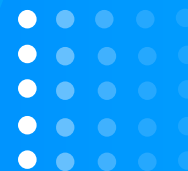




# ZHONGYU ENERGY HOLDINGS LIMITED 2025 Interim Results

September 2025



# ***AGENDA***

**01**

***Results  
Highlights***

**02**

***Financial  
Overview***

**03**

***Future  
Prospects***

**04**

***Appendix***

# 01 | Results Highlights



# // Results Highlights | Core Profit Grows Against Market Headwinds, Precision Management Fuels Resilience

## Continuous Optimization of Urban Gas Customer Structure, Stable Operation of Smart Energy Business

Profit attributable to owners  
of the Company

HK\$250 million

+2.7% yoy

Basic earnings per share

HK 8.9 cents

+3.7% yoy

Finance costs

Cost saving of HK\$  
70 million

-24.8% yoy

Number of new piped gas  
connections made for industrial  
and commercial customers

1,757 households

+30.6% yoy

Accumulated number of  
integrated energy projects

262

+21.3% yoy

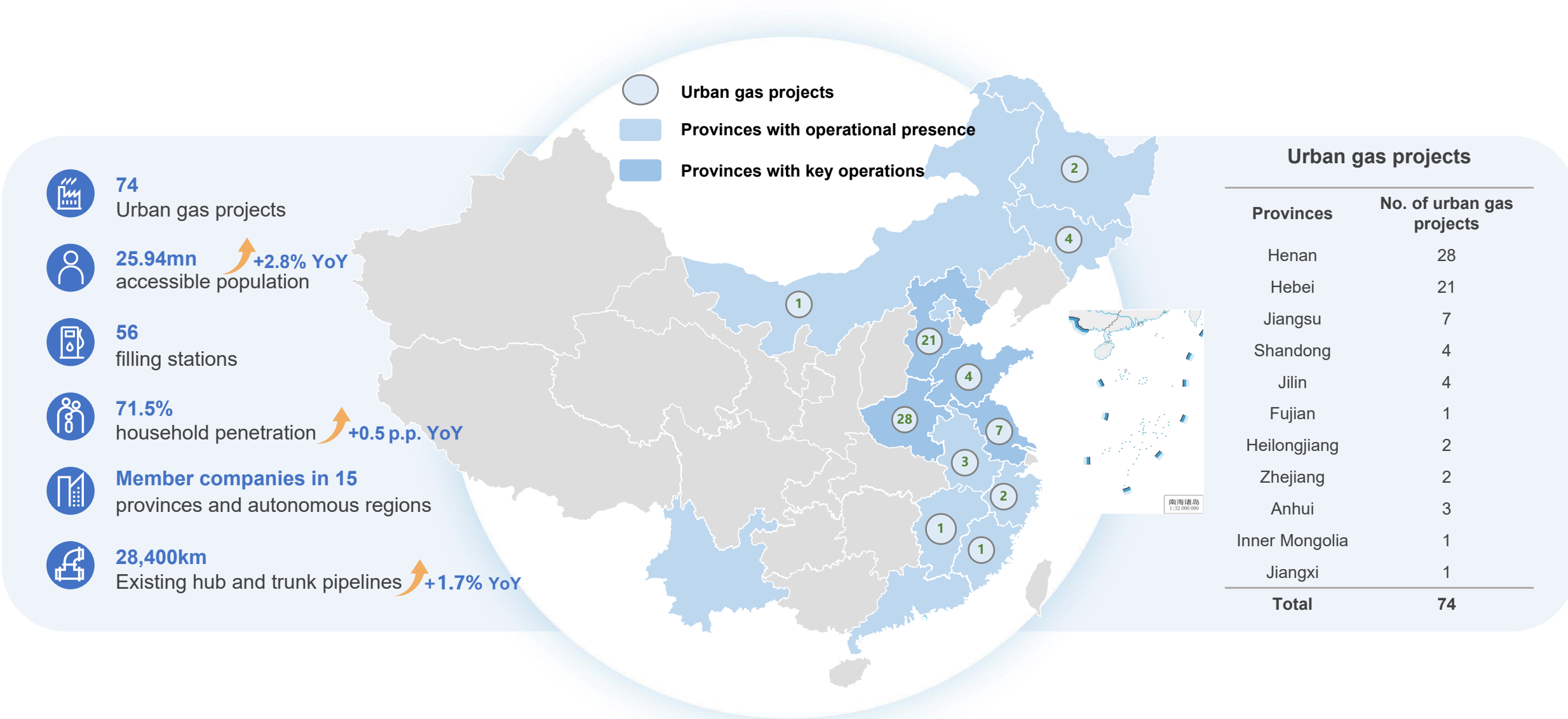
Gross profit margin of  
Smart Energy business

14.4%

+4.2 p.p. yoy



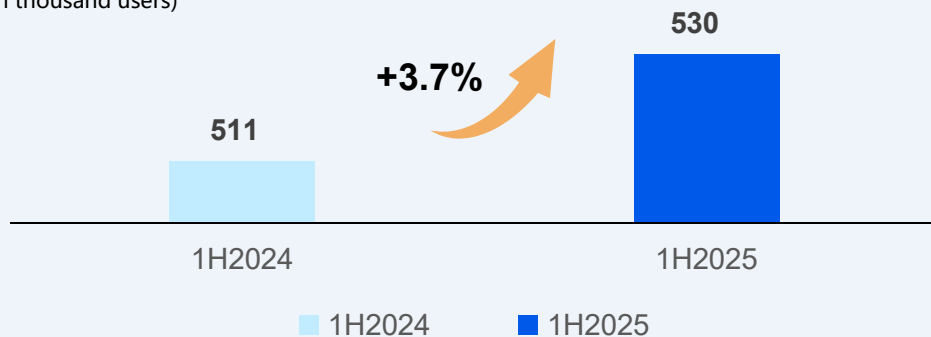
# Urban Gas | Project Distribution Focuses on Populous, Economically and Industrially Strong Provinces



# Urban Gas | Steady Growth in Customer Base with Outstanding Performance in New Industrial and Commercial Pipeline Gas Connections

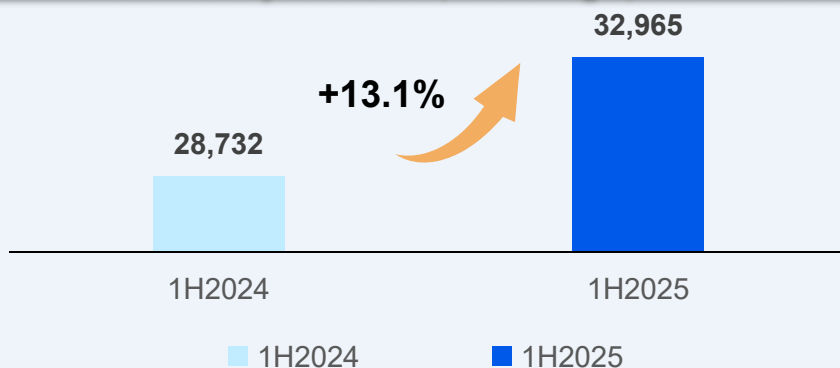
**Cumulative Residential User Base +3.7% YoY  
New Access Users Reached 105,560 in 1H 2025**

(ten thousand users)



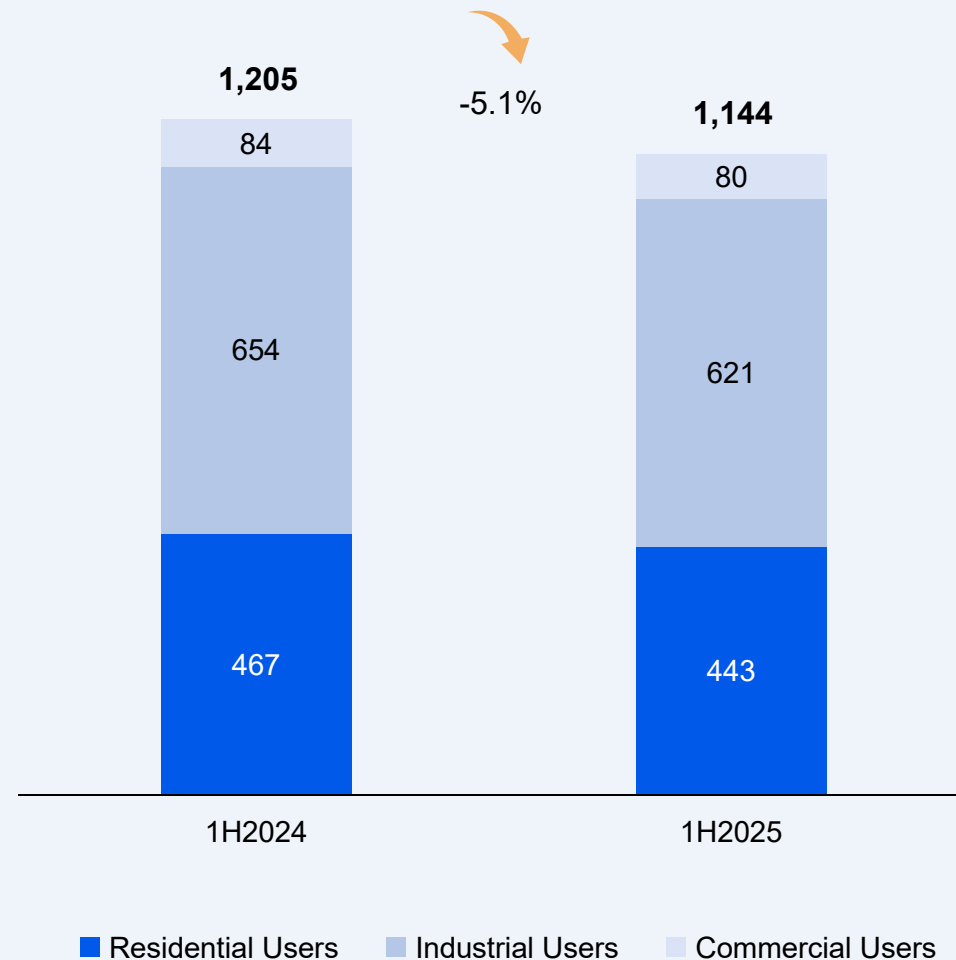
**Actively Optimised Customer Structure, Industrial and Commercial Users Increased by 13.1% YoY; New Access Users Increased by 30.6% YoY, Reaching 1,757 in 1H 2025**

(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	1H 2025 (Sales Price)	1H 2024 (Sales Price)
Residential users	2.65	2.66
Industrial users	3.53	3.62
Commercial users	3.89	3.96
<b>Comprehensive gross margin (excluding wholesale)</b>	<b>0.55</b>	<b>0.52</b>

(RMB/cubic meter, excluding tax)

## 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

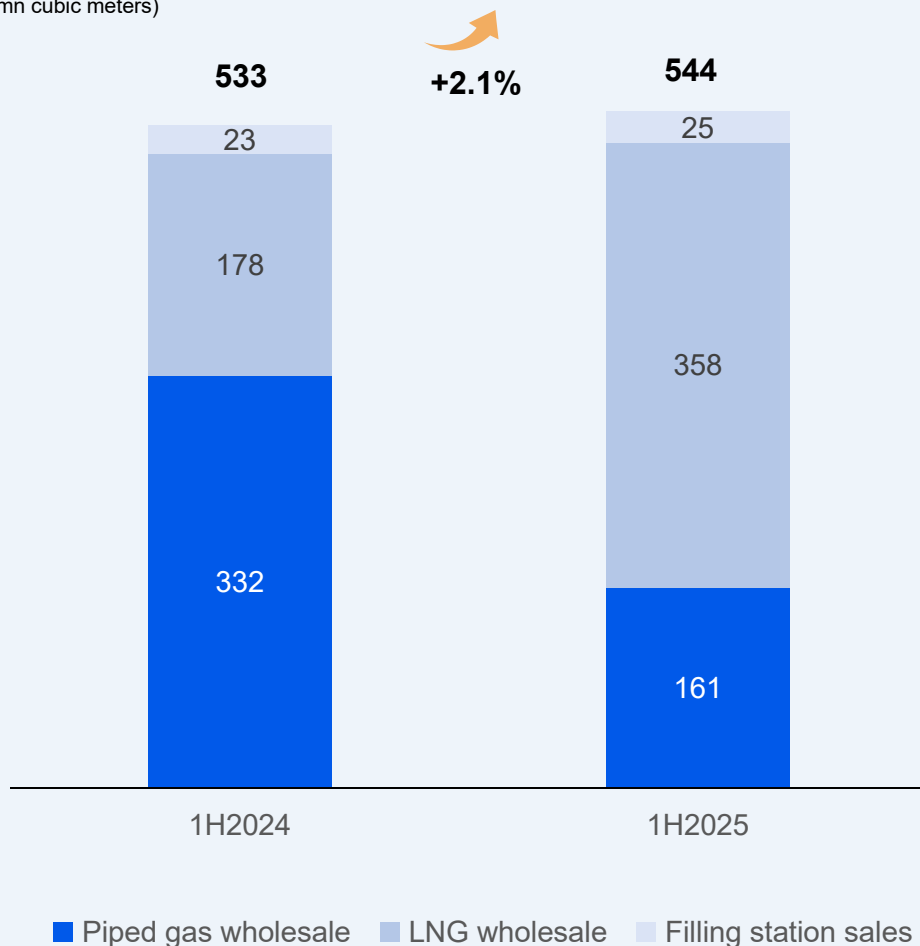
## Sales-end

- ✓ **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 | Astute Market Foresight to Solidify the Group's Gas Supply Fundamentals

## 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
- ✓ In the first half of 2025, the Group successfully completed its inaugural **international LNG trade**, establishing new global sourcing channels and significantly enhancing its resilience against energy market volatility

## 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 | Architect a New Paradigm of Sustainable Growth, Driven by the Dual Engines of Brand and Market

## Proprietary Kitchen Appliance Brand + New Retail Platform



- 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
- 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

## External Sub-brands



- Expanding the gas appliance market beyond franchise areas, sub-brand **OUGA**, **OUSHUO** has fully launched, with a product portfolio comprising **37** models across **5** distinct categories
- During 1H 2025, the Group continued to expand its distribution channels by securing agreements with 4 new third-party city gas partners. Concurrently, it has forged strategic relationships with an additional 11 gas utilities and 43 distributors

## Gas Pipeline Beautification Business



- In 1H 2025, the Group officially launched its new "**gas pipeline beautification**" business. By establishing partnerships with a range of selected suppliers, this service is designed to provide new gas customers with a more visually appealing, convenient, and safer in-home gas environment. Concurrently, the initiative targets our existing customer base by offering comprehensive renovation solutions to upgrade and modernise aging kitchen infrastructure
- Expanded concealed works projects in water, electricity, gas, and heating, and launched a 450-square-meter **flagship experience store** in Yongcheng, laying the foundation for the Group's exploration into the home renovation sector

## 2025年上半年

- ✓ Value-added services achieved a revenue of **HK\$150 million**
- ✓ Recorded a gross profit of **HK\$130 million**
- ✓ with a gross profit margin of **88.2%**, up **8 percentage points** yoy
- ✓ Since 2017, the cumulative sales volume has exceeded **HK\$3 billion**



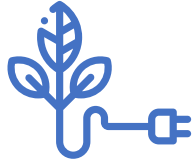
Zhongyu Aijia Experience Store

# // Spearheading a Biomass-Led Transition to Multi-Energy Coupling to Drive Synergistic Integrated Energy Development

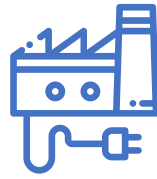
## ● 6 Categories of Innovative Businesses



Distributed  
Photovoltaics



Biomass Energy



Electricity Sales  
Business



Hydrogen Energy  
Utilisation



Motor Energy  
Efficiency



Distributed Energy  
Storage

### Operational Performance

#### As of 30 June 2025

- ✓ The Group's smart energy business has expanded its operational footprint to span **8 provinces** nationwide
- ✓ The portfolio now comprises **262** integrated energy projects in full commercial operation
- ✓ Integrated energy sales reached **818 million kWh** in 1H 2025
- ✓ The Group has secured **10** biomass-related invention patents and more than **100** utility model patents

# // Smart Energy | Positioning Biomass at the Core to Accelerate the Realisation of a Zero-Carbon Coupling Strategy

Leveraging its core strengths, market trends, and policy developments, the Group is capitalising 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.



**Biomass Steam Generation for a Modern Building Materials Manufacturer in Xinxiang City**  
Annual Steam Requirement: **59,000 Tons**



**Biomass Energy Solution for a Tire Manufacturer in Lianyungang City**  
Annual Steam Requirement: **76,000 Tons**



# 02 | Financial Overview







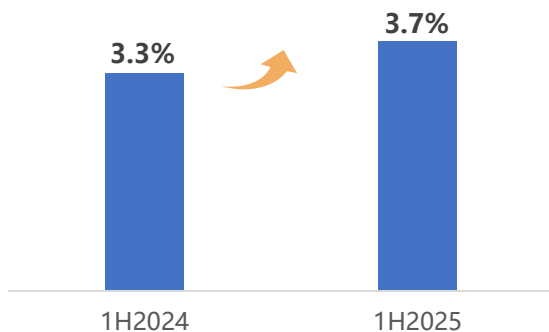
## Financial Overview | Refined Management Boosts the Group's Cost-Efficiency

mn HK\$	2025/06/30	2024/06/30	Change
Turnover	6,575.5	7,255.1	(9.4%)
Profit before Tax	400.6	410.2	(2.3%)
Profit for the Period	248.2	262.8	(5.6%)
Profit Attributable to Owners	245.5	239.1	2.7%
Earnings per Share (HK cents)	8.9	8.6	3.7%

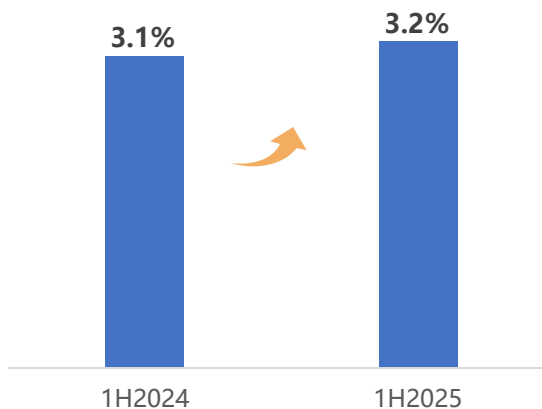
mn HK\$	2025/06/30	2024/12/31	Change
Total Assets	26,377.9	26,222.6	0.6%
Short-term Borrowings	8,099.0	5,977.5	35.5%
Long-term Borrowings	5,181.4	6,922.2	(25.1%)
Total Equity	8,611.1	8,381.0	2.7%
Debt Ratio (%)	67.4	68.0	(0.6%)



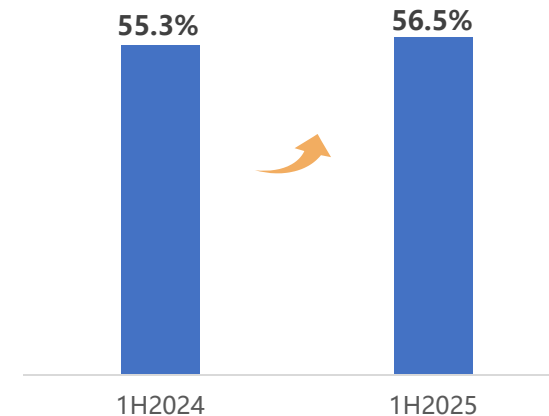
**Net Profit Margin  
Attributable to  
Shareholders**



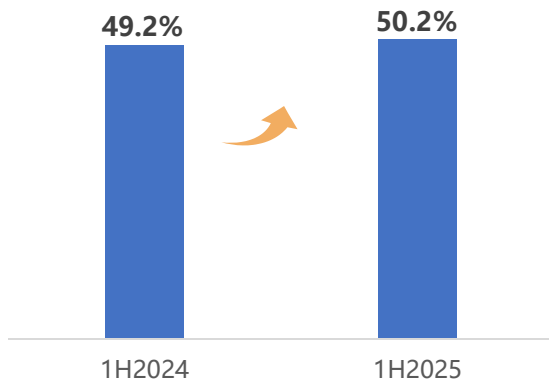
**ROE**



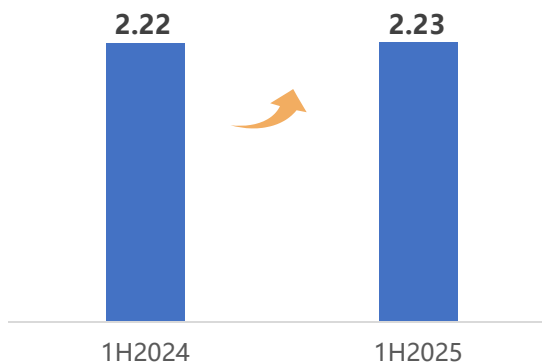
**Current Ratio**



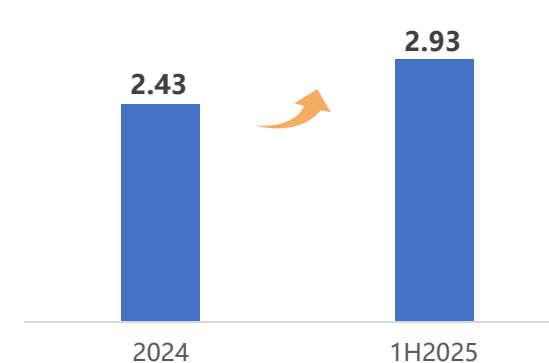
**Quick Ratio**



**EBITDA Interest  
Coverage Ratio (LTM)**  
(x)



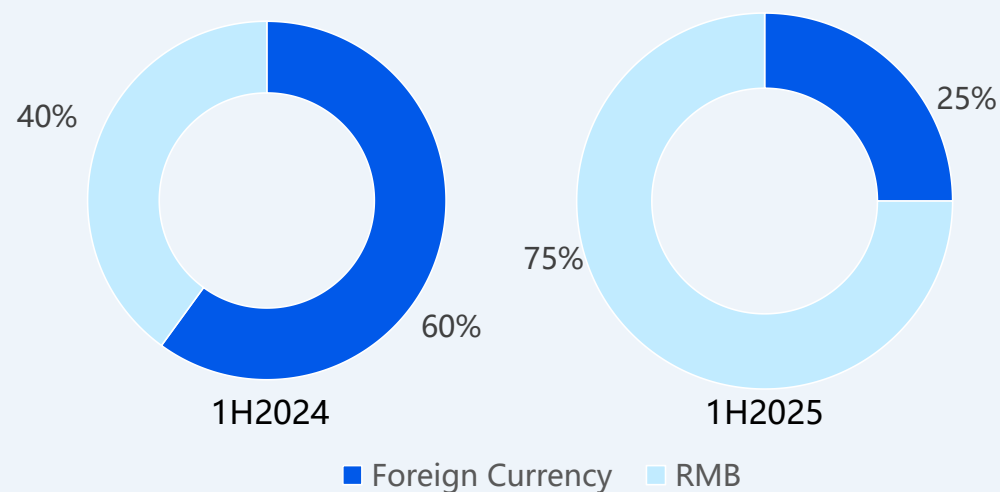
**EBITDA Interest  
Coverage Ratio**  
(x)



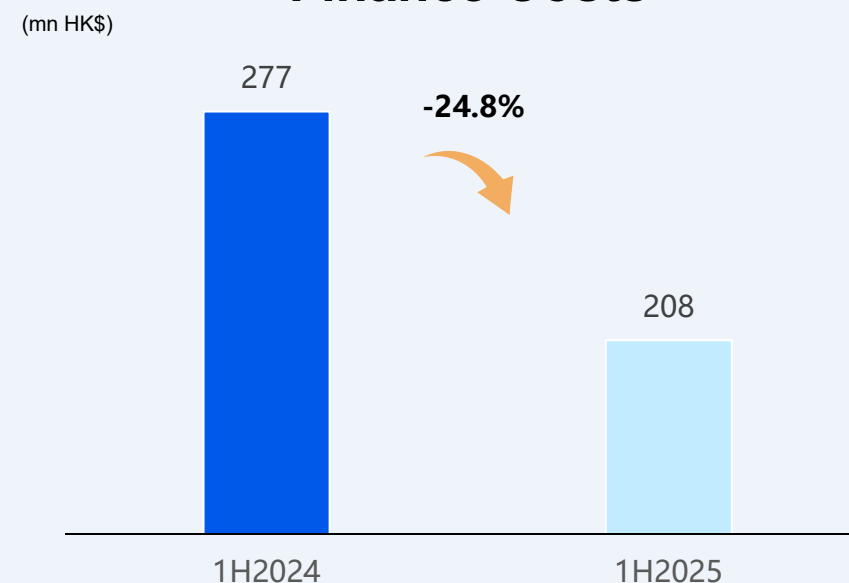
# Financial Management | Continuous Optimisation of Debt Management & Gradual Reduction in Financing Costs

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. As of 1H 2025, the Group's foreign borrowings accounted for 25% of total borrowings, representing a persistent decrease of 35 percentage points compared to the corresponding period in 2024, continuing to lower financing costs.

## Domestic/Foreign Borrowings Ratio



## Finance Costs

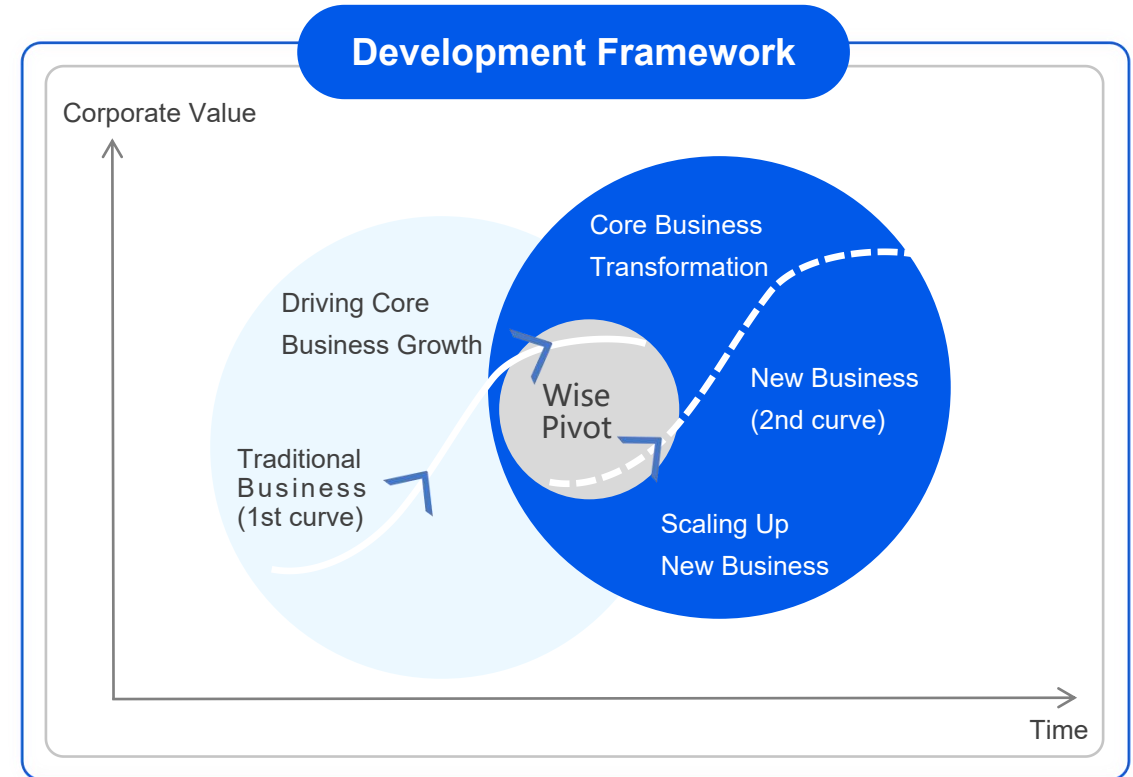
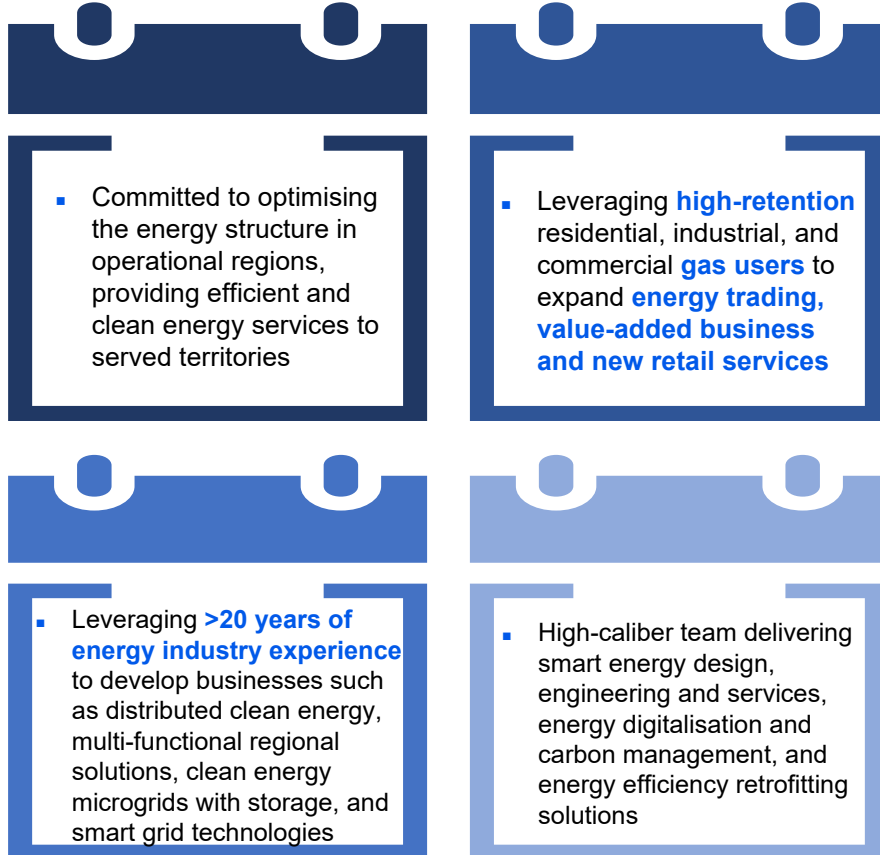


# 03 | Future Prospects





# Future Prospects | Dual-Wheel Drive Strategy and Supply Chain Restructuring in Parallel, Forging New Drivers for High-Quality Growth



# // Future Prospects | 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

## Energy Trading

- Continuously **optimise 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 pipeline beautification services, insurance businesses, 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

# // Future Prospects | Implement New Transformation Strategy to Create a Second Growth Engine

## 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**: Seize the market window of opportunity in biomass business by fully utilising 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

## 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

## Vertical Integration

- Leveraging industry chain integration and extension, the Group seeks to explore biomass gasification equipment R&D, manufacturing, sales, construction, delivery, and service, enriching **biomass zero-carbon coupling businesses** and innovative commercial models.

# 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

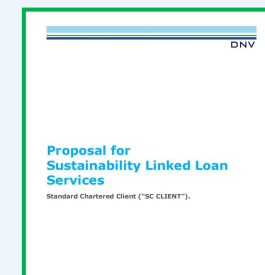
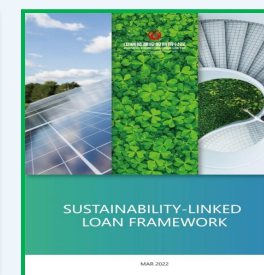
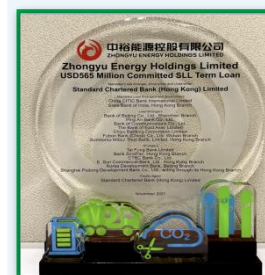


## Green Finance and Certifications

USD565 million  
Committed SLL  
Term Loan

SLL Framework

SPO of SLL  
Framework by DNV



USD400 Million  
Equivalent Term  
Loan Facilities with  
Green Tranche

Green Finance  
Framework

SPO of Green Finance  
Framework by  
HKQAA





## Achieve Zero Production Safety Incidents of General Severity or Higher in 1H 2025

- Optimise 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, organise 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 **prioritising**, 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.
- Explore the deep integration of **business scenarios** with **Artificial Intelligence (AI)**. By deploying cutting-edge digital and intelligent technologies across energy supply, transportation, and sales, the Group aims to achieve intelligent optimization and allocation of energy resources.



Inspection and maintenance of natural gas gate stations



Electrical Control Equipment Commissioning



Smart Gas Monitoring Platform



Smart Energy Monitoring Platform

# 04 | Appendix







# China's Natural Gas Consumption Continues to Exhibit Mid-to-High Growth Trajectory



# Expediting Natural Gas Expansion, Enhancing New Energy Integration, Advancing Institutional Reform



## Natural Gas Demand Maintained Robust Upward Trajectory throughout 1H 2025

### Domestic

Domestic natural gas production  
132.47 bn cubic meters

**+5.7% YoY**

### Import

Natural gas import 82.38 bn  
cubic meters

**-8.5% YoY**

International natural gas supply-demand eased, prompting a  
profound adjustment in import structures

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

Natural gas consumption in 2H 2025 is anticipated to outpace 1H,  
with demand expanding by 12.3 – 14.2 billion cubic meters;  
domestic supply and pipeline imports to anchor growth, ensuring a  
relatively balanced and ample supply landscape

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

### Forging Zero-Carbon Parks to Propel a Comprehensive Green Transformation of the Economy and Society

- In July 2025, the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the National Energy Administration jointly promulgated the “Notice on Advancing Zero-Carbon Park Development”. The directive empowers qualified regions to spearhead the establishment of benchmark zero-carbon parks, while progressively enhancing planning, technological infrastructure, business innovation, and governance standards. Through a phased transformation strategy, it aims to accelerate low- and zero-carbon upgrades across diverse parks, enabling enterprises to achieve both decarbonization and efficiency gains.

### Renewable Energy Policies and Management

- In July 2025, the General Department of the National Energy Administration issued the “Notice on the 2025 Renewable Energy Consumption Responsibility Weights and Related Provisions”.
- 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.

### Advancing Orderly Growth of Direct Green Power Integration

- In May 2025, the National Development and Reform Commission together with the National Energy Administration promulgated the “Notice on the Orderly Advancement of Green Power Direct Supply”, setting forth the model’s scope, governance framework, transaction mechanisms, and pricing structure – establishing a solid foundation for its structured and sustainable growth.

### Energy Structure Optimisation 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

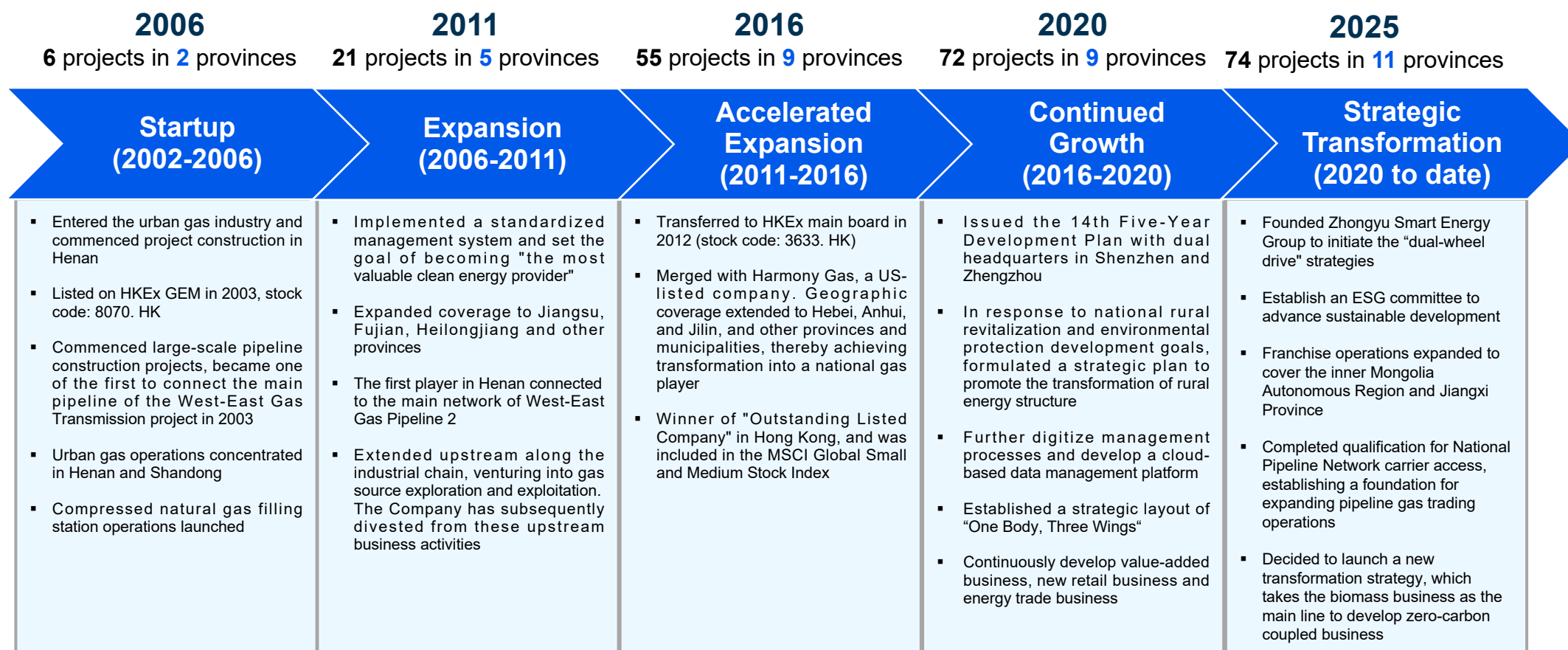
- In August 2025, the General Department of the National Energy Administration unveiled the Notice on the fifth batch of major technological equipment in the energy sector.
- In early 2025, the National Energy Administration announced pilot projects for new energy storage and the fourth batch of major 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.

# // Group Development Milestones

- 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.

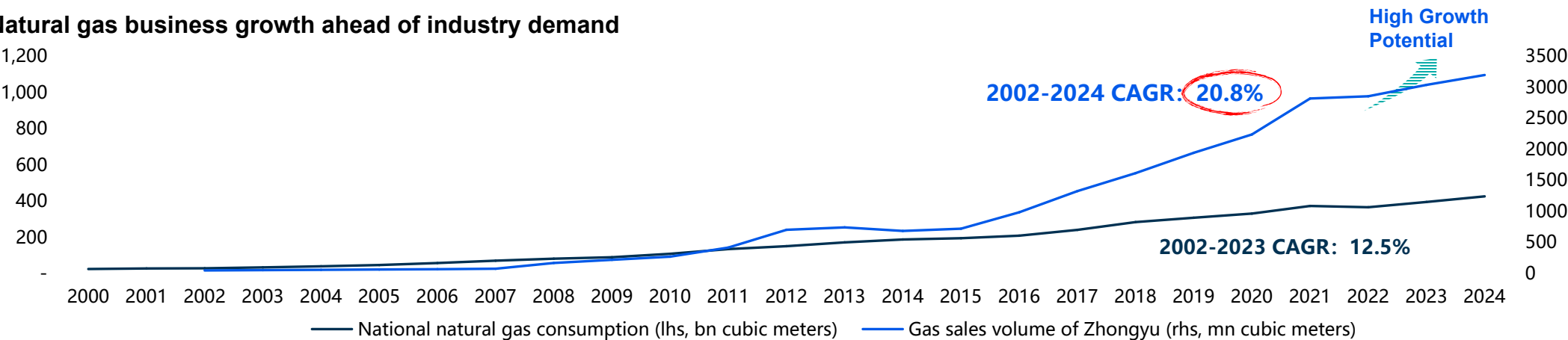
						
	Zhongyu Energy	China Gas	Kunlun Gas	Tianlun Gas	ENN	CR Gas
Henan	2002	2010	2011	2010	2002	2010
Shan dong	2002	2007	2010	2012	1993	2009

### 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, urbanisation 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





# 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.

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