



Sino Gas Holdings Group Limited

中油潔能控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1759

2025 ANNUAL REPORT



CONTENTS

02	Corporate Information
04	Chairman's Statement
06	Management Discussion and Analysis
19	Biographical Information of Directors and Senior Management
23	Report of the Directors
36	Corporate Governance Report
52	Environmental, Social and Governance Review Report
73	Independent Auditor's Report
79	Consolidated Statement of Profit or Loss and Other Comprehensive Income
81	Consolidated Statement of Financial Position
83	Consolidated Statement of Changes in Equity
85	Consolidated Statement of Cash Flows
86	Notes to the Consolidated Financial Statements
156	Financial Summary



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ji Guang (*Chairman*)
Ms. Ji Ling (*Vice-Chairman and Chief Executive Officer*)
Mr. Zhou Feng
Ms. Cui Meijian (Resigned on 17 January 2025)

Independent Non-executive Directors

Mr. Sheng Yuhong
Mr. Wang Zhonghua
Mr. Chan Kai Wing (Appointed on 18 December 2025)
Dr. Zheng Jian Peng (Resigned on 19 September 2025)

AUDIT COMMITTEE

Mr. Chan Kai Wing (*Chairman*)
Mr. Wang Zhonghua
Mr. Sheng Yuhong
Dr. Zheng Jian Peng (Resigned on 19 September 2025)

REMUNERATION COMMITTEE

Mr. Wang Zhonghua (*Chairman*)
Mr. Chan Kai Wing
Mr. Sheng Yuhong
Ms. Ji Ling (Appointed on 19 September 2025)
Dr. Zheng Jian Peng (Resigned on 19 September 2025)

NOMINATION COMMITTEE

Mr. Sheng Yuhong (*Chairman*)
Mr. Chan Kai Wing
Mr. Wang Zhonghua
Ms. Ji Ling (Appointed on 19 September 2025)
Dr. Zheng Jian Peng (Resigned on 19 September 2025)

COMPANY SECRETARY

Ms. Lai Florence Wai Ki (Appointed on 17 October 2025)
Ms. Chow Yuk Yin Ivy (Resigned on 17 October 2025)

AUTHORISED REPRESENTATIVES

Ms. Ji Ling
Ms. Lai Florence Wai Ki (with effect from 17 October 2025)
Ms. Chow Yuk Yin Ivy (up to 17 October 2025)

REGISTERED OFFICE

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

HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

Room 3103, Block A1
Caifu Shiji Square
13 Haian Road, Tianhe District
Guangzhou, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1115, 11/F, Tower 3
China Hong Kong City, 33 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITORS

Forvis Mazars CPA Limited
Certified Public Accountants
42/F, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

CORPORATE INFORMATION

HONG KONG LEGAL ADVISER

Anthony Siu & Co.
18th Floor, 9 Queen's Road Central
Central, Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Co., Ltd.
Guangzhou Liuhua Branch
Bank of China Zhuhai Branch
China Construction Bank Co., Ltd.
Guangzhou Conghua Branch

COMPANY'S WEBSITE ADDRESS

www.sinogasholdings.com

STOCK CODE

1759

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors of Sino Gas Holdings Group Limited (the “**Company**”), I am pleased to present our audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**our**”) for the year ended 31 December 2025.

The year 2025 witnessed the in-depth restructuring of the global energy landscape, characterized by a complex and volatile international situation and trading environment, which exacerbated the risk of energy price fluctuations. The domestic energy sector accelerated its green and low-carbon transition, undergoing a profound structural transformation. The liquefied petroleum gas (LPG) market saw a reshaping of supply and demand dynamics, with intensifying industry competition and sustained price pressures. Growth was primarily driven by industrial, commercial, and chemical feedstock demand. Meanwhile, the natural gas market achieved steady growth relying on the energy transition, supported by continued consumption expansion and an increasingly diversified and refined supply system. Affected by the accelerated shift in domestic transportation energy structure and the growing effect of new energy alternatives, the traditional vehicular gas market entered a period of deep adjustment. Consequently, the Group’s vehicular gas business recorded a corresponding decline in scale, which had a certain impact on its overall performance in 2025.

Facing the evolving industry landscape and the pressures from structural adjustment, the Group adheres to its development strategy of “seeking progress while ensuring stability and striving for innovation and transformation”, proactively optimizing its business structure to mitigate the temporary disruption effects. In terms of risk management, we established a comprehensive risk management system, strengthened resource coordination and supply chain management, effectively hedged against price fluctuation risks. Regarding safety operations, we continued to increase investment in safety and professional training, enhancing end-to-end control mechanisms to reinforce a robust safety operation defense line. In terms of market expansion, we upgraded our customer service system, deepened our presence in the end-user market, while actively exploring smart energy development pathways, steadily advancing business diversification and intelligent upgrades.

Leveraging precise business adjustments and efficient operations, the Group achieved a breakthrough growth in its core operating indicator during the year: LPG sales volume reached approximately 449,390 tonnes, representing a year-on-year increase of 43.6%; sales revenue amounted to approximately RMB1.987 billion, a year-on-year increase of 37.4%. Operating quality and market competitiveness steadily improved, enabling the Group to achieve stable overall development during the industry adjustment period.

Despite facing continued industry challenges from short-term fluctuations and structural adjustments, we remain confident in the long-term development of the domestic LPG and natural gas sectors. In 2026, the energy industry is poised to enter a new phase of standardized and high-quality development, with the continued release of the potential for clean and smart energy. The application scope of LPG in the industrial, commercial, and chemical sectors will further expand, while demand for natural gas in power generation and industrial applications is expected to recover rapidly.

CHAIRMAN'S STATEMENT

In 2026, the Group will maintain prudent operations, focus on high-quality development, and continue to deepen its presence in the clean energy sector. Advancing with the trend toward transportation energy transition, we will optimize our business portfolio to smooth out structural adjustment fluctuations. By integrating upstream and downstream resources and strengthening cost control, we aim to solidify our core competitiveness. We will also refine operational processes, upgrade safety management systems, and further advance smart energy applications. Enhanced industrial chain collaboration will support active expansion into incremental markets. Furthermore, we will deeply integrate environmental, social and governance (ESG) concepts into our development strategy, intensify our green and low-carbon footprint, and accelerate our transformation into a comprehensive energy service provider. The Group will closely monitor policy and industry dynamics, seize opportunities, proactively address challenges, and strive to create sustainable long-term value for our shareholders.

Finally, on behalf of the Board, I would like to express our sincere gratitude to the management team and all employees for their dedication and hard work. I would also like to extend our heartfelt appreciation to our shareholders, customers, suppliers and partners across various sectors for their continued trust and unwavering support!

Ji Guang
Chairman

30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

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

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

In 2025, the actual domestic natural gas consumption reached 432.5 billion cubic metres, a year-on-year increase of 2.9%, while total supply was approximately 434.6 billion cubic metres, a year-on-year increase of 1.2%, presenting a pattern of “supply marginally exceeding demand”. The dependency on foreign imports decreased, enhancing the capacity for energy self-sufficiency and security. Throughout the year, natural gas consumption maintained a momentum of growth, primarily driven by industrial fuel substitution and power generation demand. Residential essential demand underpinned stable foundational needs. Conversely, vehicular natural gas usage contracted under pressure from the impact of new energy vehicles, straining terminal operations. Domestic natural gas production grew steadily, reaching 262.06 billion cubic metres for the whole year, representing a year-on-year increase of 6.3%. This marked the ninth consecutive year with production increases exceeding 10 billion cubic metres. Conventional gas, shale gas, and coal-based gas contributed synergistically, with China’s three major oil and gas companies (“**Three Barrels of Oil**”) remaining the core of supply. On the import front, a divergent trend emerged with “growth in pipeline gas, decline in LNG”, with overall import volume decreasing by 2.8% year-on-year. Influenced by factors such as tariffs and spot prices, the gas source structure continued to optimize. Price pass-through mechanisms for natural gas were implemented in more cities, effectively alleviating the problem of poor price transmission between upstream and downstream segments. Industry development became more standardized, with integrated energy services emerging as a new growth area.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

(1) LPG Business

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

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

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

(2) CNG Business

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

(3) LNG Business

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

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

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

(4) Overall Business

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

Notes:

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS

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

Although the LPG industry faces pressures from energy substitution, the fundamental logic underpinning its role in meeting essential residential needs remains unchanged. In 2026, the implementation of the new national standard for LPG and the rollout of new Anti-monopoly Guidelines for the Public Utilities Sector will propel the industry towards more standardized development. Enterprises that operate in compliance and possess advantages in terminal services are poised to capture greater market opportunities. Terminal operations, refined services, and comprehensive supply chain safety management will become the core of industry competition. The Group will enhance resource optimization and quality control management, flexibly deploy logistics resources, and rigorously control gas quality across all stages to ensure stable supply to end-users. We will delve deeper into existing regional markets, promote the standardization of terminal operations, and improve distribution and service efficiency. By fortifying our comprehensive safety management system across the entire chain, refining emergency supply contingency plans, and strengthening user-end safety inspections and education, we aim to create a livelihood service brand and consolidate our competitive market advantages.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

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

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

Cost of Sales and Gross Profit

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

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

Other Income

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

Staff Costs

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

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation

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

Short-term Lease Charges

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

Other Operating Expenses

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

Finance Costs

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

Loss Before Taxation

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

Income Tax Expenses

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

Loss for the Year

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

Liquidity, Financial Resources and Capital Structure

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

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

Capital Expenditure

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

Interest-bearing Borrowings

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

	2025 RMB'000	2024 RMB'000
Secured bank loans and other borrowings	1,679,000	720,000

Gearing Ratio

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

Final Dividend

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

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

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

USE OF PROCEEDS FROM THE LISTING

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

1. As the economic situation remains uncertain at present, the Group has not identified appropriate acquisition targets to date. The Group will assess suitable acquisition targets by adopting a prudent strategy, and anticipates utilizing the proceeds by the end of 2026.
2. The Group expects to use the proceeds for the construction of storage facilities by the end of 2026.
3. The Group acquired 50% of the equity interests of Henan Blue Sky Sino Gas Technology Company Limited and fully utilised the redistributed net proceeds at the end of March 2020. For details, please refer to the announcement of the Company dated 27 February 2020.
4. The expected timeline for full utilisation of the remaining proceeds is made based on the best estimation of the Group taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.
5. As at 31 December 2025, the Group expected that, except for those described in the notes above, there will be no change in the planned use and timing of the use of proceeds from the Listing, and the unutilized net proceeds will be deposited into interest-bearing bank accounts.
6. The Group has not yet used up the proceeds and anticipates utilizing the proceeds by the end of 2026.

FOREIGN EXCHANGE EXPOSURE

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

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

TREASURY POLICIES

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

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

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

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

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

TAX RELIEF AND EXEMPTION

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

PRINCIPAL RISKS AND RISK CONTROL MECHANISM

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

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Risks

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

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

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Ji Guang (姬光先生) (“Mr. Ji”), aged 63, is the Chairman of the Board and an executive Director. Mr. Ji was appointed as a Director on 26 March 2018 and re-designated as an executive Director on 11 June 2018. Mr. Ji was the Chief Executive Officer of the Group and stepped down from his role as the Chief Executive Officer with effect from 8 January 2021. Mr. Ji is the father of Ms. Ji Ling, an executive Director, the Vice-Chairman of the Board and the Chief Executive Officer of the Group.

As one of the founders of the Group, Mr. Ji has about 20 years of experience in the gas retail business and gas wholesale business. Mr. Ji co-founded the Group with AVIC Group (i.e. AVIC Joy Holdings (HK) Limited (幸福控股(香港)有限公司) (stock code: 260, delisted from the Hong Kong Stock Exchange on 17 September 2024) and its subsidiaries) by setting up Sino Gas (Zhuhai) Limited (中油潔能(珠海)石化有限公司) (“ZH Petrochemical”). He served as the chairman of ZH Petrochemical from January 2009 to December 2014 and was re-designated to be a director of ZH Petrochemical from December 2014 to August 2017, and eventually he was again re-designated as the chairman in August 2017. Mr. Ji is also serving as a director in certain subsidiaries of the Company, and is responsible for overseeing the overall management and development of our gas retail business and gas wholesale business.

Mr. Ji graduated from Sichuan Radio and TV University (四川廣播電視大學), the PRC in August 1983 and specialised his studies in Mechanics (機械類專修科). Mr. Ji subsequently obtained an Executive Master of Business Administration (EMBA) degree (高級管理人員工商管理碩士專業學位) from Tsinghua University (清華大學), the PRC in June 2011. He is now pursuing a doctorate degree in Management Science and Engineering (管理科學與工程) at the College of Management of Tianjin University (天津大學管理學院), the PRC.

Prior to co-founding the Group, Mr. Ji held various managerial positions in China Aero-Technology Import and Export Company Zhuhai Industrial Centre (中國航空技術進出口公司珠海工貿中心) from April 1985 to August 1993. Mr. Ji was the chairman of Sino Aero Limited (國航企業有限公司), an aviation corporation, for the period from September 1993 to October 2004 and a director of Zhuhai Sino Aero Limited (珠海國航企業有限公司) from 1990 to July 2021. He has also served as the Vice President of the Fifth Council of China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會).

Ms. Ji Ling (姬玲女士) (“Ms. Ji”), aged 36, is the Vice-Chairman of the Board, an executive Director, the Chief Executive Officer and the financial controller of the Group. She has also been a member of the Remuneration Committee and the Nomination Committee since 19 September 2025. She joined the Group in April 2016 as the investment director of Guangdong Sino Gas Investment Company Limited (廣東中油潔能投資有限公司). She is primarily responsible for financial planning and strategic management of the Group and overseeing the internal control and risk management policies of the Group. Ms. Ji was appointed as a Director on 11 June 2018 and re-designated and/or appointed as an executive Director and the Vice-Chairman of the Board on 11 June 2018 and 22 November 2018 respectively. She was subsequently appointed as the Chief Executive Officer of the Group with effect from 8 January 2021. She participates in planning business and marketing strategies, supervising the overall operations of the Group, and overseeing the daily management business of the Group. Since 2019, Ms. Ji was also appointed as the director of various subsidiaries of the Company. Ms. Ji is a daughter of Mr. Ji, the Chairman of the Board and an executive Director.

Ms. Ji completed the programme of Associate of Business Administration at the School of Professional and Continuing Education Community College of The University of Hong Kong (HKUSPACE) in June 2009. She then obtained a degree of Bachelor of Science in Accounting and Finance from the University of East Anglia, the United Kingdom in July 2012 and a degree of Master of Science in Management of Information Technology from the University of Nottingham, the United Kingdom in December 2013. She is now pursuing an Executive Master of Business Administration (EMBA) degree at the PBC School of Finance, Tsinghua University (清華大學五道口金融學院), the PRC.

Before she joined the Group, Ms. Ji served as an auditor of the audit and assurance department at Deloitte Touche Tohmatsu from October 2014 to February 2016.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhou Feng (周楓先生) (“Mr. Zhou”), aged 42, is an executive Director. Mr. Zhou was appointed as a Director on 11 June 2018 and re-designated as an executive Director on the same date.

Mr. Zhou joined the Group as a project manager of Guangzhou Sino Gas Fuel Chain Company Limited (廣州中油潔能燃氣連鎖有限公司), a wholly-owned subsidiary of the Company (“GZ Sino Gas”) in May 2010 and was later promoted to its sales director in June 2012. He has since held various senior management positions in the Group. Mr. Zhou has about 15 years of experience in gas retail business and gas wholesale business. He is now serving as a director of several subsidiaries of the Company and the joint venture Jiangmen Xinjiang Gas, and is responsible for overseeing the management and operation of the businesses of the Group.

Mr. Zhou obtained a Bachelor degree in Thermal Energy and Power Engineering (熱能與動力工程) from Southeast University (東南大學), the PRC in June 2005. He subsequently obtained a Master degree in Engineering Thermophysics (工程熱物理) from Nanchang University (南昌大學), the PRC in June 2008.

Mr. Zhou obtained a qualification certificate as a middle-level works safety director (中級安全主任) from the Administration of Work Safety of Guangdong Province (廣東省安全生產監督管理局) in November 2010. He also obtained a qualification certificate as an engineer in energy power (能源動力) with intermediate specialised technical skill (中級專業技術) from the Talent Flowing Centre of Jiangxi Province (江西省人才流動中心) in November 2011.

Independent Non-executive Directors

Mr. Sheng Yuhong (盛宇宏先生) (“Mr. Sheng”), aged 59, was appointed as our independent non-executive Director on 22 November 2018. He is also the chairman of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee of the Company.

Mr. Sheng obtained a Bachelor degree in Architecture from South China University of Technology, the PRC in July 1989. He subsequently obtained an Executive Master of Business Administration (EMBA) degree at Tsinghua University, the PRC in January 2008.

Since August 1985, Mr. Sheng has been serving as the chairman of the president office (總裁辦) of Guangzhou Hansen Architecture and Design Company Limited (廣州漢森建築設計有限公司) and since May 1993, he has been a managing partner of Guangzhou Bosheng Architecture and Design Consultancy Firm (廣州伯盛建築設計事務所).

Mr. Sheng obtained a qualification certificate as a Grade-1 certified architect (一級註冊建築師) of the PRC from the National Administrative Committee of Certified Architects (全國註冊建築師管理委員會) in August 2003. He also obtained a qualification certificate as a senior interior architect (高級室內建築師) from the China Building Decoration Association (中國建築裝飾協會) in May 2005.

In August 2025, Mr. Sheng was appointed as the supervisor of the Guangdong Engineering Exploration & Design Association (廣東省工程勘察設計行業協會). In 2021, Mr. Sheng was appointed as the vice director general (副會長) of the Guangdong Province Registered Architects Association (廣東省註冊建築師協會), the president (會長) of the private branch of the Guangdong Engineering Exploration & Design Association (廣東省工程勘察設計行業協會民營分會) and the honorary president (榮譽會長) of the Yancheng Design Alliance (羊城設計聯盟). In November 2019, Mr. Sheng was appointed as the deputy supervisor of the first board of supervisors (監事會) of the China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會). In August 2019, Mr. Sheng was appointed as a member of the Guangdong Province Undergraduate College Construction Specialty Teaching Steering Committee (廣東省本科高校建築類專業教學指導委員會). In December 2014, Mr. Sheng was appointed as the deputy secretary-general of the Environmental Arts Committee of Guangdong Architecture and Civil Engineering Association (廣東省土木建築學會環境藝術專業委員會). He had also been appointed as a visiting professor at the School of Architecture and Urban Planning of Guangdong University of Technology (廣東工業大學建築與城市規劃學院) from September 2009 to September 2012.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang Zhonghua (王忠華先生) (“Mr. Wang”), aged 64, was appointed as our independent non-executive Director on 22 November 2018. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Mr. Wang obtained a Bachelor degree in Civil Engineering Specialising in Railway Engineering (土木工程系鐵路工程專業) from Lanzhou Tiedao College (蘭州鐵道學院) (now renamed as Lanzhou Jiaotong University (蘭州交通大學)), the PRC in July 1986. Mr. Wang was registered as a certified cost engineer with Guangdong Construction Practice Qualification Registration Centre (廣東省建設執業資格註冊中心) since October 2009. He was granted the professional qualification of senior engineer by the Shenzhen Senior Professional Technology Qualification Committee for Engineering Technology in April 2019.

From 1990 to July 1992, Mr. Wang was employed to be responsible for cost engineering at Ministry of Construction of the Ministry of Railways of the PRC (中華人民共和國鐵道部建設司). Since January 1992, he worked as an engineer at The Third Railway Survey and Design Institute of the Ministry of Railways of the PRC (鐵道部第三勘察設計院). He had also been transferred to Shenzhen City Metro Company Limited (深圳市地鐵有限公司) since October 1993 and until his resignation in December 2023.

Mr. Chan Kai Wing (陳繼榮先生) (“Mr. Chan”), aged 65, was appointed as our independent non-executive Director on 18 December 2025. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee.

Mr. Chan has over 30 years of professional experience in accounting and financial advisory services. Mr. Chan is currently the managing director and founder of Mandarin Capital Enterprise Limited (文華資本企業有限公司), a company specialised in the provision of financial advisory, mergers and acquisitions and fund raising for both listed and private companies in Hong Kong and the People’s Republic of China.

Mr. Chan has been an independent non-executive director of China Conch Venture Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 00586)) since December 2013, an independent non-executive director of Nanfang Communication Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01617)) since November 2016, and an independent non-executive director of ICO Group Limited (a company listed on the Hong Kong Stock Exchange (stock code: 01460)) since August 2022.

Mr. Chan obtained a bachelor degree of economics from Macquarie University, Australia in April 1986. He is a fellow member of CPA Australia.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Li Pei (李霽先生) (“Mr. Li”), aged 56, is the general manager in respect of the Group’s business in Henan Province and is an executive vice president of the Group.

Mr. Li joined the Group in August 2006 as deputy general manager of GZ Sino Gas and has since held various senior management positions in the Group. He is now a director of certain subsidiaries of the Company and is responsible for supervising and managing the operation of the refuelling stations in Henan Province.

Mr. Li obtained a Bachelor degree in Investment and Economics from Zhongnan University of Economics (中南財經大學), the PRC in July 1993. He is now pursuing an Executive Master of Business Administration (EMBA) degree at the School of Management of Xiamen University (廈門大學經濟管理學院), the PRC. Mr. Li obtained a qualification certificate as an intermediate speciality in financial economics from the Ministry of Personnel, the PRC in November 1998.

Mr. Zhou Weidong (周偉東先生) (“Mr. Zhou WD”), aged 40, is the financial controller in respect of the Group’s business in Guangdong Province. He is primarily responsible for overseeing the finance and accounting matters in respect of business of the Group in Guangdong Province.

Mr. Zhou WD joined the Group in September 2012 as the finance deputy manager of GZ Sino Gas and was promoted as finance manager and then finance director of GZ Sino Gas in January 2014 and January 2017 respectively and he is responsible for the overall financial management and accounting matters of GZ Sino Gas.

Mr. Zhou WD obtained a Bachelor degree in Accountancy from Guangdong University of Finance (廣東金融學院), the PRC in July 2010. Mr. Zhou WD passed the intermediate level PRC National Accountancy Qualification Examination (全國會計專業技術中級資格考試) in 2017. He also obtained the senior accounting title through Guangzhou Senior Accounting Professional Title Evaluation Committee (廣州市高級會計職稱評審委員會) in June 2023.

COMPANY SECRETARY

Ms. Lai Fiorence Wai Ki (賴煒琪女士) (“Ms. Lai”), was appointed as the company secretary of the Company on 17 October 2025. Ms. Lai is the corporate services partner of PwC Corporate Services Limited. Ms. Lai is a member of the Hong Kong Institute of Certified Public Accountants. She holds a bachelor’s degree in Accounting and Finance from the University of Warwick in the United Kingdom.

REPORT OF THE DIRECTORS

The Board of the Company is pleased to present this report together with the consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group is mainly engaged in the provision of integrated LPG and natural gas services. The Group operates CNG and LNG vehicle refuelling stations, LPG domestic stations, CNG mother stations and LPG, CNG and LNG wholesale businesses. The Company primarily operates its business in the PRC.

An analysis of the principal activities of the Group during the year ended 31 December 2025 is set out in the section headed “Management Discussion and Analysis” in this annual report.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group, indication of likely future developments in the Group’s businesses and other relevant information, can be found in the section headed “Management Discussion and Analysis” as set out on pages 6 to 18 and the section headed “Chairman’s Statement” as set out on pages 4 to 5 of this annual report. Such discussion forms part of this “Report of the Directors”.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed in the “Environmental, Social and Governance Review Report” on pages 52 to 72 of this annual report.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 156 of this annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

The shares of the Company were listed on the Hong Kong Stock Exchange by way of global offering of 54,000,000 ordinary shares on 28 December 2018 (the “Listing Date”). Details of movements in the share capital of the Company for the year ended 31 December 2025 and details of the shares issued during the year ended 31 December 2025 are set out in Note 25 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company’s subsidiaries are set out in Note 14 to the consolidated financial statements.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operating in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group. The Group maintains strong relationships with its employees and offers them with safe working environments. The Group has enhanced cooperation with its suppliers and has provided high-quality products and services to its customers so as to ensure sustainable development.

Further details are set out in the “Management Discussion and Analysis” section and in the “Environmental, Social and Governance Review Report” on pages 6 to 18 and pages 52 to 72 of this annual report respectively.

REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to contributing to the sustainability of the environment and is committed to becoming an environmentally-friendly corporation. Details of our environmental, social and governance policies and performance during the year ended 31 December 2025 shall be disclosed in the “Environmental, Social and Governance Review Report” on pages 52 to 72 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 December 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the “Articles”) or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2025 are set out in Note 12 to the consolidated financial statements. There were no investment properties of the Group during the year ended 31 December 2025.

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended 31 December 2025.

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

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

EQUITY-LINKED AGREEMENTS

Save as disclosed in “Share Option Scheme” as set out in this section, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2025.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2025.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Company during the year ended 31 December 2025 are set out in Note 34 to the consolidated financial statements.

As at 31 December 2025, the Company’s reserves available for distribution, calculated in accordance with the Cayman Islands Companies Law, amounted to approximately RMB151.3 million. The amount of approximately RMB151.3 million includes the Company’s share premium account of approximately RMB173.4 million and the accumulated loss was in the amount of approximately RMB22.1 million as at 31 December 2025, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

REPORT OF THE DIRECTORS

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in the section headed “Management Discussion and Analysis” in this annual report and Note 22 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group’s five largest customers (including joint venture “**Jiangmen Xinjiang Gas**”) accounted for 65.7% of the total sales for the year and sales to Jiangmen Xinjiang Gas, the largest customer included therein, amounted to 44.5%. Purchases from the Group’s five largest suppliers accounted for 40.1% of the total purchases for the year and purchase from the largest supplier included therein amounted to 9.4%. Save as disclosed above, none of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) had any beneficial interest in the Group’s five largest customers and suppliers.

EMPLOYEE AND REMUNERATION POLICIES

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

Compensation of key executives of the Group is reviewed by the Company’s Remuneration Committee which is based on the Group’s performance and the executives’ respective contributions to the Group. The Remuneration Committee will meet at least once each year to discuss remuneration related matters (including the remuneration of Directors and senior management) and review the remuneration policy of the Group. It has been decided that Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management. The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the scheme are set out in the section headed “Share Option Scheme” below. The total remuneration cost incurred by the Group for the year ended 31 December 2025 was approximately RMB29.6 million.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year ended 31 December 2025.

RELATED PARTY TRANSACTIONS

Related party transactions entered into by the Group for the year ended 31 December 2025 are disclosed in Note 28 to the consolidated financial statements. Our Directors confirm that all related party transactions during the year ended 31 December 2025 were conducted on normal commercial terms that were reasonable and in the interest of the Group as a whole and none of the related party transactions as disclosed under Note 28 to the consolidated financial statements constitute connected transactions or continuing connected transactions that are subject to announcement, circular, shareholders’ approval and/or reporting requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the following continuing connected transactions which are subject to annual review and reporting requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Directors confirm that the Company has complied with the requirements of Chapter 14A of the Listing Rules in respect of all of its continuing connected transactions. Save as disclosed in this annual report, there were no other connected transactions or non-exempted continuing connected transactions under the Listing Rules as at the date of this annual report.

REPORT OF THE DIRECTORS

Supply of CNG by the Group

Zhengzhou Sino Gas Bus Fuel Company Limited (“**Zhengzhou Sino Gas**”) and Zhengzhou Public Transport Group Company Limited (鄭州市公共交通集團有限公司) (formerly known as “**Zhengzhou City Public Transportation Head Company (鄭州市公共交通總公司)**”) (“**Zhengzhou Public Transportation**”) renewed a CNG supply agreement (“**CNG Supply Agreement**”) on 14 March 2025, pursuant to which Zhengzhou Sino Gas (for itself and on behalf of other members of the Group) agreed to supply CNG to Zhengzhou Public Transportation, in consideration for the payment of gas charges to the Group.

Zhengzhou Sino Gas, one of our subsidiaries, was owned as to 38% by Zhengzhou Public Transportation. As such, Zhengzhou Public Transportation is a connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules.

CNG Supply Agreement is extended for a further term from 14 March 2025 to 13 March 2026.

For details on the total consideration and terms of the above continuing connected transactions, please refer to the announcement of the Company dated 14 March 2025.

The following table sets forth the respective annual caps and actual amounts for the continuing connected transactions of the Group for the year ended 31 December 2025:

Name of a Connected Person	Nature of the Transaction	Annual caps for the year ended 31 December 2025 (RMB million)	Actual amounts for the year ended 31 December 2025 (RMB million)
Zhengzhou Public Transportation	Supply of CNG by the Group	53.35	27.45

The Company’s auditor was engaged to report on the continuing connected transactions entered into by the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unmodified limited assurance report containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Main Board Listing Rule 14A.56.

Confirmation of independent non-executive Directors:

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions for the year ended 31 December 2025 and confirmed such transactions have been:

- (1) entered into in the ordinary and usual course of business of the Group;
- (2) entered into on normal or better commercial terms; and
- (3) conducted in accordance with the relevant agreement whose terms are fair and reasonable and in the interests of the shareholders as a whole.

REPORT OF THE DIRECTORS

EXEMPTED CONTINUING CONNECTED TRANSACTION

Grant of site usage right to the Group

Zhengzhou Sino Gas, one of our subsidiaries, was owned as to 38% by Zhengzhou Public Transportation. As such, Zhengzhou Public Transportation is a connected person of our Company at the subsidiary level pursuant to Rule 14A of the Listing Rules. Pursuant to the licensing agreement dated 31 December 2023 and the licensing agreement dated 14 March 2025 (“**2025 Licensing Agreement**”) entered into between Zhengzhou Public Transport and Zhengzhou Sino Gas, Zhengzhou Public Transportation, as grantor, agreed to grant the site usage right of the Relevant Sites to Zhengzhou Sino Gas, in consideration for the payment of an annual license fee, payable by an annual amortisation of the prepaid license fee. The 2025 Licensing Agreement is valid for a term of three years from 15 March 2025 to 14 March 2028.

Based on the license fee payable by Zhengzhou Sino Gas to Zhengzhou Public Transportation for the year ended 31 December 2025, the continuing connected transactions under the 2025 Licensing Agreement for the year ended 31 December 2025 constitute de minimis transactions under Rule 14A.76(1) of the Listing Rules and are therefore fully exempt from the independent shareholders’ approval, annual review and all disclosure requirements. For details on the above continuing connected transactions, please refer to “Exempted Continuing Connected Transactions” in the section headed “Connected Transactions” to the Prospectus.

DIRECTORS

The Directors who held office during the year ended 31 December 2025 and up to the date of this annual report are:

Executive Directors:

Mr. Ji Guang (*Chairman*)
Ms. Ji Ling (*Vice-Chairman and Chief Executive Officer*)
Ms. Cui Meijian (resigned on 17 January 2025)
Mr. Zhou Feng

Independent Non-executive Directors:

Mr. Sheng Yuhong
Mr. Wang Zhonghua
Mr. Chan Kai Wing (appointed on 18 December 2025)
Dr. Zheng Jian Peng (resigned on 19 September 2025)

Biographical details of the Directors and senior management of the Group are set out in the section headed “Biographical Information of Directors and Senior Management” on pages 19 to 22 of this annual report.

During the year ended 31 December 2025, changes to the composition of the Board were as follows:

- Ms. Cui Meijian resigned as an executive Director of the Company on 17 January 2025. Ms. Cui has confirmed that she has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.
- Dr. Zheng Jian Peng resigned as an independent non-executive Director of the Company on 19 September 2025. Dr. Zheng has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.
- Mr. Chan Kai Wing was appointed as an independent non-executive Director on 18 December 2025.

REPORT OF THE DIRECTORS

In accordance with Article 105(A) of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three (3) or a multiple of three (3), then the number nearest to but not less than one-third) shall retire from office by rotation. In accordance with Article 109 of the Articles, any director appointed by the Board to fill a casual vacancy during the year shall hold office until the first annual general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

Accordingly, Ms. Ji Ling, Mr. Zhou Feng and Mr. Chan Kai Wing will retire from office at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors for the year ended 31 December 2025 and up to the date of this annual report are set out below:

Mr. Zhou Feng was appointed as a director of Guangzhou Sino Gas Fuel Sales Company Limited (廣州中油潔能燃氣銷售有限公司) and Guangzhou Sino Gas New Energy Company Limited (廣州中油潔能新能源有限公司) on 24 January 2025. Mr. Zhou was also appointed as a director of Henan Lantian Sino Gas Technology Company Limited (河南藍天中油潔能科技有限公司), Guangdong Sino Gas Investment Company Limited (廣東中油潔能投資有限公司), Sino Gas (Zhuhai) Limited (中油潔能(珠海)石化有限公司) and Guangdong Sino Gas Petrochemical Company Limited (廣東中油潔能石化有限公司) on 11 February 2025, 20 February 2025, 31 March 2025 and 25 April 2025 respectively.

Ms. Ji Ling was appointed as a director of Guangdong Lunda Gas Smart Energy Company Limited (廣東倫達潔能智慧能源有限公司) on 31 March 2025. She resigned as a director of Zhuhai Sino Gas Hazardous Article Transport Limited (珠海中油潔能危險品運輸有限公司) on 12 June 2025. She has also been appointed as a member of the Remuneration Committee and Nomination Committee of the Company since 19 September 2025.

Mr. Ji Guang resigned as a director of Zhuhai Sino Gas Hazardous Article Transport Limited (珠海中油潔能危險品運輸有限公司) on 12 June 2025.

Mr. Sheng Yuhong was appointed as the supervisor of the Guangdong Engineering Exploration & Design Association (廣東省工程勘察設計行業協會) on 26 August 2025.

Save as disclosed in this annual report, the Directors confirm that in relation to their profile, no information is required to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules.

PERMITTED INDEMNITY

Pursuant to the Articles and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. During the year, the Company has taken out the appropriate directors' and officers' liability insurance.

DIRECTORS' SERVICE CONTRACT

None of the Directors have a service contract with the Company and/or any of its subsidiaries, which is not terminable by employing company within one year without payment of compensation, other than statutory compensation.

REPORT OF THE DIRECTORS

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group in 2025 are set out in Note 9 to the consolidated financial statements of this annual report.

For the year ended 31 December 2025, no emoluments (2024: Nil) were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which any of the directors waived or agreed to waive any of the emoluments.

For the year ended 31 December 2025, no emoluments (2024: Nil) were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which any of the highest paid individuals waived or agreed to waive any of the emoluments.

RETIREMENT BENEFITS PLANS

Details of the principal accounting policies of retirement benefits plans of the Group as at 31 December 2025 are set out in Note 2 to the consolidated financial statements of this annual report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the "Continuing Connected Transactions" as set out in this annual report and the related party transactions disclosed in Note 28 to the consolidated financial statements of this annual report, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders (the "**Controlling Shareholders**") or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or their subsidiaries, during the year ended 31 December 2025.

COMPETING BUSINESS

During the year ended 31 December 2025, none of the Directors or the Controlling Shareholders and their respective close associates had any interests in any business, apart from the business of the Group, which competes or likely to compete (either directly or indirectly) with the business of the Group.

DEED OF NON-COMPETITION

Mr. Ji, Petrochemical Gas Group Limited ("**VISTA Co**"), Sino Gas Holdings Group Limited ("**Sino Gas BVI**"), China Full Limited ("**China Full**"), Petrochemical Gas Energy Group Limited ("**PCG Employee BVI**") and Petrochemical Gas Energy Limited ("**PCG BVI**"), each being a controlling shareholder (as defined under the Listing Rules) of the Company, have entered into a deed of non-competition dated 22 November 2018 in favour of the Company (the "**Deed of Non-Competition**"). Details of the Deed of Non-Competition was set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The independent non-executive Directors of the Company have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the Controlling Shareholders up to the date of this annual report.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in this annual report, no transaction, arrangement or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity associated with him has or had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 December 2025.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" below, at no time during the year ended 31 December 2025 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the following Directors and chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (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 and 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 required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules:

Name of Director	Capacity/nature of interest	Number of ordinary shares held (Note 1)	Approximate percentage of shareholding (%) (Note 2)
Mr. Ji	Founder of a discretionary trust, interest in controlled corporations (Note 3)	162,000,000 shares (L)	75%

Notes:

1. The letter "L" denotes to the person with long position in the shares.
2. The calculation is based on the total number of 216,000,000 shares in issue as at 31 December 2025.
3. These interests comprise 121,500,000 shares held by China Full, 24,300,000 shares held by PCG Employee BVI and 16,200,000 shares held by PCG BVI.

China Full is wholly owned by Sino Gas BVI, a wholly-owned subsidiary of VISTA Co., which is wholly owned by UBS Trustees (BVI) Limited ("UBS Trustees") through UBS Nominees Limited.

UBS Trustees acts as the trustee of J&Y Family Trust which is a discretionary trust established by Mr. Ji (as founder and protector) and under the relevant deed which constitutes the J&Y Family Trust, the trustee shall only add or remove discretionary objects of J&Y Family Trust with the consent of the protector. The discretionary objects of J&Y Family Trust include Mr. Ji himself, his spouse and his daughter, Ms. Ji Ling who is an executive Director. By virtue of the SFO, Mr. Ji, is deemed to be interested in the same parcel of shares held by China Full.

Both PCG Employee BVI and PCG BVI are wholly owned by Mr. Ji. By virtue of the SFO, Mr. Ji is deemed to be interested in the both parcels of shares held by PCG Employee BVI and PCG BVI.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares and underlying shares of the Company 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 which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/nature of interest	Number of ordinary shares held (Note 1)	Approximate percentage of shareholding (%) (Note 2)
UBS Trustees	Trustee of a trust	121,500,000 shares (L)	56.25%
UBS Nominees Limited	Interest of controlled corporation (Note 3)	121,500,000 shares (L)	56.25%
VISTA Co	Interest of controlled corporation (Note 3)	121,500,000 shares (L)	56.25%
Sino Gas BVI	Interest of controlled corporation (Note 3)	121,500,000 shares (L)	56.25%
China Full	Beneficial Owner	121,500,000 shares (L)	56.25%
PCG Employee BVI	Beneficial Owner (Note 4)	24,300,000 shares (L)	11.25%
PCG BVI	Beneficial Owner (Note 4)	16,200,000 shares (L)	7.50%
Ms. Yang Ling	Interest of Spouse (Note 5)	162,000,000 shares (L)	75%

Notes:

1. The letter "L" denotes to the person with long position in the shares.
2. The calculation is based on the total number of 216,000,000 shares in issue as at 31 December 2025.
3. UBS Trustees, the trustee of J&Y Family Trust, in its capacity as trustee (through UBS Nominees Limited, its wholly-owned subsidiary) holds the entire issued share capital of VISTA Co, which in turn indirectly owns the entire equity interest of China Full through Sino Gas BVI, all of which are indirectly wholly owned by UBS Trustees in its capacity as trustee. J&Y Family Trust a discretionary trust established by Mr. Ji and the discretionary objects of the Trust include Mr. Ji himself, his spouse and his daughter, Ms. Ji Ling. By virtue of the SFO, UBS Trustees, UBS Nominees Limited, VISTA Co and Sino Gas BVI are deemed to be interested in the same parcel of shares held by China Full.
4. Both PCG Employee BVI and PCG BVI are wholly owned by Mr. Ji.
5. Ms. Yang Ling is the spouse of Mr. Ji. Therefore, Ms. Yang Ling is deemed to be interested in the shares in which Mr. Ji is interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had any interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The share option scheme of the Company (the “**Share Option Scheme**”) has been conditionally adopted on 22 November 2018. The terms of the Share Option Scheme is subject to, amongst others, compliance of the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

Purpose

To enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group.

Who may join

Our Directors may at any time within a period of ten years commencing from the date of adoption of the Share Option Scheme, at its absolute discretion, in accordance with the provisions of the Share Option Scheme and the Listing Rules make an offer to any person belonging to any of the following classes of participants (“**Eligible Participant**”), to take up options to subscribe for Shares:

- (i) any employee (“**Eligible Employee**”) (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries or any entity (“**Invested Entity**”) in which any member of our Group holds an equity interest;
- (ii) any non-executive directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to any member of our Group or any Invested Entity;
- (iv) any customer of any member of our Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (vi) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group;

and, for the purposes of the Share Option Scheme, the offer for the grant of option may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

REPORT OF THE DIRECTORS

Maximum number of shares available for issue under the scheme	<p>(i) The maximum number of shares of the Company which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by our Group must not in aggregate exceed 30% of the share capital of our Company in issue from time to time.</p> <p>(ii) The total number of the shares of the Company which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the Listing Date (such 10% being 21,600,000 shares).</p>
Maximum entitlement of each participant	<p>The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being.</p>
Period within which the securities must be taken up under an option	<p>An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option.</p> <p>An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of the offer for the grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.</p>
Performance targets	<p>Unless our Directors otherwise determined and stated in the offer for the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.</p>
Subscription price for the shares and consideration for the option	<p>The subscription price for the shares under the Share Option Scheme shall be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the date of the offer for the grant of the option, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant of the option; and (iii) the nominal value of a share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.</p>
Period of the Share Option Scheme	<p>The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.</p>

REPORT OF THE DIRECTORS

No options had been granted or agreed to be granted under the Share Option Scheme since its adoption and up to the date of this annual report. Therefore, there were no Shares that may be issued in respect of share options granted under all schemes of the Company during the year ended 31 December 2025, being 0% of the weighted average number of shares of the relevant class in issue for the year ended 31 December 2025. The Company did not have any outstanding share options, warrants and instruments convertible into shares as at 31 December 2025 and up to the date of this annual report. The number of options available for grant under the Share Option Scheme at the beginning and the end of the reporting period was 21,600,000. The number of shares available for issue under the Share Option Scheme as at the date of this annual report were 21,600,000 shares, which represented 10% of the shares in issue (excluding treasury shares). The Share Option Scheme is valid and effective for a term of 10 years commencing on its adoption date (i.e. 22 November 2018 to 21 November 2028). As at 31 December 2025, the remaining life of the Share Option Scheme is approximately 2 years and 11 months.

MATERIAL LITIGATION

The Group was not involved in any material litigation or arbitration during the year ended 31 December 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group since the Listing Date and up to the date of this annual report.

USE OF NET PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Stock Exchange on 28 December 2018 and the net proceeds from the global offering were approximately HK\$120.3 million. On 27 February 2020, the Board resolved to change the proposed use of proceeds from that originally set out in the Prospectus for the global offering. Details of which are set out in the announcement of the Company dated 27 February 2020. For details, please refer to the paragraph headed “Use of Proceeds from the Listing” in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by Forvis Mazars CPA Limited, Certified Public Accountants, who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

A resolution for the re-appointment of Forvis Mazars CPA Limited as the auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

REPORT OF THE DIRECTORS

SIGNIFICANT EVENT AFTER REPORTING PERIOD

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

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

By Order of the Board

Ms. Ji Ling

Executive Director

Hong Kong, 30 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present its corporate governance report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholders' wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Directors recognize the importance of incorporating elements of corporate governance in the management structures and internal control of our Group in order to achieve accountability and are committed to maintaining good corporate governance standards. The Company has applied the principles stated in the Corporate Governance Code (the "**CG Code**") set out in Appendix C 1 to the Listing Rules.

The Board believes that good corporate governance standards are essential in maintaining a balanced composition of executive Directors and independent non-executive Directors for the Board to exercise independent judgment effectively and providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Board is of the view that throughout the year ended 31 December 2025, the Company has complied with all the applicable code provisions as set out in the CG Code.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises six Directors, consisting of three executive Directors and three independent non-executive Directors.

During the year ended 31 December 2025 and up to the date of this report, the composition of the Board comprises the following Directors:

Executive Directors

Mr. Ji Guang (*Chairman*)
Ms. Ji Ling (*Vice-Chairman and Chief Executive Officer*)
Mr. Zhou Feng
Ms. Cui Meijian (*resigned on 17 January 2025*)

Independent Non-executive Directors

Mr. Sheng Yuhong
Mr. Wang Zhonghua
Mr. Chan Kai Wing (*appointed on 18 December 2025*)
Dr. Zheng Jian Peng (*resigned on 19 September 2025*)

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, changes to the composition to the Board were as follows:

- Ms. Cui Meijian resigned as an executive Director of the Company with effect from 17 January 2025.
- Dr. Zheng Jian Peng resigned as an independent non-executive Director of the Company with effect from 19 September 2025.
- Mr. Chan Kai Wing was appointed as an independent non-executive Director of the Company with effect from 18 December 2025. Mr. Chan had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 18 December 2025 and had confirmed he understood his obligations as a Director.

The biographical details of the Directors are set out in the section headed “Biographical Information of Directors and Senior Management” on pages 19 to 22 of this annual report.

Mr. Ji Guang is the father of Ms. Ji Ling. Save as disclosed, none of the members of the Board are related to one another.

Chairman and Chief Executive Officer

Code provision C.2.1 stipulates that the roles of Chairman and chief executive should be separate and should not be performed by the same individual. Since 8 January 2021, Mr. Ji Guang is the Chairman of the Company and Ms. Ji Ling is the Vice-Chairman and Chief Executive Officer of the Group.

Independent Non-executive Directors

Following the resignation of Dr. Zheng Jian Peng as an independent non-executive Director on 19 September 2025, the Company has two independent non-executive Directors and two audit committee members. The number of independent non-executive Directors fell below the minimum number as required under Rule 3.10(1) of the Listing Rules, and the number of the Audit Committee members also fell below the minimum number as required under Rule 3.21 of the Listing Rules. The composition of the members of the Audit Committee did not meet the requirement under Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

Upon the occurrence of this non-compliance, the Board took immediate steps to restore full compliance with the Listing Rules. The Board promptly commenced a search and conducted a thorough evaluation process to identify suitable candidates possessing the requisite qualifications, expertise, and independence, to fill the vacancies. During this period, the Board closely monitored and managed its governance and oversight functions, ensuring that these were maintained in accordance with the Company's standards.

Following these remedial actions, Mr. Chan Kai Wing was appointed as independent non-executive Director and the chairman of the Audit Committee on 18 December 2025. As a result, the Company has re-complied with (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; (ii) Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; and (iii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members.

CORPORATE GOVERNANCE REPORT

Save as disclosed above, during the year ended 31 December 2025, the Board has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company confirmed that all independent non-executive Directors are still considered to be independent.

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2025, all Directors have completed the independence evaluation in the form of a questionnaire individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2025, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Appointment and Re-election of Directors

The independent non-executive Directors are appointed for a specific term of three years, subject to renewal after the expiry of the then current term. The appointment of each of Mr. Sheng Yuhong and Mr. Wang Zhonghua, the independent non-executive Directors, has been renewed effective from 1 December 2024 for a further term of three years. Mr. Chan Kai Wing, entered into a letter of appointment as an independent non-executive Director for a term of three years with effective from 18 December 2025, subject to renewal after expiry of the then current term.

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Company's Articles of Association ("**Articles**") adopted on 20 June 2023, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles also provides that any Director appointed by Board, either to fill a casual vacancy or as an additional Director, shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting.

CORPORATE GOVERNANCE REPORT

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board as the primary decision-making body of the Company should assume responsibility for leadership and control of the Company; and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The executive Directors oversee the daily operations of the Company, while our independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management arising out of corporate activities.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

During the year ended 31 December 2025, the Company organized internal training meetings on directors' duties and responsibilities for all Directors. The training meetings covered a wide range of relevant topics including directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual and legal and regulatory updates have been provided to the Directors for their reference and studying.

CORPORATE GOVERNANCE REPORT

The records of the continuous professional development that have been received by the Directors for the year ended 31 December 2025 and up to the date of this annual report are summarized as follows:

Name of Directors	Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops	Reading relevant news alerts, newspapers, journals, magazines and relevant publications
Executive Directors		
Mr. Ji Guang	√	√
Ms. Ji Ling	√	√
Ms. Cui Meijian ¹	√	√
Mr. Zhou Feng	√	√
Independent Non-executive Directors		
Mr. Sheng Yuhong	√	√
Mr. Wang Zhonghua	√	√
Dr. Zheng Jian Peng ²	√	√
Mr. Chan Kai Wing ³	√	√

1. Resigned on 17 January 2025
2. Resigned on 19 September 2025
3. Appointed on 18 December 2025

Board Meetings

Pursuant to code provisions of the CG Code, meetings of the Board should be held at least four times a year at approximately quarterly intervals and notice of at least 14 days should be given of a regular board meeting. Agendas and accompanying papers shall be sent not less than 3 days before the date of Board meeting to ensure that the Directors are given sufficient time to review the documents.

The Board is responsible for the approval and monitoring of the Company's overall strategies and policies, approval of business plans, evaluating the performance of the Group and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

Apart from regular Board meetings, the Chairman also held meetings with independent non-executive Directors without the presence of other Directors during the year in compliance with code provision C.2.7 of the CG Code.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the websites of the Company and the Stock Exchange and are available to shareholders upon request.

Audit Committee

The Audit Committee comprises the following members:

Independent Non-executive Directors

Mr. Chan Kai Wing (*Chairman of the Committee*) (*appointed on 18 December 2025*)

Mr. Sheng Yuhong

Mr. Wang Zhonghua

Dr. Zheng Jian Peng (*Chairman of the Committee*) (*ceased on 19 September 2025*)

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee include (i) assisting the Board in reviewing the financial information and reporting process; (ii) overseeing the risk management and internal control systems; (iii) evaluating the effectiveness of the internal audit function, scope of audit and appointment and dismissal of external auditors; and (iv) making arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

Following the resignation of Dr. Zheng Jian Peng as an independent non-executive Director on 19 September 2025, the Company has two Audit Committee members. The number of the Audit Committee members fell below the minimum number of three as required under Rule 3.21 of the Listing Rules. The composition of the members of the Audit Committee did not meet the requirement under Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

The Company has taken remedial steps to address the non-compliance and following the appointment of Mr. Chan Kai Wing as independent non-executive director and the chairman of the audit committee on 18 December 2025, the Company has re-complied with Rule 3.21 and Rule 3.10(2) of the Listing Rules.

The Audit Committee held three meetings to review, among other things, in respect of the year ended 31 December 2025, the interim and annual financial results and reports and significant issues on the financial reporting and the Group's accounting policies and practices, internal audit function, Listing Rules and statutory compliance, risk management and internal control systems, appointment of external auditors and connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors twice without the presence of the executive Directors.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee comprises the following members:

Executive Director

Ms. Ji Ling (*appointed on 19 September 2025*)

Independent Non-executive Directors

Mr. Wang Zhonghua (*Chairman of the Committee*)

Mr. Sheng Yuhong

Mr. Chan Kai Wing (*appointed on 18 December 2025*)

Dr. Zheng Jian Peng (*ceased on 19 September 2025*)

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include (i) reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and (ii) establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his/her own remuneration.

The Remuneration Committee held two meetings during the year to review the Company's policy and structure for the remuneration of all Directors and senior management, assess the performance of the executive Directors and the senior management, review the remuneration package of the executive Directors and the senior management and make recommendation to the Board on their remuneration.

Details of the remuneration of each of the Directors are set out in the Note 9 to the consolidated financial statements for the year ended 31 December 2025. Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of senior management (other than the Directors) by band for the year ended 31 December 2025 is set out below:

Remuneration by band (RMB)	Number of Individual
Nil-1,000,000	2

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Nomination Committee comprises the following members:

Executive Director

Ms. Ji Ling (*appointed on 19 September 2025*)

Independent Non-executive Directors

Mr. Sheng Yuhong (*Chairman of the Committee*)

Mr. Wang Zhonghua

Mr. Chan Kai Wing (*appointed on 18 December 2025*)

Dr. Zheng Jian Peng (*ceased on 19 September 2025*)

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include (i) reviewing the Board composition; (ii) developing and formulating relevant procedures for the nomination and appointment of Directors; (iii) making recommendations to the Board on the appointment or re-appointment of Directors; (iv) planning the succession of Directors; and (v) assessing the independence of the independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, before making recommendation to the Board.

The Nomination Committee met two times during the year to review the size and composition of the Board, assess the independence of the independent non-executive Directors, review and make recommendation to the Board on the appointment of a director and re-election of retiring Directors.

Board Diversity Policy

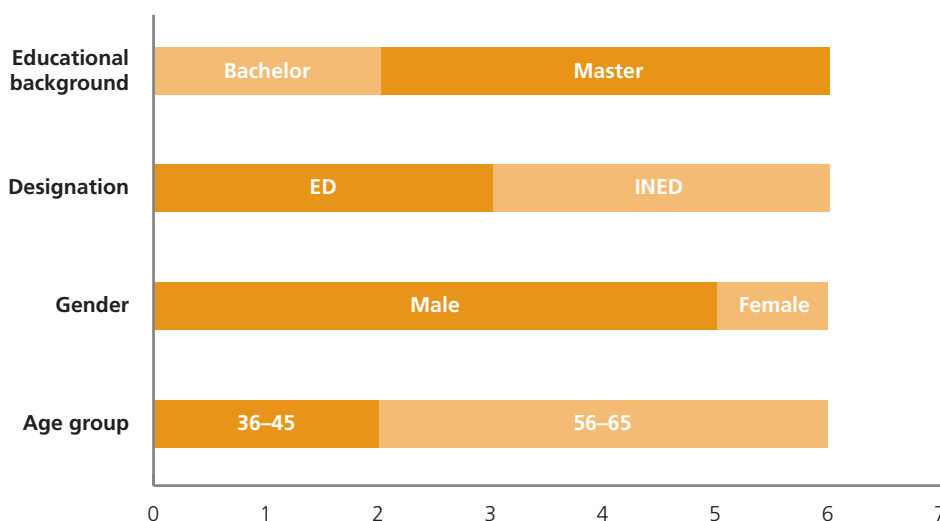
The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Board believes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity (including gender diversity).

The Nomination Committee will discuss and agree on the measurable objectives for achieving diversity of the Board and recommend them to the Board for adoption. The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, professional experience, educational background, knowledge, expertise, culture, independence, age and gender. The ultimate decision will be based on merits and the contribution that the selected candidates will bring to the Board and the business needs of the Company from time to time. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE REPORT

As at 31 December 2025, the Board's composition under diversified perspectives was summarized as follows:



Gender Diversity

The Company values gender diversity across all levels of the Group. The Company is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2025:

	Female	Male
Board	16.7% (1 director)	83.3% (5 directors)
Senior Management*	33.3% (1 Senior Management)	66.7% (2 Senior Managements)
Other employees	43.1% (112 employees)	56.9% (148 employees)
Overall workforce**	42.2% (113 employees)	57.8% (155 employees)

* Senior Management herein includes senior management who is also appointed as a director.

** Given that Ms. Ji Ling is not only a director but also a member of senior management, she was not counted twice in the calculation of employees.

The Board had targeted to achieve and had achieved at least 16.7% (1) of female Director, 33.3% (1) of female senior management and 43.1% (112) of female employees of the Group and considers that the above current gender diversity is satisfactory.

CORPORATE GOVERNANCE REPORT

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and honesty: The candidate should be persons of integrity, honesty and good reputation;
- Diversity in aspects: including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service and diversity aspects under the Board Diversity Policy that are relevant to the business and corporate strategies of the Company;
- Availability: The candidate should have sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other Board or Company associated activities;
- Independence: Requirement for the Board to have independent directors in accordance with the Listing Rules (as amended from time to time) and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; and
- Other relevant factors considered by Nomination Committee on a case-by-case basis.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the year ended 31 December 2025, the Nomination Committee has taken into account the candidate's relevant criteria as set out in the Director Nomination Policy before making recommendation to the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Securities Dealing Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board and Board Committee meetings and the annual general meeting of the Company held during the year is set out in the table below:

Name of Director	Number of Meetings Attended/Number of Meetings held for the year				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors					
Mr. Ji Guang	9/9	N/A	N/A	N/A	1/1
Ms. Ji Ling ¹	9/9	N/A	1/1	1/1	1/1
Ms. Cui Meijian ²	0/0	N/A	N/A	N/A	0/0
Mr. Zhou Feng	9/9	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Sheng Yuhong	9/9	3/3	2/2	2/2	1/1
Mr. Wang Zhonghua	9/9	3/3	2/2	2/2	1/1
Dr. Zheng Jian Peng ³	5/5	2/2	1/1	1/1	1/1
Mr. Chan Kai Wing ⁴	0/0	1/1	0/0	0/0	0/0

1. Appointed as a member of each of the Remuneration Committee and the Nomination Committee on 19 September 2025
2. Resigned on 17 January 2025
3. Resigned on 19 September 2025
4. Appointed on 18 December 2025

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks and is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. Such risks would include, amongst others, material risks relating to Environmental, Social and Governance.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including administration of daily operations, financial reporting and recording, treasury management, compliance with applicable laws and regulations on environmental protection, and operation safety. The Board oversees and manages the overall risks associated with the Group's operations while the Audit Committee reviews and supervises the financial reporting process and internal control system of the Group.

CORPORATE GOVERNANCE REPORT

The Company has established a Risk Management and Internal Control Leading Group to review the effectiveness of the Group's internal control systems, policies and procedures, and to report its findings and recommendations to the Audit Committee. The Risk Management and Internal Control Leading Group is responsible for the identification of the Group's business and various areas (including major operational and financial procedures, regulatory compliance, information security) pose risks of potential impact, develop action plans and make recommendations to address identified risks, and submit annual reports on the Group's internal control environment to the Audit Committee. The Group also conducts self-evaluation each year to confirm proper compliance with the control policy.

The Risk Management and Internal Control Leading Group has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2025.

The Board, as supported by the Audit Committee as well as Risk Management and Internal Control Leading Group, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2025, and considered that such systems were effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

The Company has adopted the Anti-corruption Policy. With adherence to the principle of integrity, probity, openness and transparency, the Company prohibits any misconduct such as bribery, fraud, money laundering and extortion, and has a zero tolerance for all forms of wrongdoing in the course of conducting business. Meanwhile, the Company also adopted the Whistle-blowing Policy to provide unblocked pipelines and sound guidelines for whistle-blowers (including the Directors, employees and third parties having dealings with the Company, etc.) to report any misconduct prejudicing the interests of the Company. The Company also fully protects the interests of whistle-blowers. Such policies will be reviewed on regular basis by the Audit Committee.

DEED OF NON-COMPETITION

The Company has complied with and enforced the terms of the Deed of Non-Competition. Details of the Deed of Non-Competition was set out in the "Report of the Directors" of this annual report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 73 to 78.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's external auditors of the Company, Forvis Mazars CPA Limited, in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fees RMB'000
Audit services	1,060
Non-audit services	90
Total	1,150

COMPANY SECRETARY

Ms. Chow Yuk Yin Ivy ("**Ms. Chow**") resigned and Ms. Lai Florence Wai Ki ("**Ms. Lai**") was appointed as the Company's company secretary on 17 October 2025. Ms. Lai is the corporate services partner of PwC Corporate Services Limited.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Ms. Ji Ling, an executive Director, has been designated as the primary contact person at the Company which would work and communicate with Ms. Lai on the Company's corporate governance and company secretarial matters.

For the year ended 31 December 2025, each of Ms. Lai and Ms. Chow has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to Article 64 of the Company's Articles, extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per share basis. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business/resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders should follow the requirements and procedures as set out in the Company's Articles and "Shareholders Rights Summary" published on the Company's website, for convening a general meeting.

CORPORATE GOVERNANCE REPORT

Putting Forward Proposals at General Meetings

Any shareholder who wishes to put forward proposals at general meetings of the Company shall lodge a written notice of his/her/its proposal with his/her/its detailed contact information at the Company's headquarters and principal place of business of the Company in China, with a copy of the proposal served to the Company's Hong Kong branch share registrar and transfer office.

The request will be verified with the Company's Hong Kong branch share registrar and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

Shareholders should follow the requirements and procedures as set out in the Company's Articles and "Shareholders Rights Summary" published on the Company's website, for circulating a resolution for general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 3103, Block A1
Caifu Shiji Square
13 Haian Road, Tianhe District
Guangzhou, the PRC

Attention: the Board of Directors/Company Secretary

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company, and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies.

The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

In addition, to promote effective communication, the Company maintains a website at www.sinogasholdings.com, where information released by the Company on the Stock Exchange's website and all press releases issued by the Company are also available for public access.

CORPORATE GOVERNANCE REPORT

Policies Relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. The Board has reviewed the implementation of the policy during the year. Considering that different channels have been implemented by the Company to communicate with its shareholders, the Board confirmed the effectiveness of policy.

The Shareholders' Communication Policy and Procedures for Shareholders to Propose a Person for Election as Director are available on the website of the Company.

CONSTITUTIONAL DOCUMENT

During the year, the Company has not made any changes to the Company's Articles of Association. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the actual and expected financial performance, expected working capital requirements, capital expenditure requirements and future expansion plans, liquidity position, retained earnings and distributable reserves, the general economic and political conditions and other internal or external factors that may have an impact on the future business and financial performance of the Group, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

- (a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (d) the statutory and regulatory restrictions;
- (e) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (f) the Shareholders' interests; and
- (g) other factors that the Board deems relevant.

The dividend decision made by the Board for the Year was made in accordance with the Company's dividend policy.

The Board does not recommend the payment of a final dividend for the Year, as the Company is currently loss-making and the Board considers it appropriate to retain the Group's cash reserve for the Group's operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

1 APPROACH

The Group is committed to providing integrated LPG and natural gas services. The Group operates CNG and LNG vehicle refuelling stations, LPG domestic stations, CNG mother stations and LPG CNG and LNG wholesale businesses. The Group primarily operates its business in the PRC market and aims to further build up complete industry chain and focus on the sustainable development on LPG and natural gas industry in the PRC market.

The Group recognizes its responsibilities and accountability to all its stakeholders, including customers, existing shareholders and potential investors, employees, suppliers, non-governmental organizations (NGOs) and local community.

The Group places a huge emphasis on monitoring the risks and exploring potential opportunities. For the sake of striking a balance among business needs, social demands and environmental impacts, the Group is committed to continuously monitoring the risks and opportunities which exist in its daily operations. Meanwhile, the Group adopts transparent corporate culture to ensure that its sustainability strategies are well communicated to its employees, customers, the communities and other stakeholders.

The basis of reporting principles — materiality, quantitative and consistency:

- “Materiality” Principle: The Group determines material ESG issues by stakeholder engagement and materiality assessment.
- “Quantitative” Principle: Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.
- “Consistency” Principle: The Report will use consistent methodologies for meaningful comparisons in the past years unless improvements in methodology are identified.

To implement sustainability strategies which apply to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To achieve environmental sustainability
2. To respect human rights and social culture
3. To engage with stakeholders
4. To support its employees
5. To sustain local communities

This Report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations in the PRC from 1 January 2025 to 31 December 2025 (the “Year” or “2025”), unless otherwise stated.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

2 SCOPE OF THE REPORT

This Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Code” in Appendix C2 of the Listing Rules. The report summarizes the Group’s major ESG performance in the Year, and covers its management policies, mechanisms and measures in place with respect to environmental protection, emission reduction, safe workplace, supply chain management, etc.

When deciding the operational boundaries of its ESG report, the Group considers entities with yearly total revenue of RMB5 million or above as its material operating entities, having material ESG risks, and should be included in the ESG report. And thus, this ESG report has been prepared to cover the ESG performance of the Group’s 9 entities (the “Reporting Entities”) with yearly total revenue of RMB5 million or above during the year which are:

- Guangzhou Sino Gas Logistics Company Limited (“廣州中油潔能物流有限公司”)
- Henan Sino Gas Yonghui Natural Gas Company Limited (“河南中油潔能永輝天然氣有限公司”)
- Xinzheng Yonghui Natural Gas Company Limited (“新鄭永輝天然氣有限公司”)
- Henan Sino Gas Sales and Transportation Company Limited (“河南中油潔能銷售運輸有限公司”)
- Guangzhou Sino Gas Fuel Chain Company Limited (“廣州中油潔能燃氣連鎖有限公司”)
- Zhengzhou Sino Gas Bus Fuel Company Limited (“鄭州中油潔能巴士燃氣有限公司”)
- Guangdong Sino Gas Petrochemical Company Limited (“廣東中油潔能石化有限公司”)
- Guangzhou Sino Gas New Energy Company Limited (“廣州中油潔能新能源有限公司”)
- Henan Blue Sky Sino Gas Technology Company Limited (“河南藍天中油潔能科技有限公司”)

The data and information used in this report are referenced from the archived documents, records, statistics and research. Financial data is extracted from or calculated based on the Group’s audited annual financial statements for the year ended 31 December 2025.

The methodologies used in the calculation, the assumptions and limitations, and conversion factor adopted by this report are based on the “Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX.

3 FEEDBACK

For details of the ESG performance, corporate governance as well as financial performance, please visit the website at www.sinogasholdings.com and the annual reports. The Group treasure the feedback and comments on its sustainability performance, please send the feedback and enquiries to investmentdep@sinogasholdings.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

4 BOARD STATEMENT

During the Year, the Group has committed ourselves to sustainability in our businesses. We therefore proudly present, our Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) of the Group.

The Group is committed not just to its shareholders, but also to a wide range of stakeholders including employees, customers, suppliers, creditors, regulators and the community. Taking a proactive approach to sustainability is not only a part of the Group’s heritage, inherent in the various strands of the corporate strategy of the Group, but is also crucial to the Group’s business success. Sustainability is an integral element in maintaining the Group’s position as a responsible business that contributes positively to the development of the communities in which the Group operates.

For our business, the Group has evaluated a number of environmental, social and operation related issues which are the most important to both of the Group and stakeholders:

- Customers’ satisfaction level
- Product quality and safety
- Occupational health and workplace safety
- Operational compliance
- Air emissions
- Talent management

We have delegated our business function to review the Company’s operation and conduct internal discussions, aiming to identify relevant ESG responsibility issues and assess the materiality of such issues to our business and stakeholders.

The Audit Committee also assists the Board in leading the management and overseeing its design, implementation and oversight of risk management and internal control systems, including, among others, material risks and risk management related to the Group’s ESG.

The Board aims to reduce 1% of energy used as compared with last year target. The Group has achieved its target during the Year.

5 VISION

To maintain the leading position in the industry and provide high quality integrated LPG and natural gas services in Guangdong Province, Henan Province and Hebei Province of the PRC.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

6 MATERIALITY MATRIX

During the Year, the Group has evaluated a number of environmental, social and operation related issues, and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure the Group's business development is in line with the expectations and requirements of its stakeholders. The Group's and its stakeholders' matters of concern are presented in the following materiality matrix:

	Importance to the Group			
	Low	Medium	High	
Importance to Stakeholder	High	<ul style="list-style-type: none"> ◆ Anti-discrimination ◆ Protecting labour rights 	<ul style="list-style-type: none"> ◆ Talent management ◆ Staff training and promotion opportunity ◆ Staff compensation and welfare policies 	<ul style="list-style-type: none"> ➤ Customers' satisfaction Level ➤ Anti-corruption ➤ Product quality and safety ➤ Suppliers management ◆ Occupational health and workplace safety
	Medium	<ul style="list-style-type: none"> ➤ Community involvement 	<ul style="list-style-type: none"> ◇ Use of resources 	<ul style="list-style-type: none"> ➤ Operational compliance ➤ Protecting customers' privacy ◇ Air emissions
	Low	<ul style="list-style-type: none"> ◆ Preventive measures for child and forced labour 	<ul style="list-style-type: none"> ◇ Non-hazardous wastes produced 	<ul style="list-style-type: none"> ◇ Use of raw materials ◇ Hazardous wastes produced

◇ Environmental ◆ Employee ➤ Operation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

7 COMMUNICATION WITH STAKEHOLDERS AND IDENTIFICATION OF MATERIAL ISSUES

The Company actively strives to better understand its stakeholders and engage them to ensure continuous improvements. The management strongly believes that its stakeholders play a crucial role in sustaining the success of the business in the challenging market.

Stakeholders	Probable issues of concern	Communication and responses
HKEX	Compliance with Listing Rules, timely and accurate announcements.	Meetings, training, workshops, programs, website updates and announcements.
Government	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule, stable demand.	Site visits.
Shareholders/Investors	Corporate governance system, business strategies and performance, and investment returns	Organizing and participating in seminars, interviews, shareholders' meetings, issue of financial reports and/or operation reports for investors, media and analysts.
Media & Public	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
Employees	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, employee suggestion boxes.
Community	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

The table underneath showed the aspects on the ESG Code to be assessed and those ESG issues were determined to be material to the Group.

ESG Aspects as set forth in the ESG Code	Material ESG issues for the Group
(A) Environmental	
A1 Emissions	Emission from town gas, electricity or vehicle
A2 Use of Resources	Use of energy and paper
A3 Environment and Natural Resources	
A4 Climate Change	
(B) Social	
B1 Employment and Labour Practices	Labour practices
B2 Health and Safety	Workplace health and safety
B3 Development and Training	Employee development and training
B4 Labour Standards	Anti-child and forced labour
B5 Supply Chain Management	Supply chain management
B6 Product Responsibility	Product responsibility
B7 Anti-corruption	Anti-corruption, fraud prevention and anti-money laundering
B8 Community Investment	Community programs, employee volunteering and donation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

A. ENVIRONMENTAL

The Group understands the high importance of environmental protection, in respect of which it promises not to sacrifice the environment in exchange of the business. In this respect, the management of the Group strongly believes that a healthy environment constitutes the foundation of the Group's sustainable development. It aims at maintaining sustainable development and building a green community with its stakeholders. Thus, the Group will strive to integrate environmental sustainability into the business operations through various measures so as to reduce carbon emission level and the relevant intensity in its daily operations.

During the Year, there was no material non-compliance issue with relevant laws and regulations related to the environment. The Group will stay alert to any non-compliance behavior relating to critical environmental problems.

A1.1. Emissions Data from Gaseous Fuel Consumption

Environmental protection is always a top priority for the Group, it strives to reduce emissions in protecting the environment. In taking the emission data into consideration, including both the air emissions and greenhouse gas emissions, the data is a measurement for understanding the impacts of the business behaviors on the environment, which provides guidance for the Group to take meaningful actions in the future.

- a) Since the Company did not have town fuel and town gas consumption during the Year, therefore no emissions data from gaseous fuel consumption applied.
- b) the Company owned some motor vehicles during the Year, the emissions data from the vehicles is set out below:

Key performance indicator ("KPI")	2025	Unit	%
	Nitrogen Oxides ("NO _x ")	1,464.2	Kg
Sulphur Oxides ("SO _x ")	1.9	Kg	0.1%
Particulate Matter ("PM")	111.1	Kg	7.0%
Total	1,577.2	Kg	100%

When considering the air emissions intensity, the Group has recorded approximately 6.4 kg (2024: 13.9 kg) of air emission per employee.

Looking forward the Group will continue to improve the efficiency of usage of vehicles by better planning of the travelling routes, so as to better control its air emissions.

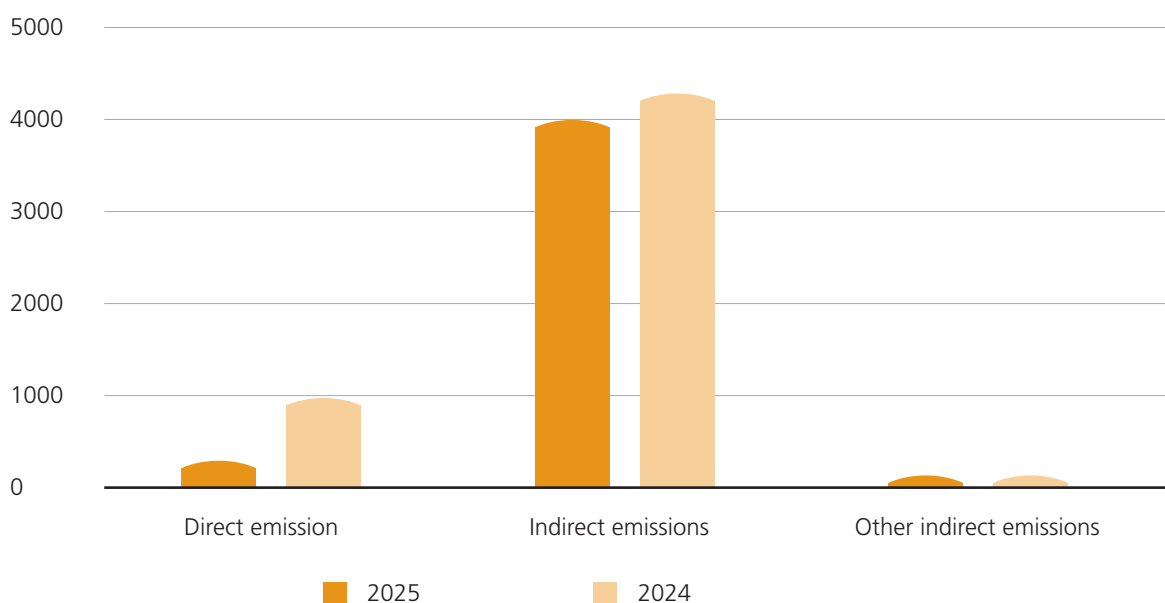
The Group targets to reduce at least 1% of GHG emission as compared to last year. The Group has achieved the target during the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

A1.2. Greenhouse Gas Emission

Greenhouse gas emissions are the main factors contributing to global warming, leading to climate changes and threatening the ecosystem of the world. To continuously fulfill the duties as an enterprise with corporate social responsibility, the Group embraces in driving green practices in day-to-day operations so as to reduce greenhouse gas emissions in the business operations.

tonnes



KPI	2025	Unit	%
	Scope 1		
Direct Emission	320.8	tonnes	7.6%
Scope 2			
Indirect Emission	3,909.3	tonnes	92.2%
Scope 3			
Other indirect Emission	9.5	tonnes	0.2%
Total	4,239.6	tonnes	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

During the Year, there were 4,239.6 (2024: 5,145.1) tonnes of carbon dioxide equivalent greenhouse gases (mainly the usage of vehicles for transportation of petrol and gasoline) emitted from the Group's operation.

When considering the greenhouse gas emissions intensity, the Group recorded approximately 17.2 (2024: 15.6) tonnes of greenhouse gas emissions per employee during the Year.

The Group has made continuous efforts to reduce greenhouse gas emissions. With the emissions from electricity consumption being the major composition of its greenhouse gas emissions, the Group encourages employees to treasure the resources, including electricity and water resources. For energy saving purpose, the lightings are switched off during lunchtime. Besides, reminders of electricity and water saving are posted in the reporting entities.



Lightings switched off during lunchtime



Paper saving reminders were in place to encourage paper saving

The Group targets to reduce at least 1% of GHG emission as compared to last year. The Group has achieved the target during the Year.

Compliance with relevant laws and regulations:

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes of the Group during the Year. In addition, no significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations had been reported in the 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

A1.3 Hazardous Waste and Non-hazardous Waste

Hazardous Waste

The business operations of the Group produced no hazardous waste, including chemical wastes, clinical wastes and hazardous chemicals, during the Year.

Non-hazardous Waste

The major non-hazardous waste produced by the Group was the paper waste during the Year. It amounted to approximately 609.7 (2024: 832.6) kg, which means an average of 2.5 (2024: 2.5) kg of paper waste was produced per employee. In this regard, the Group strives to create a paperless working environment by reducing the use of paper-printing. The Group constantly encourages its employees to print on double sided and reuse single sided used printed paper by placing reminders. By the efforts to reduce and reuse paper in the workplace, the Group targets to reduce its paper wastage in the coming years.

A2.1 Use of resource

The Group aims to become an environmentally sustainable enterprise contributing to environmental protection by conservation of energy and natural resources.

Energy Consumption

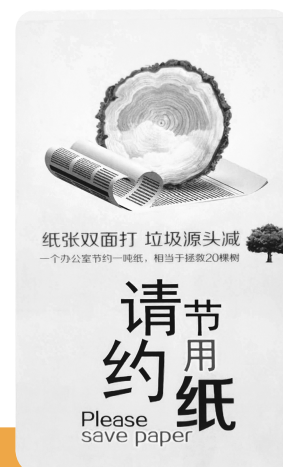
The total energy consumption during the Year was approximately 4,340.0 MWh (2024: 4,862.3 MWh). The electricity consumption intensity, which is calculated by dividing the electricity consumption by the total number of employees, was around 17.6 (2024: 14.7) MWh per employee. The electricity consumed by the Group was the major contributor to its greenhouse gas emissions during the Year. In order to reduce the Group's carbon and energy footprints, the Group consistently insists on "no-light policy" during lunch time. Besides, the Group will continuously promote awareness of treasuring electricity on daily operations to its employees and strive to reduce electricity consumption in the coming years.

Water Consumption

Water resources have always been one of the most invaluable natural resources on the Earth. We had not experienced any issue when sourcing water during the Year. For the Group's operation during the Year, water consumed by the Group amounted to approximately 3,085.0 (2024: 2,891.0) tonnes. The Group's water consumption intensity, which is calculated by dividing the water consumption by the total number of employees, was around 12.5 (2024: 8.8) tonnes per employee. Same as energy consumption, the Group promotes awareness of treasuring water on daily operations to its employees.

Paper Usage

Efficiency in usage of paper in daily operation has been advocated and communicated to employees. The Group consistently encourages double-sided printing and collecting single sided used printed paper for reusing purpose. The paper usage was approximately 609.7 (2024: 832.6) kg during the Year, and the Group is confident to lower the figure in the coming years.



Paper saving reminders were in place to encourage paper saving

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

The summary of the resources consumed are set out below:

	KPI		Unit	% increase/ (decrease)
	2025	2024		
Electricity consumed	4,340.0	4,862.3	MWh	(11%)
Water consumed	3,085.0	2,891.0	tonnes	7%
Paper usage	609.7	832.6	kg	(27%)

The Group targets to reduce at least 1% of resource consumed as compared to last year. The Group has achieved the target during the Year.

A3 Environmental and Natural Resources

As an environmentally sustainable enterprise, the Group believes that the invaluable and precious environment should not be sacrificed because of its own business activities. Therefore, the Group will continuously take efforts on environmentally friendly practice in various aspects.

There were no non-compliance cases noted in relation to environmental laws and regulations during the Year.

A4 Climate change

The global climate change is becoming increasingly severe, and global warming has become a serious problem. As a responsible enterprise, the Group will pay close attention to the impact of climate change on the Group's operations and business, keep track of international and domestic market dynamics, policy changes and regulatory updates, and raise the awareness of all employees.

Governance on climate change

The Group's oversight and governance of climate change is led by the Board, which regularly reviews relevant regulations and guidelines and reviews the Group's governance framework for addressing climate change, and formulates and implements measures to mitigate the impact of climate change on operations and business. In order to meet the goal of "dual carbon", the Group has been committed to reducing greenhouse gas emissions in business operations, in order to achieve a win-win goal of ecological and economic benefits.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

Management and Strategy on climate change

We have identified that environmental, social, and climate related matters may present both risks and opportunities to our business. These include: (i) risks associated with the physical impacts of climate change; (ii) risks arising from the transition to a lower carbon economy; and (iii) opportunities:

(i) Physical risks

Climate change has intensified extreme weather events in recent years, creating physical risks with financial implications. For example:

- Damage to office and production premises or facilities may result in higher maintenance and prevention costs.
- Employee safety may be at risk.
- Business operations, supply chains, and logistics may face potential disruptions.

In order to minimise with the risks from extreme weather, the Group has insurance protection for its properties for damages from extreme weather conditions, so as to reduce the loss of the Group's properties and minimize possible repair and maintenance costs. On the other hand, the Group will increase the emergency safety training for employees against extreme weather, and improve employees' awareness of risk prevention. At the same time, the Group will take various measures such as home office arrangements, rescheduling of work schedules, and preventive and protective measures for resource allocation to ensure the safety of employees' lives minimize the impact on business processes and minimize the impact of extreme weather on the Group's operations and business.

(ii) Transition risks

The transition to a lower carbon economy may entail significant policy, legal, technological, and market changes designed to support climate change mitigation and adaptation. Transition risks include amendments to local environmental laws and regulations that could increase compliance costs. To address these risks, we regularly review and assess regulatory requirements, ensure adherence to applicable standards, and provide employees with training on policy and regulatory developments to proactively plan for compliance.

Rising average temperatures may also result in equipment degradation (e.g., engine cooling systems, electronics) and crew heat stress. To mitigate these physical risks, we have installed ventilation and air conditioning systems to manage higher ambient temperatures and protect engines and electronic components from heat related stress. Where necessary, we also adopt rotating shifts, hydration protocols, and restrictions on outdoor work during peak temperature periods.

(iii) Opportunities

Despite the physical and transition risks noted above, we also recognize that climate change may create opportunities for our business operations.

Customers are increasingly seeking lower carbon logistics solutions to decarbonize their supply chains. In response, we plan to expand our sustainable services and product offerings to meet this growing demand.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

B. SOCIAL

The Group believes that sustainable business success relies on the contribution and support of its talented employees. The Group treated its employees as the most valuable assets to the Group, especially the front-line employees of gas refuelling stations. All employees contribute their efforts to provide gas refuelling for the customers. The contributions of the employees promote the Group to achieve corporate goals and maintain sustainable development. This is the reason why the Group continues improving its friendly employment policies. The human resources policy and procedures, including recruitment, probation, termination, promotion, retirement, transfer, appraisal, working hours, salary, bonus, entitled leave and medical benefits, comply with the relevant legislation in PRC.

B1. Employment and Labour Practices

Employee Benefits

The Group appreciates the hard work and contributions of each employee. A comprehensive employee benefits package is therefore in return to offer to its dedicated and talented staff. The employee benefits are compensated fairly according to their performance, with reference to the market practice.

The Group performs annual staff performance appraisal to assess the performance of employees for the year-end bonus determination. In this regard, a transparent mechanism is conducted by taking into account various factors, including but not limited to the employees' attendance performance, capability, attitude, and contributions to the Group. With reference to appraisal on the employees, staff promotion and salary increment are rewarded to the contributing and improving employees.

In addition, the Group contributes to the employees' social insurance and housing funds with reference to the Labor Law of the PRC for its employees. Besides, high temperature subsidy is offered for the front-line employees of gas refuelling stations on several months within summer season annually.

Harmonious Workspace

A harmonious and inclusive working environment, free from any harassment and discrimination are promoted among the group. The Group consistently strive to build a harmonious and inclusive working environment. The Group respects equal dignity, providing equal opportunities for its employees. The Group also values working environments with polite towards employees and fully departmental coordination among the group.

Procedure of grievances has been set up in the Group. Problems or complaints related to work or the Group are welcome to discuss with a direct department head or top management of the Group. Relevant department head and top management will consider all complaints impartially and efficiently for problem-solving.

Work-life Balance of Employees

Taking a break is crucial for the Group to accomplish long-term goals. Thus, the Group encourages work-life balance for its employees, by providing them with annual leaves, and five-day work week with eight working hours per day. Overtime compensation would be offered to the dedicated employees. Employees are also entitled to special leaves to meet their families' needs, such as marriage leave, funeral leave and maternity leave, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

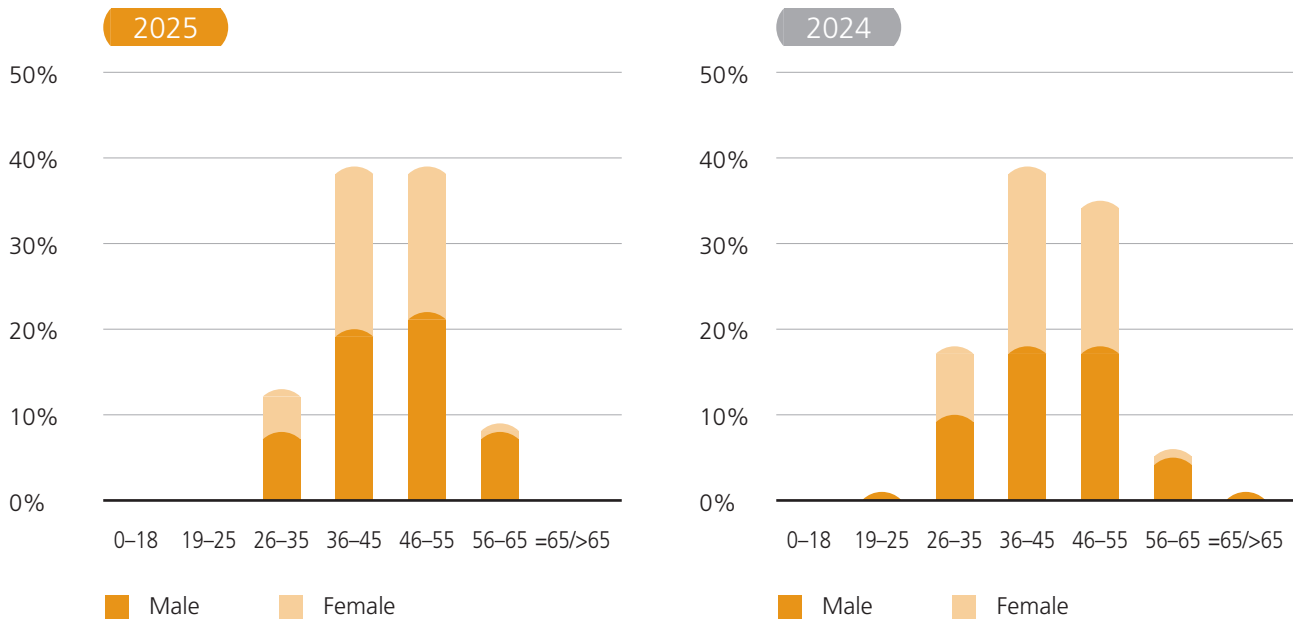
Staff Composition

As at 31 December 2025, the Reporting Entities employed a total of 246 (2024: 330) staff in PRC. The employee composition by management level is more or less the same as other companies in the same industry, as more front-line employees are needed to provide gas refuelling service in stations. The Group believes that maintaining a diverse but inclusive workforce among its working environment is the key to maintain a sustainable and successful business in the future.

a) Employees' Employment Type Distribution

By employment type	2025		2024	
	Male	Female	Male	Female
Part-time employment	0%	0%	0%	0%
Full-time employment	58%	42%	53%	47%
Total	58%	42%	53%	47%

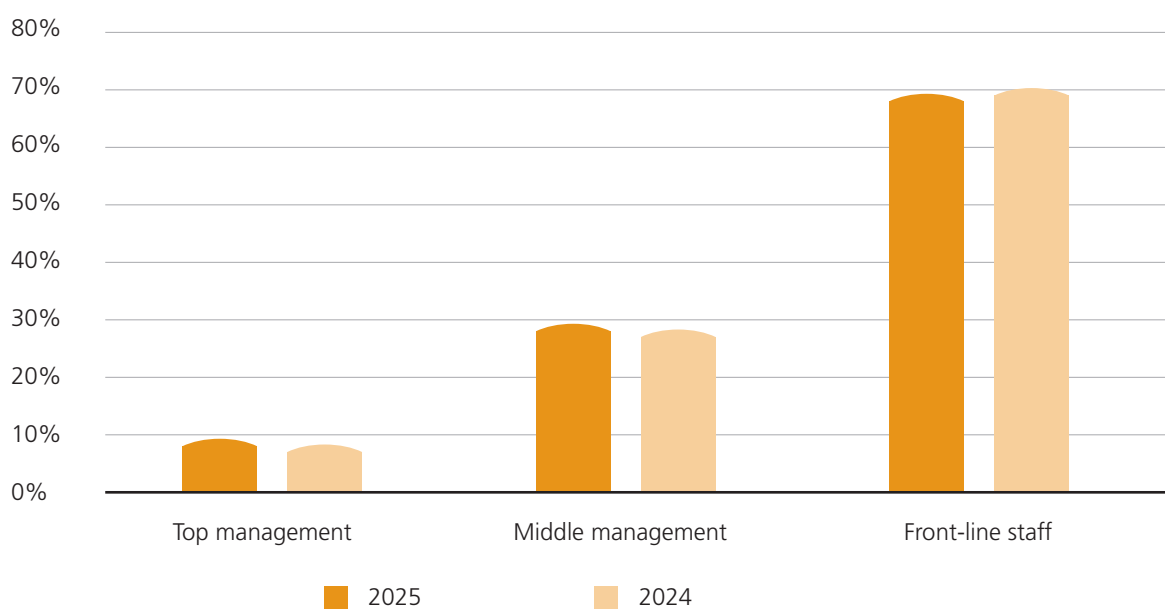
b) Employees' Age and Gender Distribution



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

Age Group	2025		2024	
	Male	Female	Male	Female
0–18	0%	0%	0%	0%
19–25	0%	0%	1%	0%
26–35	8%	5%	10%	8%
36–45	20%	19%	18%	21%
46–55	22%	17%	18%	17%
56–65	8%	1%	5%	1%
= 65/>65	0%	0%	1%	0%
Total	58%	42%	53%	47%

c) Employees' Position Distribution



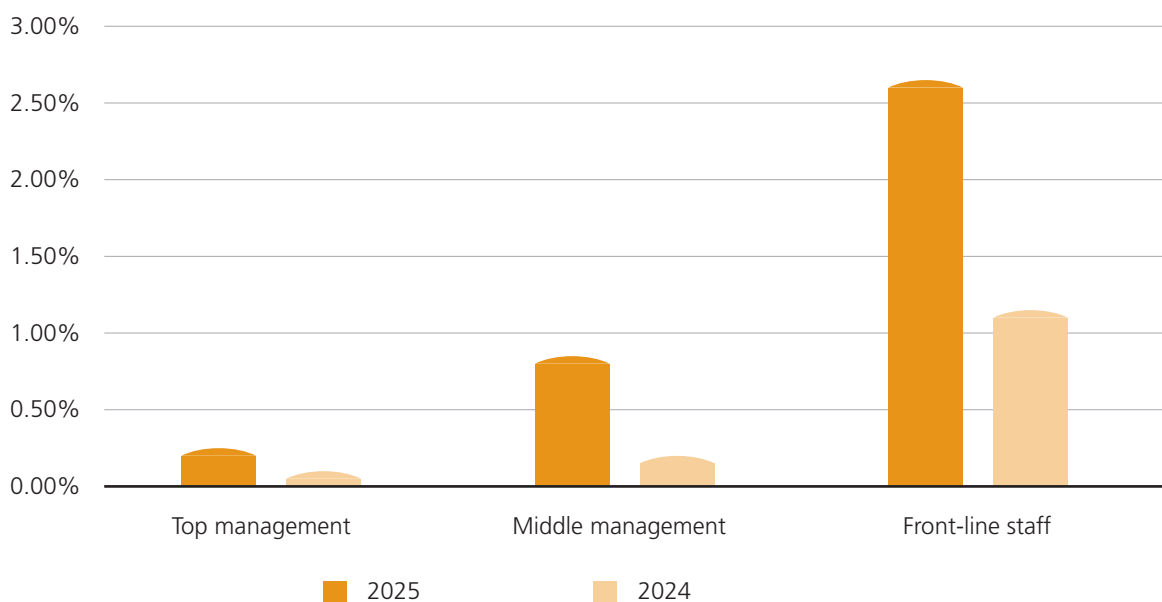
Position	2025	2024
Top management	7%	6%
Middle management	27%	26%
Front-line staff	66%	68%
Total	100%	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

d) *Turnover Rate by Gender and Age*

Age Group	2025		2024	
	Male	Female	Male	Female
0–18	0%	0%	0%	0%
19–25	2%	1%	0%	0%
26–35	15%	8%	11%	13%
36–45	9%	23%	27%	9%
46–55	9%	21%	26%	10%
56–65	5%	5%	0%	4%
= 65/>65	2%	0%	0%	0%
Total	42%	58%	64%	36%

e) *Monthly Average Turnover Rate by Position Level*



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

Position	2025	2024
Top management	0.17%	0.03%
Middle management	0.85%	0.10%
Front-line staff	2.57%	1.06%
Total	3.59%	1.19%

During the Year, the Group maintained an average monthly employee turnover rate of 3.59% (2024: 1.19%). The Group takes pride in the dedication and effort of all employees, who contribute to the success. In order to keep the employees' loyalty to the Group and maintain close relationship with the employees, the Group regularly held several team-building and gathering activities. With consistent efforts in strengthening the bond with talented employees, the Group is confident that it is able to retain the talent employees. Moreover, with 0.17% turnover rate of the top management, the Group is confident that the negative impact of employee turnover on the operations has been mitigated.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group during the Year. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported during the Year.

B2 Employee Health and Safety

The Group is committed to providing a safe working environment for its employees. The Group aims at not only to meet the minimum occupational health and safety standards required by law, but to exceed them. The safety policies and procedures are implemented among the Group, especially for the gas refuelling stations. Before new front-line employees perform their duties on gas stations, safety training and education are provided to them. Safety educations including safety operation guidance, safety discipline and general safety technics for the gas refuelling operation are also provided. Newly recruited front-line employees are required to attend exam organized by the Group regarding to the safety operation of the gas station. Only those employees who passed exam could perform their duties on gas station. The Group also prohibits its staff to smoke and use mobile phone in gas station.

Besides, safety agent of the gas stations is required to perform safety check on gas refuelling equipment and relevant machinery so as to ensure safety operation on gas refuelling process. Safety rules and regulations are set for bad weather such as thunder and typhoon season. The Group strongly requires its front-line employees to strictly follow the guidance set on the bad weather so as to ensure a safe working environment. In addition, reminders and notices are posted on the gas stations to remind customers of the dangerous of inflammable gas. Also, the reminder of forbid firework and no phone call are warning its employees and customers when they are in gas stations.

The safety agents are responsible for ensuring that appropriate policies, procedures and safeguard measures are put in practice. The Group purchased medical insurances for its employees. The social insurance and housing provident fund are closely monitored and adjusted according to the headcounts. In light of these practices, no death or permanent disability case was noted during the Year. The Group will constantly review its health and safety measures to be in place to best safeguard its employees' health.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

Occupational Health and Safety Data

Health and Safety	2025	2024	2023
Number of work-related fatalities	–	–	–
Rate of work-related fatalities	–	–	–
Number of work-related injuries	2	–	1
Lost working hours due to work injury	504	–	1,118

During the Year, the Group has had no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

B3 Development and Training

From time to time, there are internal trainings held to improve its employees' safety knowledge and technics, as well as to keep them reminded on their safety operations. The Group encourages its employees to continue to learn in order to promote their career growth and development with strong safety and technical capability in the LPG and natural gas industry. The Group also provides safety training seminar and safety operation drill to its staff during the Year.

During the Year, the total training hours provided by the Group are set out below:

	2025		Total
	Male	Female	
Top management	487	105	592
Middle management	925	872	1,797
Front-line staff	3,594	2,357	5,951
Total training hours	5,006	3,334	8,340
Average training hours	37.36	35.85	36.74



B4 Labour Standard

The Group understands and therefore fully complies with the labor laws and relevant legislations that prohibit child and forced labor. The Group would not employ any person below the age of eighteen. Each applicant of the Group needs to present their identity documents during the recruitment process, so as to prevent the risk of recruiting child labor. In addition, the Group is committed to ensuring that no employee is forced to work against his/her will, or work as forced labor. The Group strives to ensure equal dignity and respects for its employees. Any violence, with the purpose of deliberately causing difficulties, threats and/or corporal punishment, forcing employees to work is prohibited.

During the Year, there was no material non-compliance issue with applicable laws and regulations in relation to labor standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

B5 Supply Chain Management

The Group understands that providing high quality of LPG and natural gas is key to its corporate sustainable development and business success. The Group implements rigorous management of its suppliers. In this respect, a list of approved suppliers has been established and reviewed on a regular basis. The financial and operational background including the permits, qualifications and licenses obtained) of the suppliers, price level, and terms and conditions of supply are all taken into consideration.

When choosing a new supplier, the Group gives priority to the suppliers who are environmentally friendly and socially responsible in order to promote and support environmentally preferable products and services in supply chain.

As at 31 December 2025, the Reporting Entities have 80 major suppliers from PRC. The supplier assessment is performed annually. The assessment includes reviews on suppliers' business licenses, operation of LPG or natural gas licenses, timely on delivery of quality check on gas provided, etc. In addition, agreement regarding to business ethics is signed with our suppliers. In light of this practice, suppliers are also encouraged to demonstrate their corporate social responsibilities by complying with corporate social responsibility codes as well as business ethics, in respect of operations, marketing activities and social contacts. High standards of morality which include prohibition of provision and acceptance of bribes and/or other unfair benefits are adopted by the Group.

Key risks in supply chains are technical quality and environmental pollution. In particular for LPG, in ensuring the quality of LPG purchased by the Group, the Group would perform checking on quality certificate on a regular basis so as to maintain the quality of LPG sold to its customer. For natural gas, the Group purchased directly from state-owned enterprise, which also provide confident on quality of natural gas to the customers.

The Group would continue to implement appropriate management on supply chain so as to maintain high quality of gas supply and to maintain sustainable development.

B6 Product Responsibility

The Group's business leading by its experienced management team is committed to providing high quality products to its customers, so as to enhance the Group's competitiveness and achieve mutual success between the Group and customers. For maintaining product quality, a regularly supply quality review and assessment are performed as mentioned above. Moreover, to ensure the service quality meets the safety requirements, regular training is provided to the relevant front-line employees who work at the gas stations for the job-related skills, knowledge and safety technics. Besides, for customers who are entitled to apply for a gas refuelling card of gas station, the Group is committed to protecting personal information of its customers. Employees are required to sign a non-disclosure agreement before they join the Group to ensure proper maintenance of confidentiality of the Group's business strategies and protect customers' data privacy in daily operation.

With the above measures, the Group successfully recorded no complaints and no recalled regarding products and services during the Year.

The Group attaches great importance to the protection and maintenance of intellectual property rights. During the Year, the Group is compliance with relevant laws and regulations on intellectual property rights (including but not limited to the Trademark Law of the PRC), the Group also assigns professional personnel to be responsible for renewing trademarks and Internet domain names on time for the purpose of safeguarding, maintaining and effectively managing intellectual property rights.

During the Year, the Group is not involved any litigation or legal proceedings in relation to violations of intellectual property rights of material nature or any material breaches.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT

B7 Anti-corruption

The Group prohibits all forms of bribery and corruption. Employees should not solicit or accept any advantage in connection with his/her work without the permission of the Group. Advantages include both monetary and non-monetary benefits. It is the Group's rule that no director or employee may solicit or accept any advantage from any person who has existing or potential business dealings with the Group. Moreover, under no circumstances may a director or employee provide misleading and fraudulent financial data and falsify financial record.

Employees were able to report any suspicious activities through various channel, i.e. emails, written reports, in person, to General Manager and Operating Manager. Immediate investigation would be taken by the Top Management. A Code of Conduct has been established and implemented to ensure that the directors and employees perform at the highest level of integrity, commitment and professionalism.

During the Year, the Group has provided 3 hours of anti-corruption training and anti-money-laundering to its staff. Also, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.



B8 Community Investment

The Group advocates the concept of giving back to the community. The Group makes efforts on not only increasing its positive impacts on the environment and community, but also in creating a safe and equal working environment for its employees. Moreover, it emphasizes providing good quality of products and services for the interests of its customers. The Group believes that working as a responsible corporate is critical for giving back to the community. In the coming years, the Group will continue to invest efforts in the abovementioned aspects and maintaining the success of this year.

During the Year, The Group donated RMB10,500.0 and RMB360.0 to the Baiyun District Paired Assistance Office (“白雲區對口幫扶辦”) and Guangzhou Baiyun District Charity Federation (“廣州市白雲區慈善會”) respectively.

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group relating to emissions, employment, health and safety, labor standards, product responsibility and anti-corruption during the Year.

INDEPENDENT AUDITOR'S REPORT



To the shareholders of
Sino Gas Holdings Group Limited
(Incorporated in the Cayman Islands with limited liability)

Forvis Mazars CPA Limited
42nd Floor, Central Plaza,
18 Harbour Road,
Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話: (+852) 2909 5555
Fax 傳真: (+852) 2810 0032
www.forvismazars.com

OPINION

We have audited the consolidated financial statements of Sino Gas Holdings Group Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 79 to 155, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Continued)

KEY AUDIT MATTERS (Continued)

Key audit matter identified in our audit is summarised as follows:

Assessment of the potential impairment of the property, plant and equipment and right-of-use assets attributable to gas refuelling stations

Refer to principal accounting policies in Note 2 and the disclosure of property, plant and equipment and right-of-use assets in Notes 12 and 13 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group's property, plant and equipment and right-of-use assets, with carrying amount of approximately RMB31,366,000 and RMB13,202,000 as at 31 December 2025 respectively, are principally used in the operations of gas refuelling stations. In view of the losses contributed by certain gas refuelling stations during the year ended 31 December 2025, management considered that there were indications that the Group's property, plant and equipment and right-of-use assets, attributable to gas refuelling stations may be impaired as at 31 December 2025.</p> <p>At the end of the reporting period, management performs impairment assessments of the property, plant and equipment and right-of-use assets attributable to the Group's gas refuelling stations whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable.</p> <p>Each gas refuelling station operated by the Group has been identified as a separate cash-generating unit ("CGU") for impairment assessment purpose.</p>	<p>Our key audit procedures, where applicable on a sample basis, included:</p> <ul style="list-style-type: none">– Understanding and evaluating the management's key internal controls over the impairment assessment process.– Assessing management's identification of indicators of potential impairment of the property, plant and equipment and right-of-use assets attributable to gas refuelling stations, the identification of the CGUs, the allocation of assets to each CGU, the use of higher of the value in use or fair value less cost of disposal model for determining the recoverable amounts and the methodology adopted in the preparation of the DCFF with reference to our understanding of the Group's gas refuelling station business and the requirements of the prevailing accounting standards;– Assessing management's DCFF for those CGUs where impairment indications were noted by evaluating the reasonableness of the key assumptions adopted by management, with our understanding and knowledge of the Group's business in general;– Comparing the forecast selling prices and purchase prices of compressed natural gas ("CNG") and liquefied natural gas ("LNG") with external market data;

INDEPENDENT AUDITOR'S REPORT (Continued)

KEY AUDIT MATTERS (Continued)

Key audit matter identified in our audit is summarised as follows: (Continued)

Assessment of the potential impairment of the property, plant and equipment and right-of-use assets attributable to gas refuelling stations (Continued)

The key audit matter	How the matter was addressed in our audit
<p>When the carrying amounts of the CGU's property, plant and equipment and right-of-use assets are not recoverable, it will be written down to their recoverable amounts, which are estimated at the higher of their value in use based on a discounted cash flow forecast ("DCFF") or their fair value less costs of disposal. Management has engaged an independent professional valuer whose work has been relied on in the estimation of the recoverable amounts of the CGU's property, plant and equipment which are under construction.</p> <p>We have identified the impairment assessment of the property plant and equipment and right-of-use assets attributable to gas refuelling stations as a key audit matter because of its significance to the consolidated financial statements and the judgement and estimation involved in the impairment assessment including the consideration of the indicators of impairment and the determination of the key assumptions applied in the impairment assessment.</p>	<ul style="list-style-type: none">– Comparing key financial data, including revenue, cost of sales and expenses, in the DCFF with the budgets approved by the management;– Evaluating the competence, capabilities and objectivity of the independent professional valuer for the impairment assessment on the fair value less costs of disposal;– Evaluating the reasonableness of the valuation methods and key assumptions adopted by the independent professional valuer based on our knowledge of the Group's industry and market for the impairment assessment on the fair value less costs of disposal;– Performing sensitivity analysis of the key assumptions on the impairment assessment to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessing whether there were any indicators of management bias in the selection of key assumptions; and– Considering the adequacy of the Group's disclosure in respect of the impairment assessment.

INDEPENDENT AUDITOR'S REPORT (Continued)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in this annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 30 March 2026

The engagement director on the audit resulting in this independent auditor's report is:

Chan Chi Ming Andy

Practising Certificate number: P05132



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	2,191,628	1,634,113
Cost of sales		(2,152,384)	(1,580,943)
Gross profit		39,244	53,170
Other income	5	23,090	18,396
Staff costs		(29,576)	(29,954)
Depreciation on property, plant and equipment and right-of-use assets		(13,428)	(11,595)
Short-term lease charges		(1,447)	(623)
Other operating expenses		(21,993)	(31,221)
Finance costs	6	(13,908)	(10,956)
Provision for impairment loss on property, plant and equipment		(10,752)	(164)
Provision for impairment loss on interest in associate	15	(4,353)	–
Reversal of (provision for) impairment loss on trade and other receivables		3,830	(1,415)
Written-off of property, plant and equipment		(4,436)	–
Share of result of associates	15	(88)	(1)
Share of result of a joint venture	16	(52)	(1,718)
Loss before taxation	7	(33,869)	(16,081)
Income tax expenses	8	(1,506)	(1,703)
Loss for the year		(35,375)	(17,784)
Other comprehensive (loss) income:			
<i>Item that will not be reclassified to profit or loss</i>			
Exchange difference on translation of the Company's financial statements		(4,118)	3,620
<i>Item that are reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of functional currency to presentation currency		2,330	(4,591)
Other comprehensive loss for the year		(1,788)	(971)
Total comprehensive loss for the year		(37,163)	(18,755)
Loss for the year attributable to:			
Equity holders of the Company		(26,058)	(12,363)
Non-controlling interests		(9,317)	(5,421)
Loss for the year		(35,375)	(17,784)

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

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		(27,846)	(13,334)
Non-controlling interests		(9,317)	(5,421)
<hr/>			
Total comprehensive loss for the year		(37,163)	(18,755)
<hr/>			
Loss per share		RMB cents	RMB cents
Basic and diluted	11	(12.06)	(5.72)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	12	60,456	84,552
Right-of-use assets	13	17,448	19,941
Interest in associates	15	11,292	14,925
Interest in a joint venture	16	8,870	8,922
Financial assets measured at fair value through profit or loss	17	24,654	24,301
Deferred tax assets	24	9,659	10,341
		132,379	162,982
Current assets			
Inventories	18	2,479	3,059
Trade and other receivables	19	173,939	201,530
Income tax recoverable		3,040	2,600
Pledged deposits	20	1,635,000	615,000
Bank balances and cash	20	123,449	154,440
		1,937,907	976,629
Current liabilities			
Trade and other payables	21	35,901	27,381
Interest-bearing borrowings	22	1,679,000	720,000
Lease liabilities	23	728	877
		1,715,629	748,258
Net current assets		222,278	228,371
Total assets less current liabilities		354,657	391,353
Non-current liabilities			
Lease liabilities	23	1,249	1,405
Deferred tax liabilities	24	2,007	1,671
		3,256	3,076
NET ASSETS		351,401	388,277

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	25	1,892	1,892
Reserves	26	343,136	370,982
<hr/>			
Equity attributable to equity holders of the Company		345,028	372,874
Non-controlling interests		6,373	15,403
<hr/>			
TOTAL EQUITY		351,401	388,277

These consolidated financial statements on pages 79 to 155 were approved and authorised for issue by the Board of Directors on 30 March 2026 and signed on its behalf by:

Zhou Feng
Executive Director

Ji Ling
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Equity attributable to equity holders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Exchange reserve	Other reserve	Accumulated profits	Total		
	RMB'000 (Note 25)	RMB'000 (Note 26(a))	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000 (Note 26(d))	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	1,892	173,360	54,008	628	(11,970)	154,956	372,874	15,403	388,277
Loss for the year	-	-	-	-	-	(26,058)	(26,058)	(9,317)	(35,375)
Other comprehensive (loss) income									
<i>Item that will not be reclassified to profit or loss</i>									
Exchange difference on translation of the Company's financial statements	-	-	-	(4,118)	-	-	(4,118)	-	(4,118)
<i>Item that are reclassified or may be reclassified subsequently to profit or loss</i>									
Exchange difference on translation of functional currency to presentation currency	-	-	-	2,330	-	-	2,330	-	2,330
Total other comprehensive loss for the year, net of tax	-	-	-	(1,788)	-	-	(1,788)	-	(1,788)
Total comprehensive loss for the year	-	-	-	(1,788)	-	(26,058)	(27,846)	(9,317)	(37,163)
Transactions with equity holders of the Company									
<i>Contributions and distributions:</i>									
Capital injection by non-controlling interests to a newly incorporated subsidiary	-	-	-	-	-	-	-	287	287
Transfer to statutory reserve	-	-	460	-	-	(460)	-	-	-
Total transactions with equity holders of the Company	-	-	460	-	-	(460)	-	287	287
As at 31 December 2025	1,892	173,360	54,468	(1,160)	(11,970)	128,438	345,028	6,373	351,401

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2025

	Equity attributable to equity holders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Exchange reserve	Other reserve	Accumulated profits			
	RMB'000 (Note 25)	RMB'000 (Note 26(a))	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000 (Note 26(d))	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	1,892	173,360	53,802	1,599	(11,970)	167,525	386,208	20,824	407,032
Loss for the year	-	-	-	-	-	(12,363)	(12,363)	(5,421)	(17,784)
Other comprehensive (loss) income									
<i>Item that will not be reclassified to profit or loss</i>									
Exchange difference on translation of the Company's financial statements	-	-	-	3,620	-	-	3,620	-	3,620
<i>Item that are reclassified or may be reclassified subsequently to profit or loss</i>									
Exchange difference on translation of functional currency to presentation currency	-	-	-	(4,591)	-	-	(4,591)	-	(4,591)
Total other comprehensive loss for the year, net of tax	-	-	-	(971)	-	-	(971)	-	(971)
Total comprehensive loss for the year	-	-	-	(971)	-	(12,363)	(13,334)	(5,421)	(18,755)
Transaction with equity holders of the Company									
<i>Contributions and distributions:</i>									
Transfer to statutory reserve	-	-	206	-	-	(206)	-	-	-
Total transaction with equity holders of the Company	-	-	206	-	-	(206)	-	-	-
As at 31 December 2024	1,892	173,360	54,008	628	(11,970)	154,956	372,874	15,403	388,277

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Cash generated from operations	27(a)	34,049	7,727
Income tax paid		(925)	(2,545)
Net cash from operating activities		33,124	5,182
INVESTING ACTIVITIES			
Interest received		12,184	18,218
Proceeds from disposal of property, plant and equipment		–	329
Purchase of property, plant and equipment		(3,081)	(2,739)
Acquisition of investment in an associate		(808)	–
Capital injection by non-controlling interests to a newly incorporated subsidiary		287	–
Net cash inflow on disposal of a subsidiary	33	774	–
Repayment from loan to a third party		4,152	1,150
Dividends received from an associate	15	–	2,320
Net cash from investing activities		13,508	19,278
FINANCING ACTIVITIES			
Interest paid	27(b)	(13,733)	(10,765)
Proceeds from interest-bearing borrowings	27(b)	2,464,000	1,400,000
Repayment of interest-bearing borrowings	27(b)	(1,505,000)	(1,187,500)
Repayment of lease liabilities (capital portion)	27(b)	(927)	(965)
Repayment of lease liabilities (interest portion)	27(b)	(175)	(191)
Increase in pledged deposits		(1,020,000)	(227,500)
Net cash used in financing activities		(75,835)	(26,921)
Net decrease in cash and cash equivalents		(29,203)	(2,461)
Cash and cash equivalents at the beginning of the year		154,440	157,872
Effect on exchange rate changes		(1,788)	(971)
Cash and cash equivalents at the end of year	20	123,449	154,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE INFORMATION

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

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

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in retail and wholesale of liquefied petroleum gas (“**LPG**”), compressed natural gas (“**CNG**”) and liquefied natural gas (“**LNG**”) in the PRC. Details of the principal subsidiaries of the Company and their principal activities are disclosed in Note 14 to the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

Adoption of revised IFRS Accounting Standard

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

Amendments to IAS 21: Lack of Exchangeability

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of measurement

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

Basis of consolidation

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

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

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

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income is attributed to the equity holders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interest

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, interests in subsidiaries are stated at cost less accumulated impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group reassesses whether it has joint control of an arrangement and whether the type of joint arrangement in which it is involved has changed, if facts and circumstances change.

The Group's investment in associate or joint venture is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately:

Buildings and properties	10 – 50 years
Refuelling equipment	3 – 22 years
Motor vehicles and other equipment	3 – 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Construction in progress

Construction in progress represents refuelling equipment and buildings and properties under construction and is stated at cost less accumulated impairment loss. Cost includes construction expenditures incurred and other direct costs capitalised during the construction period. No depreciation is made on construction in progress until the construction work is completed and the assets are ready for their intended use. When the assets concerned are available for use, the costs are transferred to the appropriate class of property, plant and equipment.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis, except for financial assets mandatorily measured at FVPL and financial assets measured at amortised cost which are accounted for on the settlement date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Recognition and derecognition (Continued)

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income (“**Mandatory FVOCI**”); (iii) equity investment measured at fair value through other comprehensive income (“**Designated FVOCI**”); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group’s business model for managing the financial assets and the financial asset’s contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model (the “**reclassification date**”).

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group’s financial assets at amortised cost include trade and other receivables, pledged deposits and bank balances and cash.

2) Financial assets measured at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group’s financial assets mandatorily measured at FVPL include unlisted equity securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables and interest-bearing borrowings. All financial liabilities, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("**ECL**") on financial assets that are measured at amortised cost and lease receivables to which the impairment requirements apply in accordance with IFRS 9. At each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive. For a lease receivable, the cash flows used for determining the ECL should be consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Measurement of ECL (Continued)

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

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors
- (vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

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

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Low credit risk (Continued)

As detailed in Note 29(a) to the consolidated financial statements, the following financial instruments are determined to have low credit risk:

- Pledged deposits; and
- Bank balances and cash.

Simplified approach of ECL

For trade receivables without significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, and operating lease receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdraft.

Revenue recognition

Rental income under operating leases is recognised when the assets are let out and on the straight-line basis over the lease term. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Such payments are recognised as income on the straight-line basis over the lease term. Other variable lease payments are recognised as income in the period in which the event or condition that triggers those payments occurs.

Revenue from contracts with customers within IFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is retail and wholesale of LPG, CNG and LNG.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within IFRS 15 (Continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Retail sales of CNG and LNG is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers at gas refuelling stations operated by the Group and the title is passed.

Wholesale of LPG and CNG is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers at premises which are determined by customers and the title is passed.

Contract liabilities

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier).

For the wholesale business of the sales of LPG and CNG, it is common for the Group to receive from the customer some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Since the Group's main operation is carried out in the PRC, the amounts shown in the consolidated financial statements are presented in RMB.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("**foreign operations**") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, right-of-use assets, interest in associates, interest in a joint venture and interest in subsidiaries at statement of financial position of the Company may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use ("VIU"). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit ("CGU")).

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or CGU that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as an income in profit or loss immediately.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset as follows:

Land use rights	20–50 years
Buildings and equipment	2–20 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if

- (a) the modification increase the scope of the lease by adding the right to use or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

As lessor — operating lease

The Group applies the derecognition and impairment requirements in IFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Employee benefit

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to a defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Pursuant to the relevant PRC laws and regulations, each of the PRC subsidiaries of the Group is required to participate in a retirement benefit scheme organised by the local municipal government whereby the Group is required to contribute a certain percentage of the salaries of its employees to the retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to pay the ongoing required contributions. Contributions made to the defined contribution retirement scheme are charged to profit or loss as incurred.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences is not recognised.

The deferred tax assets or liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or liability is settled, based on the tax rates and the tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on interests in subsidiaries, an associate and a joint venture, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management and the Board of directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

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

Key sources of estimation uncertainty

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty (Continued)

Loss allowance for expected credit losses (“ECL”)

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

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

Impairment of investments and receivables

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

Depreciation rate of the property, plant and equipment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Future changes in IFRS Accounting Standards

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

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

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

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

³ The effective date to be determined

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

3. SEGMENT INFORMATION

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. SEGMENT INFORMATION (Continued)

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

Inter-segment sales are priced at cost plus profit margin. The accounting policies of the reporting segment are the same as the Group's accounting policies as described in Note 2 to the consolidated financial statements.

(a) Segment results

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. SEGMENT INFORMATION (Continued)

(a) Segment results (Continued)

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

(b) Geographic information

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

(c) Information about major customers

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

	2025 RMB'000	2024 RMB'000
Wholesale Customer A	974,262	811,835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. REVENUE

	2025		
	Retail RMB'000	Wholesale RMB'000	Total RMB'000
Revenue from contracts with customers within IFRS 15			
— LPG	–	1,986,897	1,986,897
— CNG	76,123	59,215	135,338
— LNG	59,427	–	59,427
— Others	–	9,966	9,966
	135,550	2,056,078	2,191,628

	2024		
	Retail RMB'000	Wholesale RMB'000	Total RMB'000
Revenue from contracts with customers within IFRS 15			
— LPG	–	1,445,692	1,445,692
— CNG	111,368	47,849	159,217
— LNG	15,081	–	15,081
— Others	–	14,123	14,123
	126,449	1,507,664	1,634,113

The amount of revenue corresponding to the contracted performance obligations of the Company at the beginning of the year which had been fulfilled or fully fulfilled during the year end 31 December 2025 was approximately RMB6,688,000 (2024: approximately RMB14,340,000).

5. OTHER INCOME

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

6. FINANCE COSTS

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

7. LOSS BEFORE TAXATION

This is stated after charging (crediting):

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

8. TAXATION

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Current tax			
Current year		488	1,219
Over provision in prior year		–	(19)
		488	1,200
Deferred taxation			
Origination and reversal of temporary difference	24	1,018	503
Total income tax expense for the year		1,506	1,703

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

8. TAXATION (Continued)

Reconciliation of income tax expenses	2025 RMB'000	2024 RMB'000
Loss before taxation	(33,869)	(16,081)
Income tax at statutory tax rate of 25% in the PRC	(8,467)	(4,020)
Non-deductible expenses	4,749	3,660
Tax exempt revenue	(934)	(946)
Effect on overseas tax rate differences	376	780
Utilisation of previously unrecognised tax losses	(81)	(1,012)
Unrecognised tax losses	4,077	2,689
Over provision in prior year	–	(19)
Share of results of associates and a joint venture	1,123	429
Others	663	142
Income tax expenses for the year	1,506	1,703

9. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

(a) Directors' remunerations

Details of directors' remunerations for the year, disclosed pursuant to the Listing Rules and the disclosure requirements of Companies Ordinance, are as follows:

	2025				Total RMB'000
	Directors' fees RMB'000	Salaries, allowances and benefits in-kind RMB'000	Discretionary bonuses RMB'000	Contributions to defined contribution retirement schemes RMB'000	
<i>Executive directors</i>					
Mr. Ji Guang	–	960	105	–	1,065
Ms. Ji Ling	–	527	6	11	544
Ms. Cui Meijian (i)	–	9	–	1	10
Mr. Zhou Feng	–	332	74	11	417
<i>Independent non-executive directors</i>					
Mr. Sheng Yuhong	108	–	–	–	108
Mr. Wang Zhonghua	108	–	–	–	108
Mr. Chan Kai Wing (iii)	6	–	–	–	6
Dr. Zheng Jian Peng (ii)	78	–	–	–	78
	300	1,828	185	23	2,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

9. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (Continued)

(a) Directors' remunerations (Continued)

	2024				Total RMB'000
	Directors' fees RMB'000	Salaries, allowances and benefits in-kind RMB'000	Discretionary bonuses RMB'000	Contributions to defined contribution retirement schemes RMB'000	
<i>Executive directors</i>					
Mr. Ji Guang	–	960	102	–	1,062
Ms. Ji Ling	–	404	63	10	477
Ms. Cui Meijian (i)	–	188	–	10	198
Mr. Zhou Feng	–	332	198	10	540
<i>Independent non-executive directors</i>					
Mr. Sheng Yuhong	111	–	–	–	111
Mr. Wang Zhonghua	111	–	–	–	111
Dr. Zheng Jian Peng (ii)	111	–	–	–	111
	333	1,884	363	30	2,610

(i) Resigned on 17 January 2025.

(ii) Resigned on 19 September 2025.

(iii) Appointed on 18 December 2025.

There were no arrangements under which a director waived or agreed to waive any emoluments for the year ended 31 December 2025 (2024: Nil). In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the year (2024: Nil).

(i) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company, or bodies corporate controlled by such directors, or entities connected with such directors that were entered into or subsisted during the years ended 31 December 2025 and 2024.

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

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company, or entities connected with the directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

9. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (Continued)

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2024: three) are directors whose emoluments are disclosed in Note 9(a). The aggregate of the emoluments in respect of the remaining two (2024: two) highest paid individuals, who are not directors, are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	768	499
Discretionary bonuses	114	159
Contributions to defined contribution retirement schemes	22	20
	904	678

The emoluments of the non-director individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
Hong Kong Dollars (“HK\$”) Nil to HK\$1,000,000 (equivalent to Nil to RMB903,200) (2024: HK\$Nil to HK\$1,000,000 (equivalent to Nil to RMB926,040))	2	2

There were no arrangements under which any of the five (2024: five) highest paid individuals waived or agreed to waive any remuneration during the year ended 31 December 2025 (2024: Nil). In addition, no remuneration was paid by the Group to any of the five (2024: five) highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).

10. DIVIDENDS

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

11. LOSS PER SHARE

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings and properties RMB'000 (Note 12(a))	Refuelling equipment RMB'000	Motor vehicles and other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Reconciliation of carrying amount					
— year ended 31 December 2024					
At beginning of the year	36,110	21,993	13,574	28,375	100,052
Additions	160	88	1,318	1,173	2,739
Transfer in (out)	2,551	2,462	–	(5,013)	–
Provision for impairment loss	–	–	–	(164)	(164)
Depreciation	(1,845)	(4,277)	(3,019)	–	(9,141)
Disposals	–	–	(329)	(8,605)	(8,934)
At the end of the reporting period	36,976	20,266	11,544	15,766	84,552
Reconciliation of carrying amount					
— year ended 31 December 2025					
At beginning of the year	36,976	20,266	11,544	15,766	84,552
Additions	120	411	1,873	677	3,081
Transfer in (out)	4,031	3,321	17	(7,369)	–
Provision for impairment loss	(4,352)	(4,946)	(483)	(971)	(10,752)
Depreciation	(4,577)	(5,285)	(959)	–	(10,821)
Disposals	–	(277)	(295)	(410)	(982)
Disposal of a subsidiary	–	–	(186)	–	(186)
Written-off	–	(2,462)	–	(1,974)	(4,436)
At the end of the reporting period	32,198	11,028	11,511	5,719	60,456
At 31 December 2024					
Cost	68,938	99,496	66,003	20,786	255,223
Accumulated depreciation	(31,962)	(75,305)	(54,459)	–	(161,726)
Accumulated impairment losses	–	(3,925)	–	(5,020)	(8,945)
Net carrying amount	36,976	20,266	11,544	15,766	84,552
At 31 December 2025					
Cost	73,089	102,071	47,700	8,179	231,039
Accumulated depreciation	(36,539)	(80,616)	(35,706)	–	(152,861)
Accumulated impairment losses	(4,352)	(10,427)	(483)	(2,460)	(17,722)
Net carrying amount	32,198	11,028	11,511	5,719	60,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) At the end of the reporting period, the application for property rights certificates of certain of the Group's buildings with aggregate net carrying amount of approximately RMB1,072,000 (2024: approximately RMB1,210,000) has not been processed or is in progress. Mr. Ji Guang, the ultimate controlling party of the Company, has undertaken to procure the obtaining of the title documents for the abovementioned properties. If title documents could not be obtained, Mr. Ji Guang agreed to indemnify the Group for all losses and damages arising therefrom.
- (b) At the end of the reporting period, the carrying amount of property, plant and equipment and right-of-use assets set out in Note 13 attributable to gas refuelling stations would have been approximately RMB31,366,000 and RMB13,202,000 (2024: approximately RMB53,238,000 and RMB14,630,000) respectively. In view of the losses contributed by certain gas refuelling stations, the management considered that there were indications that the property, plant and equipment and right-of-use assets attributable to these gas refuelling stations may be impaired as at 31 December 2025.

Each gas refuelling station has been identified as a separate CGU for impairment assessment purpose. The carrying amounts of each CGU's property, plant and equipment and right-of-use assets will be written down to their recoverable amounts, which are estimated by the higher of their VIU calculation based on a discounted cash flow forecast ("DCFF") or their fair value less costs of disposal.

The Group assessed the recoverable amount of operating CGU based on the VIU calculation using DCFF with pre-tax discount rate of 15% (2024: 15%). At the end of the reporting period, the accumulated provision for impairment loss on those assets of approximately RMB15,164,000 (2024: approximately RMB3,925,000) was recognised.

The recoverable amounts of CGU under construction are determined by fair value less costs of disposal which was estimated by the market approach and depreciated replacement cost approach based on an estimation of the market value for the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The fair value less costs of disposal is based on valuation reports prepared by the independent professional valuer, XinDe Assets and Real Estate Appraisal Co., Ltd. (2024: XinDe Assets and Real Estate Appraisal Co., Ltd.). One of the key unobservable inputs used in this valuation approach is residual ratio. A decrease in residual ratio would result in decrease in fair value measurement of the CGU under construction by the same percentage and vice versa. There was no change in the method of valuation and aggregation of assets for identifying the CGU under construction during the year. The recoverable amounts of the CGU under construction of approximately RMB5,719,000 were classified as level 3 under fair value hierarchy. Based on the valuation, impairment loss of approximately RMB971,000 on the CGU under construction with carrying amounts of approximately RMB6,690,000 was considered necessary. At the end of the reporting period, the accumulated provision for impairment loss on CGU under construction of approximately RMB2,460,000 (2024: approximately RMB5,020,000) was recognised.

- (c) At the end of the reporting period, the Group leases out certain of buildings and properties, refuelling equipment, motor vehicles and other equipment together with the related land use right and buildings and equipment under right-of-use assets which are set out in Note 13 to the consolidated financial statements (collectively as "**leased-out stations**") to third parties under operating leases. At the end of the reporting period, the aggregate carrying amount of the buildings and properties, refuelling equipment, motor vehicles and other equipment leased out amounted to approximately RMB1,865,000 (2024: approximately RMB575,000).

The lease terms range and the maturity analysis of undiscounted lease payments to be received from the leased-out stations is set out in Note 13 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. RIGHT-OF-USE ASSETS

The Group as lessee

	Land use rights RMB'000	Buildings and equipment RMB'000	Total RMB'000
Reconciliation of carrying amount — year ended 31 December 2024			
At beginning of the year	16,730	5,848	22,578
Depreciation	(803)	(1,651)	(2,454)
Lease modification	—	(183)	(183)
At the end of the reporting period	15,927	4,014	19,941
Reconciliation of carrying amount — year ended 31 December 2025			
At beginning of the year	15,927	4,014	19,941
Depreciation	(975)	(1,632)	(2,607)
Lease modification	—	114	114
At the end of the reporting period	14,952	2,496	17,448
At 31 December 2024			
Cost	17,913	11,019	28,932
Accumulated depreciation	(1,986)	(7,005)	(8,991)
Net carrying amount	15,927	4,014	19,941
At 31 December 2025			
Cost	17,913	10,641	28,554
Accumulated depreciation	(2,961)	(8,145)	(11,106)
Net carrying amount	14,952	2,496	17,448

The Group leases various land use rights, buildings and equipment for its daily operations. Lease terms range from 2 to 50 years (2024: 2 to 50 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. RIGHT-OF-USE ASSETS (Continued)

The Group as lessee (Continued)

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the underlying assets can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

For leases of buildings, the Group is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Extension and termination options

Some of the lease contracts of buildings and equipment contain an extension and termination option, respectively. These options aim to provide flexibility to the Group in managing the leased assets. The extension option of the leases of buildings and equipment is normally exercised because there are significant leasehold improvements while the termination option in the leases of equipment is normally exercised because the Group could replace the assets without significant cost or business disruption. The Group seldom exercises options that were not included in the lease liabilities.

The Company has recognised the following amounts for the year:

	2025 RMB'000	2024 RMB'000
Short-term lease payments recognised in profit or loss	1,447	623
Lease liabilities payments	1,102	1,156
Total cash outflow for leases	2,549	1,779

The interest expenses on lease liabilities are set out in Note 27(b) to the consolidated financial statements.

Commitments under leases

At 31 December 2025, the Group was committed to approximately RMB143,000 (2024: Nil) for short-term leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. RIGHT-OF-USE ASSETS (Continued)

The Group as lessor

At the end of the reporting period, the Group leases out certain of its land use right and buildings and equipment together with the assets set out in Note 12 to the consolidated financial statements to third parties under operating leases. At the end of the reporting period, the aggregate carrying amount of the right-of-use assets leased out amounted to approximately RMB637,000 (2024: approximately RMB856,000).

The lease term of the leased-out stations was 1 to 10 years (2024: 1 to 10 years) with an option to renew the lease when all terms are renegotiated.

Accounting policies of lease income under operating leases are set out in Note 2 to the consolidated financial statements.

Below is a maturity analysis of undiscounted lease payments to be received from the leasing the leased-out stations and property, plant and equipment.

	2025 RMB'000	2024 RMB'000
Year 1	1,542	258
Year 2	1,402	87
Year 3	1,345	90
Year 4	588	94
Year 5	588	97
Over 5 years	1,942	–
Undiscounted lease payments to be received	7,407	626

The detail of the lease income for operating leases are set out in Note 5 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

14. INTERESTS IN SUBSIDIARIES

Details of the principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation/ operation and legal from if established in PRC	Registered capital/issued share capital	Proportion of ownership interest		Principal activities
			Directly	Indirectly	
Zhengzhou Sino Gas Bus Fuel Company Limited ("Zhengzhou Bus") [#] (鄭州中油潔能巴士(燃氣)有限公司)	The PRC, limited liability company	RMB30,000,000	–	60%	Sale of CNG to vehicular end-users by operating refuelling stations
Guangzhou Sino Gas Fuel Chain Company Limited [#] (廣州中油潔能燃氣連鎖有限公司)	The PRC, limited liability company	RMB20,000,000	–	100%	Sale of LPG to vehicular end-users by operating refuelling stations
Sino Gas (Zhuhai) Limited [#] (中油潔能(珠海)石化有限公司)	The PRC, wholly foreign-owned enterprise	HK\$38,000,000	–	100%	Investment holding
Xinzheng Yonghui Natural Gas Company Limited [#] (新鄭永輝天然氣有限公司)	The PRC, limited liability company	HK\$12,000,000	–	100%	Sale of CNG to vehicular end-users by operating refuelling stations and wholesale of CNG
Henan Sino Gas Sales and Transportation Company Limited [#] (河南中油潔能銷售運輸有限公司)	The PRC, limited liability company	RMB12,000,000	–	100%	Fuel transportation
Zhuhai Hengqin Xinqu Sino Gas Fuel Company Limited [#] (珠海橫琴新區中油潔能燃氣有限公司)	The PRC, limited liability company	RMB5,000,000	–	100%	Investment holding
Guangzhou Sino Gas Logistics Company Limited [#] (廣州中油潔能物流有限公司)	The PRC	RMB10,000,000	–	100%	Fuel transportation
Guangdong Sino Gas Investment Company Limited [#] (廣東中油潔能投資有限公司)	The PRC, limited liability company	RMB100,000,000	–	100%	Investment holding
Guangzhou Sino Gas New Energy Company Limited [#] (廣州中油潔能新能源有限公司)	The PRC, limited liability company	RMB10,000,000	–	100%	Sale of LNG to vehicular end-users by operating refuelling stations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

14. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation and legal from if established in PRC	Registered capital/issued share capital	Proportion of ownership interest		Principal activities
			Directly	Indirectly	
Henan Sino Gas Yonghui Natural Gas Company Limited [#] (河南中油潔能永輝天然氣有限公司)	The PRC, limited liability company	RMB10,000,000	–	100%	Sale of CNG and LNG to vehicular end-users by operating refuelling stations and wholesale of CNG and LNG
Henan Sino Gas Fuel Company Limited [#] (河南中油潔能燃氣有限公司)	The PRC, limited liability company	RMB10,000,000	–	100%	Wholesale of CNG and LNG
Sino Gas New Energy Investment Limited	Hong Kong	10,000 shares	–	100%	Investment holding
Guangdong Sino Gas Petrochemical Company Limited [#] (廣東中油潔能石化有限公司)	The PRC, limited liability company	RMB20,000,000	–	100%	Wholesale of LPG
Sino Gas Investment Group Company Limited	Hong Kong	10,000 shares	–	100%	Investment holding
Zhengzhou Transport Investment Sino Gas Fuel Company Limited ("Zhengzhou Transport") [#] (鄭州交投中油潔能燃氣有限公司)	The PRC, limited liability company	RMB100,000,000	–	51%	Sale of CNG to vehicular end-users by operating refuelling stations
Guangzhou Sino Gas Natural Gas Company Limited [#] (廣州中油潔能天然氣有限公司)	The PRC, limited liability company	RMB20,000,000	–	100%	Sale of natural gas
Xinyang Sino Gas Energy Company Limited [#] (信陽中油潔能能源有限公司)	The PRC, limited liability company	RMB6,500,000	–	100%	Sale of CNG to vehicular end-users by operating refuelling stations
Perfect Wise Asia Limited	The BVI	1 share of United States Dollar ("US\$") 1	100%	–	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

14. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/operation and legal form if established in PRC	Registered capital/issued share capital	Proportion of ownership interest		Principal activities
			Directly	Indirectly	
Sino Gas Energy Group Limited	The BVI	100 shares of US\$1 each	100%	–	Investment holding
Sino Gas Investments Holdings Group Limited	Hong Kong	1 share	–	100%	Investment holding
Guangzhou Sino Gas Fuel Sales Company Limited [#] (廣州中油潔能燃氣銷售有限公司)	The PRC, limited liability company	RMB10,000,000	–	100%	Sale of LPG
Henan Blue Sky Sinopetroleum Clean Energy Science & Technology Company Limited [#] (河南藍天中油潔能科技有限公司)	The PRC, limited liability company	RMB20,000,000	–	100%	Sale of CNG to vehicular end-users by operating refuelling stations
Sino Gas Technology Group Limited	Hong Kong	1 share	–	100%	Investment holding
Hebei Sino Gas New Energy Technology Company Limited [#] (河北中油潔能新能源科技有限公司)	The PRC, limited liability company	RMB10,000,000	–	51%	Wholesale of LNG
Guangdong Lunda Jieneng Smart Energy Co., Ltd. (“ Guangdong Lunda ”) [#] (Note) (廣東倫達潔能智慧能源有限公司)	The PRC, limited liability company	RMB2,500,000	–	40%	Wholesale of CNG and LNG

Note: Guangdong Lunda was newly incorporated during the year ended 31 December 2025. Although the Company owns less than 50% of the equity interest in this entity, the Company has right to appoint 3 out of 5 directors in the Board of directors which control the relevant activity of Guangdong Lunda. Consequently, the Company classifies Guangdong Lunda as subsidiary.

[#] English translation for identification purposes only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

14. INTERESTS IN SUBSIDIARIES (Continued)

Financial information of subsidiaries with individually material NCI

The following table shows the information relating to each of the non-wholly owned subsidiaries that has material NCI. The summarised financial information represents amounts before inter-company eliminations.

At 31 December 2025

	Zhengzhou Transport RMB'000	Zhengzhou Bus RMB'000
<i>Gross amount</i>		
Current assets	11,678	29,081
Non-current assets	14,251	–
Current liabilities	(9,875)	(31,417)
Non-current liabilities	(846)	–
Equity	15,208	(2,336)
<i>Reconciliation</i>		
Gross amount of equity	15,208	(2,336)
NCI's ownership interests	49%	40%
NCI's share of equity	7,452	(934)

For the year ended 31 December 2025

	Zhengzhou Transport RMB'000	Zhengzhou Bus RMB'000
Revenue	37,280	43,783
Expenses	(40,375)	(62,945)
Loss and total comprehensive loss for the year	(3,095)	(19,162)
Total comprehensive loss attributable to NCI	(1,516)	(7,665)
Net cash flow from (used in):		
Operating activities	4,481	(3,647)
Investing activities	–	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

14. INTERESTS IN SUBSIDIARIES (Continued)

Financial information of subsidiaries with individually material NCI (Continued)

At 31 December 2024

	Zhengzhou Transport RMB'000	Zhengzhou Bus RMB'000
<i>Gross amount</i>		
Current assets	6,653	67,775
Non-current assets	19,010	11,268
Current liabilities	(6,091)	(62,217)
Non-current liabilities	(1,269)	–
Equity	18,303	16,826
<i>Reconciliation</i>		
Gross amount of equity	18,303	16,826
NCI's ownership interests	49%	40%
NCI's share of equity	8,968	6,731

For the year ended 31 December 2024

	Zhengzhou Transport RMB'000	Zhengzhou Bus RMB'000
Revenue	–	60,396
Expenses	(5,726)	(65,266)
Loss and total comprehensive loss for the year	(5,726)	(4,870)
Total comprehensive loss attributable to NCI	(2,806)	(1,948)
Net cash flow (used in) from:		
Operating activities	(60)	1,521
Investing activities	–	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

15. INTEREST IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Unlisted shares, at cost	20,808	20,000
Dividends received since acquisition	(4,640)	(4,640)
Share of post-acquisition results	(523)	(435)
Impairment loss	(4,353)	–
Share of net assets	11,292	14,925

Details of associates at the end of the reporting period are as follows:

Name of associate	Place of incorporation/ operation and legal from	Registered capital	Proportion of effective ownership interest held by the Group		Principal activities
			2025	2024	
Guangzhou Qiande Enterprise Management Consulting Partnership (Limited Partnership) (“Guangzhou Qiande”) [#] 廣州乾德教育諮詢合夥企業 (有限合夥)	The PRC, limited partnership enterprise	RMB45,000,000	44.44%	44.44%	Investment holding
Sichuan Lunda Kunlun Smart Energy Technology Co., Ltd. (“Sichuan Lunda”) [#] 四川倫達崑崙智慧能源科技有限公司 (「四川倫達」) (Note)	The PRC, limited partnership enterprise	RMB12,000,000	13.6%	–	Technology research

Note: The Group has 13.6% effective ownership interest in Sichuan Lunda through a non-wholly owned subsidiary, Guangdong Lunda, which holds 34% direct equity interest in Sichuan Lunda.

[#] English translation for identification purposes only.

The above associates are accounted for using the equity method in the consolidated financial statements.

Commitments

The Group has the following unrecognised commitments relating to its interest in associates.

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Contracted but not provided for: Capital contributions to an associate	816	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

15. INTEREST IN ASSOCIATES (Continued)

Relationship with associates

Guangzhou Qiande and Sichuan Lunda allow the Group to diversify its investment portfolio with an aim to enhancing the profitability.

Fair value of investment

The above associates are private limited partnerships and there is no quoted market price available for the investments.

Financial information of associates

Summarised financial information of the individually material associate of the Group is set out below, which represents amounts shown in the associate's financial statements and adjusted by the Group for equity accounting purposes in IFRS Accounting Standards.

At 31 December 2025

	Guangzhou Qiande RMB'000
<i>Gross amount</i>	
Current assets	1,207
Non-current assets	32,398
Current liabilities	–
Equity	33,605
<i>Reconciliation</i>	
Gross amount of equity	33,605
Group's ownership interests	44.44%
Group's share of equity	14,934

For the year ended 31 December 2025

	Guangzhou Qiande RMB'000
<i>Gross amount</i>	
Revenue	–
Loss from continuing operations for the year	(150)
Total comprehensive loss for the year	(150)
Dividends received from an associate	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

15. INTEREST IN ASSOCIATES (Continued)

Financial information of associates (Continued)

At 31 December 2024

	Guangzhou Qiande RMB'000
<i>Gross amount</i>	
Current assets	206
Non-current assets	33,529
Current liabilities	(150)
Equity	33,585
<i>Reconciliation</i>	
Gross amount of equity	33,585
Group's ownership interests	44.44%
Group's share of equity	14,925

For the year ended 31 December 2024

	Guangzhou Qiande RMB'000
<i>Gross amount</i>	
Revenue	1
Loss from continuing operations for the year	(1)
Total comprehensive loss for the year	(1)
Dividends received from an associate	2,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

15. INTEREST IN ASSOCIATES (Continued)

Financial information of individually immaterial associates

The table below shows, in aggregate, the carrying amount and the Group's share of results of associates that are not individually material and accounted for using the equity method.

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Carrying amount of interests	787	–

	Year ended 31 December 2025 RMB'000	Year ended 31 December 2024 RMB'000
Group's share of:		
Loss from continuing operations	(156)	–
Post-tax profit from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive loss	(156)	–

Unrecognised share of losses of associates

As at 31 December 2025, there is no unrecognised share of loss of an associate (2024: Nil).

Contingent liabilities

As at 31 December 2025, there are no contingent liabilities incurred by the Group in relation to its interest in associates (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

16. INTEREST IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Unlisted shares, at cost	38,500	38,500
Share of post-acquisition results	(18,013)	(17,961)
Provision for impairment loss	(11,617)	(11,617)
Share of net assets	8,870	8,922

Details of a joint venture at the end of the reporting period are as follows:

Name of joint venture	Place of incorporation/ operation and legal from	Registered capital	Proportion of effective ownership interest held by the Group		Principal activities
			2025	2024	
Jiangmen Xinjiang Gas Company Limited ("JM Xinjiang Gas") [#] (江門市新江煤氣有限公司)	The PRC, limited liability company	RMB119,600,000	50%	50%	Wholesale of LPG

[#] English translation for identification purposes only.

The above joint venture is accounted for using the equity method in the consolidated financial statements.

Relationship with a joint venture

JM Xinjiang Gas operates two LPG domestic stations and supplies LPG to other LPG fuel operators on wholesale basis. The Group is one of the major suppliers of LPG to JM Xinjiang Gas which allows the Group to capture business opportunities from the sustainable growth of industrial and residential LPG market in Guangdong Province.

Fair value of investment

The above joint venture is private company and there is no quoted market price available for the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

16. INTEREST IN A JOINT VENTURE (Continued)

Financial information of the joint venture

Summarised financial information of the above joint venture of the Group is set out below, which represents amounts shown in the joint venture's financial statements and adjusted by the Group for equity accounting purposes in IFRS Accounting Standards.

	2025 RMB'000	2024 RMB'000
At 31 December		
<i>Gross amount</i>		
Current assets	881,657	1,530,291
Non-current assets	79,010	58,459
Current liabilities	(874,037)	(1,526,472)
Non-current liabilities	(68,890)	(44,434)
Equity	17,740	17,844
Included in the above:		
Cash and cash equivalents	757,982	1,420,114
Current financial liabilities *	800,000	1,448,000
Non-current financial liabilities *	68,890	44,434
<i>Reconciliation</i>		
Gross amount of equity	17,740	17,844
Group's ownership interests	50%	50%
Group's share of net assets	8,870	8,922
For the year ended 31 December		
<i>Gross amount</i>		
Revenue	1,117,999	847,995
<i>Reconciliation</i>		
Loss and total comprehensive loss for the year	(105)	(3,435)
Group's ownership interests	50%	50%
Group's share of result	(52)	(1,718)
Included in above:		
Depreciation and amortisation	2,945	1,916
Interest income	14,342	11,857
Interest expense	11,499	9,752

* Exclude trade and other payables and provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

16. INTEREST IN A JOINT VENTURE (Continued)

Unrecognised share of loss of a joint venture

As at 31 December 2025, there is no unrecognised share of loss of a joint venture (2024: Nil).

Contingent liabilities

As at 31 December 2025, there are no contingent liabilities incurred by the Group in relation to its interest in a joint venture (2024: Nil).

17. FINANCIAL ASSETS MEASURED AT FVPL

	Note	2025 RMB'000	2024 RMB'000
Mandatorily measured at FVPL			
Non-current assets			
Unlisted equity securities	17(a)	24,654	24,301

- (a) The unlisted equity securities represent investments in three (2024: three) equity securities which were set up as limited partnerships in the PRC, aiming at allocating idle funds reasonably and increasing return on asset. The valuation techniques and significant inputs used in the measurement of the fair values of the unlisted equity securities are set out in note 31 to the consolidated financial statements.

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Gas	897	1,243
Spare parts	1,582	1,816
	2,479	3,059

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES

	Note	2025 RMB'000	2024 RMB'000
Trade receivables			
From third parties	19(a)	83,401	112,301
From a joint venture	19(b)	33,391	49,587
		116,792	161,888
Less: Loss allowance	29(a)	(484)	(3,825)
	19(c)	116,308	158,063
Other receivables			
Prepayments for purchase of inventories	19(d)	37,380	19,984
Loan to a third party	19(e)	–	4,152
Deposits and other receivables		27,845	27,414
		65,225	51,550
Less: Loss allowance	29(a)	(7,594)	(8,083)
		57,631	43,467
		173,939	201,530

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

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in Note 29(a) to the consolidated financial statements.

- (a) The amounts due are unsecured, interest-free and with credit period of 30 to 90 days.
- (b) The amounts due are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES (Continued)

(c) The ageing analysis of trade receivables by invoice date and net of loss allowance is summarised as follows:

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

The balances are trade receivables from contracts with customers within IFRS 15 for both years. Refer to Note 29(a), as at 31 December 2025, impairment loss of approximately RMB484,000 (2024: approximately RMB3,825,000) is recognised for trade receivables from contracts with customers within IFRS 15.

(d) Prepayments for purchase of inventories

These prepayments for purchase of inventories to suppliers are unsecured, interest-free and will be used to offset against future purchases from suppliers.

(e) Loan to a third party

As at 31 December 2024, the loan of RMB10,000,000 was guaranteed by a corporate guarantee given by a shareholder of Jiangmen Yinyan Real Estate Development Co., Ltd. ("JM Yinyan"), bore interest at effective interest rate of 4% per annum and matured on 30 June 2025. The loan was fully repaid during the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Current assets			
Bank balances and cash	20(a)	123,449	154,440
Pledged deposits	20(b)	1,635,000	615,000
Total cash and cash equivalents, pledged deposits	20(c)	1,758,449	769,440
Less: Pledged deposits		(1,635,000)	(615,000)
As stated in consolidated statement of cash flows		123,449	154,440

- (a) Cash at bank earns interest at floating rates based on daily deposit rates.
- (b) Pledged deposits earn interest at the prevailing deposit rates. At the end of the reporting period, RMB1,635,000,000 (2024: RMB615,000,000) was pledged as securities to secure for the interest-bearing borrowings as disclosed in Note 22 of the consolidated financial statements.
- (c) The Group's operations in the PRC (excluding Hong Kong) conducted their businesses in RMB. RMB is not freely convertible currency and the remittance of funds out of the PRC (excluding Hong Kong) is subject to the exchange restrictions imposed by the PRC government.

Information about the Group's exposure to credit risks for cash at bank and in hand and pledged deposits is included in Note 29(a) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

21. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Trade payables			
To third parties	21(a)	11,513	7,326
Contract liabilities	21(b)	11,456	6,688
Other payables			
Accrued charges and other payables		10,708	11,177
Employee benefits payables		1,997	2,109
Other tax payables		227	81
		12,932	13,367
		35,901	27,381

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

21. TRADE AND OTHER PAYABLES (Continued)

(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within IFRS 15 during the year are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	6,688	14,340
Receipt in advance	11,456	6,688
Recognised as revenue	(6,688)	(14,340)
At the end of the reporting period	11,456	6,688

Unsatisfied or partially unsatisfied performance obligations

All of the performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2025 (2024: all) are part of contracts that have an original expected duration of one year or less.

22. INTEREST-BEARING BORROWINGS

	2025 RMB'000	2024 RMB'000
Bank loans Secured	1,679,000	720,000

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

	2025 RMB'000	2024 RMB'000
Pledged deposits	1,635,000	615,000

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

22. INTEREST-BEARING BORROWINGS (Continued)

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

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

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

All the interest-bearing borrowings are denominated RMB.

23. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Current portion	728	877
Non-current portion	1,249	1,405
	1,977	2,282

The weighted average incremental borrowing rates applied to the lease liabilities are ranging from 5% to 5.49% per annum (2024: 5% to 5.49% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

24. DEFERRED TAXATION

The movements for the year in the Group's net deferred tax assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	8,670	9,173
Charge to profit or loss (Note 8)	(1,018)	(503)
At the end of the reporting period	7,652	8,670

Recognised deferred tax assets and liabilities at the end of the reporting period represent the following:

	As at 31 December 2025		As at 31 December 2024	
	Assets RMB'000	Liabilities RMB'000	Assets RMB'000	Liabilities RMB'000
Loss allowance on trade and other receivables	2,171	–	2,721	–
Fair value adjustment on acquisition of a subsidiary	–	(2,007)	–	(1,671)
Impairment losses on interest in a joint venture	2,904	–	2,904	–
Impairment losses on property, plant and equipment	617	–	641	–
Tax losses	3,953	–	4,060	–
Others	14	–	15	–
Deferred tax assets (liabilities)	9,659	(2,007)	10,341	(1,671)

The deferred tax assets include an amount of approximately RMB3,953,000 (2024: approximately RMB4,060,000) which relates to carried-forward tax losses of certain subsidiaries of the Group. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for these subsidiaries. These subsidiaries are expected to generate taxable income from 2026 onwards. The losses can be carried forward for a maximum of 5 years from the year in which the tax loss was incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

24. DEFERRED TAXATION (Continued)

Unrecognised deferred tax assets arising from

	2025 RMB'000	2024 RMB'000
Before multiplied by the applicable tax rates:		
Tax losses	50,365	28,935

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

At the end of the reporting period, the Group has the following tax losses arising in the PRC that can be offset against future taxation profits of the subsidiary for a maximum of 5 years from the year in which the tax loss was incurred:

	2025 RMB'000	2024 RMB'000
Year of expiry		
2025	–	860
2026	495	599
2027	19,150	18,313
2028	1,187	1,414
2029	13,820	7,749
2030	15,713	–
	50,365	28,935

Unrecognised deferred tax liabilities

At 31 December 2025, the undistributed earnings where deferred tax liabilities in respect of PRC withholding tax that would be payable on the distribution of these earnings is approximately RMB320,193,000 (2024: approximately RMB323,017,000). In the opinion of the directors, the undistributed earnings, at the present time, are required for financing the continuing operations of these entities and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

25. SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000

	2025		2024	
	Number of shares	RMB'000	Number of shares	RMB'000
Issued and fully paid:				
At beginning of the year and at the end of the reporting period	216,000,000	1,892	216,000,000	1,892

26. RESERVES

(a) Share Premium

The application of the share premium account is governed by the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

(b) Statutory reserve

In accordance with the relevant PRC laws and regulations, the Company's PRC subsidiaries are required to appropriate to the statutory reserve not less than 10% of the amount of profit after taxation (as reported in the respective statutory financial statements of the PRC subsidiaries prepared in accordance with the PRC accounting regulations). If the accumulated statutory reserve reaches 50% of the registered capital of the respective PRC subsidiaries, the subsidiary may not be required to make any further appropriation. The transfer to the surplus reserve must be made before distribution of dividends to shareholders. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of functional currency to presentation currency. The reserve is dealt with in accordance with the accounting policies set out in Note 2 to the consolidated financial statements.

(d) Other reserve

The balance represented the difference between the considerations of disposal of certain equity interests in subsidiaries and the carrying amount of the proportionate net assets, and the group reorganisation took place on 11 June 2018 prior to the initial listing of the Company's shares on the Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

27. OTHER CASH FLOW INFORMATION

(a) Cash generated from operations

	2025 RMB'000	2024 RMB'000
Loss before taxation	(33,869)	(16,081)
Interest income	(17,872)	(13,789)
Interest expenses	13,908	10,956
Depreciation	13,428	11,595
(Reversal of) provision for impairment loss on trade and other receivables	(3,830)	1,415
Provision for impairment loss on property, plant and equipment	10,752	164
Written-off of property, plant and equipment	4,436	–
(Gain) Loss arising from changes in fair value of financial assets measured at FVPL	(353)	1,065
Provision for impairment loss on interest in associate	4,353	–
Loss on disposal of property, plant and equipment	982	8,605
Share of result of associates	88	1
Share of result of a joint venture	52	1,718
Gain on disposal of a subsidiary	(597)	–
Loss (Gain) on lease modification	508	(16)
Changes in working capital:		
Inventories	580	(482)
Trade and other receivables	32,957	11,373
Trade and other payables	8,526	(8,797)
Cash generated from operations	34,049	7,727

(b) Changes in liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

	Interest-bearing borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
Year ended 31 December 2025			
At beginning of the year	720,000	2,282	722,282
Interest expenses	13,733	175	13,908
Lease modification	–	622	622
Net cash flows	945,267	(1,102)	944,165
At the end of the reporting period	1,679,000	1,977	1,680,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

27. OTHER CASH FLOW INFORMATION (Continued)

(b) Changes in liabilities arising from financing activities (Continued)

	Interest-bearing borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
Year ended 31 December 2024			
At beginning of the year	507,500	3,446	510,946
Interest expenses	10,765	191	10,956
Lease modification	–	(199)	(199)
Net cash flows	201,735	(1,156)	200,579
At the end of the reporting period	720,000	2,282	722,282

28. RELATED PARTY TRANSACTIONS

The continuing connected transactions under the Listing Rules are set out in the Report of the Directors of this annual report.

- (i) Other than disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions during the years.

Relationship	Nature of transactions	2025 RMB'000	2024 RMB'000
A joint venture	Sales of goods	975,711	808,375
	Service income	1,310	3,460

- (ii) Remuneration for key management personnel (including all directors of the Company) of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and other short-term benefits	2,895	2,905
Contributions to defined contribution retirement schemes	45	49
	2,940	2,954

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets measured at amortised cost		
Pledged deposits	1,635,000	615,000
Trade and other receivables [#]	136,559	181,546
Bank balances and cash	123,449	154,440
	1,895,008	950,986
Financial assets measured at FVPL		
Unlisted equity securities	24,654	24,301
	1,919,662	975,287
Financial liabilities measured at amortised cost		
Trade and other payables [*]	22,221	18,503
Interest-bearing borrowings	1,679,000	720,000
Lease liabilities	1,977	2,282
	1,703,198	740,785

[#] excluding prepayment for purchase of inventories

^{*} excluding contract liabilities, employee benefits payables and other tax payables

The main purpose of these financial instruments is to raise and maintain finance for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

The directors of the Company generally adopt conservative strategies on its risk management and limit the Group's exposure to these risks to a minimum level. The directors of the Company review and agree policies for managing each risk as summarised below and they manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

The Group reviews the recoverable amount of each individual financial assets at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry and country in which debtors operate also has an influence on credit risk but to a lesser extent. Credit quality of debtors is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

As at the end of the reporting period, the Group had a concentration of credit risk as 41% (2024: 38%) and 96% (2024: 97%) of the total trade receivables were made up by the Group's largest debtors and the five largest debtors respectively.

The Group's debtors base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the debtors' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past recent years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year.

As at 31 December 2025, approximately RMB27,210,000 (2024: approximately RMB62,290,000) of the Group's trade receivables were due from the individual third party which is a state-owned enterprise.

In determining the ECL of such trade receivable, the Group applies a simplified approach in calculating ECL. No valuation has been performed by independent professional qualified valuers during the year ended 31 December 2025.

The ECL of such trade receivable as at 31 December 2024 amounting to RMB62,290,000 had been arrived at on the basis of valuations carried out on that date by Flagship Appraisals and Consulting Limited, independent qualified professional valuers. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtor, recovery rate and are adjusted for forward-looking information that is available without undue cost or effort.

The top 5 trade receivables excluding the state-owned enterprise, representing 72% (2024: 59%) of total receivables for the year ended 31 December 2025 and most of the debt had been settled up to the date of the issuance of the result announcement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

As at 31 December 2025, reversal of impairment loss of approximately RMB3,341,000 (2024: an additional impairment loss of approximately RMB1,415,000) on trade receivables is recognised based on the provision matrix during the year.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is summarised below.

As at 31 December 2025

Ageing by due date	Expected loss rate %	Gross carrying amount RMB'000	Loss allowances RMB'000	Credit-impaired	Net carrying amount RMB'000
General customers					
Not past due	–	49,080	–	No	49,080
Past due					
Within 1 month	–	11,605	–	No	11,605
1 to 3 months	–	28,387	–	No	28,387
3 to 6 months	–	26	–	No	26
6 to 12 months	–	–	–	No	–
Over 12 months	100%	484	484	Yes	–
		89,582	484		89,098
Individual assessment					
— State-owned enterprise					
Not past due	–	4,182	–	No	4,182
Past due					
Within 1 month	–	838	–	No	838
1 to 8 months	–	22,190	–	No	22,190
Over 8 months	–	–	–	No	–
		27,210	–		27,210
		116,792	484		116,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

As at 31 December 2024

Ageing by due date	Expected loss rate %	Gross carrying amount RMB'000	Loss allowances RMB'000	Credit-impaired	Net carrying amount RMB'000
General customers					
Not past due	–	71,794	–	No	71,794
Past due					
Within 1 month	–	13,854	–	No	13,854
1 to 3 months	–	10,341	–	No	10,341
3 to 6 months	–	1,199	–	No	1,199
6 to 12 months	–	–	–	No	–
Over 12 months	100%	2,410	2,410	Yes	–
		99,598	2,410		97,188
Individual assessment					
— State-owned enterprise					
Not past due	–	18,167	–	No	18,167
Past due					
Within 1 month	–	2,647	–	No	2,647
1 to 8 months	–	21,198	–	No	21,198
Over 8 months	6.98%	20,278	1,415	No	18,863
		62,290	1,415		60,875
		161,888	3,825		158,063

The Group does not hold any collateral over trade receivables as at 31 December 2025 (2024: Nil).

As at 31 December 2025, the Group recognised loss allowance of approximately RMB484,000 (2024: approximately RMB3,825,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year is summarised below.

	2025 RMB'000	2024 RMB'000
At beginning of the year	3,825	2,410
(Decrease) increase in allowance	(3,341)	1,415
At the end of the reporting period	484	3,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Other receivables

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

At the end of the reporting period, the Group considers the credit quality of certain debtors was worsen which gave rise to a significant increase in credit risk and therefore considered as credit-impaired. The Group measures the provision for impairment on gross amount of the other receivables of approximately RMB7,594,000 (2024: approximately RMB8,083,000) which is equal to the lifetime ECL and recognised loss allowance of approximately RMB7,594,000 (2024: approximately RMB8,083,000) on these credit-impaired other receivables.

The Group does not hold any collateral over these credit-impaired other receivables as at 31 December 2025 (2024: Nil).

The movement in the loss allowance for these credit-impaired other receivables during the year is summarised below.

	2025 RMB'000	2024 RMB'000
At beginning of the year	8,083	8,083
Decrease in allowance	(489)	–
At the end of the reporting period	7,594	8,083

The Group considers that the remaining other receivables have low credit risk based on the counterparties' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on the remaining other receivables is measured on 12-month ECL and reflects the short maturities of the exposures. At 31 December 2025, the additional loss allowance for provision for the remaining other receivables was insignificant.

Pledged deposits and bank balances and cash

The management considers the credit risk those balances are minimal because the counterparties are authorised financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. To minimise liquidity risks, management of the Group regularly reviews the current and expected liquidity requirements of operating units to ensure they maintain sufficient reserves of cash to meet operational needs so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet their liquidity requirements in the short and longer terms.

The maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below.

	Carrying amount RMB'000	Within 1 year or on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total contractual undiscounted cash flow RMB'000
As at 31 December 2025						
Trade and other payables*	22,221	22,221	–	–	–	22,221
Lease liabilities	1,977	819	671	677	–	2,167
Interest-bearing borrowings	1,679,000	1,679,000	–	–	–	1,679,000
	1,703,198	1,702,040	671	677	–	1,703,388

	Carrying amount RMB'000	Within 1 year or on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total contractual undiscounted cash flow RMB'000
As at 31 December 2024						
Trade and other payables*	18,503	18,503	–	–	–	18,503
Lease liabilities	2,282	1,077	798	1,327	–	3,202
Interest-bearing borrowings	720,000	720,000	–	–	–	720,000
	740,785	739,580	798	1,327	–	741,705

* excluding contract liabilities, employee benefits payables and other tax payables

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

30. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issues new shares in the light of changes in the economic environment. No changes were made in the Group's objectives, policies or processes in managing capital during the years ended 31 December 2025 and 2024.

The Group monitors its capital, which comprises all equity components, using a gearing ratio which is calculated on the basis of the Group's total liabilities over total assets. The gearing ratio at the end of the reporting period was as follows:

	2025 RMB'000	2024 RMB'000
Current liabilities	1,715,629	748,258
Non-current liabilities	3,256	3,076
Total liabilities	1,718,885	751,334
Current assets	1,937,907	976,629
Non-current assets	132,379	162,982
Total assets	2,070,286	1,139,611
Gearing ratio	83.0%	65.9%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in IFRS 13, "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

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

As at 31 December 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value				
Financial assets measured at FVPL				
Unlisted equity securities	–	–	24,654	24,654

As at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value				
Financial assets measured at FVPL				
Unlisted equity securities	–	–	24,301	24,301

During the years ended 31 December 2025 and 2024, there were no transfer between Level 1 and Level 2 fair value measurement, and no transfer into and out of Level 3 fair value measurements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. FAIR VALUE MEASUREMENTS (Continued)

Movements in Level 3 fair value measurements

	Unlisted equity securities As at 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	24,301	25,366
Fair value gain (loss) recognised in profit or loss	353	(1,065)
At the end of the reporting period	24,654	24,301

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at 31 December 2025 RMB'000	Valuation techniques	Unobservable input	Range (weighted average, if applicable)	Sensitivity of fair value to changes in unobservable inputs
Financial assets measured at FVPL — unlisted equity securities	24,654	Net asset value of the private limited partnerships as reported by investment fund managers	n/a	n/a	n/a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. FAIR VALUE MEASUREMENTS (Continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement (Continued)

Description	Fair value at 31 December 2024 RMB'000	Valuation techniques	Unobservable input	Range (weighted average, if applicable)	Sensitivity of fair value to changes in unobservable inputs
Financial assets measured at FVPL — unlisted equity securities	24,301	Net asset value of the private limited partnerships as reported by investment fund managers	n/a	n/a	n/a

Assets and liabilities with fair value disclosure, but not measured at fair value

The carrying amounts of financial assets and liabilities not measured at fair value are carried at amounts not materially different from their fair values as at 31 December 2025 and 2024.

32. COMMITMENTS

Capital expenditure commitments

	2025 RMB'000	2024 RMB'000
Contracted but not provided net of deposit paid for property, plant and equipment	—	299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

33. DISPOSAL OF A SUBSIDIARY

On 31 May 2025, the Group disposed of its equity interests in Zhuhai Sino Gas Dangerous Goods Transportation Company Limited, which was then a wholly owned subsidiary of the Group, to a third party for a cash consideration of RMB783,000.

The net assets disposed of as at the disposal date are as follows:

	RMB'000
Property, plant and equipment	186
Trade and other receivables	13,419
Bank balances and cash	9
Other payables	(9)
Net assets	13,605
Less: Written off of trade and other receivable due from the Company's subsidiaries	(13,419)
	186
Consideration:	
Cash consideration	(783)
Gain on disposal of a subsidiary	597

Effect of disposal of subsidiaries on the cash flow of the Group is as follows:

	RMB'000
Consideration received, satisfied in cash	783
Cash and cash equivalents disposed of	(9)
Net cash inflow	774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Interests in subsidiaries	14	57,569	59,023
Amounts due from subsidiaries		108,490	112,876
		166,059	171,899
Current assets			
Bank balances		1,146	1,250
Current liabilities			
Amounts due to subsidiaries		2,134	2,608
Other payables		2,914	2,913
		5,048	5,521
Net current liabilities		(3,902)	(4,271)
NET ASSETS		162,157	167,628
Share capital		1,892	1,892
Reserves		160,265	165,736
TOTAL EQUITY		162,157	167,628

This statement of financial position was approved and authorised for issue by the Board of Directors on 30 March 2026 and signed on its behalf by:

Zhou Feng
Executive Director

Ji Ling
Executive Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Movements of the reserves

	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2024	1,892	173,360	9,472	(18,347)	166,377
Loss for the year	–	–	–	(2,369)	(2,369)
Other comprehensive income: — Exchange difference on translation of the Company's financial statements	–	–	3,620	–	3,620
As at 31 December 2024	1,892	173,360	13,092	(20,716)	167,628
As at 1 January 2025	1,892	173,360	13,092	(20,716)	167,628
Loss for the year	–	–	–	(1,353)	(1,353)
Other comprehensive loss: — Exchange difference on translation of the Company's financial statements	–	–	(4,118)	–	(4,118)
As at 31 December 2025	1,892	173,360	8,974	(22,069)	162,157

FINANCIAL SUMMARY

RESULTS

	For the year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	1,907,822	1,947,946	1,406,112	1,634,113	2,191,628
(Loss) Profit before tax	14,046	9,806	10,043	(16,081)	(33,869)
Income tax expenses	(5,598)	(3,664)	(3,333)	(1,703)	(1,506)
(Loss) Profit for the year	8,448	6,142	6,710	(17,784)	(35,375)
Attributable to:					
Equity holders of the Company	9,664	11,076	8,793	(12,363)	(26,058)
Non-controlling interests	(1,216)	(4,934)	(2,083)	(5,421)	(9,317)
(Loss) Profit for the year	8,448	6,142	6,710	(17,784)	(35,375)

ASSETS AND LIABILITIES

	As at 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total assets	919,467	947,918	955,892	1,139,611	2,070,286
Total liabilities	(535,029)	(549,148)	(548,860)	(751,334)	(1,718,885)
Net assets	384,438	398,770	407,032	388,277	351,401
Attributable to:					
Equity holders of the Company	356,597	375,863	386,208	372,874	345,028
Non-controlling interests	27,841	22,907	20,824	15,403	6,373
Total equity	384,438	398,770	407,032	388,277	351,401