

Immediate Release

27th March 2024



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 Annual Results

The Core Business of “Dual-wheel Drive” Experiences Steady

Development and create a new scenario of high-quality development

Financial and Operating Highlights:

- The turnover increase by 5.0% year-on-year to HK\$13.64 billion;
- Net profit attributable to owners of the company was HK\$250 million, marking a year-on-year growth of 41.7%.
- The sales volume of natural gas increased by 6.4% year-on-year to 3.04 billion cubic meters;
- The sales volume of comprehensive energy increased by 13,288.0% year-on-year to 15,664.0 million kilowatt-hours.

(27th March 2024, Hong Kong) The Board of Directors of **Zhongyu Energy Holdings Limited** (“Zhongyu Energy” or the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (collectively the “Group”) for the year (the “period under review”) ended 31st December, 2023.

In 2023, a year of promoting the continuity of the National “14th Five-Year Plan”, the domestic clean energy industry still maintained a rapid growth momentum. A number of provinces across the country sped up the implementation of the upstream

and downstream price linkage mechanism for natural gas, and the marketization process of the industry gradually accelerated. the Group took advantage of the development trend of green and low-carbon transformation of the country.

the Group took advantage of the development trend of green and low-carbon transformation of the country, seized market opportunities and firmly implemented the development concept of “ dual-wheel drive and continued to promote refined management. While ensuring safe operation, it actively developed the market, expanded upstream and downstream cooperation, innovative operation of city gas business and smart energy business, and continuously enhance the its core competitiveness and operation quality.

The Group's sales volume of natural gas for the year ended 31st December, 2023 by 6.4% year-on-year to 3.04 billion cubic meters; The sales volume of comprehensive energy increased by 13,288.0% year-on-year to 15,664.0 Million kWh; The turnover increase by 5.0% year-on-year to HK\$13.64 billion; Net profit attributable to owners of the company was HK\$250 million, marking a year-on-year growth of 41.7%; Basic earnings per share were 8.74 Hong Kong cents, a 42.3% percentage point increase compared to the previous year.

Continuously deep cultivation and stable growth in city gas business

In 2023, As a leader in the city gas industry, the Group actively communicated with the local governments in the regions in which it operates to assist in promoting the implementation of the relevant policies to safeguard the Group's overall revenue and enhance the Group's competitive strength. Continuously deep cultivation and refined operation have made a solid foundation for the Group's city gas business and a steady improvement in its operating results.

During the year, The sales of gas business continued to be a primary contributor to the Group's core performance, with sales amounting to HK\$11.10 billion. accounted for

80.6% of the Group's turnover for 2023. As of 31st December, 2023, the Group had 75 franchised gas projects in 11 provinces; the city gas business provided services to 27,387 industrial and commercial customers and 4.94 million residential users.

The Group has been continued committed to actively optimizing its gas source organization, identifying opportunities for cooperation in the upstream of natural gas and promote the development of energy trading business to increase the diversity of the Group's gas sources, reduce the comprehensive procurement costs and ensure a stable and sufficient supply of gas sources with high quality under extreme weather conditions in winter. During the year, while the volume of natural gas traded amounted to 790 million cubic meters, representing a year-on-year increase of 44.6%.

Furthermore, the Group has adopted a prudent approach in acquiring new customers in order to maintain a favorable customer mix and accounts receivable level. During the year, the total number of new piped gas connection customers reached 280,000. The total length of the Group's existing intermediate and main pipelines increased from 27,263 kilometers to 27,754 kilometers, representing an increase of 1.8%, as the Group continued to expand its coverage.

While strengthening its operational efficiency, the Group strictly adhered to the bottom line of production safety, established a long-term mechanism for safety, implemented special rectification work on safety, increased investment in safety operations, improved the quality of safety personnel, and accelerated the pace of upgrading the digitization of gas operations, keeping zero accident of production safety. The Group has also put the concept of Environmental, Social and Governance (ESG) into practice by continuously strengthening its supplier management system and building up a safe line of defense for material procurement, so as to ensure the realization of "whole life cycle" safety operation management.

Furthermore, Benefit from a large and sticky user base, The sale of kitchen appliances under its own brand “Zhongyu Phoenix” and the provision of value-added services through the online “Zhongyu iFamille” retail platform. Meanwhile, the Group’s product market share was expanded by expanding the market for customers outside the region and actively promoting its sub-brand “OGUA”. Value-added services turnover for the year amounted to HK\$410 million, representing a 13.5% year-on-year increase.

The Group strategically positioned itself in the field of new energy and Intelligent Energy Business Accelerates

The Group has actively synergized with the two business segments of city gas and smart energy to scientifically establish its presence in the new energy market. The Group’s smart energy business has made a breakthrough in terms of both quality and quantity. As a whole, the Group’s “dual-wheel drive” pattern is accelerating.

During the year, the Group combined its own strengths, synergized the smart energy segment with the city gas segment, and further expanded the scale of smart energy business based on the segmentation of customer needs. The Group pushed the implementation of demonstration projects, extensively explored and reserved resources for new fields targeting at the cutting-edge technologies, and continued to further focus on the three major smart energy business segments including smart energy management contract (“EMC”), district energy supply, and low-carbon transportation. The business distribution is getting mature and the landscape is getting rich.

Meanwhile, the Group has retained its good tradition of focusing on safety in smart energy business, improving safety mechanisms, intensifying safety inspections, enhancing safety discipline of employees, building digital and intelligent operation and maintenance platforms of projects, and monitoring project operations in real time to achieve double enhancement in operational efficiency and safety monitoring.

After prior exploration, the Group’ s distributed photovoltaic, incremental power distribution and boiler trust businesses have taken shape, while bold attempts have been made in the development of, among others, household photovoltaic, biomass energy supply, hydrogen refueling and charging integrated stations, and user-side energy storage. The smart energy business achieved significant growth during the year, with sales amounting to HK\$940 million , accounting for 6.9% of the Group’ s total revenue, representing a year-on-year increase of 1,220.4%,and the number of the Group’ s integrated energy projects that had been put into operation during the same period amounted to 260, representing an increase of 162 projects as compared to last year.

Future Prospects

With the start of the interest rate cut cycle in major economies in Europe and the United States in 2024, and the concerted efforts of domestic fiscal and monetary policies, China’ s economy is expected to complete its bottoming out and gradually embrace its recovery. Meanwhile, with the drivers of expanding domestic demand and the “dual carbon” goals, the demand for natural gas and various types of renewable energy will continue to grow at a high rate, and it is expected that the transformation of the country’ s energy structure as well as the development of the energy industry will achieve more results.

In 2024, the PRC will continue to accelerate the implementation of the upstream and downstream price linkage mechanism for natural gas and further promote market-based pricing of natural gas. The implementation of the “Dual carbon” goals will continue to provide opportunities for the diversified development of the Group’ s smart energy business.

Meanwhile,the Group will further implement the ESG development concept, closely pursue the industrial development consensus of safety and supply guarantee, green

and low-carbon, and actively explore cooperation in the field of green finance. We will coordinate energy security guarantee and enterprise green transformation within the operating areas, ensure continuous optimization in corporate culture, business development, comprehensive management, information disclosure and other aspects, and promote the sustainable development of the Group.

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About Zhongyu Energy Holdings Limited(stock code:3633)

Zhongyu Energy Holdings Limited and its subsidiaries (collectively referred to as the “Group” or “Zhongyu Energy”) provide professional gas services in various cities in China.As a pioneer in the domestic gas industry, Zhongyu Energy Holdings Limited actively responds to the call for market-oriented reform of the national municipal industry,the Group continued its mission of “Developing Clean Energy for a Better Life”,Committed to promoting a resource-saving and environmentally friendly society by optimising the energy structure of the operating regions.

Currently,, Zhongyu Energy Holdings Limited of BPS have expanded to 15 provinces, autonomous regions and municipalities, including Henan, Shandong, Hebei, Beijing, Jiangsu, Anhui, Heilongjiang, Jilin, Fujian, Zhejiang, Guangdong, Yunnan and Inner Mongolia.

From a regional base to a nationwide presence, over the past 20 years, Zhongyu Energy Holdings Limited has been working diligently and steadfastly towards the goal of "becoming the most valuable integrated energy service provider".

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

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