

Immediate Release

August 26, 2022



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 2022 Interim Results

Gas Business Steadily Improves With Rapid Development of Smart Energy Business

Results Highlights:

- The Group's turnover increased by 13.6% to HK\$6,614,982,000;
- Sales volume of integrated energy increased by 253.2% to 29 million kWh;
- Non-HKFRS profit attributable to owners of the Company amounted to HK\$574,985,000, representing an increase of 5.3% as compared with the corresponding period last year;
- Proposed interim dividend of HK3.00 cents.

(August 26, 2022, Hong Kong) The Board of Directors of Zhongyu Energy Holdings Limited (referred to as "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 30th June, 2022 (the "period under review").

The Group's turnover for the six months ended 30th June, 2022 increased by 13.6% to HK\$6,614,982,000. The Group's profit attributable to owners of the Company increased to HK\$213,982,000. The basic and diluted earnings per share attributable to the owners of the Company were HK7.55 cents and HK7.54 cents respectively. Non-HKFRS profit attributable to owners of the Company amounted to HK\$574,985,000, representing an increase of 5.3% as compared with the corresponding period last year. Non-HKFRS basic and diluted earnings per share attributable to the owners of the Company for the reporting period under review were HK20.29 cents and HK20.26 cents respectively.

Steady Growth in Gas Business, Sales of Gas to the Industrial Customers Increased by 37.7% Over the Corresponding Period Last Year

Sales of gas for the six months ended 30 June 2022 amounted to HK\$5,658,724,000 (2021: HK\$4,493,678,000), representing an increase of 25.9% over the corresponding period last year. During the period under review, the total sales volume of natural gas was 1385.3 million cubic metres (2021: 1423 million cubic metres), of which the sales volume of piped natural gas to retail customers was 1185.7 million cubic metres, representing an increase of 7.2% as compared with the corresponding period of last year. Sales of gas accounted for 85.5% of the Group's total revenue. Sales of gas continued to be the major source of turnover for the Group.

The sales of gas to the Group's industrial customers for the period under review increased by 37.7% to HK\$3,009,247,000 from HK\$2,184,876,000 for the corresponding period last year, contributed 53.2% of the total gas sales of the Group (2021: 48.60%) and continues to be the major source of retail gas sales of the Group; the sales of gas to our residential households for the period under review increased by 22.5% to HK\$1,370,814,000 from HK\$1,119,403,000 for the corresponding period last year, contributed 24.2% of the total retail gas sales of the Group (2021: 24.9%); the sales of gas to our commercial customers for the period under review increased by 12.8% to HK\$349,045,000 from HK\$309,550,000 for the corresponding period last year, contributed 6.2% of the total retail gas sales of the Group (2021: 6.9%); the sales of gas to our wholesale customers for the period under review increased by 5.7% to HK\$929,618,000 from HK\$879,849,000 for the corresponding period last year, contributed 16.4% of the total sales of gas of the Group (2021: 19.6%).

Development of New Users Remained Stable With Further Improvement In Penetration Rate of Pipeline Networks

During the period under review, the Group provided new gas connections to 206,395 residential customers. As at 30 June 2022, the cumulative number of connected piped gas residential customers was 4,563,719. With the continued expansion of coverage, the total length of the Group's existing hub and trunk pipelines increased by 3.1% to 26,706 km from 25,915 km in the same period last year.

As at 30th June, 2022, the Group's penetration rates of residential pipeline connection amounted to 70.3% (2021: 68.9%). In view of the favourable energy policies in the PRC, the Group added three new urban exclusive gas projects in Jiangxi Province, Jilin Province and Hebei Province in the first half of the year, further expanding its market coverage.

Develop New Markets for Value-Added Business to Build a Good Brand Image

The Group is actively engaged in the sale of high-quality gas appliances such as gas

cookers, gas wall-mounted stoves and gas water heaters under its own brand “Zhongyu Phoenix” (中裕鳳凰) and various value-added services to residential customers. Revenue from value-added services for the six months ended 30th June, 2022 amounted to HK\$140,519,000, representing a decrease of 31.1% over the corresponding period last year. It contributed 2.1% of the total turnover of the Group. With the growth of the number of connected residential customers and the formation of the brand effect in recent years, the establishment of the online shopping platform “Zhongyu iFamille” (中裕 i 家) has opened a new chapter in the rapid implementation of the reform and innovation of the business model of Zhongyu Energy Group. As a customer-centered independent operation platform system, it starts from focusing on the conversion of existing gas customers, and continues to increase customer traffic through design, promotion, planning and marketing, thus achieving the effect of increasing value-added business value and profit.

Active Exploration of Smart Energy Business and Significant Growth in Revenue

Revenue from smart energy for the six months ended 30th June, 2022 amounted to HK\$18,464,000 (2021: HK\$13,024,000), representing an increase of 41.8% over the corresponding period last year. A total of 76 integrated energy projects were put into operation, an increase of 230.4% year-on-year. The Group will continuously explore the operation model of energy business, and promote the expansion of energy projects to meet the diversified energy demand of customers.

Prospects

In view of various macro environment uncertainties, the Group has been determined to forge ahead toward goals, seeing stable performance in both gas business and smart energy business in the first half of the year and a “two-wheel driving coordinated development” pattern taking initial shape, which has laid a solid foundation for the achievement of the annual business goals.

As the core business of the Group, the town gas business remained robust in operations and development, with safe and stable production performance in the first half of the year. In the second half of the year, the Group will continue to take stable growth and safe supply as the top priority of its operations and to achieve production safety and operation efficiency. The Group will make further efforts to seek breakthroughs in gas supply assurance, price management, market development, engineering construction, etc., and start to examine the gas demand of winter at an earlier time to ensure sufficient resources and reserves and win development opportunities under the new situation.

In the area of smart energy, the Group will continue to develop concentrated cogeneration, decentralized energy, energy storage, microgrid, hydrogen energy, EPC

and EMC for integrated energy projects, and other concentric and diversified energy integrated services. The Group will focus on high-quality energy-using enterprises through the construction of demonstration projects to accumulate experience and quickly seize points by using photovoltaic, energy-saving and low-carbon renovation, and energy trust business as entry points. In the industrial parks, we use the multi-energy complementary energy network of steam, gas and electricity to form a local energy network, and through the space of different resources within the network, we can satisfy the green and low-carbon development of the parks and maximize the economic benefits through multi-energy complementary and intelligent dispatch.

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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 the sales of stoves and provision of other related services, contributed 85.5%, 10.3% and 2.1% of the Group’s turnover in the first half of 2022, respectively. As of June 30, 2022, the Group’s city gas pipeline business covered 11 provinces, namely Henan, Shandong, Hebei, Jiangsu, Anhui, Heilongjiang, Jilin, Fujian, Zhejiang, Inner Mongolia and Jiangxi with 74 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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