



中裕能源控股有限公司

ZHONGYU ENERGY HOLDINGS LIMITED

(incorporated in the cayman islands with limited liability)
(Stock Code:3633)

Zhongyu Energy Holdings Limited Announces 2021 Annual Results

**Turnover of HK \$11,345 Million Sales of Gas Business Increased
by 50.1% Year-on-year**

Results Highlights:

- The Group's Turnover increased by 32.8% to HK\$11,344,500,000.
- Gross profit increased by 12.4% to HK\$2,188,937,000.
- The Group's profit attributable to owners of the Company increased by 12.5% to HK\$1,188,997,000; Non-HKFRS profit attributable to owners of the Company amounted to HK\$963,347,000.
- The basic and diluted earnings per share attributable to the owners of the Company were HK44.20 cents and HK44.14 cents respectively; Non-HKFRS basic and diluted earnings per share attributable to the owners of the Company for the period under review were HK35.81 cents and HK35.76 cents respectively.
- Proposed final dividend of HK8.00 cents.
- To celebrate the 20th anniversary of the Group, a special dividend of HK5 cents per ordinary share is proposed.

(March 28th, 2021, Hong Kong) The Board of Directors of Zhongyu Energy Holdings Limited (referred to as "Zhongyu Energy" or the "Group"; stock code: 3633.HK), is pleased to announce the unaudited condensed consolidated results of the Company

and its subsidiaries (collectively, the “Group”) for the twelve months ended December 31, 2021 (the “period under review”).

The Group’s turnover for the year ended 31st December, 2021 increased by 32.8% to HK\$11,344,500,000 (2020: HK\$8,543,710,000). The gross profit increased to HK\$2,188,937,000 (2020: HK\$1,947,017,000) as a result of increased contribution from sales of gas. The Group’s profit attributable to owners of the Company increased by 12.5% to HK\$1,188,997,000 (2020: HK\$1,056,617,000). The basic and diluted earnings per share attributable to the owners of the Company were HK44.20 cents and HK44.14 cents respectively for the year ended 31st December, 2021, as compared with that of HK39.95 cents and HK39.88 cents respectively for the corresponding period last year.

Non-HKFRS profit attributable to owners of the Company amounted to HK\$963,347,000 (2020: HK\$815,728,000). Non-HKFRS basic and diluted earnings per share attributable to the owners of the Company for the reporting period under review were HK35.81 cents (2020: HK30.84 cents) and HK35.76 cents (2020: HK30.79 cents) respectively.

Driven by the stabilised prevention and control against the COVID-19 pandemic in general and the sustained economic recovery in the PRC, coupled with the “dual carbon goals”, extreme weather events and other factors, the domestic natural gas market demand grew rapidly and natural gas consumption maintained a high growth rate. Under these favourable operating conditions, the Group has achieved multiple milestones during the Year.

Strong Position in Gas Sales Business with Aggressive Expansion of City Pipelines

For the Year, the Group’s three major business segments, namely sales of gas, gas pipeline construction and connection, and value-added services, contributed 81.9%, 11.7% and 4.1% of the Group’s turnover in 2021, respectively. Sales of gas remained the largest contributor to the Group in 2021, reaching HK\$9,290,532,000 in sales with a growth of 50.1% year-on-year. The growth in business was mainly contributed by the Group’s successful implementation of client diversification strategy among residential households and industrial and commercial customers.

Over the years, the Group has been actively expanding its urban pipeline business. In 2021, the Group’s city gas pipeline business covered 10 provinces, namely Henan, Shandong, Hebei, Jiangsu, Anhui, Heilongjiang, Jilin, Fujian, Zhejiang and Inner Mongolia. At the same time, The Group believes that smart energy and distributed energy businesses would not only diversify the Group’s revenue sources, but also become an important business model of its integrated energy services. As at 31st December, 2021, the Group had 73 gas projects with exclusive rights in the PRC.

During the year, the Group obtained concession right to operate 2 additional natural gas projects in Jilin Province and Inner Mongolia.

For the Year, the total number of users of new piped gas connections amounted to 384,298. As the Group continued to expand its coverage, the Group's total existing intermediate and main pipelines increased from 25,456 km to 26,399 km, representing a 3.7% increase in length.

Vigorously Promote Intelligent Energy to Expand the Advantages of New Territory

With the reform of the domestic energy market and the national strategy emphasizing “green development” and “clean and low-carbon, safety and efficiency”, environmental protection policies and “dual carbon goals (carbon peak and neutrality)” have become one of the biggest driving forces for the Group to develop clean energy projects. Meanwhile, a series of new energy policies and rural energy transformation policies were launched successively in various regions, creating opportunities for the smart energy group to develop diversified businesses such as distributed energy, photovoltaic rooftop and charging stations.

The Group has established the “one body, three wings” business layout strategy in early 2020, with “city gas” as the “body” and “value-added business and new retail”, “smart energy” and “energy trading” as its “wings”, and strives to become the most valuable integrated energy service provider in the PRC. The Group's subsidiaries signed framework agreements on the promotion of countywide rooftop distributed photovoltaic with several local governments to expand the smart energy business map relying on its own advantages in the gas project concession area.

During the period, the Group steadily promoted the development of integrated energy business, the cumulative number of projects in operation reaching 43. The Group also actively expanded the clean transportation energy market. The sale of electricity throughout the year increased by 90.5% to 21.74 million kWh as compared with the same period of last year.

Enriching Business Ecology and Enhancing Brand Awareness

Enhancing visibility is the key to expanding the business coverage and branding of a company. During the Year, the Group has placed additional resources to strengthen the market share of its retail branding by expanding product portfolio and enhancing brand recognition. In 2021, the value-added services provided by its own offline retail brand “Zhongyu Phoenix” and online retail platform “Zhongyu iFamille” have been an effective channel for the Group to enrich the business ecology and effectively increase customer stickiness.

With the increasing number of connected residential customers and brand recognition built in recent years, as well as the establishment of the online shopping platform “Zhongyu iFamille”, the independent supply platform, customer service platform and customer online community, the value-added services is expected to contribute stable revenue to the Group. The sales of stove and provision of other related services for the year ended 31st December, 2021, contributed 91.7% (2020: 94.3%) of the total value-added services of the Group.

Turnover for the Year from valueadded services amounted to HK\$464,507,000. The Group will continue to promote and enhance development of its value-added services. Its product and service offerings include sales of gas stoves, gas cooking appliances, wall hung boilers and insurance services. The Group sees enormous potentials to explore the market by leveraging the existing residential customer portfolio.

Looking Ahead

2022 symbolizes the twentieth year for the Group’s entry into the gas industry. In the second decade, the natural gas industry will undergo rapid development. In terms of smart energy, the Group will create a core platform for smart energy, focus on the development of businesses such as distributed energy, diversified energy supply, construction and operation of microgrid, supply chain of smart and clean energy, zero-carbon and smart industrial park, clean and smart transportation, clean energy microgrid and energy storage and energy saving service, advisory designs and construction business. The Group will gradually establish a user-oriented, diversified and low-carbon new energy system that is smart and safe, clean and efficient to meet the needs of users, and provide the users with more efficient and stable, safe and convenient, clean and low-cost integrated energy services.

In terms of energy trading business, under the Group’s “one body, three wings” overall strategic planning guidance, the energy trading segment will continue to innovate its business model in customer energy solutions, smart logistics and supply chain finance to achieve transformation and upgrade in products, operations and strategies, hence becoming the new driver of the Group’s second take-off.

Safety is a necessity to support the long-term development of the Group. In terms of safe operation, the Group will unremittingly implement COVID-19 normalization, prevention and control measures, and will make plans for the rapid resumption of production and create emergency response plans to pandemic outbreaks, natural disaster or other emergencies. The Group will strengthen internal quality control, improve the management systems of all departments, enhance risk prevention and control, intensify comprehensive supervision for all businesses as well as the prevention and control of different types of operational risks, thus fostering the overall and healthy development of the Group.

In terms of social values, the Group will also further strengthen its work on sustainable development, improve ESG governance gradually and integrate the ESG ideology into the daily operation and management of the Group, so as to improve the natural environment, promote social progression, create corporate value and make due contributions.

In the upcoming year, the Group will keep pace with the times, take a proactive approach and adhere to the operating principle of “market-driven, customer-oriented, and economic efficiency-centered” to gradually establish a diversified and low-carbon new energy system that is smart, safe, clean and efficient. The Group will continue to provide high-quality and efficient integrated energy services to its customers, and is dedicated to become the most valuable integrated energy service provider by making unremitting efforts to lead the Group to a new height.

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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. The three major business segments, namely the sales of gas, gas pipeline construction and connection, and value-added services, contributed 81.9%, 11.7% and 4.1% of the Group’s turnover in 2021, respectively. As of 31st December, 2021, the Group’s city gas pipeline business covered 10 provinces, namely Henan, Shandong, Hebei, Jiangsu, Anhui, Heilongjiang, Jilin, Fujian, Zhejiang and Inner Mongolia, with 73 exclusive gas projects.

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

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