31 December 2024: approximately HK\$10,768,648,000).

As at 30 June 2025, the Group's total borrowings (net of transaction cost and measured at amortised cost) amounted to approximately HK\$332,495,000 (31 December 2024: approximately HK\$233,775,000), all of them are denominated in United States dollars. The weighted average interest rate of the borrowings as at 30 June 2025 was 8.80% (31 December 2024: 8.61%).

As at 30 June 2025, the Group's property, plant and equipment, right-of-use assets, trade and other receivable, advances, deposits and prepayments, financial assets at amortised cost and bank balances, with total carrying value of approximately HK\$1,382,675,000 (31 December 2024: approximately HK\$1,682,181,000) and share charges in respect of the equity interests of certain subsidiaries were pledged to secure the Group's general banking facilities, finance lease, trade and other payables, letter of credit and guarantee and exploration, performance and financial obligations of the Group.

The Group is continuously exploring opportunities to optimise its capital structure, including the debt portfolio, to support organic, as well as inorganic growth, and will over the coming 12-month period explore opportunities for tapping the international debt capital markets, including the possibility to issue a corporate bond.

Material Acquisitions and Disposal

On 7 February 2025, the Group entered into a share purchase agreement with Apex International Energy L.P., pursuant to the agreement the Group has conditionally agreed to acquire the entire issued share capital of Apex International Energy Holdings I ("AIEH I") at a purchase consideration of approximately HK\$1,170,000,000 (equivalent to approximately US\$150,000,000) plus a deferred consideration of approximately HK\$54,600,000 (equivalent to approximately US\$7,000,000). AIEH I is an upstream oil and gas company and principally engaged in explorations and exploitations activities in Egypt. The completion of the acquisition is subject to the full satisfaction of conditions precedent mentioned in the share purchase agreement and the Egypt government approval before 7 February 2026.

On 14 February 2025, the Group entered into a share sale and purchase agreement with a related company, Orient Group Industrial & Development Co., Ltd., pursuant to the agreement the Group has conditionally agreed to acquire 52% issued share capital of Orient Group Beijing Investment Holding Limited ("OGBIH") held by the related company, at a purchase consideration of approximately US\$19,000,000. The acquisition has been completed on 12 May 2025.

Except for the above and the disclosure set out in Note 23 to Condensed Consolidated Financial Statements in this report, the Group and the Company do not have other material acquisition and disposal during the reporting period.

Segment Information

Particulars of the Group's segment information are set out in Note 6 to Condensed Consolidated Financial Statements in this report.

Capital Structure

During the reporting period, the total number of issued shares of the Company (including treasury shares) was 26,040,504,786 shares as at 1 January 2025 and 30 June 2025 and the total number of issued shares of the Company (excluding treasury shares) was 25,849,594,786 shares as at 1 January 2025 and 30 June 2025.

During the reporting period, the total number of treasury shares was 190,910,000 shares as at 1 January 2025 and 30 June 2025. The treasury shares will be reissued in the future for various purposes, including employee share option or share award schemes, scrip dividend, acquisitions, raising capital or future resale. Holding treasury shares will give the Company flexibility in managing its capital structure without having to issue new shares.

Employees

As at 30 June 2025, the Group employed a total of 2,345 full time employees in Hong Kong, PRC, Pakistan, Dubai and other MENA locations. Employees' remuneration package is reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. The remuneration package included basis salaries, year-end bonus, medical and contributory provident fund.

Contingent Liabilities

Particulars of the Group's contingent liabilities are set out in Note 22 to Condensed Consolidated Financial Statements in this report.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets and transactions are mainly denominated in United States dollars and Hong Kong dollars, which are relatively stable. Other currency involved include Renminbi, Pakistani Rupee, Iraqi Dinar and Egyptian Pound which exchange rate impact is not considered significant. The Group did not use financial instruments for hedging purposes during the reporting period and will continue to monitor the impact of any exchange fluctuations and take appropriate action to prevent any exposure to the Group.

Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the six months ended 30 June 2025.

Share Option Scheme

The share option scheme of the Company with the maximum number of 1,308,572,137 shares of the Company to be issued on the exercise of share options under the Option Scheme was adopted pursuant to the shareholders' resolution passed on 27 May 2016 for the primary purpose of providing opportunity to Directors, employees and consultants to acquire proprietary interests of the Group.

The Option Scheme is effective for the period of ten years from 27 May 2016 (the date of adoption) to 26 May 2026. The period within which the options must be exercised by the grantee under the Option Scheme will be specified by the Company at the time of grant. This period must expire no later than 10 years from the relevant date of grant. The vesting period of options granted under the Option Scheme will also be specified by the Company at the time of grant. As at the date of this report, the remaining life of the Option Scheme is approximately 9 months. The number of options available for grant under the scheme mandate as at 1 January 2025 and 30 June 2025 was 1,308,572,137 options. As at the date of this report, the total number of shares available for issue under the Scheme was 1,308,572,137 shares of the Company and the percentage of the issued shares (excluding treasury shares) that it represents was approximately 5.06%.

The total number of shares in respect of which options may be granted under the Option Scheme is not permitted to exceed 30% of the shares of the Company in issue from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual is not permitted to exceed 10% of the shares of the Company in issue from time to time.

During the reporting period, no share options were granted, exercised, lapsed or cancelled under the Option Scheme.

Performance Share Unit Scheme

The PSU Scheme for employees of the Group or any subsidiaries of the Group was adopted by the Company on 1 April 2019. The PSU Scheme is subject to the provision of Chapter 17 of the Listing Rules. The specific objectives of the PSU Scheme are (i) to drive success and growth in the shareholder value of the Group; (ii) to promote the effective achievement of the mid- and long-term performance goals of the Group; and (iii) to attract, motivate and retain core talents of the Group with rewards and incentives. Subject to any early termination as may be determined by the Board pursuant to the scheme rules of the PSU Scheme, the PSU Scheme shall be valid and effective for a term of 10 years commencing on the adoption date. The Company shall not make any further award which will result in the aggregate number of shares underlying all grants made pursuant to the PSU Scheme (excluding awarded shares that have been forfeited in accordance with the PSU Scheme) to exceed 10% of the total number of the Company's issued shares from time to time. The Board may from time to time while the PSU Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the grant to be vested.

During the reporting period, no shares was granted under the PSU Scheme, 36,366,895 granted shares were vested and 700,000 granted shares were cancelled. Mr. Song Yu ("Mr. Song") was appointed as an executive director of the Company on 4 June 2025. As at the date of his appointment, Mr. Song holds 1,500,000 granted shares of the Company which were vested before his appointment in May 2025. Mr. Song also holds 1,200,000 unvested granted shares of the Company under the PSU Scheme which will be vested in June 2026. Total of vested and unvested granted shares of 2,700,000 shares held by Mr. Song represents approximately 0.01% of the total issued shares.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, none of the selected participants is (i) a Director, nor a chief executive, or a substantial shareholder of the Company, or an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued shares.

As at the date of this report, the total number of shares granted of two grants under the PSU Scheme since the date of adoption of the PSU Scheme is 60,147,163 shares and the number of shares acquired through on-market transactions and held in trust for the benefit of the employees by the trustee available for the future grant under the PSU Scheme is 123,926,846 shares, representing approximately 4.8% of the upper limit under the PSU Scheme mandate.

Disclosure of Interests

Director's interests and short positions in the securities of the Company and its associated corporations

As at 30 June 2025, the following Directors had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code:

Name of Director	Nature of interest	Number of Shares		Approximate % shareholding
		Long Position	Short Position	
Yiu Chi Shing (Note 1)	Attributable interest of controlled corporation	6,013,681,397	–	23.09% (L)
Song Yu (Note 2)	Beneficial Owner	2,700,000	–	0.01% (L)

Notes:

1. Sheen Wise International Investment Limited is a wholly-owned subsidiary of Hong Kong (Xiamen) Investment Development Company Limited, which is itself a wholly-owned subsidiary of 廈門象嶼東洋國際貿易有限公司. This entity is, in turn, a wholly-owned subsidiary of 泉州東海開發有限公司, which is wholly-owned by China Point Investment Limited. China Point Investment Limited is a wholly-owned subsidiary of Equinox Investments Worldwide Limited, which is ultimately owned by Mr. Yiu Chi Shing.
2. Mr. Song Yu was appointed as an executive director of the Company on 4 June 2025. As at the date of his appointment, Mr. Song holds 1,500,000 granted shares of the Company which were vested before his appointment in May 2025. Mr. Song also holds 1,200,000 unvested granted shares of the Company under the PSU Scheme which will be vested in June 2026. Total of vested and unvested granted shares of 2,700,000 shares held by Mr. Song represents approximately 0.01% of the total issued shares.
3. (L) denotes long position and (S) denotes short position.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company and their respective associates had or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executives of the Company are taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders

Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at 30 June 2025, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly 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:

Name	Capacity and nature of interest	Number of Shares	Approximate % shareholding
Zhang Hong Wei (<i>Note a</i>)	Attributable interest of controlled corporation	8,382,607,845 (L) 2,020,915,141 (S)	32.19% (L) 7.76% (S)
名澤東方投資有限公司 (<i>Note a</i>)	Attributable interest of controlled corporation	4,892,907,845 (L)	18.79% (L)
東方集團有限公司 (<i>Note a</i>)	Attributable interest of controlled corporation	4,892,907,845 (L)	18.79% (L)
東方集團產業發展有限公司 (<i>Note a</i>)	Attributable interest of controlled corporation	4,892,907,845 (L)	18.79% (L)
Huilan Investment Limited (<i>Note a</i>)	Attributable interest of controlled corporation	4,892,907,845 (L)	18.79% (L)
He Fu International Limited (<i>Note a</i>)	Beneficial owner	4,892,907,845 (L)	18.79% (L)
Million Fortune Enterprises Limited (<i>Note a</i>)	Attributable interest of controlled corporation	3,489,700,000 (L) 2,020,915,141 (S)	13.40% (L) 7.76% (S)
United Petroleum & Natural Gas Holdings Limited (<i>Note a</i>)	Beneficial owner	3,489,700,000 (L) 2,020,915,141 (S)	13.40% (L) 7.76% (S)
Yiu Chi Shing (<i>Note b</i>)	Attributable interest of controlled corporation	6,013,681,397 (L)	23.09% (L)
Equinox Investments Worldwide Limited (<i>Note b</i>)	Attributable interest of controlled corporation	6,013,681,397 (L)	23.09% (L)
China Point Investment Limited (<i>Note b</i>)	Attributable interest of controlled corporation	6,013,681,397 (L)	23.09% (L)
泉州東海開發有限公司 (<i>Note b</i>)	Attributable interest of controlled corporation	6,013,681,397 (L)	23.09% (L)
廈門象嶼東洋國際貿易有限公司 (<i>Note b</i>)	Attributable interest of controlled corporation	6,013,681,397 (L)	23.09% (L)

Name	Capacity and nature of interest	Number of Shares	Approximate % shareholding
Hong Kong (Xiamen) Investment Development Company Limited (Note b)	Attributable interest of controlled corporation	6,013,681,397 (L)	23.09% (L)
Sheen Wise International Investment Limited (Note b)	Beneficial owner	6,013,681,397 (L)	23.09% (L)
東方集團股份有限公司 (Note c)	Attributable interest of controlled corporation	6,572,483,000 (L)	25.24% (L)
東方集團糧油食品有限公司 (Note c)	Attributable interest of controlled corporation	6,572,483,000 (L)	25.24% (L)
北京青龍湖嘉禾企業管理有限公司 (Note c)	Beneficial owner	6,572,483,000 (L)	25.24% (L)
Guotai Haitong Securities Co., Limited (Note d)	Attributable interest of controlled corporation	2,039,700,000 (L)	7.83% (L)
Haitong International Holdings Limited (Note d)	Attributable interest of controlled corporation	2,039,700,000 (L)	7.83% (L)
Haitong International Securities Group Limited (Note d)	Attributable interest of controlled corporation	2,039,700,000 (L)	7.83% (L)
Haitong International Securities Group (Singapore) Pte. Ltd. (Note d)	Attributable interest of controlled corporation	2,039,700,000 (L)	7.83% (L)
Haitong International Securities (Singapore) Pte. Ltd. (Note d)	Person having a security interest in shares	2,039,700,000 (L)	7.83% (L)

Notes:

- (a) Out of the 8,382,607,845 shares (32.19%), 3,605,207,845 shares (13.85%) were beneficially held by He Fu International Limited ("He Fu"), 3,489,700,000 shares (13.40%) were beneficially held by United Petroleum & Natural Gas Holdings Limited, and 1,287,700,000 shares (4.94%) were beneficially held by Brand Master Group Limited ("Brand Master"). United Petroleum & Natural Gas Holdings Limited is a wholly-owned subsidiary of Million Fortune Enterprises Limited, which itself wholly-owned by Mr. Zhang Hong Wei. He Fu is a wholly-owned subsidiary of Huilan Investment Limited, which is 92% owned by 東方集團有限公司 and 8% owned by 東方集團產業發展有限公司. 東方集團產業發展有限公司 is wholly owned by 東方集團有限公司, which comprises 6% ownership by its own wholly-owned subsidiary and 94% ownership by 名澤東方投資有限公司, which is ultimately wholly-owned by Mr. Zhang Hong Wei. Brand Master is wholly-owned by Ms. Zhang Meiying. On 29 November 2024, Brand Master and He Fu entered into a voting deed pursuant to which Brand Master has conferred on He Fu control over the exercise of the voting rights attached to the 1,287,700,000 shares in the Company held by Brand Master. Therefore, Mr. Zhang Hong Wei is deemed to be interested in those 8,382,607,845 shares (32.19%).

- (b) Sheen Wise International Investment Limited is a wholly-owned subsidiary of Hong Kong (Xiamen) Investment Development Company Limited, which is itself a wholly-owned subsidiary of 廈門象嶼東洋國際貿易有限公司. This entity is, in turn, a wholly-owned subsidiary of 泉州東海開發有限公司, which is wholly-owned by China Point Investment Limited. China Point Investment Limited is a wholly-owned subsidiary of Equinox Investments Worldwide Limited, which is ultimately owned by Mr. Yiu Chi Shing.
- (c) 北京青龍湖嘉禾企業管理有限公司 is jointly owned by a wholly-owned subsidiary of 東方集團股份有限公司 (30%) and 東方集團糧油食品有限公司 (40%). 東方集團糧油食品有限公司 is a wholly-owned subsidiary of 東方集團股份有限公司. Therefore, each of 東方集團股份有限公司 and 東方集團糧油食品有限公司 is deemed or taken to be interested in 6,572,483,000 shares which are owned by 北京青龍湖嘉禾企業管理有限公司 as right to take the underlying shares under the SFO.
- (d) Haitong International Securities (Singapore) Pte. Ltd. is a wholly-owned subsidiary of Haitong International Securities Group (Singapore) Pte. Ltd. which in turn is wholly-owned by Haitong International Securities Group Limited. Haitong International Securities Group Limited is a wholly-owned subsidiary of Haitong International Holdings Limited which itself is wholly-owned by Guotai Haitong Securities Co., Limited. Consequently, each of Haitong International Securities Group Limited, Haitong International Holdings Limited and Guotai Haitong Securities Co., Limited are deemed or taken to be interested in 2,039,700,000 shares which are owned by Haitong International Securities (Singapore) Pte. Ltd. (2,039,700,000 shares) as right to take the underlying shares under the SFO.
- (e) (L) denotes long position and (S) denotes short position.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% 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.

Corporate Governance

The Directors and the composition of the Board committees have changed during the reporting period.

Mr. Song Yu has been appointed as an executive Director (“ED”) on 4 June 2025 and redesignated as the Chairman of the Board on 27 June 2025. Mr. Chiu Ping Shun has been appointed as an ED, an authorized representative of the Company (the “Authorized Representative”) under Rule 3.05 of the Listing Rules and a member of each of the Remuneration Committee and the Nomination Committee on 27 June 2025. Mr. Yiu Chi Shing has been re-designated from an executive Director to a non-executive Director (“NED”) on 4 June 2025.

On 4 June 2025, Mr. Sun Chuen Wah Anthony and Ms. Tang Yuen Ching Irene have been appointed as an independent non-executive Directors (“INED”) and members of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

On 4 June 2025, Ms. Zhang Meiyang has resigned as an ED and ceased to be an Authorized Representative and a member of each of the Remuneration Committee and the Nomination Committee, and Mr. Chau Siu Wai has resigned as an INED and ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

On 27 June 2025, Mr. Zhang Hong Wei has resigned as an ED and the Chairman of the Board.

Please refer to the announcements published by the Company on 4 June 2025 and 27 June 2025 for the details of the changes in the Directors and the composition of the Board committees.

After the aforesaid changes, as at 30 June 2025, the members of the Board and the Board committees are as follows:

Director	Position	Board	Audit Committee	Remuneration Committee	Nomination Committee
Song Yu	ED	C			
Yiu Chi Shing	NED	VC			
Chiu Ping Shun	ED	M		M	M
San Fung	INED	M	C	C	C
Sun Chuen Wah Anthony	INED	M	M	M	M
Tang Yuen Ching Irene	INED	M	M	M	M

Notes:

C – Chairman of the Board or the relevant Board committees

VC – Vice Chairman of the Board

M – Member of the Board or the relevant Board committees

The Company has applied the principles and complied with the code provisions as set out in the CG Code set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2025 except that:

- the CG Code Part 2 C.2.1 – the Company has the post of chief executive officer but it was still vacant

CG Code Part 2 C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although the Company has separated the duties between the chairman and chief executive officer, the post of the chief executive officer is still vacant. In this connection, the executive function of the Company is performed by the executive Directors and management of the Company. Thus, significant decision of the Company is made by the Board. The Board considers that such structure will not affect the balance of power and authority between the chairman and the executive Directors.

Compliance with the Model Code of the Listing Rules

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Having made specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2025.

Audit Committee

The Audit Committee of the Company comprise three independent non-executive directors, namely Mr. San Fung, Mr. Sun Chuen Wah Anthony and Ms. Tang Yuen Ching Irene. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2025. The Audit Committee has also discussed with management and reviewed the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting matters, and found them to be satisfactory.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30 June 2025.

Review of Interim Results

The interim result for the six months ended 30 June 2025 have been reviewed by the Company's Audit Committee. The unaudited condensed consolidated interim report of the Group for the six months ended 30 June 2025 have also been reviewed by the Company's auditor, RSM Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The auditor's independent review report has been included in this report.

By Order of the Board
United Energy Group Limited

Song Yu
Chairman

Hong Kong, 29 August 2025

As at the date of this report, the Board of the Company comprises the following directors:

Executive directors:

Mr. Song Yu (Chairman) and Mr. Chiu Ping Shun

Non-executive director:

Mr. Yiu Chi Shing (Vice Chairman)

Independent non-executive directors:

Mr. San Fung, Mr. Sun Chuen Wah Anthony and
Ms. Tang Yuen Ching Irene



TO THE BOARD OF DIRECTORS OF UNITED ENERGY GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 24 to 49 which comprises the condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Without modifying our review conclusion, we draw to your attention that the comparative condensed consolidated financial information for the six months ended 30 June 2024 has not been reviewed in accordance with standards applicable to review engagements issued by the HKICPA.

Material uncertainty related to going concern

We draw attention to note 2 in the condensed consolidated financial statements, which indicates that the Group had net current liabilities of HK\$1,434,582,000 as at 30 June 2025. As stated in note 2, this event or condition indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM Hong Kong

Certified Public Accountants
29th Floor,
Lee Garden Two,
28 Yun Ping Road,
Causeway Bay,
Hong Kong

29 August 2025

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Turnover	7	8,087,956	8,439,807
Cost of sales		(6,781,838)	(6,551,229)
Gross profit		1,306,118	1,888,578
Investment and other income		113,170	92,028
Other gains and losses		213,659	(40,169)
Exploration expenses		(65,168)	(92,684)
Administrative expenses		(374,030)	(292,463)
Other operating expenses		(30,929)	(53,962)
Profit from operations		1,162,820	1,501,328
Finance costs	8	(141,655)	(163,465)
Share of profits of associates		7,913	37,405
Profit before tax		1,029,078	1,375,268
Income tax expense	9	(288,936)	(364,998)
Profit for the period	10	740,142	1,010,270
Attributable to:			
Owners of the Company		740,147	1,010,276
Non-controlling interests		(5)	(6)
		740,142	1,010,270
Earnings per share	11		
Basic (cents per share)		2.88	3.90
Diluted (cents per share)		N/A	N/A

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	740,142	1,010,270
Other comprehensive income after tax:		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	28,669	1,176
Release of exchange reserve and reclassified to profit or loss upon deemed disposal of investment in associates	30,834	–
Other comprehensive income for the period, net of tax	59,503	1,176
Total comprehensive income for the period	799,645	1,011,446
Attributable to:		
Owners of the Company	799,650	1,011,452
Non-controlling interests	(5)	(6)
	799,645	1,011,446

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
	Note		
Non-current assets			
Property, plant and equipment	13	12,548,238	11,870,336
Right-of-use assets	14	218,624	616,469
Intangible assets		1,696,254	1,582,605
Investment in associates		57,592	125,225
Investment in a joint venture		—	—
Advances, deposits and prepayments		91,701	93,423
Deferred tax assets		1,048,396	999,348
		15,660,805	15,287,406
Current assets			
Inventories		262,754	257,860
Trade and other receivables	15	7,091,957	7,603,933
Financial assets at fair value through profit or loss ("FVTPL")		4,035	3,221
Derivative financial assets		532	—
Employee retirement benefits assets		9,103	9,103
Current tax assets		11,882	23,081
Bank and cash balances		1,993,774	2,935,796
Total current assets		9,374,037	10,832,994
Current liabilities			
Trade and other payables	16	8,610,968	8,794,443
Contract liabilities		399,761	—
Derivative financial liabilities		316	—
Due to a director		—	7,708
Borrowings	17	201,649	155,825
Lease liabilities		105,300	129,523
Provisions	18	33,959	33,959
Financial guarantee contracts		—	8,634
Current tax liabilities		1,456,666	1,638,556
Total current liabilities		10,808,619	10,768,648
Net current (liabilities)/assets		(1,434,582)	64,346
Total assets less current liabilities		14,226,223	15,351,752

Condensed Consolidated Statement of Financial Position *(Continued)*

At 30 June 2025

		30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
	Note		
Non-current liabilities			
Trade and other payables	16	361,589	979,276
Borrowings	17	130,846	77,950
Lease liabilities		122,097	166,752
Provisions	18	672,400	699,752
Employee retirement benefits obligations		62,393	54,677
Deferred tax liabilities		68,778	77,965
		1,418,103	2,056,372
NET ASSETS		12,808,120	13,295,380
Capital and reserves			
Share capital	19	260,405	260,405
Reserves		12,542,311	13,029,566
Equity attributable to owners of the Company		12,802,716	13,289,971
Non-controlling interests		5,404	5,409
TOTAL EQUITY		12,808,120	13,295,380

Approved by the Board of Directors on 29 August 2025:

Song Yu
Executive Director

Chiu Ping Shun
Executive Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	(Unaudited)												
	Attributable to owners of the Company												
	Share capital HK\$'000	Treasury shares HK\$'000	Share premium account HK\$'000	Merger reserve HK\$'000	Contribution surplus reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share-based capital reserve HK\$'000	Performance share unit scheme reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2024	260,405	-	2,305,762	(2,286,000)	7,436,432	10,201	21,447	(145,279)	2,623	5,225,135	12,830,726	5,423	12,836,149
Total comprehensive income for the period	-	-	-	-	-	1,176	-	-	-	1,010,276	1,011,452	(6)	1,011,446
Purchase of treasury shares	-	(31,233)	-	-	-	-	-	-	-	-	(31,233)	-	(31,233)
Purchase of shares under performance share unit scheme	-	-	-	-	-	-	-	(11,820)	-	-	(11,820)	-	(11,820)
Equity-settled share-based payments under performance share unit scheme	-	-	-	-	-	-	7,775	-	-	-	7,775	-	7,775
Changes in equity for the period	-	(31,233)	-	-	-	1,176	7,775	(11,820)	-	1,010,276	976,174	(6)	976,168
At 30 June 2024	260,405	(31,233)	2,305,762	(2,286,000)	7,436,432	11,377	29,222	(157,099)	2,623	6,235,411	13,806,900	5,417	13,812,317
At 1 January 2025	260,405	(61,990)	2,305,762	(2,286,000)	6,402,448	4,381	34,603	(155,017)	2,623	6,782,756	13,289,971	5,409	13,295,380
Total comprehensive income for the period	-	-	-	-	-	59,503	-	-	-	740,147	799,650	(5)	799,645
Equity-settled share-based payments under performance share unit scheme	-	-	-	-	-	-	5,575	-	-	-	5,575	-	5,575
Shares vested under performance share unit scheme	-	-	-	-	-	-	(33,944)	31,512	-	2,432	-	-	-
Dividend paid (note 12)	-	-	-	-	(1,292,480)	-	-	-	-	-	(1,292,480)	-	(1,292,480)
Changes in equity for the period	-	-	-	-	(1,292,480)	59,503	(28,369)	31,512	-	742,579	(487,255)	(5)	(487,260)
At 30 June 2025	260,405	(61,990)	2,305,762	(2,286,000)	5,109,968	63,884	6,234	(123,505)	2,623	7,525,335	12,802,716	5,404	12,808,120

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
		Note	
Net cash generated from operating activities			
		2,739,813	4,343,781
Acquisition of subsidiaries	23	19,525	–
Deposit paid for acquisition of property, plant and equipment		–	(64,980)
Purchases of property, plant and equipment		(2,211,950)	(2,845,238)
Deposit paid for acquisition of subsidiaries		–	(31,581)
Other investing cash flow (net)		69,464	20,947
Net cash used in investing activities		(2,122,961)	(2,920,852)
Dividend received		151	242
Dividend paid		(1,292,480)	–
Repayment of borrowings		(186,420)	(2,500,772)
Advance from a customer		–	2,340,000
Purchase of treasury shares		–	(31,233)
Purchase of shares under performance share unit scheme		–	(11,820)
Principal elements of lease payments		(86,870)	(149,684)
Net cash used in financing activities		(1,565,619)	(353,267)
Net (decrease)/increase in cash and cash equivalents		(948,767)	1,069,662
Cash and cash equivalents at the beginning of the period		2,935,796	3,327,279
Effect of foreign exchange rate changes		6,745	(1,401)
Cash and cash equivalents at the end of the period, represented by		1,993,774	4,395,540
Bank and cash balances		1,993,774	4,395,540

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. GOING CONCERN BASIS

As at 30 June 2025, the Group had net current liabilities of approximately HK\$1,434,582,000. This event and condition indicate the existence of a material uncertainty exists that 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.

The directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering the next twelve months from 30 June 2025 prepared by the management of the Company; and after taking into consideration the following:

- (a) the Group is currently in negotiation with certain financial institutions to secure additional banking facilities to supplement its operating cash flows;
- (b) having regard to the Group’s historical track record and the sustained growth of its core business activities, the directors expect that future operating activities will continue to generate positive cash flows; and
- (c) the Group will continue to strength cost control and take further measures to reduce operating costs.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed consolidated financial statements should be read in conjunction with the 2024 annual consolidated financial statements. Except as described in note 4 below, the accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2024. In addition, the Group had applied the following material accounting policy for derivative financial instruments.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

4. NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

A. New and amended standards adopted by the Group

The Group has applied the amendments to HKAS 21 "Lack of Exchangeability" for the first time from 1 January 2025. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standard.

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed interim financial statements.

5. FAIR VALUE MEASUREMENT

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categories 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.

The recurring fair value of the financial assets at fair value through profit or loss and derivative financial instruments at 30 June 2025 (31 December 2024: financial assets at fair value through profit or loss) are measured by using Level 1 of the fair value hierarchy.

There were no changes in the valuation techniques used.

6. SEGMENT INFORMATION

The chief operating decision maker is the board of the directors of the Company. During the period, the Group acquired subsidiaries that are engaged in the development and operation of a wind power project. As a result, the basis of segmentation is changed and the Group has identified three reportable segments as follows:

- | | | |
|----|----------------------------|--|
| 1. | Exploration and production | – activities relating to the exploration and production of crude oil and natural gas in Pakistan, Middle East and North Africa |
| 2. | Trading | – activities relating to trading of energy products, including petrochemical |
| 3. | Clean energy business | – activities relating to sales of electricity generated from wind power |

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 market strategies.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

6. SEGMENT INFORMATION *(Continued)*

Segment profit or loss does not include the following items:

- investment and other income
- other gains and losses
- share of profits of associates

Segment assets do not include the following items:

- investment in associates
- deferred tax assets
- derivative financial assets
- financial assets at fair value through profit or loss
- current tax assets
- bank and cash balances

Segment liabilities do not include the following items:

- derivative financial liabilities
- due to a director
- borrowings
- lease liabilities
- deferred tax liabilities
- current tax liabilities
- financial guarantee contracts

	Exploration and production <i>HK\$'000</i> (unaudited)	Trading <i>HK\$'000</i> (unaudited)	Clean energy business <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
For the six months ended				
30 June 2025				
Revenue from external customers	4,318,738	3,722,090	47,128	8,087,956
Segment profit/(loss)	403,550	(8,769)	10,619	405,400
As at 30 June 2025				
Segment assets	20,291,884	523,192	1,103,555	21,918,631
Segment liabilities	7,495,902	2,570,157	75,011	10,141,070
For the six months ended				
30 June 2024				
Turnover with external customers	5,049,188	3,390,619	–	8,439,807
Segment profit	916,812	4,194	–	921,006
As at 31 December 2024	(audited)	(audited)	(audited)	(audited)
Segment assets	21,090,943	942,786	–	22,033,729
Segment liabilities	7,516,019	3,046,088	–	10,562,107

6. SEGMENT INFORMATION *(Continued)*

Reconciliation of reportable segment profit or loss:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit or loss		
Total profit of reportable segments	405,400	921,006
Share of profits of associates	7,913	37,405
Investment and other income	113,170	92,028
Other gains and losses	213,659	(40,169)
Consolidated profit for the period	740,142	1,010,270

7. TURNOVER

Turnover from contracts with customers for the period is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales and production of crude oil, condensate, gas and liquefied petroleum gas	4,318,738	5,049,188
Trading of energy products	3,722,090	3,390,619
Sales of electricity generated from wind power	47,128	–
	8,087,956	8,439,807

7. TURNOVER *(Continued)*

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

Six months ended 30 June 2025				
	Sales and production of crude oil, condensate, gas and liquefied petroleum gas HK\$'000 (unaudited)	Trading of energy products HK\$'000 (unaudited)	Sales of electricity generated from wind power HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Primary geographical markets				
– Pakistan	991,879	542,675	47,128	1,581,682
– Singapore	293,988	2,566,668	–	2,860,656
– Egypt	472,278	–	–	472,278
– Iraq	2,560,593	–	–	2,560,593
– United Arab Emirates	–	612,747	–	612,747
Revenue from external customers	4,318,738	3,722,090	47,128	8,087,956

Six months ended 30 June 2024				
	Sales and production of crude oil, condensate, gas and liquefied petroleum gas HK\$'000 (unaudited)	Trading of energy products HK\$'000 (unaudited)	Sales of electricity generated from wind power HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Primary geographical markets				
– Hong Kong	–	215,587	–	215,587
– Pakistan	1,279,172	368,641	–	1,647,813
– Singapore	482,086	841,168	–	1,323,254
– Egypt	573,776	–	–	573,776
– Iraq	2,714,154	–	–	2,714,154
– United Arab Emirates	–	939,077	–	939,077
– Switzerland	–	1,026,146	–	1,026,146
Revenue from external customers	5,049,188	3,390,619	–	8,439,807

The turnover from sales and production of crude oil, condensate, gas and liquefied petroleum gas; trading of energy products and sales of electricity are net of sales tax, royalty to government, sales discounts and windfall levy amounting to approximately HK\$165,308,000 (2024: HK\$197,187,000), HK\$176,219,000 (2024: HK\$247,826,000), HK\$Nil (2024: HK\$10,247,000) and HK\$28,607,000 (2024: HK\$77,063,000) respectively.

8. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Interest on bank loans	12,355	78,526
Interest expense on lease liabilities	7,960	9,769
Interest on advances from customers	102,823	64,568
Provisions – unwinding of discounts (<i>note 18</i>)	20,914	13,231
Others	745	–
Total borrowing costs	144,797	166,094
Amount capitalised	(3,142)	(2,629)
	141,655	163,465

In 2025, the weighted average capitalisation rate on funds borrowed generally was at a rate of 7.5% (2024: 8.1%) per annum.

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Current tax – Overseas		
Provision for the period	353,872	573,481
Under-provision in prior years	–	240
	353,872	573,721
Deferred tax	(64,936)	(208,723)
	288,936	364,998

No provision for profits tax in Austria, Cayman Islands, Bermuda, British Virgin Islands, Jersey, Kuwait, Dubai, Netherlands, United States of America, Republic of Panama, Mauritius, Cyprus, Bulgaria or Hong Kong is required as the Group has no assessable profit for the period arising in or derived from these jurisdictions for the six months ended 30 June 2025 and 2024.

Egypt, Iraq, Pakistan, Singapore and PRC Income Tax has been provided at a rate of 22.5%, 35%, ranging from 40% to 50%, 17% and 25% respectively on the estimated taxable income earned by the companies with certain tax preference, based on existing legislation, interpretation and practices in respect thereof.

Tax charge on profits assessable elsewhere have 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.

10. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Acquisition related costs (included in administrative expenses)	1,798	—
Impairment losses on investment in associates	—	38,842
Impairment losses on property, plant and equipment (included in other gains and losses)	24,020	—
Property, plant and equipment written off	11,799	—
Gain on deemed disposal of investment in associates	(78,912)	—
Gain on bargain purchase for acquisition of subsidiaries	(114,381)	—
Amortisation of intangible assets	99,380	166,926
Depreciation	2,285,989	2,409,060
Depreciation of right-of-use assets	44,228	40,316
Directors' remuneration	9,765	9,919
Fair value gains on financial assets at FVTPL	(814)	(226)
Fair value gains on derivative financial instruments	(216)	—
Realised gain on derivative financial instruments	(16)	—

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$740,147,000 (2024: HK\$1,010,276,000) and the weighted average number of ordinary shares of 25,682,474,305 (2024: 25,895,565,679) in issue during the period.

(b) Diluted earnings per share

The Company did not have any dilutive potential ordinary share for the six months ended 30 June 2025 and 2024. Diluted earnings per share for the six months ended 30 June 2025 and 2024 are the same as the basic profit per share for the period.

12. DIVIDEND

	Six months ended 30 June	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
2024 Final dividend of HK5 cents per ordinary share paid	1,292,480	—

The directors of the Company do not recommend any interim dividend for the six months ended 30 June 2025 (2024: HK\$Nil).

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of approximately HK\$2,244,137,000 (2024: HK\$2,934,258,000), excluding property, plant and equipment acquired through a business combination of approximately HK\$419,307,000 (note 23).

14. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group entered into a number of new lease agreements for properties and motor vehicles for fixed terms of 3 to 5 years (2024: properties and motor vehicles for fixed terms of 5 to 6 years). The Group makes fixed payments during the contract period. On lease commencement, the Group recognised approximately HK\$14,501,000 (2024: HK\$59,983,000) of right-of-use assets and lease liabilities.

As referred to note 23, the Group completed the step acquisition of subsidiaries during the six months ended 30 June 2025. The Group recognised approximately HK\$980,000 and HK\$2,807,000 of right-of-use assets and lease liabilities upon the completion of the step acquisition respectively.

15. TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade receivables (note (a))	5,729,194	6,320,638
Allowance for trade receivables	(102,348)	(102,348)
Allowance for price adjustments (note (b))	(195,837)	(196,100)
	5,431,009	6,022,190
Other receivables	1,661,335	1,582,130
Allowance for other receivables	(387)	(387)
Other receivables, net of allowance (note (c))	1,660,948	1,581,743
Total trade and other receivables	7,091,957	7,603,933

(a) Trade receivables

The Group's trading terms with customers are mainly on credit. The credit term generally ranges from 30 to 45 days (31 December 2024: 30 to 45 days) except for the customers in Iraq which were settled by having physical delivery of crude oil on accumulation of balance sufficient enough for cargo lifting. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0 to 30 days	2,829,963	3,858,007
31 to 60 days	265,690	254,487
61 to 90 days	1,304,342	688,384
Over 90 days	1,329,199	1,519,760
	5,729,194	6,320,638

15. TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Allowance for price adjustments

This represents the provision for the possible price adjustment in gas prices as per the draft gas price notifications submitted to the relevant regulatory authorities in Pakistan in respect of certain gas sales agreements. Since the final price notification has not yet been received from the regulatory authorities, the management had estimated the potential price differential based on the draft notifications and a possible price reduction (excluding royalty expenses) of approximately HK\$195,837,000 (31 December 2024: HK\$196,100,000) was provided.

(c) Other receivables

The details of other receivables, and net of allowance, are as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Due from joint operators	759,391	752,320
Advances to staff	16,541	12,194
Central excise duty receivables	4,920	4,843
Deposits and prepayments	458,832	380,048
Deposits in financial institutions	62,381	–
Government treasury bills	43,757	–
Interest receivables	502	–
Sales tax receivables	212,835	171,381
Other tax receivables	5,917	1,989
Withholding tax receivables	1,334	1,334
Amounts due from associates <i>(note (i))</i>	–	194,655
Others	94,538	62,979
	1,660,948	1,581,743

Note:

- (i) As at 31 December 2024, other than due from an associate of the Group, Orient Group Beijing Investment Holding Limited, of approximately HK\$26,208,000 which interest bearing at a rate of 3 months LIBOR plus 1.7% per annum, unsecured and repayable on or before 29 September 2025, the remaining balances were unsecured, interest-free and repayable on demand. As at 30 June 2025, such amounts has been fully eliminated upon the step acquisition as set out in note 23 to the condensed consolidated financial statements.

16. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade payables (note (a))	1,569,633	2,139,032
Other payables (note (b))	7,402,924	7,634,687
Total trade and other payables	8,972,557	9,773,719
Analysed as:		
Current liabilities	8,610,968	8,794,443
Non-current liabilities	361,589	979,276
Total trade and other payables	8,972,557	9,773,719

(a) Trade payables

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0 to 30 days	534,410	761,135
31 to 60 days	72,217	215,777
61 to 90 days	24,993	82,322
Over 90 days	938,013	1,079,798
	1,569,633	2,139,032

(b) Other payables

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Accrual for operating and capital expenses	2,716,949	2,698,622
Due to joint operators	118,548	106,041
Deferred payment for acquisition of a subsidiary	49,589	43,276
Advances from a customer (note (i))	1,872,000	2,496,000
Salaries and welfare payables	132,183	188,056
Provision for infrastructure funds	1,076,620	867,122
Other tax payables	1,380,640	1,190,292
Others	56,395	45,278
	7,402,924	7,634,687

16. TRADE AND OTHER PAYABLES *(Continued)*

(b) Other payables *(Continued)*

Note:

- (i) The Group entered into an agreement with a customer for secured crude oil prepayment facilities to the extent of approximately HK\$3,120,000,000 (equivalent to approximately US\$400,000,000). Advances drawn under the facilities bear interest rate at 5.25% plus 3 months Term SOFR per annum, are repayable principally by the delivery of the Group's crude oil entitlement and are secured by the unlimited corporate guarantee of the Company.

17. BORROWINGS

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Bank loans, secured	332,495	233,775
Analysed as:		
Current liabilities	201,649	155,825
Non-current liabilities	130,846	77,950
	332,495	233,775

18. PROVISIONS

	Dismantling costs in respect of leasehold improvements HK\$'000	Decommissioning costs HK\$'000	Total HK\$'000
At 1 January 2025 (audited)	500	733,211	733,711
Less:			
Actual costs incurred during the period	–	(48,126)	(48,126)
Reversal of provisions recognised during the period	–	(140)	(140)
Add:			
Unwinding of discounts	–	20,914	20,914
At 30 June 2025 (unaudited)	500	705,859	706,359

18. PROVISIONS (Continued)

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Analysed as:		
Current liabilities	33,959	33,959
Non-current liabilities	672,400	699,752
	706,359	733,711

Oil and gas exploration and production activities may result in land subsidence and damage to the environment of the concession areas. Pursuant to the relevant rules and regulations, the Group is required to restore the concession areas back to acceptable conditions.

The decommissioning costs obligation has been determined by management by discounting the expected future expenditures to their net present value using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The amounts provided in relation to the decommissioning costs are reviewed at least annually based upon the facts and circumstances available at the time and the provisions are updated accordingly.

The provision for dismantling costs in respect of leasehold improvements is calculated based on the net present value of costs to be incurred to remove leasehold improvements from the leased properties of the Group. The amounts are determined with reference to the quotations from external contractors and the management's estimation.

19. SHARE CAPITAL

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Authorised:		
60,000,000,000 ordinary shares of HK\$0.01 each	600,000	600,000
Issued and fully paid:		
26,040,504,786 ordinary shares of HK\$0.01 each	260,405	260,405

19. SHARE CAPITAL *(Continued)*

A summary of the movement in the issued share capital of the company is as follows:

	Number of shares			Nominal value of shares issued HK\$'000
	Issued shares (excluding treasury shares)	Treasury shares	Total number of issued shares	
	'000	'000	'000	
At 31 December 2023 and 1 January 2024 (audited)	26,040,504	–	26,040,504	260,405
Purchase of treasury shares (note (i))	(91,054)	91,054	–	–
At 30 June 2024 (unaudited)	25,949,450	91,054	26,040,504	260,405
At 31 December 2024 and 1 January 2025 (audited) and 30 June 2025 (unaudited)	25,849,594	190,910	26,040,504	260,405

Note:

- (i) During the six months ended 30 June 2024, the Company purchased 91,054,000 of its own shares on the Stock Exchange as treasury shares, the total amount paid on the treasury shares was approximately HK\$31,233,000.

20. PERFORMANCE SHARE UNIT SCHEME

On 1 April 2019, the Company adopted a performance share unit scheme (the “PSU Scheme”) with objectives to provide the employees of the Group with incentives to drive success and growth in the shareholder value of the Group; to promote the effective achievement of the mid and long term performance goals of the Group; and to attract, motivate and retain core talents of the Group with rewards and incentives. Unless terminated earlier by the board of directors (the “Board”) pursuant to the PSU Scheme, the PSU Scheme shall be valid and effective for a period of ten years commencing on the adoption date.

Pursuant to the PSU Scheme, the Board may, from time to time, at its absolute discretion cause to be transferred to the trust the necessary funds for the purchase of the Company’s shares to be held on trust in accordance with the rules as set out in the PSU Scheme and the trust deed. Such funds shall be applied towards the purchase of the specific number of the Company’s shares from the open market according to the written instructions of the Board. The Company shall not make any further grant of shares award which will result in the aggregate number of awarded share under the PSU Scheme (exclude awarded shares that have been forfeited in accordance with the Scheme) exceeding 10% of the total issued shares capital of Company from time to time.

20. PERFORMANCE SHARE UNIT SCHEME *(Continued)*

During the six months ended 30 June 2025, no shares were purchased by the trustee from the market (2024: 40,000,000 shares were purchased by the trustee from the market at an average price of HK\$0.30 per share, with an aggregate amount of approximately HK\$11,820,000).

No share was granted to eligible employee pursuant to the PSU Scheme by the Company during the six months ended 30 June 2025 and 2024.

Movements in the number of awarded shares granted under the PSU Scheme during the period are as follows:

Date of grant	Fair value per share at grant date	Number of awarded shares					Vesting period
		Outstanding as at 1 January 2025	Granted during the period	Vested during the period	Forfeited during the period	Outstanding as at 30 June 2025	
17 May 2022	HK\$1.13	21,292,097	–	(21,106,108)	(185,989)	–	17 May 2022 to 16 May 2025
17 May 2022	HK\$1.13	14,224,798	–	(13,960,787)	(264,011)	–	17 May 2022 to 16 May 2025
27 June 2023	HK\$0.80	20,150,000	–	(1,300,000)	(250,000)	18,600,000	27 June 2023 to 26 June 2026
		55,666,895	–	(36,366,895)	(700,000)	18,600,000	

The fair value of the shares at grant date was estimated by taking the market price of the Company's shares on grant date. The Group recognised the total expenses of approximately HK\$5,575,000 (2024: HK\$7,775,000) for the six months ended 30 June 2025 in relation to the PSU Scheme.

As at 30 June 2025, there are 142,526,846 shares (31 December 2024: 178,893,741 shares) held by the trustee.

21. CAPITAL COMMITMENTS

The Group's capital commitments at the end of reporting period are as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Contracted but not provided for:		
Acquisition of property, plant and equipment	1,782,076	977,177
Acquisition of subsidiaries	1,224,600	–
Capital contribution to subsidiaries	575,912	573,084
Capital contribution to associates	21,931	21,597
	3,604,519	1,571,858

22. CONTINGENT LIABILITIES

- (a) As at 30 June 2025 and 31 December 2024, the Company issued various unlimited corporate guarantees in favour of the President of the Islamic Republic of Pakistan for providing United Energy Pakistan Limited ("UEPL") with all necessary financial and other means to enable UEPL to fully perform its obligations as stipulated in the concession agreements.
- (b) Certain subsidiaries of the Group had dispute with the Pakistan government on the applicability of windfall levy on its production of oil and condensate. On 27 December 2017, the government's approval for the execution of windfall levy was granted and the windfall levy became applicable on the subsidiaries. Based on legal advice from external lawyers, the management believes that the applicability of the windfall levy is prospective, i.e. from the date of the government's approval. If the applicability of windfall levy is retrospective, further provision for the windfall levy of approximately HK\$191,969,000 (31 December 2024: HK\$191,969,000) would be required to be made in the condensed consolidated financial statements for the period ended 30 June 2025.
- (c) As at 30 June 2025, certain subsidiaries of the Group received various tax orders in an attempt to re-assess tax liability for prior years by the Pakistan tax department. The subsidiaries of the Group are currently appealing against these orders and the cumulative potential tax exposure for the pending tax cases was approximately HK\$1,135,414,000 (31 December 2024: HK\$898,741,000).
- (d) At the end of the reporting period, bank guarantees to the extent of approximately HK\$53,593,000 (equivalent to US\$6,871,000) (31 December 2024: HK\$53,593,000 (equivalent to US\$6,871,000)) in favor of certain government authorities was obtained by certain subsidiaries of the Group to guarantee their exploration, performance and financial obligations as stipulated in the concession agreements.

23. ACQUISITION OF SUBSIDIARIES

Step acquisition from associates to subsidiaries

On 14 February 2025, the Group entered into a sale and purchase agreement with a related company, Orient Group Industrial and Development Company Limited to acquire 52% issued share capital of Orient Group Beijing Investment Holding Limited ("OGBIH") and its subsidiaries ("OGBIH Group") at a cash consideration of approximately HK\$148,200,000 (equivalent to approximately US\$19,000,000) (the "Acquisition"). The Acquisition was completed on 12 May 2025 (the "Acquisition Date").

OGBIH Group is engaged in the development and operation of a 99-megawatt wind power project in Pakistan through its subsidiaries. The Acquisition was made as part of the Group's strategy to expand its clean energy business sector.

Upon the Acquisition Date, the Group's equity interest in OGBIH Group increased from 48% to 100% and OGBIH Group became the wholly owned subsidiaries of the Group and its results have been consolidated into the financial statement of the Group thereafter.

The Group accordingly remeasured the fair value of its pre-existing interest held in the OGBIH Group at the Acquisition Date and recognised a gain of approximately HK\$78,912,000. The amount has been recognised under "other gains and losses" in the condensed consolidated financial statements for the six months period ended 30 June 2025 and the details are as follows:

	<i>HK\$'000</i>
Carrying value of previously held equity interest in OGBIH Group at the Acquisition Date	74,337
Release of foreign currency translation reserve	30,834
Less: fair value of pre-existing equity interest in OGBIH Group at the Acquisition Date	(184,083)
Gain on deemed disposal of investment in associates (<i>note 10</i>)	(78,912)

23. ACQUISITION OF SUBSIDIARIES (Continued)

Step acquisition from associates to subsidiaries (Continued)

The fair value of the identifiable assets and liabilities of OGBIH Group acquired as at the Acquisition Date are as follows:

	HK\$'000
Net assets acquired:	
Property, plant and equipment	419,307
Right-of-use assets	980
Intangible assets	173,815
Inventories	1,260
Trade and other receivables	239,700
Current tax assets	350
Bank and cash balances	167,725
Trade and other payables	(15,963)
Borrowings	(295,718)
Lease liabilities	(2,807)
Employee retirement benefits obligations	(919)
	687,730
Gain on bargain purchase	(114,381)
	573,349
Satisfied by:	
Cash	148,200
Receivables from OGBIH Group before acquisition	241,066
Fair value of pre-existing equity interest in OGBIH Group at the Acquisition Date	184,083
	573,349
Net cash inflow arising on the Acquisition:	
Cash consideration paid	(148,200)
Cash and cash equivalent acquired	167,725
	19,525

The fair value of trade and other receivables acquired is approximately HK\$239,700,000. The gross amount due under the contractual is approximately HK\$242,706,000, of which HK\$3,006,000 is expected to be uncollectible.

The Group recognised a gain on bargain purchase of HK\$114,381,000 in the business combination. The gain is included in other gains and losses. The gain on bargain purchase is attributable to the increase in fair value of the net assets acquired between the valuation date used for determining the purchase considerations and the Acquisition Date.

23. ACQUISITION OF SUBSIDIARIES (Continued)

Step acquisition from associates to subsidiaries (Continued)

OGBIH Group contributed turnover of approximately HK\$47,128,000 and profit of approximately HK\$28,036,000 in the period between the Acquisition Date and the end of the reporting period. If the acquisition had been completed on 1 January 2025, total Group turnover for the period would have been approximately HK\$8,160,414,000, and profit for the period would have been approximately HK\$753,706,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is intended to be a projection of future results.

Acquisition-related costs of approximately HK\$1,798,000 have been charged to administrative expenses in the condensed consolidated financial statements for the six-months period ended 30 June 2025.

24. RELATED PARTY TRANSACTIONS

- (a) Name and relationship with related parties:

Name of the related party	Relationship
東方集團產業發展有限公司 (Orient Group Industrial & Development Co., Ltd. ("Orient Group Industrial & Development")) #	Mr. Zhang Hong Wei, a former director of the Company, has significant influence over the Orient Group Industrial & Development
東方集團有限公司 (Orient Group Co., Ltd. ("Orient Group"))	Mr. Zhang Hong Wei, a former director of the Company, has significant influence over the Orient Group
北京大成飯店有限公司 (Beijing Dacheng Hotels Limited ("BDHL")) #	BDHL is a subsidiary of Orient Group
東方安頤 (北京) 物業管理有限公司 (Orient Group Anyi (Beijing) Property Management Limited ("OGAY")) #	OGAY is a subsidiary of Orient Group

The English translation of the company name is for reference only. The official name of the company is in Chinese.

- (b) As referred to note 23 to the condensed consolidated financial statements, the Acquisition completed on 12 May 2025 at a cash consideration of approximately HK\$148,200,000 (equivalent to approximately US\$19,000,000). The Acquisition was carried out in the ordinary course of the business and constituted connected transactions as defined in Chapter 14A of the Listing Rules.

24. RELATED PARTY TRANSACTIONS *(Continued)*

- (c) Orient Group and Orient Group Industrial & Development has provided corporate guarantees to the bank for banking facilities of approximately HK\$715,282,000 granted to OGBIH, the former associate of the Group. Orient Group also entered into an entrusted guarantee agreement with OGBIH for the corporate guarantee services provided by Orient Group. Under the entrusted guarantee agreement, 2% service fee was charged at outstanding bank loan. During the six months ended 30 June 2025, Orient Group had waived such service charge of approximately HK\$999,000 made to OGBIH (2024: HK\$2,415,000).
- (d) As at 31 December 2024, Mr. Zhang Hong Wei, an executive director of the Company, has provided personal guarantees to secure certain of the Group's obligations under finance leases amounting to approximately HK\$16,397,000.
- (e) As at 31 December 2024, the Company has provided an unlimited corporate guarantee in favour of its associate, UEP Wind Power (Private) Limited, against the bank loans of approximately HK\$138,904,000 made to the associate of the Group.
- (f) For the six months ended 30 June 2025, leases payments of approximately HK\$12,701,000 (2024: HK\$8,499,000) for leasing an office premises of the Group were paid to BDHL.
- (g) For the six months ended 30 June 2025, property management, electricity and rental expenses of approximately HK\$1,723,000 (2024: HK\$1,789,000) related to office premises of the Group were charged by OGAY.
- (h) For the six months ended 30 June 2025, service income on wind turbine operation and maintenance services of approximately HK\$16,323,000 (2024: HK\$21,911,000) were received from a former associate of the Group, UEP Wind Power (Private) Limited.
- (i) The details of the remuneration paid to the key management personnel are set out in note 10 to the condensed consolidated financial statements.

25. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2025 has been approved for issue by the board of directors on 29 August 2025.

Supplementary Information on Oil and Gas Exploration, Development and Production Activities

This section provides supplemental information on oil and gas activities in accordance with the Chapter 18 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited.

A. Major Exploration, Development and Production Activities

The following table summarised the major exploration, development and production activities during the reporting period:

	Pakistan Assets	MENA Assets
Exploration activities:	5 Exploration wells	3 Exploration wells
Development activities:	3 Development wells 7 Rig workovers	13 Development wells 7 Rig workovers
Production activities:	Average daily working interest production of 31,571 boed	Average daily working interest production of 80,191 boed

B. Group's Share of Costs Incurred on Exploration, Development and Production Activities

The following table summarised the Group's share of costs incurred on exploration, development and production activities for the current period:

	Pakistan Assets HK\$'000	MENA Assets HK\$'000	Total HK\$'000
Exploration costs	173,211	119,766	292,977
Development costs	209,034	1,744,674	1,953,708
Production costs (Note)	266,969	440,628	707,597

Note: Production costs recognised in cost of sales excluding depreciation and amortisation and sales expenses.

Glossary and Definition

In this report, unless the context otherwise requires, the following words and expressions have the following meanings.

General Terms:

“AGM”	annual general meeting of the Company
“Board”	board of directors of the Company
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China
“Company”	United Energy Group Limited
“Director(s)”	director(s) of the Company
“Egypt Assets”	assets in Egypt area engaged in Upstream business
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of China
“IMF”	International Monetary Fund
“Iraq Assets”	assets in Iraq area engaged in Upstream business
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MENA”	Middle East and North Africa
“MENA Assets”	assets in MENA engaged in Upstream business, including Iraqi Assets and Egypt Assets
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“OPEC”	Organisation of the Petroleum Exporting Countries
“Option Scheme”	the share option scheme adopted pursuant to the shareholders’ resolution passed on 27 May 2016

“Pakistan Assets”	assets in Pakistan area engaged in Upstream business
“PSU Scheme”	the performance share unit scheme adopted by the Company on 1 April 2019
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “US dollars”	the lawful currency of the United States of America
Technical Terms:	
“1P”	proved reserve
“2P”	proved plus probable reserve
“bbl”	barrel
“bcfd”	billion cubic feet per day
“boe”	barrels of oil equivalent
“boed”	barrels of oil equivalent per day
“EDPSC”	Exploration Development and Production Service Contract
“FDP”	field development plan
“GDPSC”	Gas Development and Production Service Contract
“LPG”	liquefied petroleum gas
“MW”	megawatt
“mmbbld”	million barrels per day
“mmboe”	million barrels of oil equivalent
“Operator”	the entity designated by the working interest owners to carry out the joint operations pursuant to the relevant agreement among them
“PSC”	profit sharing contract
“Upstream business”	oil and gas exploration, development, production and sales