

# Zhongyu Energy Holdings Limited

## 2022 Annual Results Presentation

March 2023



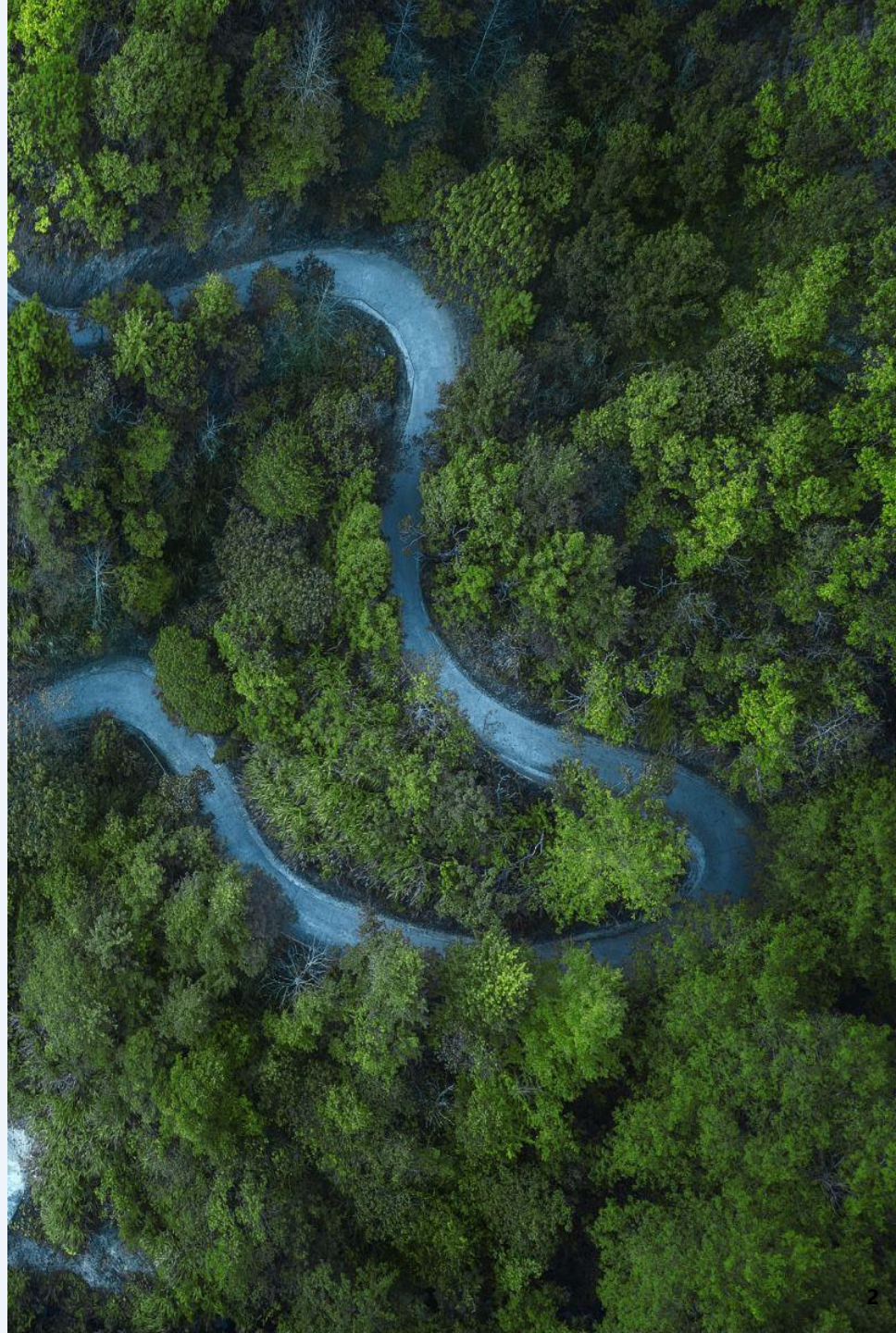
中裕能源  
ZHONGYU ENERGY





**中裕能源**  
ZHONGYU ENERGY

- **Section I: Group Overview**
- **Section II: Credit Highlights**
- **Section III: Financial Overview**



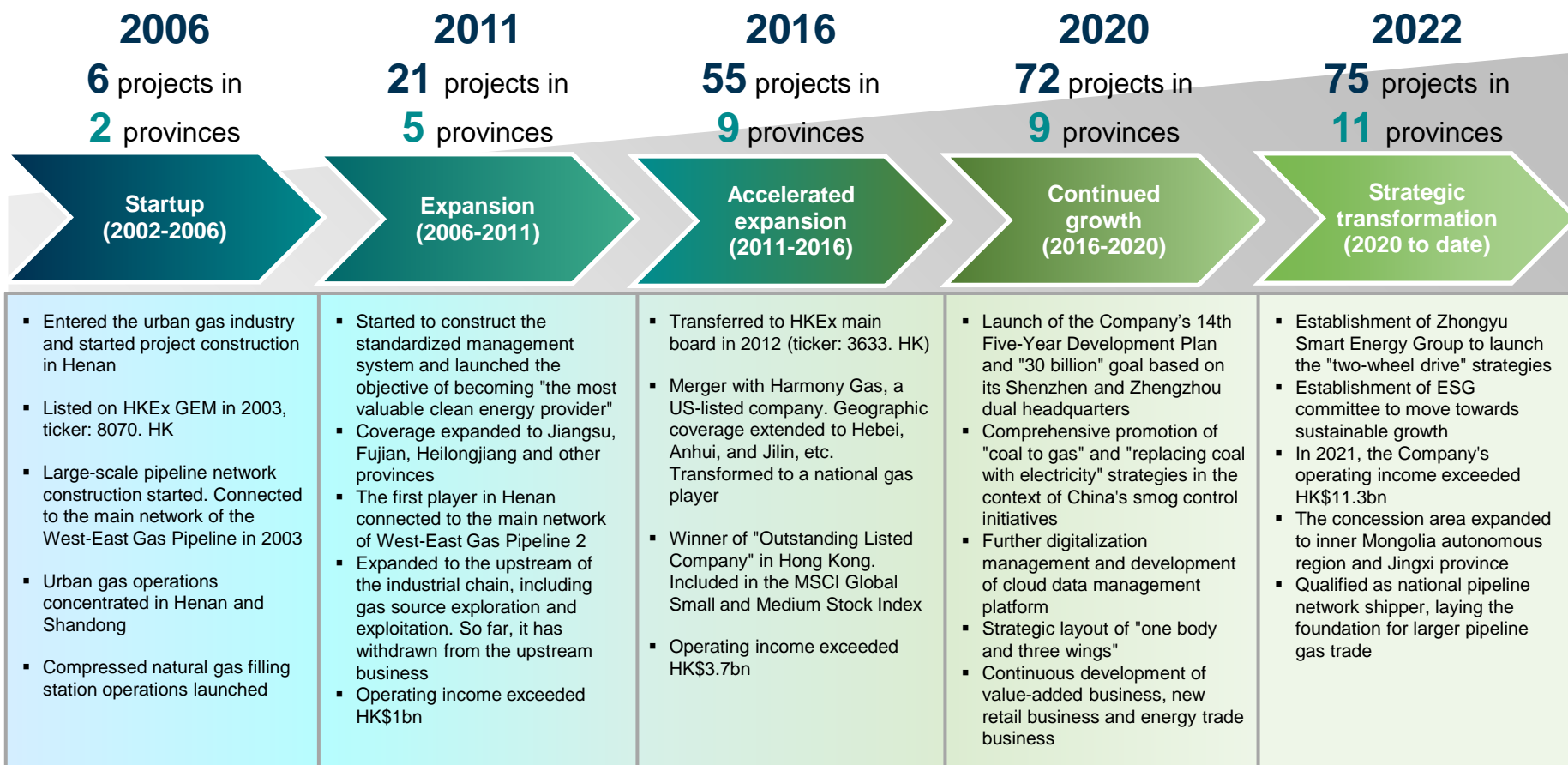
# Section I Group Overview

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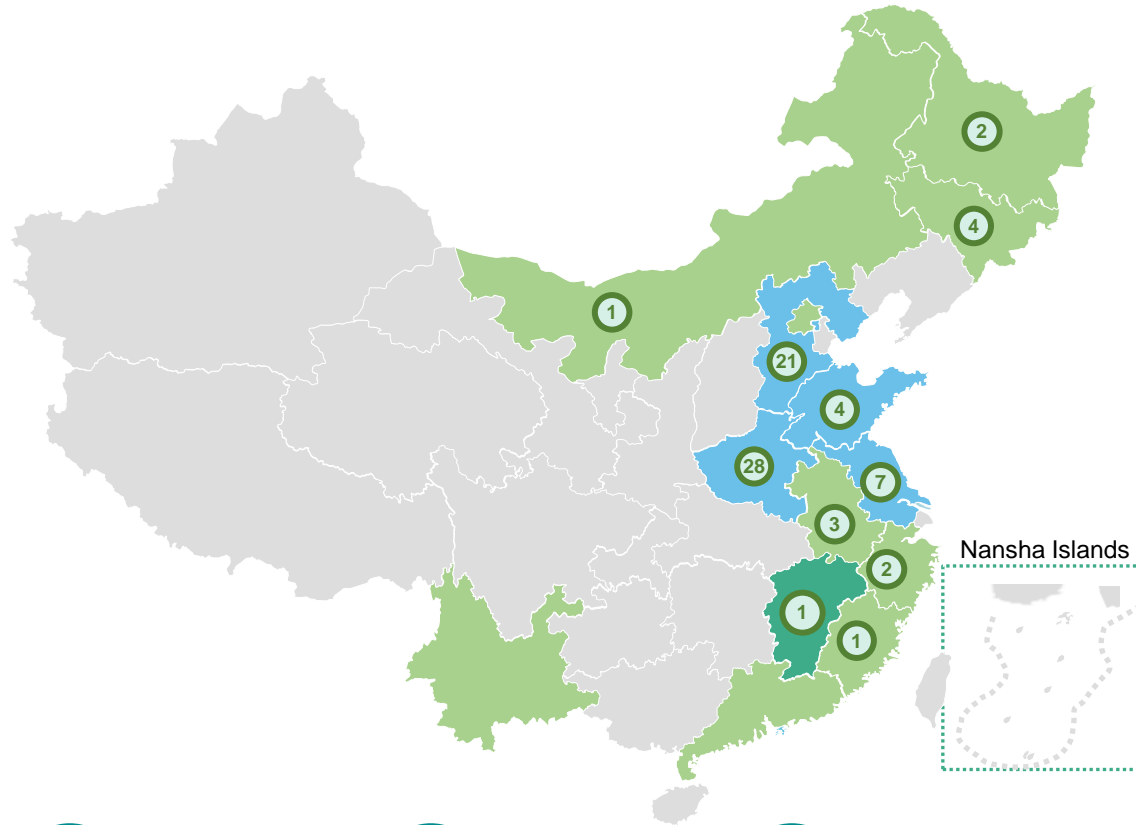
# Group development milestones

- Established in 2002, Zhongyu Energy Holdings Limited ("Zhongyu Energy") is a pioneer in China's domestic gas industry, mainly engaged in urban gas, smart energy, energy trade, value-added business and new retail operations
- In 2022, the Company represented gas sales of **2.85bn** cubic meters (up **1.3%** year on year) , operating revenue of **HK\$12.99bn** (up **14.6%** year on year), and net profit of **HK\$765mn**
- The Company was listed on HKEx GEM in 2003 (ticker: 8070. HK) and transferred to the main board in 2012 (ticker: 3633. HK)
- In 2022, it officially became the Deputy Director Member of the Safety Management Committee of China Urban Gas Association



Source: Company information

# Focused on provinces with large population, strong economy and significant industrial presence



Urban gas projects	
Provinces	No. of urban gas projects
Henan	28
Hebei	21
Jiangsu	8
Shandong	4
Jilin	4
Fujian	1
Heilongjiang	2
Zhejiang	2
Anhui	3
Inner Mongolia	1
Jiangxi	1
<b>Total</b>	<b>75</b>



**75** urban gas projects



**6** provinces **64** filling stations



**Member companies in 15** provinces



**23.49mn** accessible population



**69.6%** household penetration



**27,300km** existing hub and trunk pipelines



Urban gas projects



Provinces with key operations



Provinces with operational presence



Provinces with newly established presence

Source: Company information

# Evolution of Zhongyu Group's development strategies

Ushering in a "two-wheel drive" development mode, Zhongyu Smart Energy Group was established in 2021 to strengthen cooperation between the gas group and the smart energy division, explore comprehensive energy development trend, focus on the mainstream business of the new energy market, and promote innovation in terms of project collaboration, market resource sharing, talent training and exchange, and management system setup, so as to realize the "two-wheel drive collaborative development" of its urban gas/smart energy operations



## Core gas operations

- Committed to optimizing the energy structure, promoting the resource optimization and environmental improvement in regions served by the Company
- **20 years of urban gas operation experience**, continued technological improvement regarding production process of green gas, energy conservation and emission reduction



## Smart energy operations

- **Active cooperation with local governments** to expand into distributed energy, smart grid, photovoltaic power generation and energy storage, ground source heat pump, cold storage facilities, and new energy vehicle charging stations, etc
- Rapid growth in **smart energy** operations. The Group is actively exploring the **clean energy** market and contributes to China green and sustainable development

Source: Company information

# Performance review of core segments

“Two-wheel drive” of gas and smart energy, synergistic development of various business segments

## Gas supply in cities

As of the end of 2022

- Added **2** new gas concession projects year-over-year to **75**, covering **11** provinces nationwide
- Retail pipeline gas sales increased by **1.3% year-on-year to 2.85 billion cubic meters**
- The total length of gas pipeline network operated and maintained increased by **864 km** or **3.3% year-on-year** to **27,263km**



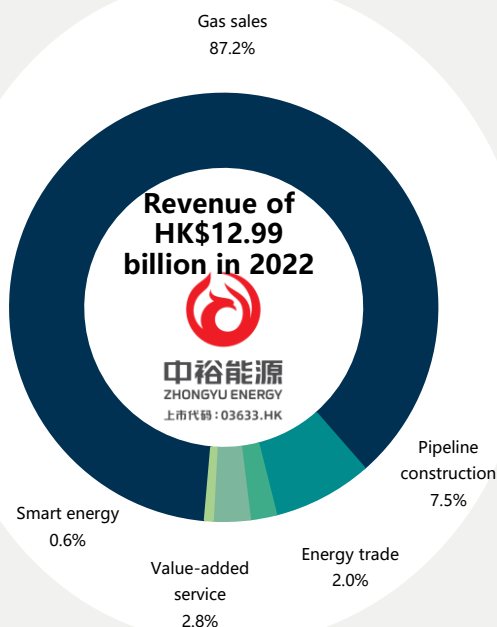
## Smart energy

In 2022

- The Board of Directors set the goal of “**Three-year Development Plan**” for smart energy and committed to the integrated construction of “**source, network, load and storage**”
- Smart Energy Group signed integrated smart energy investment and development agreements with **11** local governments (industrial parks)
- Integrated energy sales reached **117 million kwh**, up **438.2% year-on-year**, with **43** new projects to **98**



Revenue of  
HK\$12.99  
billion in 2022



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ZHONGYU ENERGY  
上市代码: 03633.HK

## Value-added business and new retail



As of the end of December 2022

- Cumulative number of registered members of Zhongyu iHome 2.0 platform has reached **800,000**, with the number of products exceeding **70,000 SKUs**
- Its private labels have covered **15 provinces, autonomous regions and municipalities directly under the central government**
- Sub-brand **OUGA** has developed **over 40 distributors**



## Energy trade

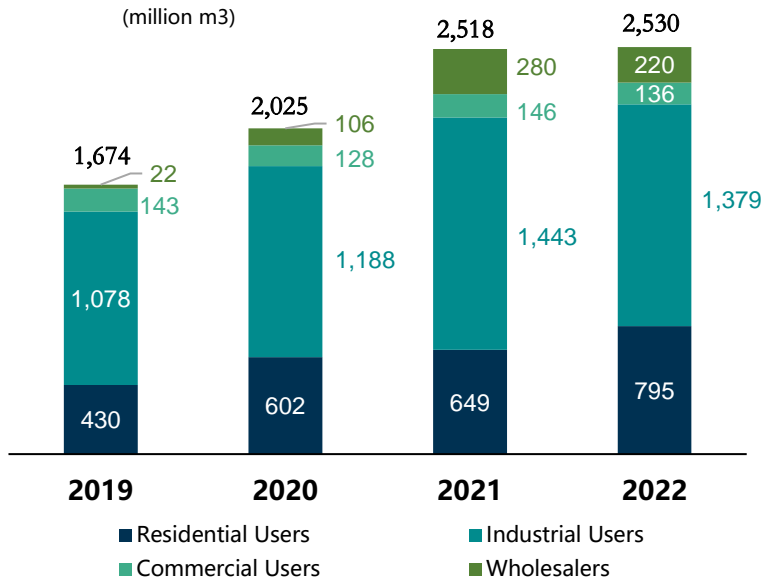
- Scientific management of resource procurement, with China's big three – PetroChina, Sinopec and CNOOC as the main source and unconventional gas as supplement, building a **diversified gas supply model**
- Signed a strategic cooperation agreement with a storage and transportation company, forming **the interconnection of regional pipeline networks** of Zhongyu member companies and improving the supply and deployment capacity of resources in winter
- Qualified as national pipeline network shipper**, laying the foundation for larger pipeline gas trade



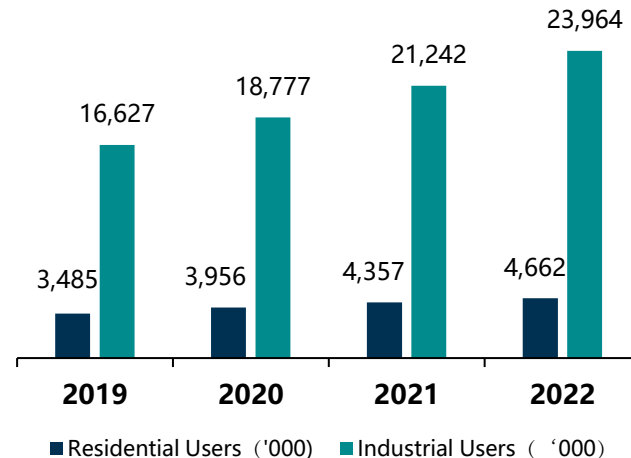


# Core segment: Gas supply in cities

Stable gas sales for commercial and industrial customers, steady increase for residential customers



Cumulative user base



- Natural gas sales is the core business of Zhongyu Energy. Since its establishment in 2002, the company has been committed to the continuous expansion of **urban gas supply and customer base**
- Natural gas, as a **clean energy source that China is vigorously developing**, benefits from the national environmental protection policy and is of great significance to the continuous promotion of air pollution prevention and control. Benefiting from the industry development opportunities, Zhongyu Energy vigorously promotes gas market development and its gas sales business continues to grow
- The company has a **stable** and **diversified** customer base, with a diversified distribution of industrial and commercial customers and many well-known enterprises among the end-users





# Core segment: Smart energy

Actively develop the smart energy business, realize the strategic transformation, and strive to become the most valuable integrated energy service provider

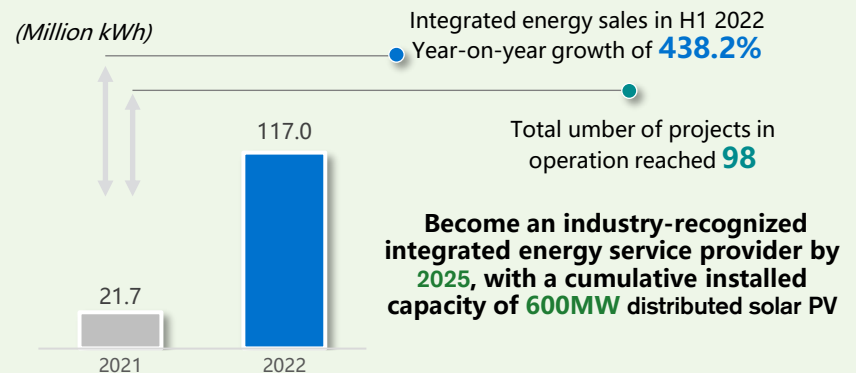
## Smart energy business scope

Clean energy microgrid and energy storage	Multi-energy supply (steam, heating and cooling, and domestic hot water supply)	Clean and smart mobility (charging pile, fuel cells and vehicle-mounted systems, etc.)	Microgrid (incremental distribution grid)	Distributed natural gas generation (cogeneration of Heat, Power and Cooling)
Smart energy industrial chain investment and integration	Digital construction of integrated energy systems (Cloud Platform, A2, Internet+, AOT)	Carbon asset management and operation (carbon trading, carbon negative emissions technology development and utilization)	Construction of Zero Carbon Smart Industrial Parks	Energy technology consulting and design, engineering and construction, operation and maintenance escrow services and energy equipment agency services
				Energy saving services and energy management contracting (EMC)

## Zhongyu Energy Green Projects

<b>Renewable energy</b>	<b>Clean transportation</b>
<ul style="list-style-type: none"> <li>✓ Distributed rooftop solar PV projects for commercial and industrial use</li> </ul>	<ul style="list-style-type: none"> <li>✓ Charging pile project</li> </ul>
<b>Pollution prevention and control</b>	<b>Energy efficiency improvement</b>
<ul style="list-style-type: none"> <li>✓ Recovery of natural gas emissions</li> <li>✓ LNG infrastructure upgrade</li> <li>✓ Methane leak monitoring and control</li> </ul>	<ul style="list-style-type: none"> <li>✓ Incremental Distribution Grid</li> <li>✓ Waste heat reuse from power plants</li> <li>✓ Biomass and ground source heat pumps for energy supply</li> </ul>

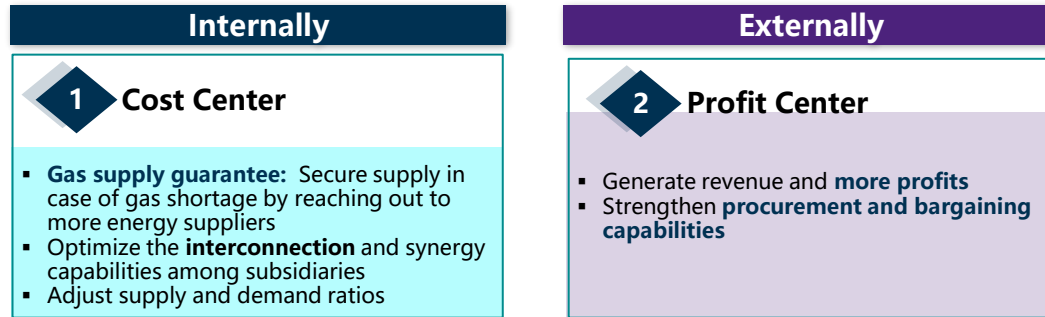
## Smart energy projects have been completed and put into operation one after another, beginning to be profitable



Source: Company information

# Core segment: Energy trade

Diversified gas sources, improved price management and energy trading segments will ensure stability of dollar margin and hedge operational risks from gas price fluctuations



Customer type (RMB /m3, excluding tax)	2020	2021	2022	YoY growth <sup>(2)</sup>
<b>Average price of natural gas</b>				
Residential users	2.44	2.49	2.53	1.6%
Industrial users	2.58	2.95	3.85	30.5%
Commercial users	3.08	3.34	3.87	15.9%
Wholesale users (LNG)	2.22	3.07	4.15	35.2%
Gas filling station	2.76	3.18	4.07	28.0%
<b>Average purchase cost of natural gas<sup>(1)</sup></b>	<b>2.06</b>	<b>2.33</b>	<b>2.97</b>	<b>27.5%</b>
<b>Average difference between the selling price and the purchase cost of gas</b>	<b>0.48</b>	<b>0.50</b>	<b>0.53</b>	<b>6.0%</b>

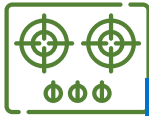
- Effectively manage the purchase price and continuously improve the dollar margin
- Maximize the existing resources, improve the internal efficiency of procurement and distribution, and start to penetrate into the retail business

Source: Company information

Note:

(1) The amount does not include the average distribution cost of natural gas;

(2) YoY growth of 2022 vs. YoY growth of 2021



# Core segment: Value-added business and new retail

Continuously focus on the large client base, deep dive into the value chain, extend its products and services, and successfully expand "value-added business"

Own-label well-known retail brands



- Zhongyu Phoenix is committed to becoming a full range of gas service provider, with nearly **200** high-quality gas appliances in many categories, including gas stoves, gas water heaters, gas wall ovens, range hoods, etc.
- Built a **one-stop industrial model** of R&D, manufacturing, sales, distribution and installation, and after-sales service, tailored for gas customers
- Expand into the gas appliance market outside the franchise area, with a total of 4 categories of sub-branded gas appliances and 23 products fully launched
- In 2022, our private brands have covered **15 provinces, autonomous regions and municipalities directly under the central government**, Sub-brand **OUGA** has developed **over 40 distributors**

"Internet+" new retail platform

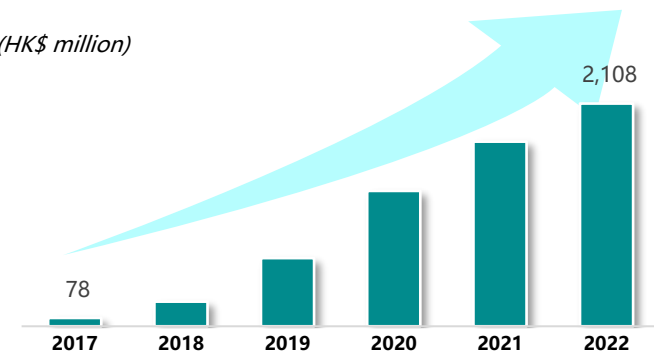


- By integrating Zhongyu Phoenix's branded product and third-party's high-quality products, we have formed Zhongyu's own product portfolio and new retail supply chain system, which better meet customer demand, tap into customer value and enhance customer stickiness
- In the first half of 2022, connected to the JD-VOP, the Zhongyu iHome 2.0 new retail platform has sold over **70,000 SKUs** on the shelves; with **250,000+** new registered members and **800,000+** registered members



Cumulative sales of value-added business amounted to nearly HK\$2.1 billion

(HK\$ million)



Source: Company information



# Continuing to improve ESG and exploring cooperation opportunities in green finance

Constantly improve the corporate governance, implement the ESG principles, develop smart energy business, launch the sustainable finance, which underpin the Group's high-quality transformation and development



## Environmental protection

- Zhongyu Energy has established a **monitoring mechanism** to develop and adopt specific measures to ensure proper management and reduction of greenhouse gases, air pollutants, waste and wastewater emissions from its operations
- **20 years** of city gas experience, and diversified resources fuel the development of comprehensive energy business, and vigorously promote the strategy of renewable energy transition



## Social responsibility

- The Group values equal opportunities and builds a **diverse workforce**, promoting individual initiatives to achieve growth. It also continuously enriches training curriculum for employees to support their development
- The Group has comprehensively standardized the approval process and investment plan for community investments to actively **give back to the community** and **fulfill its social responsibilities**



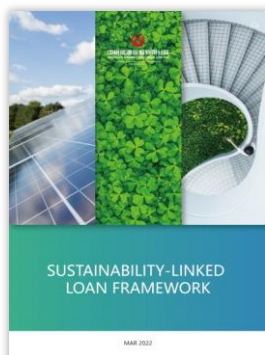
## Corporate governance

- **ESG Committee** was established in February 2022, chaired by the Chairman of the Board and the core leadership
- The ESG Office under the ESG Committee reports directly to the ESG Committee and is responsible for supervising and implementing business units
- Improve the **audit and accountability system** to ensure that the Group is free from any form of corruption, bribery, extortion, fraud and money laundering in its operations

## Green awards and certifications



Standard Chartered Bank's \$565 million sustainably linked loan



Sustainability-linked loan framework (SLL)



Certificate in Green and Sustainable Finance



Pioneering Organisation in ESG Disclosure Enhancement



Outstanding Award for Green and Sustainable Loan Issuer



Guangdong-Hong Kong-Macao Greater Bay Area ESG Leading Enterprise Award

# Section II

## Credit highlights

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# Credit highlights



**Pioneer in the gas industry** - Deeply cultivating the urban gas industry for 20 years with rapid growth for consecutive years



**Diversified business** - Complete the strategic layout in provinces with large population and high industry proportion, and achieve sustainable growth via diversified business



**Exclusive operation rights** – Possess of operation rights with long-year tenor and high likelihood to roll over



**Continuous optimization of the industrial chain** - Expand the gas resources and enhance the operation efficiencies to continuously improve the price margin



**Refined operation of the group** - Continuously strengthen the talent pool and improve technical safety precautions to ensure safe and stable production and operation



**Professional management team** - Professional management team with rich industry experience and excellent track record



**Policy tailwinds** - The national economic and energy development policies favor the leading enterprises in the industry



# Pioneer in the gas industry

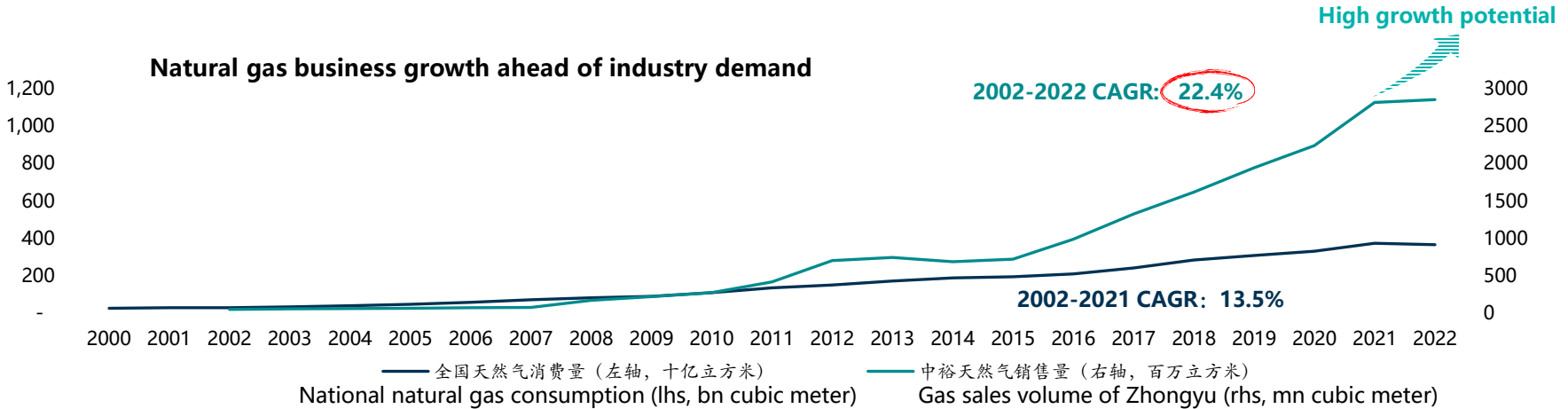
Deeply cultivating the urban gas industry for 20 years with rapid growth for consecutive years

Company	Year	Province
Zhongyu Energy	2002	Henan
Zhongyu Energy	2002	Shandong
China Energy	2010	
Kunlong Gas	2011	
Tianlun Gas	2010	
Xiniao Gas	2002	
CR Gas	2010	
CR Gas	2009	

## Zhongyu Energy has unique advantages

- ✓ 20 years of deep cultivation in the industry with diversification of business regions
- ✓ The layout of gas projects focuses on provinces with large populations, strong economies and high industry proportion
- ✓ Customer diversification, urbanization and customer penetration provide further growth momentum

Zhongyu Energy has seized the development opportunity of the urban gas industry to meet the rapidly growing demand for natural gas in China, and achieved rapid growth since its establishment



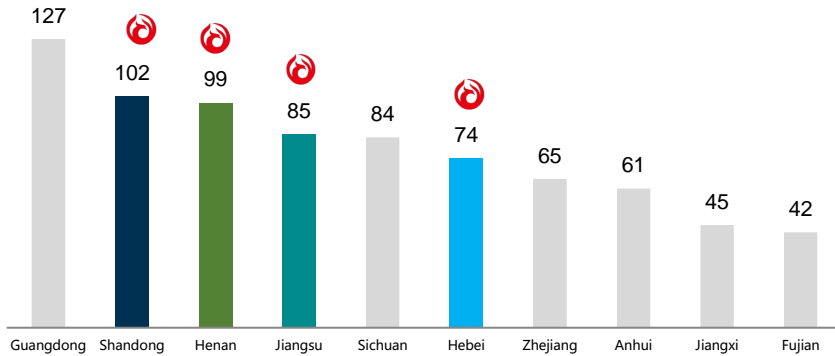
Source: company filing, National Bureau of Statistics



# Diversified business

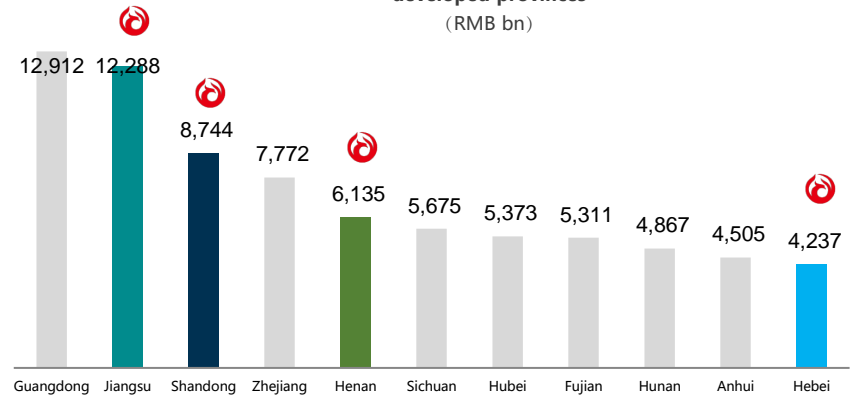
Complete the strategic layout in provinces with large population and high industry proportion, which lays a solid foundation for the results

Zhongyu Energy's business is mainly distributed in four populous provinces (mn people)



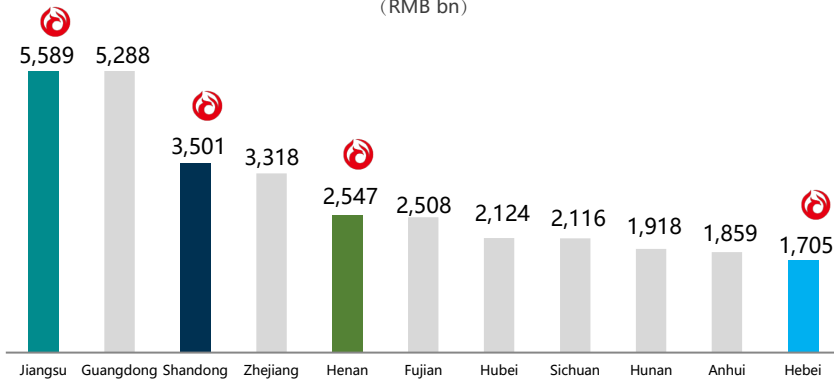
Ranking of permanent resident population in each province in 2022

Zhongyu Energy's business is mainly distributed in four economically developed provinces (RMB bn)



2022 provincial GDP ranking (excl. municipalities)

Zhongyu Energy's business is mainly distributed in four big industrial provinces (RMB bn)



2022 Secondary industry GDP ranking of provinces

Zhongyu Energy operates in leading cities in the province

The top five cities in Henan Province in terms of GDP <sup>1</sup>					
	Zhengzhou	Luoyang	Nanyang	Xuchang	Zhoukou
Covered by Zhongyu					
The top five cities in Hebei Province in terms of GDP <sup>1</sup>					
	Tangshan	Shijiazhuang	Cangzhou	Handan	Baoding
Covered by Zhongyu					

Source: company information, National Bureau of Statistics  
Henan Bureau of Statistics, Hebei Bureau of Statistics

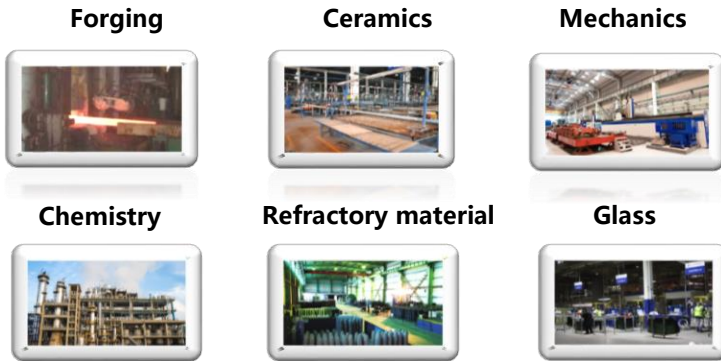
# Diversified business

## Diversified business supports sustainable growth

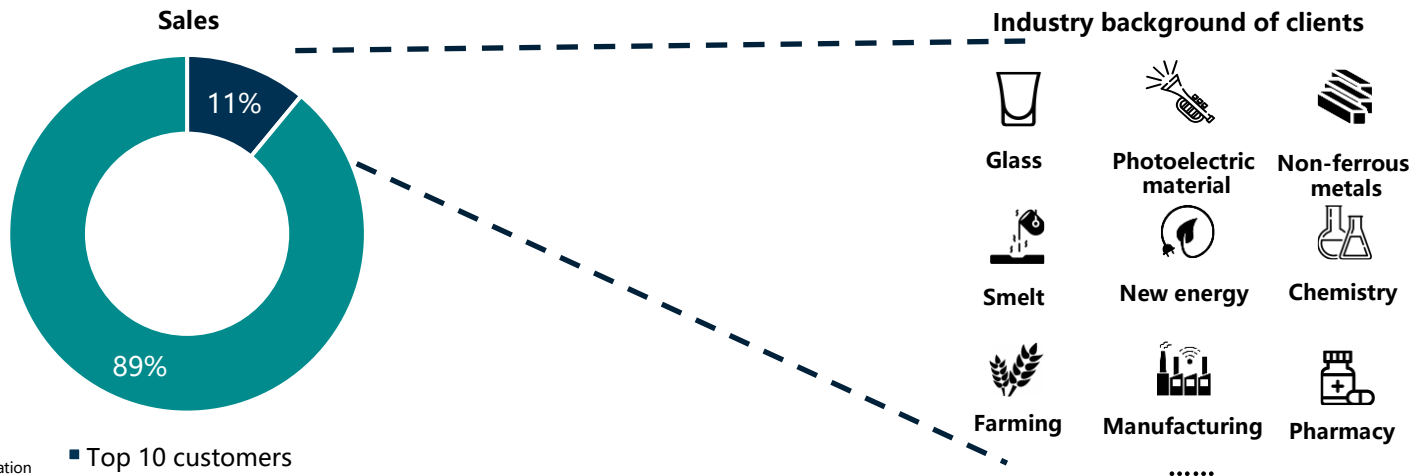
- **The top 10 customers** account for only **11%** of total gas sales with low risk of customer concentration
- Major industrial and commercial clients are diversified in various industries, and the company is less affected by volatility in specific industries

**Industrial clients: 3,919**

**Commercial clients: 20,045**



**The concentration of customers is low and diversified in various industries**



Source: company information

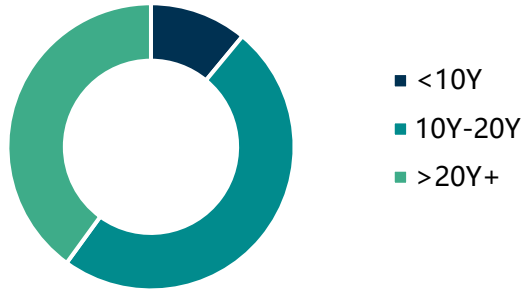


# Exclusive franchise

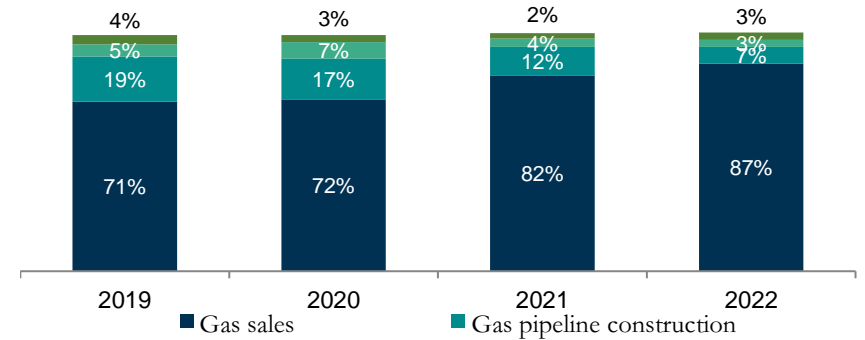
## Possess of operation rights with long-year tenor and high likelihood to roll over

- The remaining years of franchise rights for the vast majority of projects are **more than 20 years**
- As of the end of December 2022, the cumulative length of pipelines laid has reached **27,263 kilometers**, and the average penetration rate of residential pipelines has continued to increase **69.6%** in 2022 from **55%** in 2015

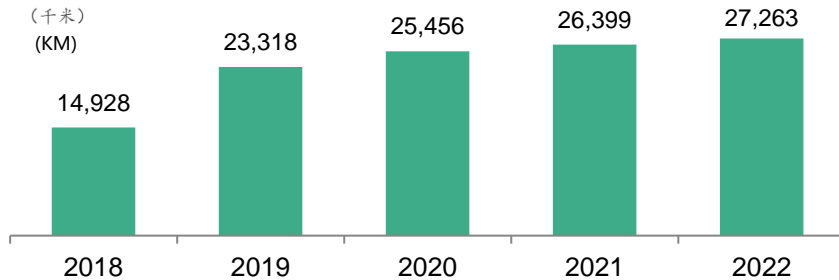
### Most projects have a remaining franchise life of 20+ years <sup>1</sup>



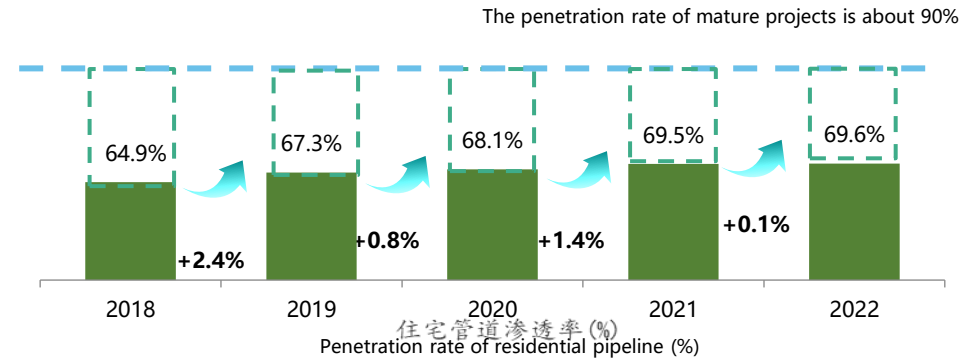
### The recurring income from the main business of gas sales maintained a high growth rate, and its proportion increased steadily



### The pipeline network construction in the concession area has continued to grow over the years and is now fully constructed <sup>3</sup>



### Achieve organic growth by continuously increasing the penetration rate of residential pipelines with huge room for future development <sup>4</sup>



Source: company information

Note:

1. As of Dec 2022, in terms of number of projects

2. Including sales of liquefied petroleum gas and operation of vehicle filling stations for compressed natural gas and LNG

3. Only medium and high pressure central pipeline network, excluding branch pipeline network

4. Represented by the percentage of the cumulative number of connected resident households of the Group to the estimated total number of connected resident households in the operating area

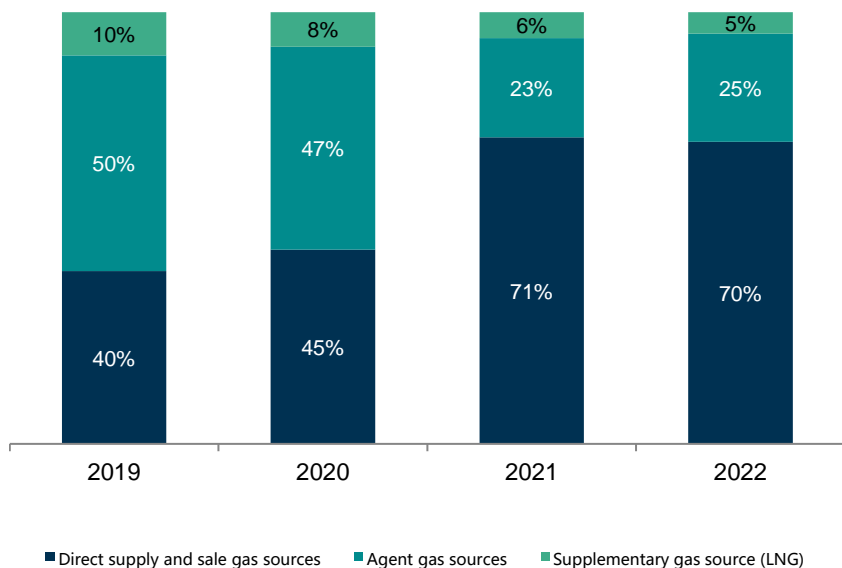


# Continuous optimization of industrial chain 中裕能源 ZHONGYU ENERGY

Expand the gas resources and enhance the operation efficiencies to continuously improve the price margin

- Maintain a good long-term relationship with PetroChina, Sinopec and CNOOC ("Three Barrels of Oil"), and the proportion of direct supply and direct sales of gas sources is rising continuously
- With the increase in the proportion of direct supply and direct sales of "three barrels of oil", the procurement cost has been effectively controlled and **the unit gross profit has been steadily increased**
- A flexible price mechanism is established for gas consumption by national residents, and the sale price can be adjusted accordingly.

Diversified and stable gas source combination<sup>1</sup>. The proportion of direct supply and direct sales gas sources is increasing



Source: Company information:

1. Only the source of urban gas retail, excluding the wholesale part of energy trade

2. Excluding the average distribution cost of natural gas

3. Include tax, exclude gross difference of pipeline transportation cost, the weighted average volume of gas exclude wholesale gas



## Supply-end

- Determine the procurement policy of oil companies represented by "three barrels of oil", supplemented by their own resources or non-oil companies, **optimize the gas source, reduce the procurement cost**
- **Refine the gas source procurement management**, lease the underground gas storage in the off-season or when the price policy is favorable, improve the resource guarantee ability and improve the economic efficiency
- Pay close attention to the gas sales policy of oil companies, seize the best procurement opportunity, **strengthen procurement management**, and timely adjust the natural gas procurement agreement with upstream manufacturers



## Sales-end

- A flexible price mechanism is established for residential gas, and the natural gas sales price can be **adjusted to be higher than the purchase price**
- The urban gas projects in the franchise area of the company can be **efficiently implemented** at a favorable price for the residential users
- Industrial and commercial users implement the **price linkage mechanism**, which takes only about 10 working days at the earliest

# Refined operation of the group

Continuously strengthen the talent pool and improve technical safety precautions to ensure safe and stable production and operation

## Safety Management Platform

### "Manuel Process"



The proportion of configuration coverage of registered safety engineer subsidiaries **continued to increase** in 2022



The coverage of subsidiary safety review reached **100%** in the first half of 2022



The large and above safety accident in 2022 was **0**  
Grade 5 accident was **0**, temperament accident was **0**



### "Technical prevention"



The company attaches great importance to the problem of **leakage** in the process of gas transmission and distribution, and constantly strengthens the **methane control** work:

- Add **online monitoring and alarm devices** to strengthen risk control before the upgrade of aging pipelines
- Equipped with **laser methane leak detection vehicles and drones**
- To enhance the efficiency of leak detection, equip **laser patrol electric vehicles**
- Add **pipe network sentry** for high pressure pipeline, add **hand-held laser detector**, increase patrol frequency and prevent high pressure pipeline accidents
- Enable **laser methane leakage monitoring system** for key stations



# Professional management team

## Professional management team with rich industry experience and excellent track record

More than **20 years of experience** in city gas industry in China and has a deep understanding of the industry



**Wang Wenliang**  
Chairman of Board  
Executive Director

- Overall strategic development, formulation and implementation of strategic plan
- More than 20 years of experience in city gas and energy industry
- Executive director of China Gas Holdings Limited between 17 January 2003 and 10 June 2003
- Has increased his shareholding several times since the listing of the company and never reduces his shareholding



**Yiu Chi Shing**  
Vice Chairman  
Executive Director

- Appointed as an executive director and vice chairman on 29th October, 2021
- Chairman of the board of directors of TransGlobal Group (International) Limited
- A member of the National Committee of the Chinese People's Political Consultative Conference, the president of the Hong Kong Association for the Promotion of Peaceful Reunification of China, a member of the Election Committee of the HKSAR and a Justice of the Peace of the HKSAR. He is also awarded the Gold Bauhinia Star by the Government of the HKSAR
- Honorary Doctor of Economics and senior economist



**Lui Siu Keung**  
CEO  
Executive Director

- Joined the Company in 2003 and appointed as executive director in 2007
- Responsible for the general business operations, management and financial, financing and investor relationship activities
- More than 20 years of experience in corporate finance, accounting and auditing fields
- An associate member of the Hong Kong Institute of Certified Public Accountants



**Ge Yiming**  
Chief Finance  
Officer

- With 12 years of international and domestic financial and investment experience, he has worked in Beijing, New York and Hong Kong for many years in charge of the corporate investment and financing strategic planning and industrial funds
- Joined for the first time in 2015 as Executive Assistant; left in 2016 and rejoined in June 2021, after which he was appointed as chief financial officer
- Current Senior Advisor of HOPU INVESTMENTS
- Worked in HOPU INVESTMENTS, Bank of China New York Branch and Great Wall Securities and Qianyi Huijin
- Practitioner Qualification of China Industry Association Fund

Outstanding performance in business growth, profitability, customer service, stable supply and security record



**Jia Kun**  
Executive  
Director

- Appointed as executive director in February 2019
- Joined the company in 2003 and currently appointed as executive president
- More than 8 years of judicial experience and over 19 years of legal, risk management and administrative management experience



**Lu Zhaoheng**  
Executive  
Director

- Appointed as executive director in June 2004
- Planning, design and consultation relevant to natural gas projects
- More than 30 years experience of natural gas industry
- Leading member of Henan Urban Planning Institute Corporation



**Li Yan**  
Executive  
Director

- Appointed as executive director in February 2019
- Joined the company in 2003 and currently appointed as executive vice president
- Senior economist in China, more than 30 years of accounting, finance and economics

Established a good relationship with the local government, three major upstream suppliers and customers



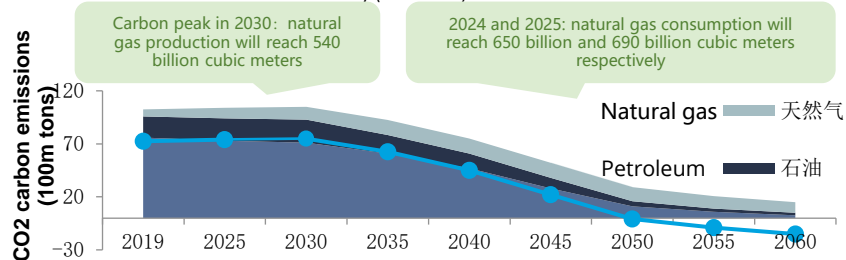


## The national economic and energy development policies favor the leading enterprises in the industry

The industry has entered a high-quality development stage with clear direction of policy support, to boost the growth of industry leader

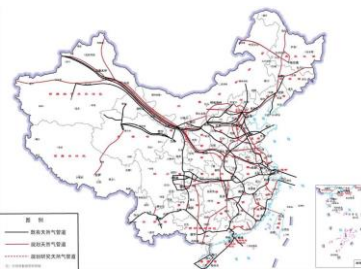
The reform of natural gas market will help market leaders optimize gross margin and improve competitiveness

Forecast of CO2 emissions from Chinese energy activities under the goal of carbon neutrality (100m tons)



## "Nationwide network" to construct the industrial chain model of "X+1+X"

Illustrative of medium-and long-term natural gas backbone official network planning



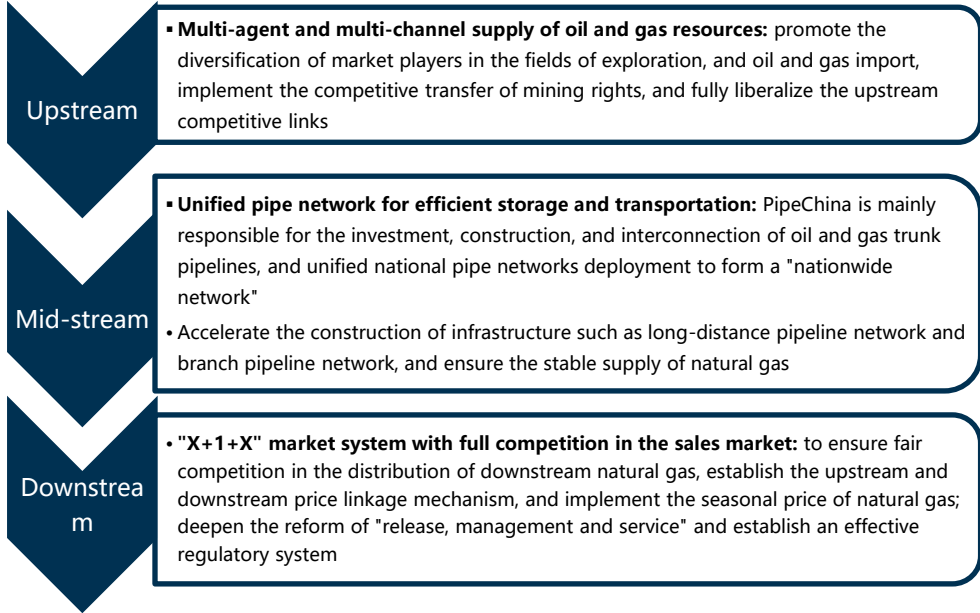
- December 2019**  
SASAC officially announced the establishment of the PipeChina
- October 2020**  
The official transfer of relevant oil and gas pipeline network facilities to the PipeChina, including those of the "three barrels of oil", marking the effective of PipeChina's business
- August 2021**  
The four major import strategic channels have been fully completed, the domestic pipe network framework has been formed, and the interconnection of trunk pipelines has been realized
- August 2022**  
The total mileage of the main national natural gas pipeline reaches 116,000 km

### The 14th Five-Year Plan for Natural Gas Development

Items		Specific goals and contents
Development goals	Annual output	By 2025, the annual output of natural gas will reach <b>more than 230 billion cubic meters</b>
	Gas storage capacity	By 2025, the nationwide gas storage capacity will reach <b>55 billion-60 billion</b> cubic meters, accounting for about 13% of natural gas consumption
	Infrastructure construction	By 2025, the scale of the national oil and gas <b>pipeline network will reach about 210,000 kilometers</b>
	Price mechanism reform	Steadily promote the <b>market-oriented reform of natural gas price</b> and reduce the level of gas distribution

### The 14th Five-Year Plan for distributed photovoltaic development plan

Items		Specific goals and contents
Development goals	Urban coverage	During the 14th Five-Year Plan period, the installation rate of distributed photovoltaic in new industrial parks and new large public buildings reached <b>more than 50%</b>
	Rural coverage	Build <b>about 1,000</b> photovoltaic demonstration villages
	Other scenarios	Focus on the use of <b>idle land resources beyond the scope of land use on both sides of railway slopes, highways, trunk channels, park roads and rural roads</b> to promote the distributed photovoltaic or small-scale centralized photovoltaic development and construction



Source: Company information

# Section III

## Financial Overview

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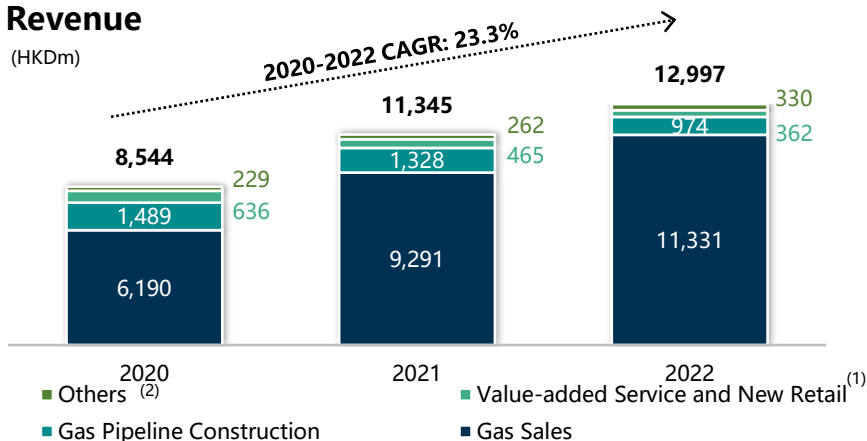


# Financial Summary

The steady and sustainable income growth of core business, coupled with the coordinated development of value-added services and the three new business type of new retail, smart energy and energy trade, provide the Group with endogenous growth momentum

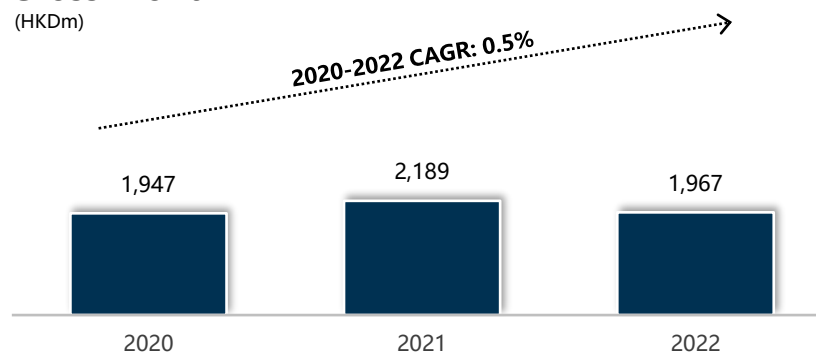
## Revenue

(HKDm)



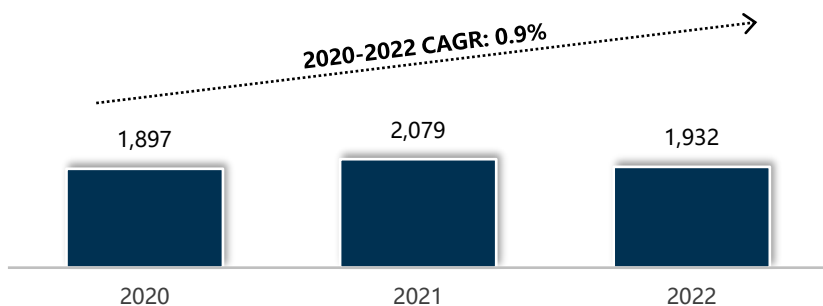
## Gross Profit<sup>(3)</sup>

(HKDm)



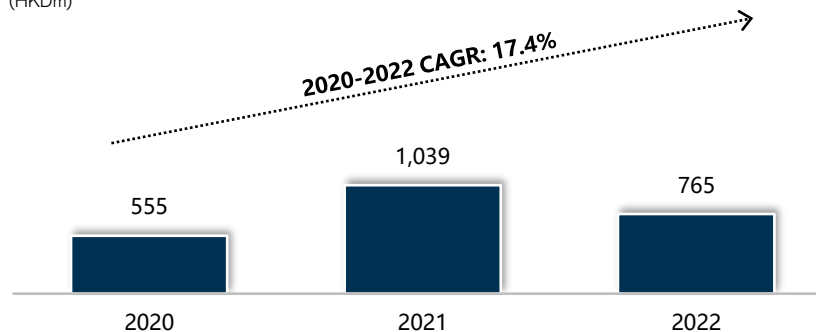
## EBITDA<sup>(4)</sup>

(HKDm)



## Net Profit<sup>(5)</sup>

(HKDm)



The net profit excludes the net gain and loss of foreign exchange

Source: Company financial reports

Notes:

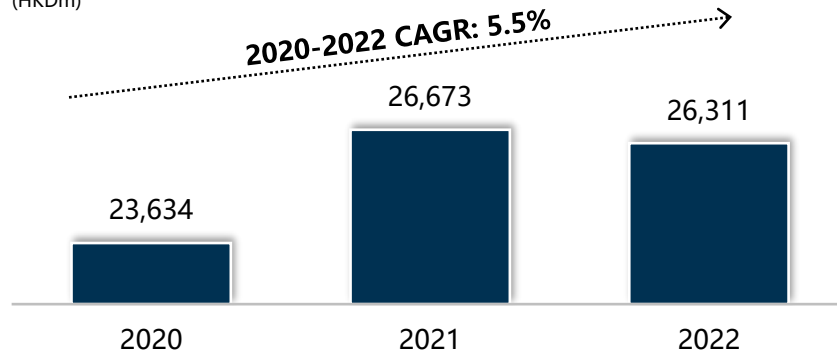
- (1) Including smart energy business
- (2) Including sales of liquefied petroleum gas and operation of compressed natural gas / liquid natural gas stations
- (3) Total gross profit after excluding VAT expenses
- (4) Profit from continuing operations before deducting financing costs, taxes, depreciation, amortization, foreign exchange gains/losses, impairment losses/write-back impairment losses and share options expenses
- (5) The net profit of 2020 excludes the net gain of foreign exchange of HK \$558 million, the net profit of 2021 excludes the net gain of foreign exchange of HK \$224 million, and the net profit of 2022 excludes the net loss of foreign exchange of HK\$523 million

# Financial Summary (continued)

Sound and efficient expansion continuously improves the capital strength of the Group

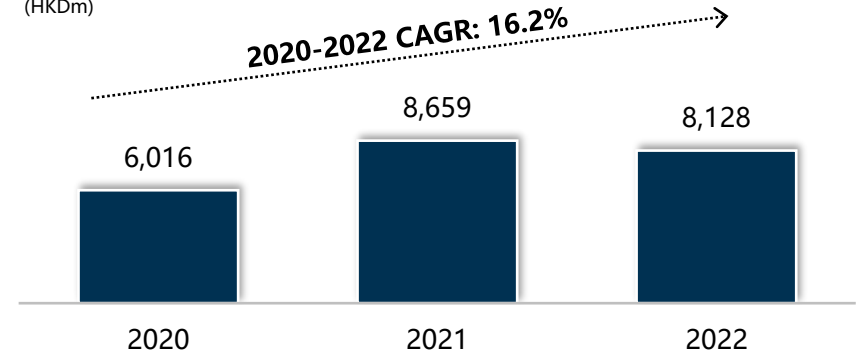
## Total Assets

(HKDm)



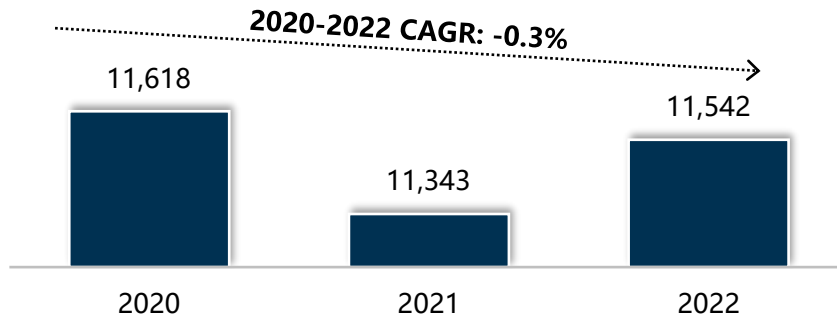
## Total Shareholder's Equity<sup>(1)</sup>

(HKDm)



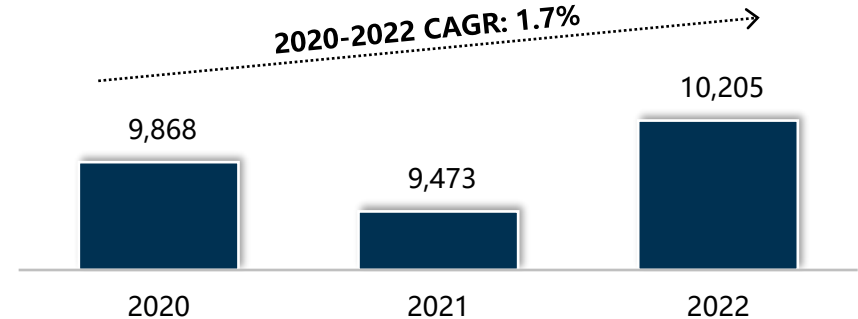
## Total Debt<sup>(2)</sup>

(HKDm)



## Net Debt<sup>(3)</sup>

(HKDm)



Source: Company financial reports

Notes:

- (1) Total shareholders' equity = equity attributable to the owners of the company
- (2) Total debt = total borrowings + total lease liabilities
- (3) Net debt = total debt - bank balance and cash - pledged bank deposits

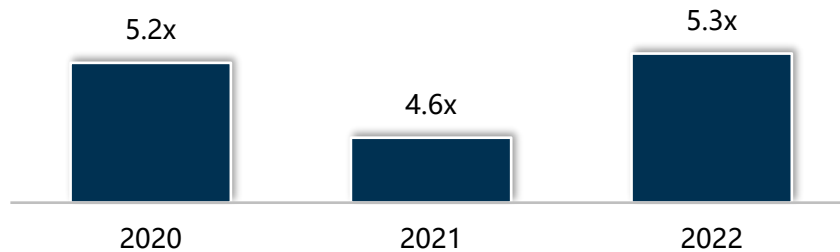


# Company Debt Summary

The company continued to take measures to reduce leverage to further improve solvency and credit

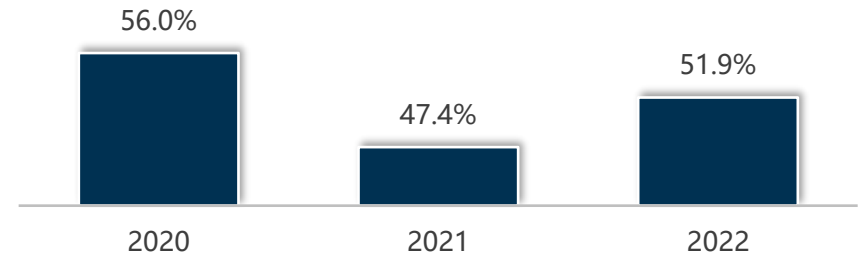
## Net Debt<sup>(1)</sup> / LTM EBITDA

(x)



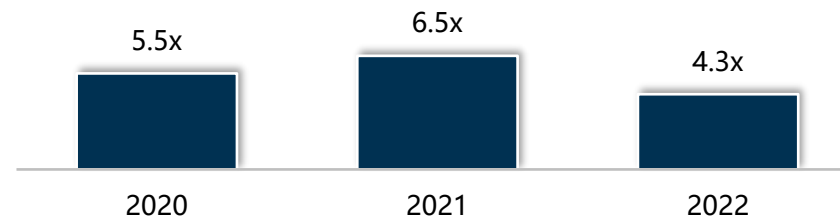
## Net Debt/ Total Capital<sup>(2)</sup>

(%)



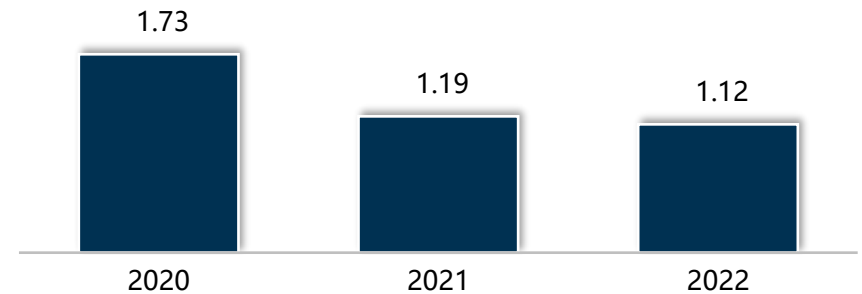
## LTM EBITDA interest coverage<sup>(3)</sup>

(x)



## Net Gearing Ratio<sup>(4)</sup>

(x)



Source: Company information

Notes:

- (1) Net debt = total debt + total lease liabilities – bank balance and cash – pledged bank deposits
- (2) Total capital = total debt + total shareholders' equity (equity attributable to owners of the company)
- (3) EBITDA interest coverage rate = EBITDA / interest on borrowings and lease liabilities
- (4) Net gearing ratio = net debt / total shareholders' equity (including non-controlling interests)

# Accelerating the development of clean energy Paving the way for a better future

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