

Immediate Release

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中裕能源控股有限公司

ZHONGYU ENERGY HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)

(股份代碼:3633)

Zhongyu Energy Announces 2023 Interim Results

Core Business with "Dual-Wheel Drive" Develops Steadily,

Promising Future

Results Highlights:

- Turnover increased by 6.1% YoY to HK\$7,020 million;
- Profit attributable to owners of the Company: HK\$236 million, up 10.2% YoY;
- Natural gas sales volume: 1.49 billion cubic metres, up 5.7% YoY;
- Integrated energy sales volume: 580 million kWh, up 1,906.9% YoY..

(25 August 2023, Hong Kong) The Board of Directors of Zhongyu Energy Holdings Limited ("Zhongyu Energy" or the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2023 (the "period under review").

In the first half of 2023, the global economic and political landscape remained complex and volatile, with significant uncertainties in the post-pandemic market environment and economic performance. Against the backdrop of unsteady macroeconomic recovery and a slower-than-expected repair pace in China, the Zhongyu Group adhered to the strategy of "Dual-Wheel Drive and Coordinated Development", implemented multiple measures, and broke through via refined management, laying a solid foundation for achieving annual business objectives. During the period under review, the Group achieved total natural gas sales volume of 1.49 billion cubic metres (up 5.7% YoY) and integrated energy sales volume of 582 million kWh (up 1,906.9% YoY).

For the six months ended 30 June 2023, the Group recorded:

- Turnover of approximately HK\$7,020 million, up 6.1% YoY;

- Gross profit of approximately HK\$1,230 million, up 4.2% YoY;
- Profit attributable to owners of the Company: HK\$240 million (HK\$480 million excluding foreign exchange gains/losses), up 10.2% YoY;
- Basic earnings per share: 8.3 Hong Kong cents, up 10.5 percentage points YoY.

Deepening Refined Operations, Steady Development of Gas Business

In H1 2023, as the impact of the pandemic dissipated, domestic natural gas market demand recovered rapidly with relatively loose supply and demand. The Group seized the opportunity of market demand recovery, deepened cultivation in small/micro commercial and existing markets, tailored to customer needs, innovated marketing models, and explored new growth drivers, making significant contributions to H1 performance. Meanwhile, the Group continuously optimized gas source structures to reduce procurement costs and enhance operational efficiency.

During the period under review:

- Gas sales revenue reached HK\$5,700 million, up 0.7% YoY;
- Total connected pipeline gas users reached 4.87 million, with 187,000 new residential users, 185 new industrial users, and 1,051 new commercial users added (industrial/commercial connection growth rate increased by 22% YoY);
- Value-added services achieved sales of HK\$180 million, up 30.0% YoY, through diversified marketing of the proprietary kitchen appliance brand "Zhongyu Phoenix" and sub-brands, expanding beyond franchised areas;
- Energy trading: Pipeline gas and LNG trading volume increased by 45.1% YoY to 330 million cubic metres, with gas station business turnover up 3.7% YoY to HK\$120 million, despite high domestic natural gas import costs deviating from falling international LNG spot prices.

Driving Green and Low-Carbon Transformation, Remarkable Smart Energy Business Results

Building on the steady development of the gas business, the Group followed the trend of green and low-carbon transformation, continuously explored smart energy business, and achieved efficient synergy between urban gas and smart energy. During the period under review, the Group leveraged existing resource advantages, deeply tapped customer energy needs, and conducted in-depth user profiling, leading to a qualitative breakthrough in smart energy performance:

- Segment revenue surged to HK\$350 million, up 1,776.2% YoY, accounting for 4.9% of total revenue (0.3% in 2022);
- Integrated energy sales volume increased by 1,906.9% YoY to 582 million kWh;
- 120 projects were commissioned (22 new projects since the beginning of the year), including stable operations of industrial energy supply, incremental

distribution, and boiler custody projects; ongoing construction of industrial/commercial photovoltaic and biomass steam projects; breakthroughs in household photovoltaic exploration; and hydrogen energy/storage businesses advancing from exploration to implementation.

Upgrading Management with ESG to Continuously Enhance Market Competitiveness

Against the backdrop of "dual carbon" goals and the energy revolution, ESG has become a key guide for enterprises — especially energy enterprises — to achieve sustainable development. As a leading urban gas and integrated energy service provider in China, the Group actively practices green development concepts, proactively explores low-carbon paths, and implements ESG principles with transformation commitment.

- **Safe gas operations:** The Group prioritized safety, enhancing risk control and hazard investigation, completing technical guidance, emergency drills, and old pipeline renovations to upgrade safety management across the Group.
- **Green finance:** In June 2023, the Group successfully arranged a US\$400 million (equivalent) offshore green syndicated loan with the first drawdown, certified by the Hong Kong Quality Assurance Agency (HKQAA). The loan will refinance existing debt, provide working capital, and fund smart energy projects, reflecting capital market recognition of its green sustainability.

Prospects

The Group will continue to adhere to safe gas operation principles, remain sensitive to policy adjustments and market trends, and ensure stable project operations. It will timely adjust gas source policies, deploy winter supply security, and utilize gas storage facilities.

- **Energy trading:** Strengthen resource allocation capabilities, enhance supply flexibility, and optimize supply-demand matching for gas source security and scaled trading.
- **Value-added services:** Leverage domestic economic recovery, enhance internet media empowerment, innovate sales models, expand agent networks via strategic partnerships, and tap national market potential to build a professional brand reputation.
- **Smart energy:** In H2, leverage existing industrial/commercial customer resources to analyze energy consumption characteristics, improve conversion efficiency from urban gas to smart energy users, deepen collaboration between business segments to promote industrial energy-saving renovations and distributed photovoltaic projects, and explore customer-side energy storage opportunities.

The Group will continue sustainable financial development, explore green financial cooperation, optimize ESG disclosures, and enhance investor communication to

promote long-term growth.

Overall, facing market uncertainties, the Group will closely monitor market trends, make timely strategic adjustments, optimize gas sources, develop markets, manage prices, cultivate elite teams, drive digital transformation, seize opportunities to expand business scale, and continuously enhance market recognition and industry competitiveness.

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About Zhongyu Energy Holdings Limited (Stock Code:3633)

Zhongyu Energy Holdings Limited and its subsidiaries (collectively, the "Group" or "Zhongyu Energy") provide professional gas and integrated energy services in multiple Chinese cities. The two business segments—urban gas and smart energy—accounted for 95.1% and 4.9% of the Group's H1 2023 turnover, respectively. As of 30 June 2023, the Group's urban gas concession business covered 11 provinces: Henan, Shandong, Hebei, Jiangsu, Anhui, Heilongjiang, Jilin, Fujian, Zhejiang, Inner Mongolia, and Jiangxi.

*The press release is issued by **Wonderful Sky Financial Group Limited** on behalf of **Zhongyu Energy Holdings Limited***

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