

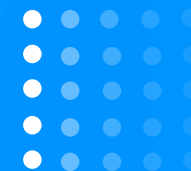


中裕能源
ZHONGYU ENERGY

ZHONGYU ENERGY HOLDINGS LIMITED

2024 Annual Results

April 2025



AGENDA

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***Industry
Prospects***

02

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Overview***

01 | INDUSTRY PROSPECTS



Industry Prospects | Strong Demand for Natural Gas Consumption in China: Comprehensive Price Reforms Propel Industry Growth



Industry Prospects | Key Focus of China's Energy Policy for 2024–2025: Accelerating Natural Gas Expansion, Promoting Integration of New Energy, & Advancing Institutional Reform



Natural Gas Demand Maintained Robust Upward Trajectory throughout 2024

Domestic

Domestic natural gas production
246.45 bn cubic meters

+6.0% YoY

Import

Natural gas import 131.69
million tons

+9.9% YoY

International natural gas supply-demand eased, international gas
price dropped vigorously

**Natural gas consumption in China up 8.0%
YoY to 426.05 billion cubic meters**

In terms of industries, natural gas power generation grew rapidly,
gas for transportation supported the rapid growth of urban gas
consumption, industrial gas had good momentum, chemical fertilizer
gas increased slightly

Policies Focused on Supply-Demand Optimization, Technological Innovation, and Green Transformation to Accelerate the Development of a Clean and Low- Carbon Energy System

Renewable Energy Policies and Management

- The new management measures released in April 2025 aim to regulate the development and construction of distributed photovoltaic power generation projects, enhancing project quality and grid connection efficiency.
- In March 2025, the National Energy Administration issued the “Opinions on Promoting the High-Quality Development of the Renewable Energy Green Power Certificate Market” guidelines.

Energy Structure Optimization and Energy Conservation for Carbon Reduction

- In 2024, the State Council released a plan aiming for non-fossil energy consumption to reach approximately 20% by 2025, targeting energy savings of about 50 million tons of standard coal and reducing carbon dioxide emissions by around 130 million tons in key sectors and industries.

Energy Storage and Technological Innovation

- In early 2025, the National Energy Administration announced pilot projects for new energy storage and the fourth batch of major technological equipment in the energy sector, promoting the development of smart grid and energy storage technologies.

Energy Legislation and Market Mechanism Reform

- In April 2024, the Standing Committee of the National People's Congress reviewed the draft Energy Law, aiming at reforming the energy development system and pricing mechanisms, establishing a unified national electricity market and advancing energy market reforms.
- In March 2025, the Ministry of Finance issued a new management guideline for the special funds, providing financial support for renewable energy and clean fossil energy projects from 2025 to 2029, replacing the provisional version introduced in 2020.

Role Adjustment of Coal and Natural Gas

- In March 2025, China announced plans to enhance coal production capacity to reinforce its role as a baseload power source, while advancing reforms in clean energy pricing mechanism.
- In 2024, China plans to construct new natural gas power plants in regions with stable and affordable gas supplies. Additionally, the country aims to refine the pricing mechanism for natural gas pipeline transportation to further increase the share of natural gas in the energy mix.

China is committed to its energy security strategy, advancing a comprehensive natural gas value chain, and accelerating the integration of Natural Gas and renewable sources; Deepening Natural Gas Market Reforms; Strengthening Regulation of Natural Monopolies.

02 | RESULTS HIGHLIGHTS





Results Highlights | Significant Results from “Dual-Wheel Drive” Strategy, Continuous Improvement in Operational Quality & Resumption of Dividends for Shareholders Returns

Stable Growth in Urban Gas Business, Smart Energy Sector Emerges as New Growth Engine.

Turnover

HKD 13.472 bn CNY 12.287 bn

-1.3% YoY +0.1% YoY

Turnover from sales of gas¹

HKD 10.946 bn

-2.5% YoY

Sales from smart energy

HKD 1.154 bn

+22.2% YoY

Unit of natural gas sold

3.196 bn cubic meters

+5.2% YoY

Sales volume of integrated energy

2,441 mn kWh

+55.9% YoY

Accumulated number of integrated energy projects in operation

283

+8.8% YoY

Improved Operational Quality, Stable Financial Conditions



Financing costs

HKD 629 mn

4.1% YoY



Cash and cash equivalents

HKD 1.651 bn

8.4% YoY



Proposed final dividend

2.0 HK cents

Note:

1. Includes revenue from gas retail and compressed natural gas/liquefied natural gas sales at automotive fuelling stations.

2. Non-HKFRS EBITDA is defined as the profit from continuing operations before deducting finance costs, taxes, depreciation, amortization, foreign exchange gains/losses, impairment losses/reversals, and share-based payment expenses.

3. Includes sales volume to wholesale customers (including pipeline natural gas and liquefied natural gas) and automotive natural gas sales.

4. Includes selling and distribution costs as well as administrative expenses.

Urban Gas | Project Distribution Focuses on Populous, Economically and Industrially Strong Provinces



74
urban gas projects



25.54mn **+3.9% YoY**
accessible population



56
filling stations



71.3% **+0.8% YoY**
household penetration

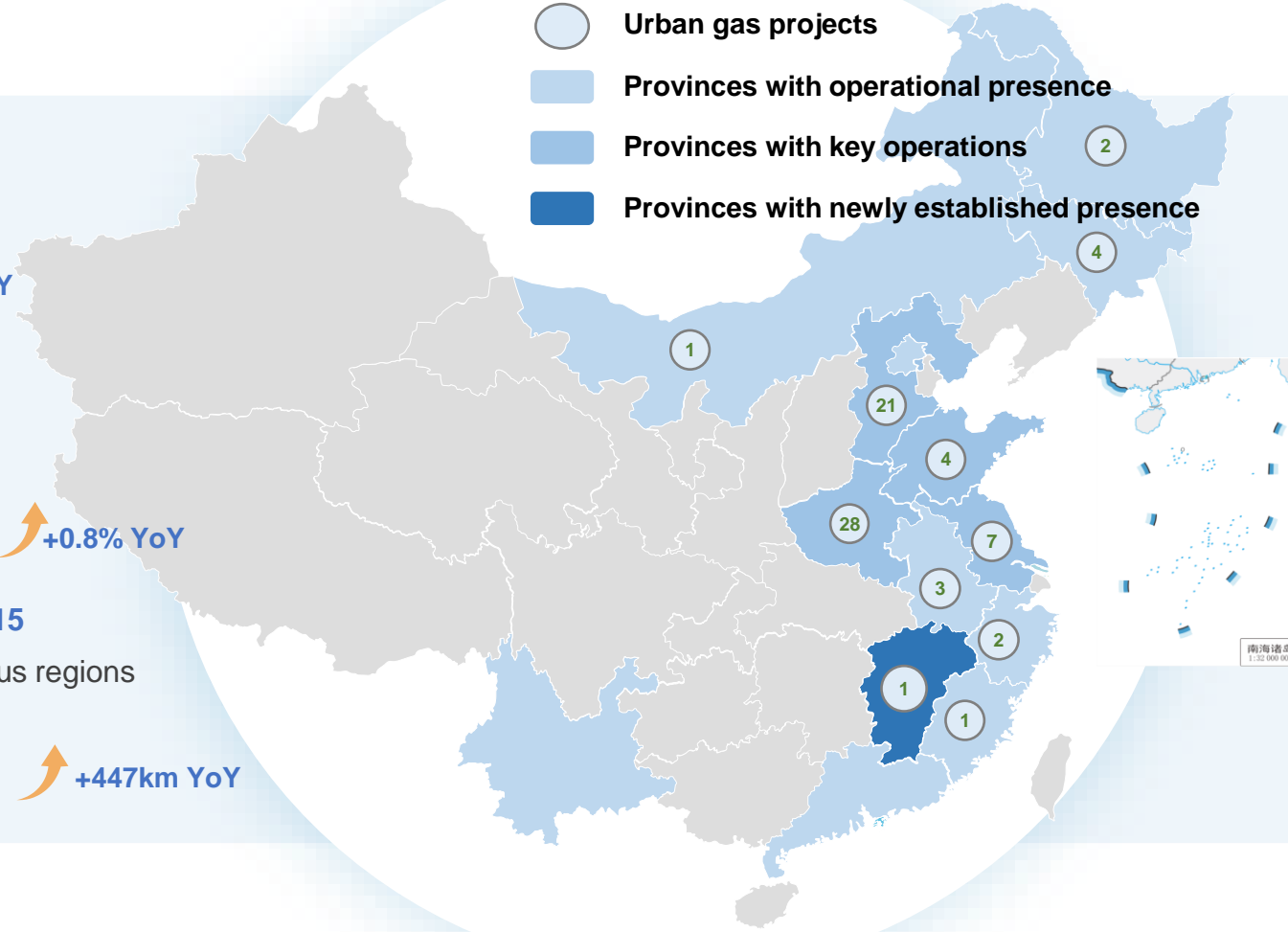


Member companies in 15
provinces and autonomous regions



28,200km **+447km YoY**
Existing hub and trunk pipelines

- Urban gas projects
- Provinces with operational presence
- Provinces with key operations
- Provinces with newly established presence



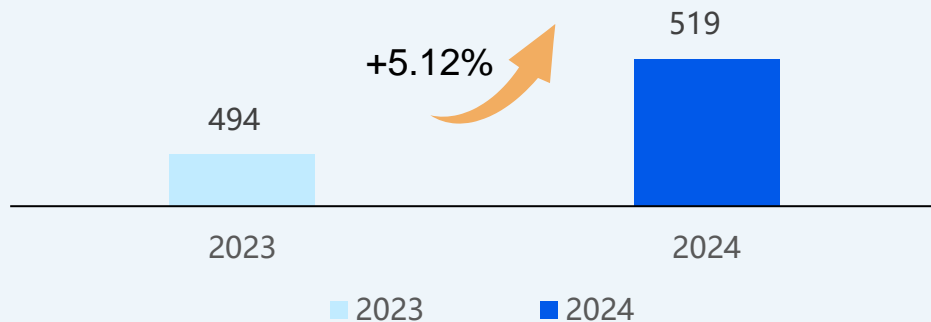
Urban gas projects

| Provinces | No. of urban gas projects |
|----------------|---------------------------|
| Henan | 28 |
| Hebei | 21 |
| Jiangsu | 7 |
| Shandong | 4 |
| Jilin | 4 |
| Fujian | 1 |
| Heilongjiang | 2 |
| Zhejiang | 2 |
| Anhui | 3 |
| Inner Mongolia | 1 |
| Jiangxi | 1 |
| Total | 74 |

Urban Gas | User Base Demonstrated Steady Expansion while Sales Volume Maintained Consistent Performance

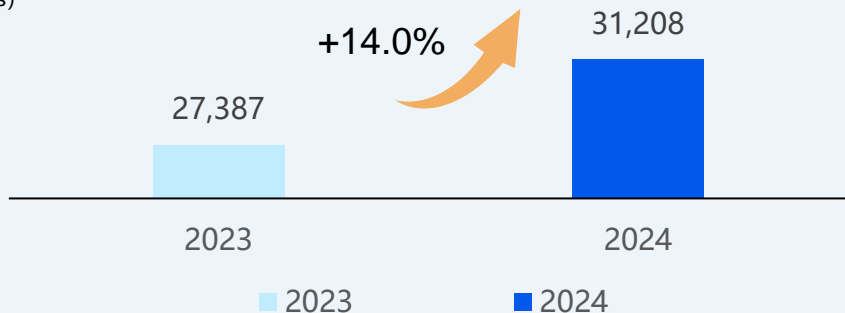
Cumulative Residential User Base +5.12% YoY
New Access Users Reached 254,257

(ten thousand users)



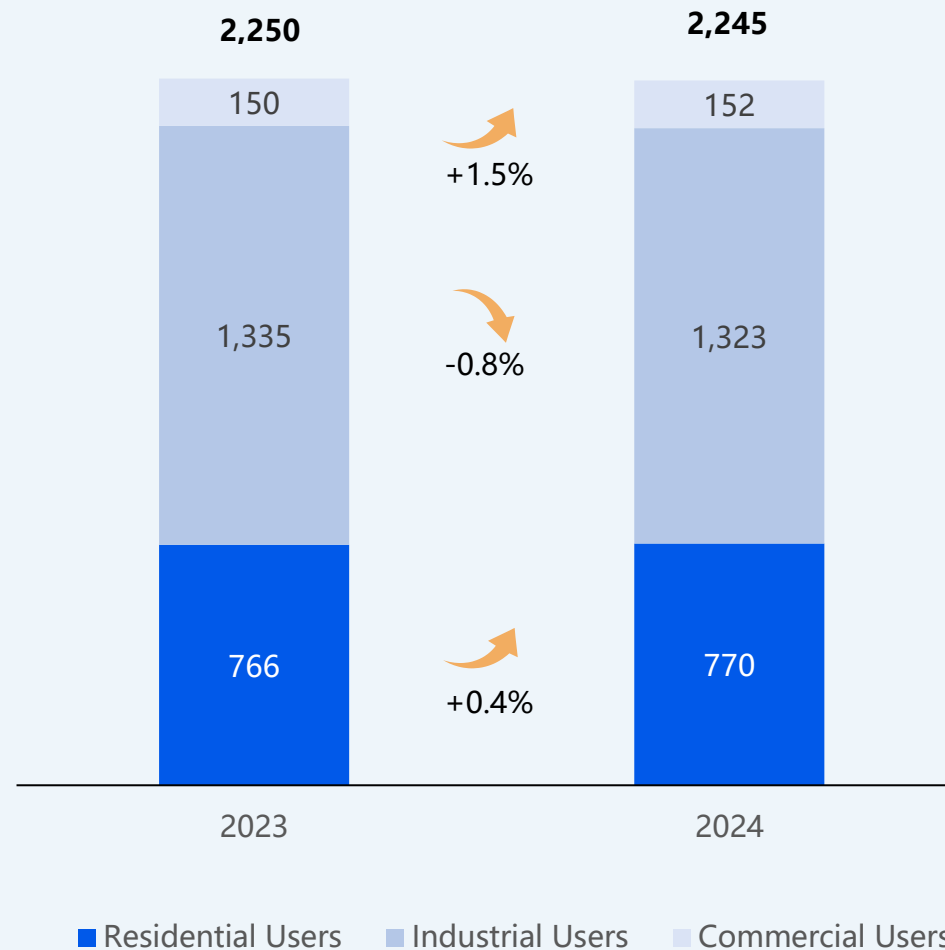
Seize the “Bottled-to-Pipeline Conversion” opportunity, Industrial and Commercial Users Increased by 14.0% YoY
New access users reached 3,835

(users)



Volume of Natural Gas Sold to Retail Customers Remained Stable

(mn cubic meters)



Urban Gas | Strong Supply and Sales Dynamics Creating Dual Momentum, with Consistently Stable Comprehensive Margin Performance

| Customer type (RMB/cubic meter, excluding tax) | 2024 | 2023 |
|---|-------------|-------------|
| Residential users | 2.65 | 2.59 |
| Industrial users | 3.54 | 3.76 |
| Commercial users | 3.92 | 4.10 |
| Average selling price | 3.28 | 3.45 |
| Average purchase cost | 2.71 | 2.86 |
| Comprehensive gross margin (excluding wholesale) | 0.57 | 0.59 |

Supply-end

- ✓ **Energy source security:** Further deepen collaboration with PetroChina, Sinopec and CNOOC (the “Three Oil Barrels”), increasing the proportion of direct supply gas to secure gas supply, and reduce gas procurement costs.
- ✓ **Energy trading:** Getting in touch with more energy suppliers, working with gas suppliers of different kinds, improving energy sources diversity, controlling purchase cost flexibly, securing supply during gas scarcity
- ✓ **Interconnectivity:** Promoting optimization of synergy between subsidiaries, adjusting supply-demand ratio between regions

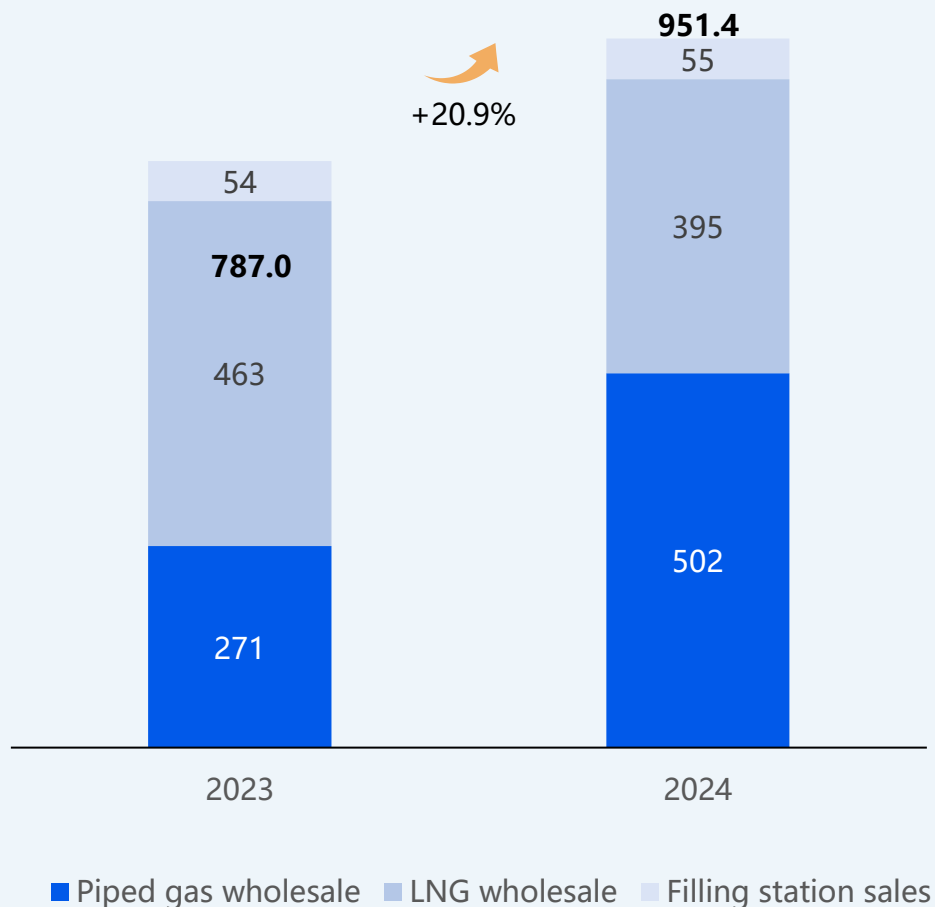
Sales-end

- ✓ **User ratio:** Rationally developing operating regions, continuous optimization of the ratio of residential, industrial and commercial users, to secure comprehensive margin
- ✓ **Pricing mechanism:** Proactively promoting “the establishment of a sound upstream and downstream price linkage mechanism for natural gas” under national directive, timely passing on price changes of upstream purchases to industrial and commercial users
- ✓ **Residential price adjustment:** Helping local governments promote gas supply pricing reform, actively and reliably adjusting residential gas prices, improving margin for gas sold to residential users

Energy Trading | Demonstrate Agile Response to Market Changes while Secure Stable Gas Supply

Volume of Natural Gas Traded

(mn cubic meters)



Up-mid-down-stream interconnectivity

- ✓ Locking in multiple primary upstream sources, securing ample supply and reasonable prices
- ✓ Knowledge of a diverse portfolio of trade products, responding flexibly to market changes, hedging against gas price risk
- ✓ Precise evaluation of downstream demand, timely grasping trade windows
- ✓ Establishing transportation networks, flexible allocation of resources according to needs
- ✓ Penetration into end-user retail leveraging on existing resources and member companies

Synergy with urban gas business

- ✓ Strengthening **procurement capabilities**, while improving **bargaining power**, controlling purchase price, securing stable margin
- ✓ Evaluation of downstream demand, securing overall gas supply, avoiding the risk of gas constraints in winter

Value-added Business and New Retail | Own Brands Enhancing User Stickiness, Exploring both Internal and External Markets

Well-known Own Retail Brands



- Zhongyu Phoenix is committed to becoming a full-range 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
- As of the end of June 2024, our own brands have **covered 15 province, autonomous regions and municipalities** directly under the central government
- **Successfully entered the Hong Kong market in 2024**

“Internet+” New Retail Platform



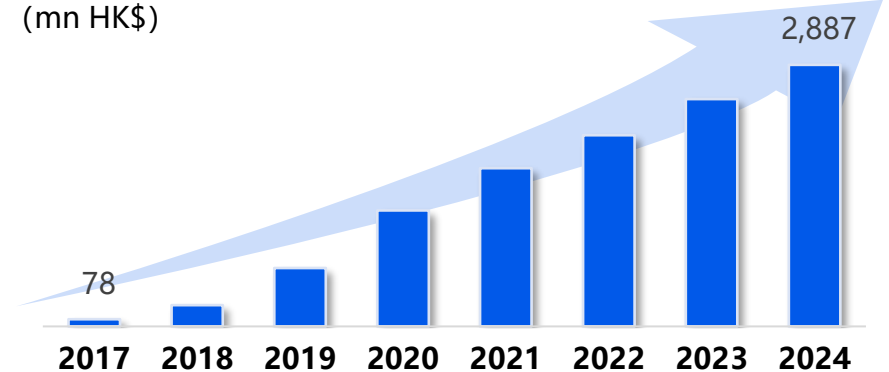
- By integrating Zhongyu Phoenix's branded product and third-party's high quality products, we have formed Zhongyu's own product portfolio and new retail supply chain system, which better meet customer demand, tap into customer value and enhance customer stickiness
- In 1H2024, connected to the JD-VOP, the Zhongyu iHome 2.0 new retail platform has sold over **40,000 SKUs** on the shelves, and there were **10000+** self-operated products; with **940,000** registered members

External Sub-brands



- In the first half of 2024, sub-brand **OUGA, OUSHUO** has fully launched a total of **5** categories, **37** products gas appliances
- Expanded into the gas appliance market outside franchise area, has built good cooperative relationships with **9** urban gas companies and **69** distributors.

Sales from value-added services reached HK\$370 mn in 2024, cumulative sales >HK\$2.9bn



Scenario demonstration of Zhongyu Phoenix products

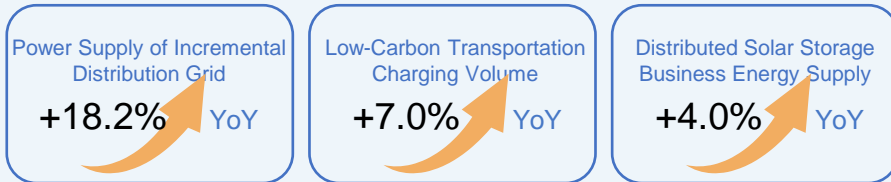


Sub-brands to explore markets outside franchise areas



Growth Overview of Smart Energy Businesses in 2024

Smart Energy Projects for Power Supply



Smart Energy Projects for Heat Supply



Smart Energy Projects for Heat Supply



Operating Highlight of Smart Energy in 2024

6 Categories of Innovative Businesses



- **Organizational Restructuring:** Actively recruiting talent with a **30%** increase in the proportion of R&D personnel
- **Technological Innovation:** Filed **18** patent applications, building core technological competitiveness
- **Industry-Academia-Research Collaboration:** Partnering with **5** research institutions, including Tianjin University and Zhejiang University
- **Project Contracts:** Secured **12** signed agreements for quality carbon energy solutions

Smart Energy | Establishing a Transformation Strategy: Developing Zero-Carbon Integrated Business with Biomass Operations as the Core Focus

Leveraging its core strengths, market trends, and policy developments, the Group is capitalizing on its urban gas customer resources to expand externally while safeguarding internal operations. By developing a more comprehensive smart energy business portfolio, we have established a new transformation strategy centered on zero-carbon integrated operations with biomass business as our primary focus, dedicated to creating a new growth engine for the Group.

By year-end, we formed the **Biomass Gasification Zero-Carbon Application Joint Research Center with the School of Environmental Science and Engineering at Tianjin University**. This collaboration aims to **tackle key technical challenges in biomass gasification heating**, further contributing to China's energy transition and sustainable development initiatives.



Inauguration of the Biomass Gasification Zero-Carbon Application Joint Research Center between Zhongyu Energy and the School of Environmental Science and Engineering at Tianjin University

- **Target Sectors:** High energy-consuming enterprises and industrial parks with urgent needs for green transformation and cost reduction, along with biomass resource regions
- **Solutions:** Centered on biomass gasification utilization, addressing energy demands while reducing energy costs and carbon emissions
- **Core Competencies:** Advanced intelligent biomass utilization technology and efficient integration of collection, storage, and transportation supply chain for raw materials



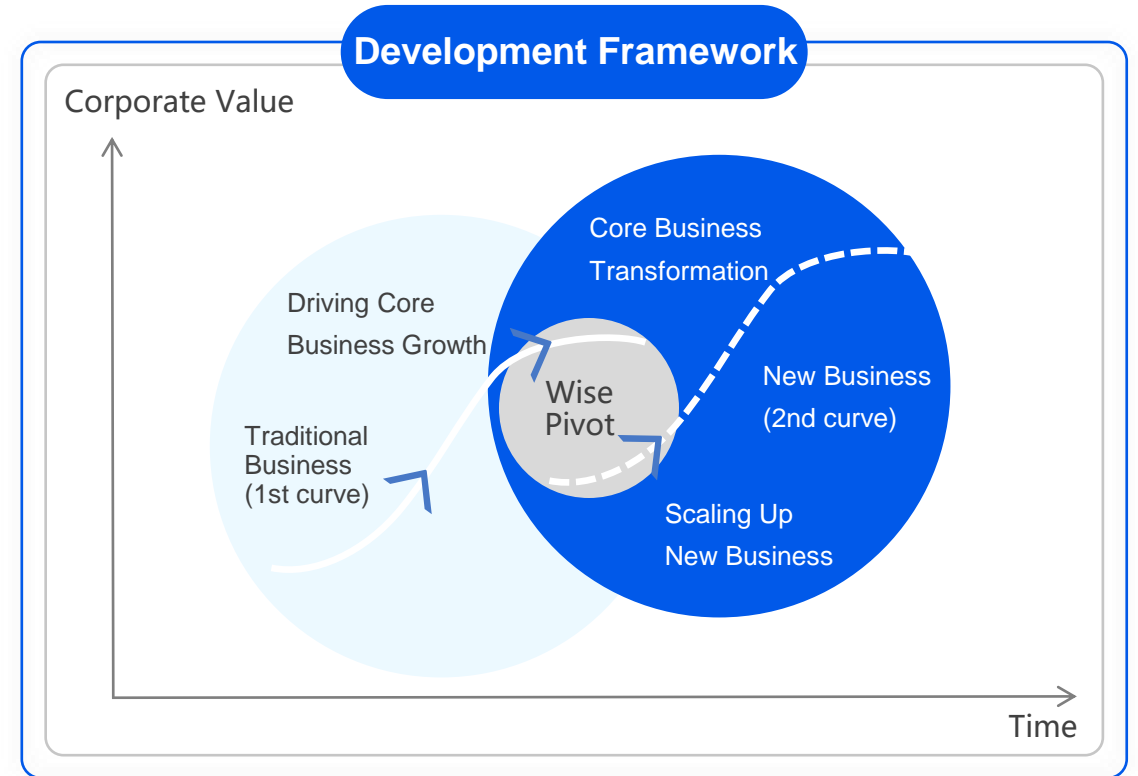
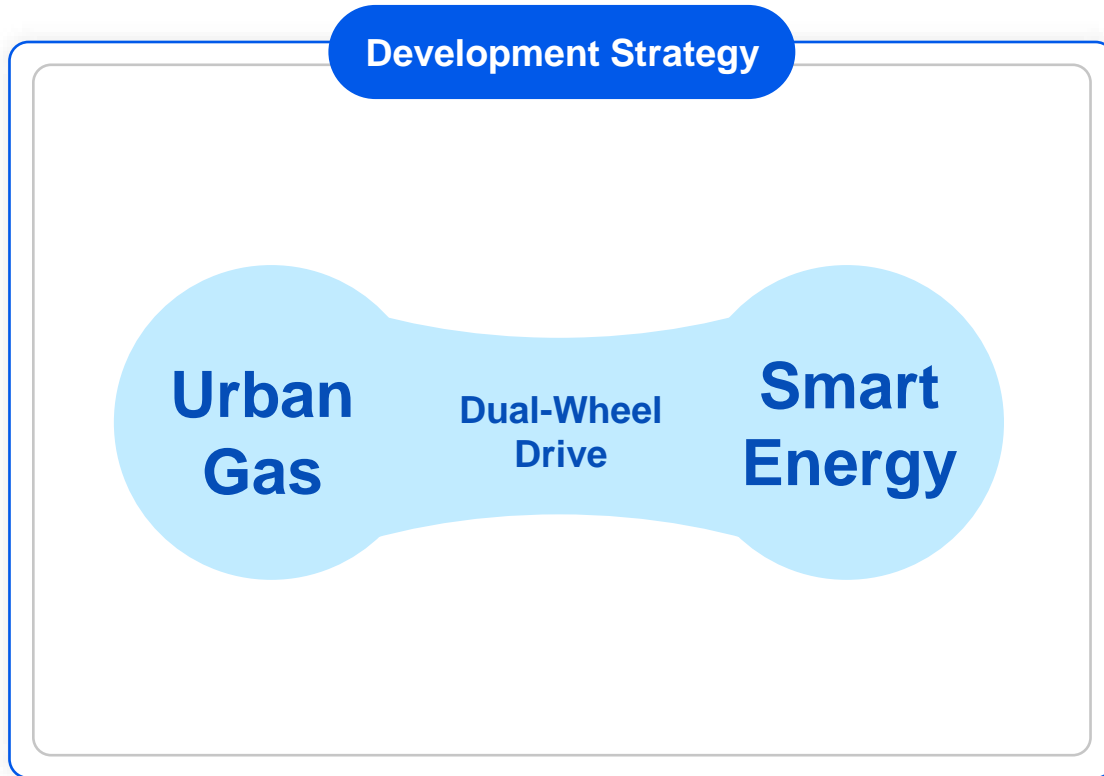
Independent Vision: Perspectives on Ongoing Project Design

03 | FUTURE PROSPECTS



Outlook | “Dual-Wheel Drive” Strategy Maintains Momentum, Promoting Supply Chain Optimization and Achieving High-Quality Growth

- Committed to optimizing the energy structure in operational regions, providing efficient and clean energy services to served territories
- Leveraging **high-retention** residential, industrial, and commercial **gas users** to expand **energy trading, value-added business and new retail services**
- Leveraging **>20 years of energy industry experience** to develop businesses such as distributed clean energy, multi-functional regional solutions, clean energy microgrids with storage, and smart grid technologies
- High-caliber team delivering smart energy design, engineering and services, energy digitalization and carbon management, and energy efficiency retrofitting solutions



// Outlook | Gas Business | Comprehensive Enhancement of Digital Intelligence Capabilities to Elevate Operational Management Quality

Urban Gas

- Strengthen the business foundation, continuously advance refined management, and enhance resource integration capabilities
- Deepen customer engagement, expand service scope and quality, continuously implement residential price adjustments, and increase investments in safety and operations
- Strategically expand franchised projects based on Group circumstances and market assessment to capture emerging opportunities
- Explore deep integration of business scenarios with AI. Achieve intelligent energy distribution through implementation of cutting-edge digital and smart technologies across energy supply, transportation, and sales processes

Energy Trading

- Continuously optimize gas supply structure, actively promote the establishment of market pricing mechanisms, enhance market risk management capabilities, and actively expand end-user base while ensuring internal supply. Explore international LNG trading opportunities and gas storage capacity trading business to establish a global market presence

Value-added Services and New Retail

- Innovate sales model to seize opportunities in renovation, develop service-oriented businesses, and expand into gas appliance installation and maintenance, as well as security product testing services, to uncover new growth drivers
- Expand partnerships beyond regional boundaries, establish comprehensive collaborations in safety inspections, maintenance, and sales of gas appliances, to tap into the potential of national consumer market

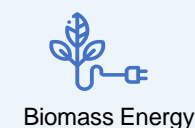
New Core Axis

- Establishing a transformation strategy centered on “**Developing Zero-Carbon Coupling Business with Biomass operations as the Core**”
- With **biomass gasification heating** as the core technology, complemented by **boiler entrustment**, **natural gas heating**, and **distributed photovoltaic operations**, to create **green factories** and **green industrial parks**

Synergistic Development

- Resource Integration: Leverage the extensive industrial client base accumulated through urban gas operations to identify energy consumption needs and deliver diversified comprehensive energy services. Seize the market window of opportunity in biomass business by fully utilizing existing resources and seeking synergistic opportunities across business lines, regions, and customer segments to provide robust support for biomass business development
- Benchmark Creation: Leverage strong relationships with local governments to develop iconic demonstration projects that enhance corporate brand recognition and influence
- Market Expansion: Draw upon previous project development and operational experience to explore markets beyond current operating regions, strategically scaling business operations to achieve sustainable growth

Expand Innovative Business Operations



Frontier Technologies Reserve

- Technology Advancement: Focus on corporate sustainability by accumulating frontier technologies in **biomass utilization**, **combustion techniques**, **new energy storage**, **hydrogen applications**, **heat pump systems**, **digital intelligence platforms** to enhance market competitiveness

Achieve Zero Production Safety Incidents of General Severity or Higher in 2024

- Optimize the Group's **hazard supervision mechanism**, carry out special rectification work on gas safety.
- Comprehensively implement **inspection, mapping** and **patrolling** efforts, perfecting pipe network inspection and leakage detection standards.
- Accelerate **the renovation of aging pipe network**, upgrade key **infrastructure**, advance "**smart gas**" development to establish intelligent, digital safety operation platforms.
- Continue to enhance risk awareness of the team, organize learning sessions on new experiences, comprehensively promote certification requirements for inspection personnel, invest in advanced **detection equipment**, effectively combining "**prevention by personnel and technologies**", to ensure high-level safety operations.
- In the smart energy business sector, continue to uphold the Group's excellent tradition of **prioritizing**, while exploring **new quality productivity models** suited to Group's unique characteristics through the "**digital intelligence**" platform, thereby enhancing both the efficiency and safety of energy supply.
- Accelerate the development of green energy businesses to support the achievement of the "dual carbon" goals; enhance service quality.
- Integrate innovations in green finance to further optimize the Group's debt structure, reduce financial costs, and provide assurance for the high-quality transformation and development.



Inspection and maintenance of natural gas gate stations



User pipes leakage detection



Inspection of photovoltaic power stations



Digital and intelligent platform monitoring

04 | FINANCIAL OVERVIEW



| mn HK\$ | 2024/12/31 | 2023/12/31 | Change |
|-------------------------------|------------|------------|---------|
| Turnover | 13,472.20 | 13,643.68 | (1.3%) |
| Gas Business ¹ | 12,317.91 | 12,699.01 | (3.0%) |
| Smart Energy Business | 1,154.29 | 944.67 | +22.2% |
| Profit Attributable to Owners | 146.38 | 246.72 | (40.7%) |
| Earnings per Share (HK cents) | 5.25 | 8.74 | (40.0%) |

| mn HK\$ | 2024/12/31 | 2023/12/31 | Change |
|-------------------------|------------|------------|--------|
| Total Assets | 26,222.62 | 26,430.11 | (0.8%) |
| Total Liabilities | 17,841.65 | 17,736.68 | +0.6% |
| Total Equity | 8,380.97 | 8,693.43 | (3.6%) |
| Debt Ratio ² | 68.0% | 67.1% | +1.4% |

Note: 1. The total of turnover from sales of gas, gas pipe line construction, value-added services and new retail, and sales in vehicle filling stations

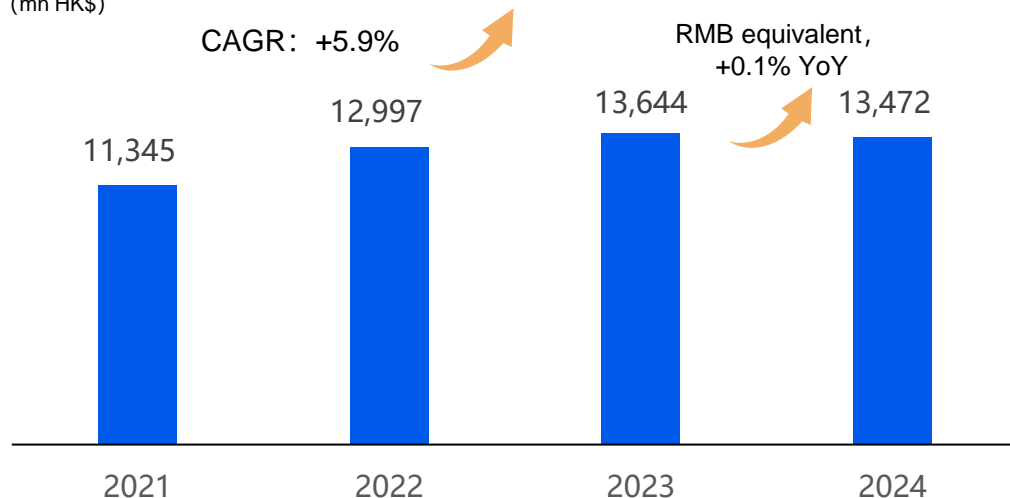
2. Non-HKFRS EBITDA is defined as the profit from continuing operations before deducting finance costs, taxes, depreciation, amortization, foreign exchange gains/losses, impairment losses/reversals, and share-based payment expenses.

3. Debt=Total debts/total assets

Financial Overview | Steady Growth in Gas Business Operations with Rapid Development for Smart Energy Business

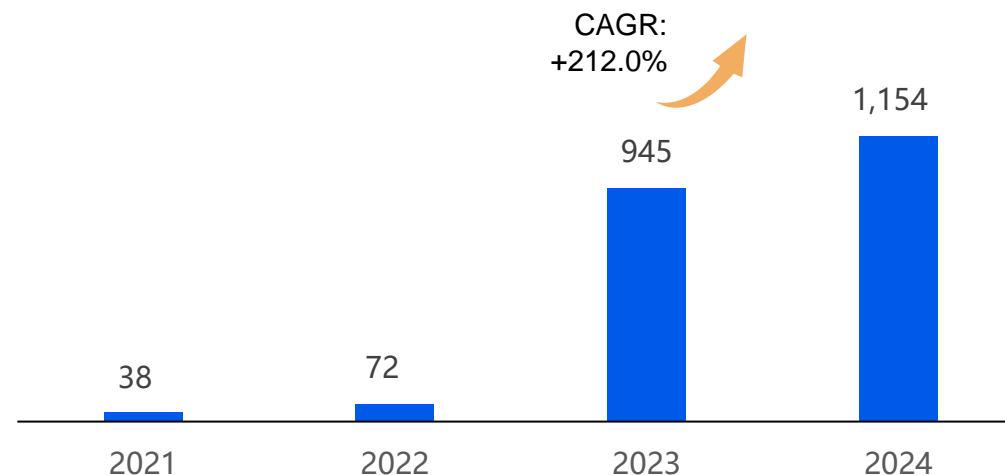
Total Turnover

(mn HK\$)

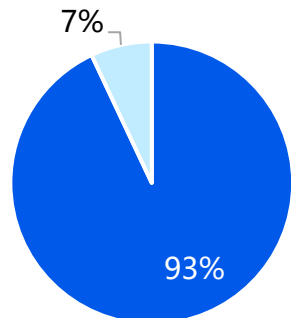


Smart Energy Turnover

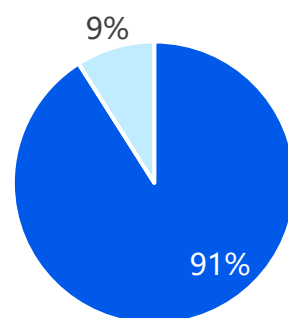
(mn HK\$)



Proportion of the Two Major Business Segments in 2023



Proportion of the Two Major Business Segments in 2024



■ Gas Business ■ Smart Energy Business ■ Gas Business ■ Smart Energy Business

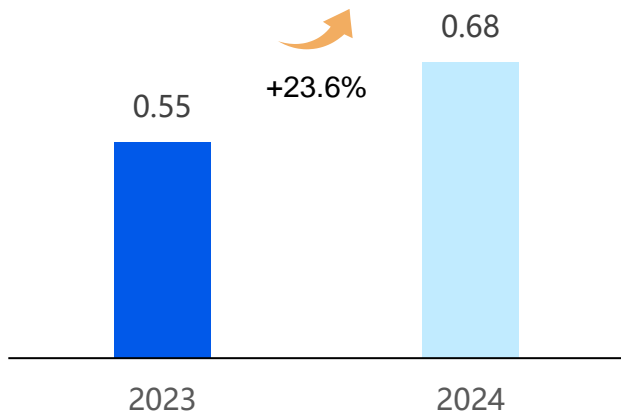
Ensuring High Quality Sustainable Growth

- ✓ Firmly implement “Dual-Wheel Drive” strategy, laying a solid foundation for the Company’s rapid, steady growth
- ✓ In the recent 10 years, the Company’s results grew rapidly, CAGR of turnover reached **14.7%**
- ✓ Building upon the foundation of gas business operations, the Company has innovatively developed smart energy business as a new highlight; in 2024, this business segment accounted for **9%** of the Company’s total turnover, up from 7% in 2023, and GPM reached **9.2%**
- ✓ Continue to deepen the “Dual-Wheel Drive” strategy and realize **high quality transformation development**

Financial Overview | Continuous Enhancement of Financial Stability with Ongoing Optimization of Management Efficiency

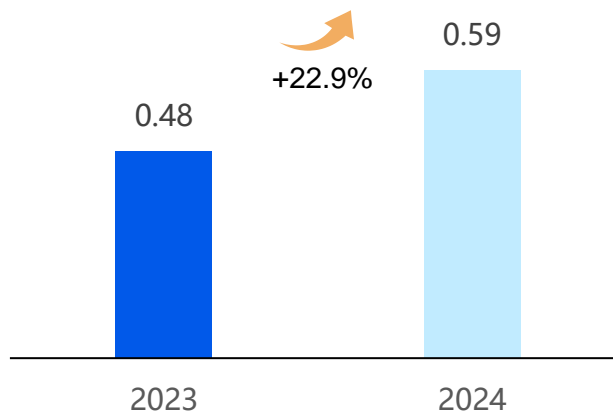
Current Ratio

(Times)



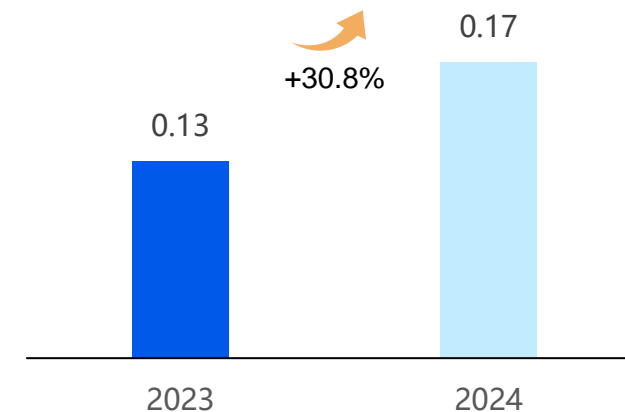
Quick Ratio

(Times)



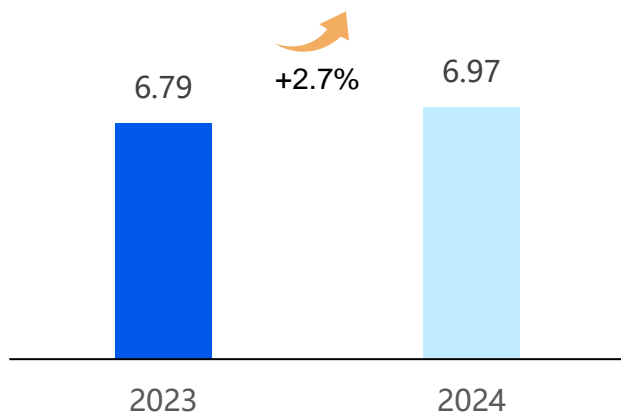
Cash Ratio

(Times)



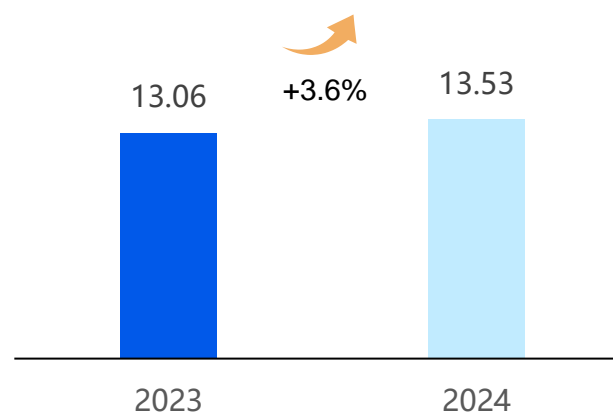
Account Receivables Turnover

(Times)



Inventory Turnover

(Times)

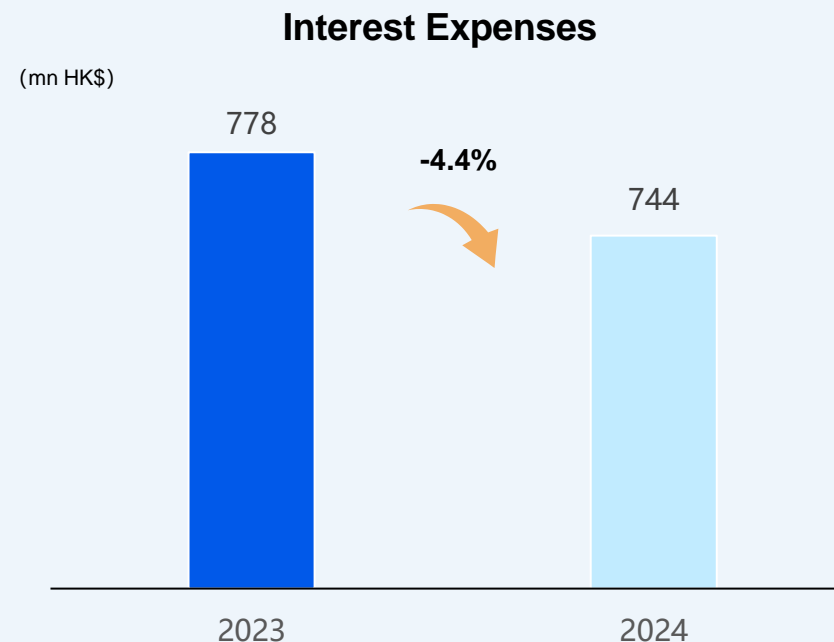
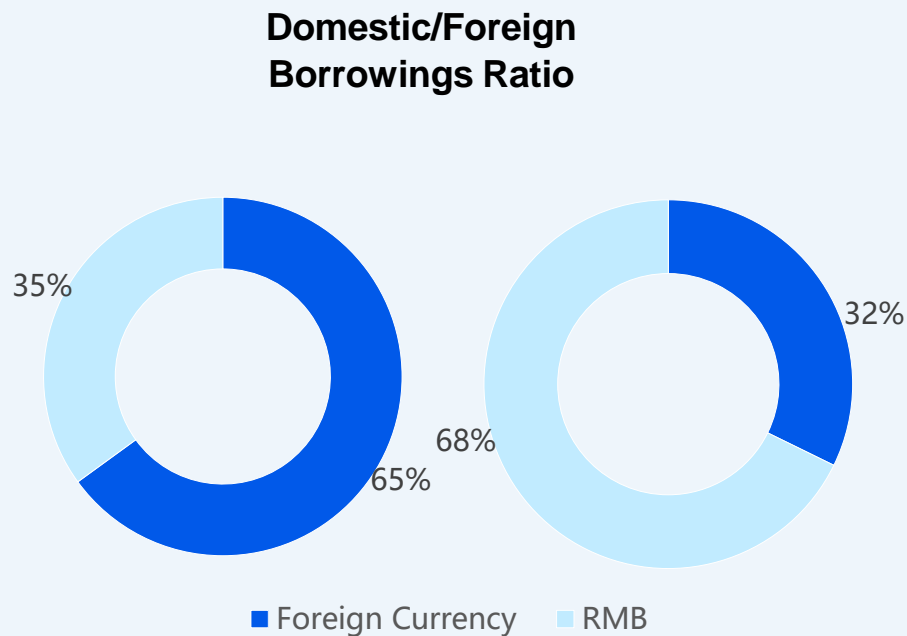


Improvement in operational efficiency and receivables management

- ✓ Adopted a prudent financial strategy to enhance debt repayment capacity, expanded financial safety margin, and mitigated risks arising from a weaker-than-expected economic recovery
- ✓ Established a "Receivable Task Force" to strengthen receivables management efforts, dedicated to achieving "maximum collection of all receivables"
- ✓ Continuously optimized operating capabilities, established a "digital intelligence" operating platform, significantly enhancing assets turnover efficiency

Financial Overview | Continuous Optimization of Debt Management & Gradual Reduction in Financing Costs

In response to persistently high USD interest rates and downward trend in RMB interest rates, the Group has strategically adjusted its domestic and international borrowing structure. In 2024, the Group's foreign borrowings accounted for 32% of total borrowings, representing a significant decrease of 33% compared to the end of 2023, driving down financing costs.

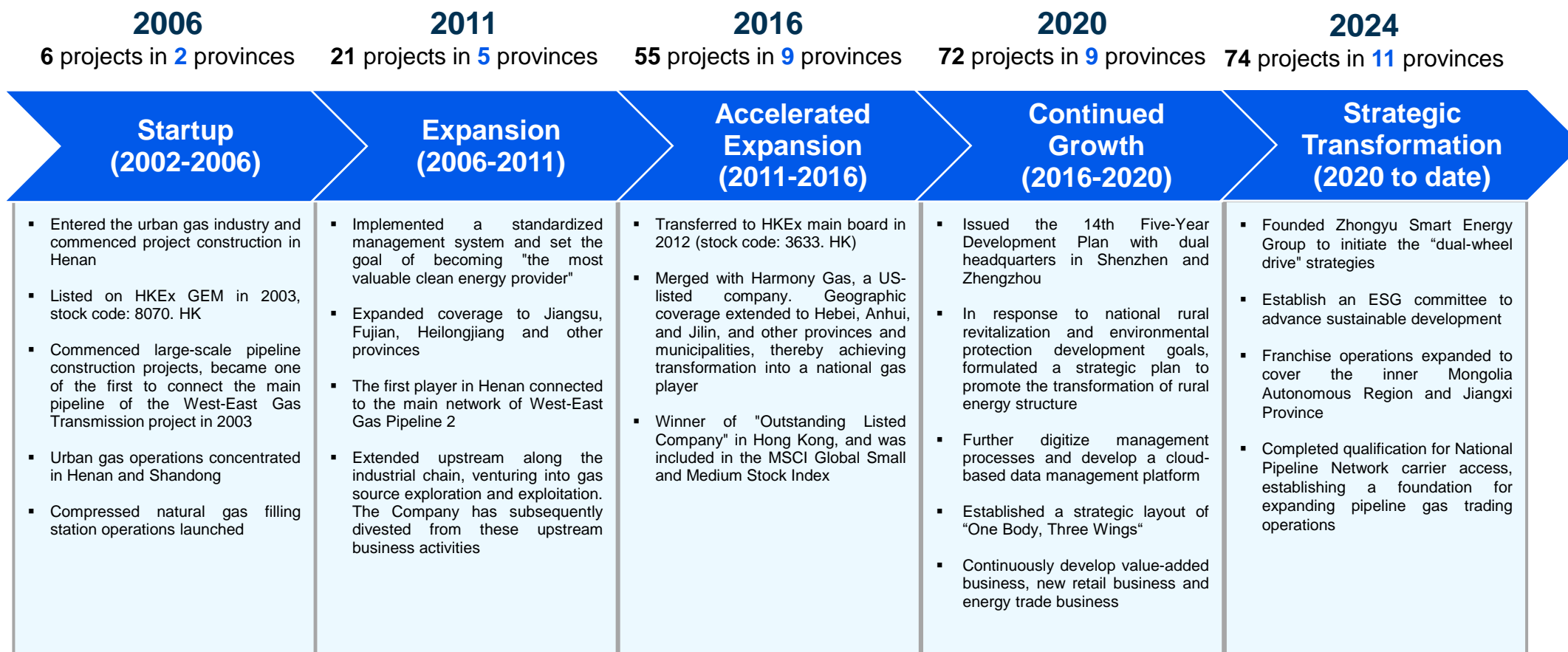


*Taking into account factors such as debt maturities, the Company's refinancing activities were concentrated in the third and fourth quarters this year. Consequently, the reduction in financing costs for 2024 is relatively modest, while a significant decrease in financing costs is expected in 2025.

05 | APPENDIX



- 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, it commenced the “dual-wheel drive and synergetic development” strategy, committed to create a development layout with both urban gas business and smart energy business



With over 20 years of deep cultivation in the urban gas industry, achieving consistent rapid growth for multiple consecutive years.

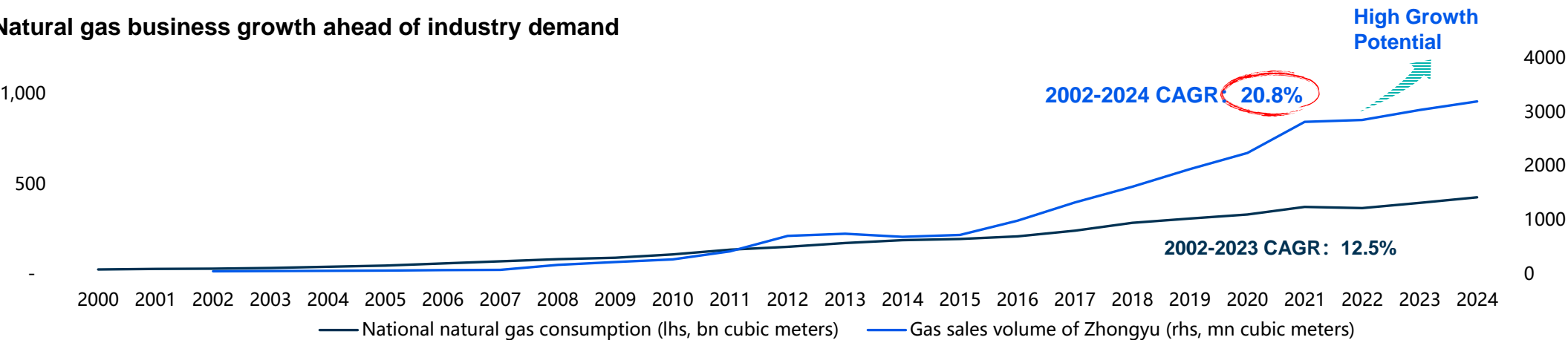
| | | | | | | |
|-----------|---|---|---|---|---|---|
| |  |  |  |  |  |  |
| | Zhongyu Energy | China Gas | Kunlun Gas | Tianlun Gas | ENN | CR Gas |
| Henan | 2002 | 2010 | 2011 | 2010 | 2002 | 2010 |
| Shan dong | 2002 | 2007 | 2010 | 2012 | 1993 | 2009 |

Zhongyu Energy has unique advantages

- ✓ Over 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 significant growth since its establishment

Natural gas business growth ahead of industry demand



ESG | Enhancing ESG Governance Efforts and Exploring Cooperation Opportunities in Green Finance

Environmental Protection

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



Best ESG Practice Award

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 fulfil its social responsibilities**



ESG Pioneer of the Year Award

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 Group ESG strategies with all 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



ESG Disclosure Excellence Award



Green awards and certifications

USD400
million
Equivalent
Term Loan
Facilities with
Green Tranche



Green
Finance
Framework



SPO on Green
Finance
Framework by
HKQAA



HKQAA
Outstanding
Award for
Green and
Sustainable
Finance



HKQAA
Pioneering
Organisation in
ESG Disclosure
Enhancement





Accelerating the Development of Clean Energy Paving the Way for a Better Future

Disclaimer

The statements made by the Company include both historical facts and forward-looking statements. Forward-looking statements are based on the Company's assumptions and expectations, informed by management's experience, assessment and observation of historical trends, current conditions, anticipated future developments, and other relevant factors. Due to a broad range of risks and uncertainties, actual future results may differ materially from those expressed or implied in these forward-looking statements.

These risks and uncertainties include, but are not limited to: general economic and business conditions, competitive and technological pressures on pricing, labor conditions, policy uncertainties, the unpredictability of regulatory changes, trade protection measures, changes in tax and legal regulations, fluctuations in foreign exchange rates, the ability to forecast and plan for external demand, reliance on single-source supplier relationships, and the impacts resulting from terrorist activities, natural disasters, and public health issues.

Any forward-looking statements reflect the Company's view only as of the date on which they are made and do not constitute a commitment by the Company to any subsequent developments. Should circumstances change in the future, the Company undertakes no obligation to update any forward-looking statements to reflect such changes in circumstances or events.

Investor relations contact information

Ms. Qiu Tian and Mr. Yu Zepeng

Email: IR@zhongyuenergy.com

Website: www.zhongyuenergy.com

