TL Natural Gas Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8536)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of TL Natural Gas Holdings Limited (the "**Company**" and its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025. This announcement, containing the full text of the 2025 annual report of the Company ("**2025 Annual Report**"), complies with the relevant requirements of The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**") in relation to information to accompany preliminary announcement of annual results. Printed version of the 2025 Annual Report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.tl-cng.com in due course.

By Order of the Board
TL Natural Gas Holdings Limited
LIU Yong Cheng
Executive Director, Chairman and Chief Executive Officer

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises Mr. LIU Yong Cheng, Mr. LIU Yong Qiang and Mr. LIU Yong Sheng as executive Directors; and Ms. LUO Hongru, Ms. ZENG Li and Mr. YEUNG Chun Yue David as independent non-executive Directors.

*This announcement, for which the directors (the "**Directors**") of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company's website at www.tl-cng.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of TL Natural Gas Holdings Limited (the "Company", and together with its subsidiaries, the "Group", "we" or "our") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

Unless otherwise stated, all monetary figures are expressed in Renminbi ("RMB").

In the context of this report, compressed natural gas ("CNG") refers to natural gas that has been compressed to a high density through high pressure and is used as a clean alternative fuel for vehicles. Liquefied natural gas ("LNG") refers to natural gas that has been converted to liquid form.

This report will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of seven days from the date of publication and on the website of the Company at www.tl-cng.com.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Liu Yong Cheng *(Chairman and Chief Executive Officer)*
Mr. Liu Yong Qiang
Mr. Liu Yong Sheng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Luo Hongru
Ms. Zeng Li
Mr. Yeung Chun Yue David

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Yeung Chun Yue David *(Chairman)*
Ms. Luo Hongru
Ms. Zeng Li

REMUNERATION COMMITTEE

Ms. Luo Hongru *(Chairman)*
Mr. Liu Yong Cheng
Ms. Zeng Li

NOMINATION COMMITTEE

Mr. Liu Yong Cheng *(Chairman)*
Ms. Luo Hongru
Ms. Zeng Li

AUTHORISED REPRESENTATIVES

Mr. Liu Yong Cheng
Mr. Tam Chun Wai Edwin

JOINT COMPANY SECRETARIES

Mr. Zhao Yonghe
Mr. Tam Chun Wai Edwin

COMPLIANCE OFFICER

Mr. Liu Yong Cheng

LEGAL ADVISERS AS TO HONG KONG LAWS

Fangda Partners

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

Agricultural Bank of China
Industrial and Commercial Bank of China
Hubei Bank
Hang Seng Bank
DBS

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Osiris International Cayman Limited
Suite #4-210, Governors Square
23 Lime Tree Bay Avenue, PO Box 32311
Grand Cayman KY1-1209, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

Jingzhou Primary Station
Dong Fang Road, Economic Development Zone
Jingzhou City, Hubei Province
the PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Osiris International Cayman Limited
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.tl-cng.com

STOCK CODE

8536

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board") of the Company, I am pleased to present the annual report of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2025 (the "Year").

BUSINESS REVIEW AND FINANCIAL PERFORMANCE

The Group recorded revenue of RMB86.6 million for the Year, decreased by approximately RMB9.7 million or 10.1% as compared with 2024. The decrease was primarily attributable to the decrease in sales of CNG, which decreased to RMB38.4 million for the Year (2024: RMB45.1 million), mainly driven by the decreasing demand of CNG for the industrial users. In addition, sales of LNG also decreased to RMB48.4 million for the Year (2024: RMB51.3 million), as a result of decrease in average selling price, while the demand remained stable. On the contrary, the administrative expenses from continuing operations of the Group decreased by 10.1% from RMB13.9 million (restated) in 2024 to RMB12.5 million for the Year. Accordingly, the Group's net loss for the Year decreased by 22.2% from RMB9.9 million in 2024 to RMB7.7 million for the Year.

FUTURE PROSPECTS

The Group is committed to delivering safe, reliable clean energy and excellent customer services while ensuring sustainable performance for shareholders, professional growth for employees, and environmental protection in the PRC. With the China's energy transition from coal to cleaner sources, the Group expects favourable policies to boost natural gas demand and with this strategy, the Board are of the view that electricity charging sectors are highly promising under national clean energy and low-carbon transport policies. Through the new joint ventures project commenced by end of 2025, the Group will leverage technical expertise to provide charging station services, a natural extension of its core natural gas business that supports global decarbonisation goals while maintaining its primary focus on compressed and liquefied natural gas. The Board is of the view that the electricity charging sector has promising growth prospects under the national policies promoting clean energy and low carbon transport. Participation in the new energy and charging infrastructure market through the new joint venture will enable the Group to leverage the technical expertise and business resources of the joint ventures partners. The provision of operation and management services for charging stations is complementary to the Group's existing natural gas business and consistent with its long-term strategy of focusing on the clean energy sector. While the Group's principal business remains the sales and transmission of compressed natural gas and liquefied natural gas in the PRC, its participation in the hydrogen-electric and charging infrastructure industry represents a natural extension of its energy portfolio in line with the global move towards decarbonisation. The Group will continue actively considering and exploring various business opportunities according to the market conditions with an aim to diversify the income sources and to enhance the shareholders' value.

APPRECIATION

I would like to take this opportunity to express my gratitude to my fellow directors for their guidance, to all staff for their dedication and hard work, and to all our shareholders and customers for their continued support.

LIU Yong Cheng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 25 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's principal place of business is in Jingzhou, Hubei Province, the PRC. During the Year, the Group was involved in the sales of CNG and LNG.

Sales of LNG and CNG

The Group mainly supplies LNG and CNG, and derives revenue mainly from the distribution of (i) LNG to wholesale customers; (ii) CNG to retail customers which are mostly vehicular end-users; and (iii) CNG to wholesale customers which are urban gas companies, gas refuelling station operators and industrial users. The principal product offering is LNG and CNG and the Group purchases natural gas from PetroChina Company Limited ("PetroChina").

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately RMB9.7 million or 10.1% from approximately RMB96.3 million for the year ended 31 December 2024 to approximately RMB86.6 million for the Year. The following table sets forth the revenue by nature for the years indicated:

	Year ended 31 December			
	2025		2024	
	RMB'000 (audited)	**%**	RMB'000 (audited)	%
Sales of CNG				
Retail operation	**13,776**	**15.9**	12,465	13.0
Wholesale business	**24,635**	**28.4**	32,675	33.9
	38,411	**44.3**	45,140	46.9
Sales of LNG	**48,391**	**55.9**	51,342	53.3
Taxes and surcharges	**(208)**	**(0.2)**	(198)	(0.2)
Total revenue	**86,594**	**100.0**	96,284	100.0

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW *(cont'd)*

Revenue

Majority of the Group's CNG retail customers comprised drivers of taxis and private vehicles. As at 31 December 2025, the Group operated three refuelling stations in Jingzhou, Hubei Province, namely Dongfang Road station, Nanhuan Road station and Shahong Road station. Revenue from retail operation, which accounted for 15.9% (2024: 13.0%) of total revenue, increased by approximately RMB1.3 million or 10.4% from approximately RMB12.5 million for the year ended 31 December 2024 to approximately RMB13.8 million for the Year, which is primarily due to an increase in the sales volume of CNG at the Group's gas refuelling stations to drivers of taxis and private vehicles.

The Group's CNG wholesale customers primarily comprise urban gas companies, gas refuelling station operators and industrial users. Revenue from wholesale business, which accounted for 28.4% (2024: 33.9%) of total revenue, decreased by approximately RMB8.1 million or 24.8% from approximately RMB32.7 million for the year ended 31 December 2024 to approximately RMB24.6 million for the Year, primarily due to decrease in sales volume of CNG.

During the Year, more than half of the Group's revenue was derived from sales of LNG, which decreased by approximately RMB2.9 million or 5.7% from approximately RMB51.3 million for the year ended 31 December 2024 to approximately RMB48.4 million for the Year, as a result of a slight decrease in the average selling price. The sales of LNG accounted for 55.9% of the Group's total revenue for the Year (2024: 53.3%).

Cost of sales

Cost of sales mainly consists of the cost of CNG and LNG inventories sold, staff costs and utility expenses for the gas refuelling stations and certain fixed costs, such as depreciation of property, plant and equipment and depreciation of right-of-use assets. The purchase price for natural gas of the Group is determined based on a combination of certain factors including the benchmark gateway station prices set by the National Development and Reform Commission of the PRC and the procurement cost from PetroChina.

During the Year, cost of sales of the Group amounted to approximately RMB79.5 million, representing a decrease of approximately RMB8.7 million or 9.9% as compared to approximately RMB88.2 million for the year ended 31 December 2024, which was primarily due to the decrease in cost of inventories sold by approximately RMB8.4 million or 10.1% from approximately RMB82.9 million for the year ended 31 December 2024 to approximately RMB74.5 million for the Year, as a result of the significant decrease in the sales volume of CNG.

Gross profit

Gross profit decreased by approximately RMB1.0 million from approximately RMB8.1 million for the year ended 31 December 2024 to approximately RMB7.1 million for the Year. Gross profit margin decreased by 0.2% from 8.4% for the year ended 31 December 2024 to 8.2% for the Year, mainly attributable to lower profit margin for the sales of LNG.

Other income, gains and other losses

Other income, gains and other losses represented a gain of approximately RMB197,000 for the Year (2024: approximately RMB327,000), which mainly comprised bank interest income of approximately RMB136,000 for the Year (2024: approximately RMB247,000) and sundry income of approximately RMB61,000 for the Year (2024: approximately RMB79,000).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW *(cont'd)*

Impairment loss/Reversal of impairment losses on financial assets, net

Balance represented loss allowance for impairment of approximately RMB331,000 on the Group's financial assets for the Year, compared to a reversal of loss allowance of approximately RMB106,000 for the year ended 31 December 2024. During the Year, a loss allowance was recorded against the financial assets included in deposits and other receivables based on the fair value assessment by the management.

Impairment losses on property, plant and equipment and right-of-use assets

During the Year, the management performed impairment assessment on property, plant and equipment and right-of-use assets and concluded that the recoverable amount is lower than the carrying amount. As a result, impairment loss on property, plant and equipment of approximately RMB759,000 (2024: RMB1,115,000) and impairment loss on right-of-use assets of approximately RMB241,000 (2024: RMB108,000) were recorded for the Year.

Selling and distribution expenses

Selling and distribution expenses, which mainly represent staff costs and other office expenses incurred in our operation department, remained stable at approximately RMB1.1 million for the Year (2024: RMB1.1 million).

Administrative expenses

Administrative expenses from continuing operations, which mainly represent employee benefit expenses and legal and professional fees, decreased by approximately RMB1.4 million or 10.1% from approximately RMB13.9 million (restated) for the year ended 31 December 2024 to approximately RMB12.5 million for the Year, which was mainly attributable to the decrease in staff costs due to the departure of a management for the potential projects of the Group around the end of 2024.

Finance costs

Finance costs represented interest on lease liabilities.

Taxation

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdiction in which members of the Group domicile or operate.

Income tax credit amounted to approximately RMB236,000 for the Year, compared to the income tax expense of approximately RMB510,000 million for the year ended 31 December 2024. The income tax expense represents deferred tax due to the temporary differences arising from the impairment allowance on the trade receivables, accelerated accounting depreciation and lease liabilities.

Loss for the year

For the continuing and discontinuous operations, loss attributable to the owners of the Company for the Year was approximately RMB7.7 million, decreased by RMB2.0 million or 20.6% as compared to approximately RMB9.7 million for the year ended 31 December 2024. Such decrease was mainly attributable to the decrease in administrative expenses of approximately RMB3.0 million, from approximately RMB15.5 million for the year ended 31 December 2024 to approximately RMB12.5 million for the Year, partially offset by the decrease in gross profit of approximately RMB1.0, from approximately RMB8.1 million for the year ended 31 December 2024 to approximately RMB7.1 million for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PROSPECTS

Looking ahead to 2026, the global economic landscape is expected to remain complex and challenging. Although global inflation rates and interest rates are predicted to drop moderately, the lingering effects of geopolitical tensions and the ongoing adjustment in the Chinese property market may continue to exert pressure on the broader economy, potentially extending financial difficulties and resulting in growth setbacks. Consequently, the overall investment and economic environment is likely to remain highly uncertain.

Looking forward, the Group is optimistic about the growth of consumption of natural gas along with China improving its energy consumption structure by shifting from coal to cleaner energy such as natural gas and other renewable energy. In recent years, the PRC government has issued a series of policies to support further development and utilisation of natural gas and natural gas vehicles. Besides, the PRC government is making every effort to prevent and control pollution and to promote clean production in enterprises. Concurrently, the PRC government has also introduced supportive policies to accelerate the development of the electricity charging sector, particularly under the national framework promoting clean energy and low-carbon transport, which has created significant opportunities for the adoption of new energy vehicles and the expansion of supporting charging infrastructure. The Group expects that these policies would stimulate the natural gas industry and the electricity charging sector, and would foster development of other related products. While the Group's principal business remains the sales and transmission of compressed natural gas and liquefied natural gas in the PRC, its participation in the hydrogen-electric and charging infrastructure industry represents a natural extension of its energy portfolio in line with the global move towards decarbonisation. The Group will endeavour to seize the growth potential resulting from such policies and industry trends.

The Group will take appropriate measures as necessary to minimise the risks exposed and will act prudently in considering any new investment opportunities, and will in the meantime explore additional ways to increase shareholder value. The Group has been actively exploring new business opportunities in order to diversity its income source, and eventually to maximise the return to the shareholders of the Company. To enhance the commitment to providing a safe and reliable supply of clean energy while actively contributing to environmental protection and improvement in PRC, the Group is dedicated to exploring new investment opportunities in renewable and sustainable energy.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The total equity of the Group as at 31 December 2025 was approximately RMB50.6 million (31 December 2024: RMB53.3 million). The Group's cash and cash equivalents as at 31 December 2025 was approximately RMB31.0 million (31 December 2024: RMB29.4 million). Our working capital represented by net current assets was approximately RMB34.6 million (31 December 2024: RMB33.9 million) and our current ratio was 4.8.

Gearing ratio represents bank and other borrowings (excluding convertible bonds) as a percentage of equity attributable to equity holders of the Company. As at 31 December 2025, gearing ratio is not applicable since the Group did not have any interest-bearing bank borrowings.

ADVANCE PAYMENTS FOR NON-CURRENT ASSETS

Balance mainly represented advance payments for certain plant and machinery for the Group's sales of natural gas segment.

The Group's advance payments for non-current assets as at 31 December 2025 amounted to RMB1.6 million (2024: RMB2.7 million).

PREPAYMENTS AND OTHER RECEIVABLES

The Group's prepayments and other receivables as at 31 December 2024 and 2025 amounted to RMB10.9 million and RMB10.9 million, respectively. As at 31 December 2025, the balance mainly represented amounts due from directors of approximately RMB2.4 million (2024: approximately RMB2.5 million), deposits with suppliers and advance to third parties of approximately RMB5.3 million (2024: RMB4.9 million) and prepaid expenses of approximately RMB3.2 million (2024: RMB3.5 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL RATIOS

The Group generally did not maintain inventory except for natural gas which remained in the pipelines as at 31 December 2024 and 2025.

Trade receivables turnover days of the Group during the Year decreased to approximately 7.6 days (31 December 2024: 9.1 days), which was attributable to the shorter period for collecting payments. Trade receivables as at 31 December 2025 remained stable at approximately RMB1.8 million (31 December 2024: RMB1.8 million).

CHARGE OF ASSETS

As at 31 December 2025, the Group had no charge of assets (31 December 2024: Nil).

FOREIGN CURRENCY RISK

The Group carries out its business in China and most of its transactions are denominated in RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the years ended 31 December 2024 and 2025.

INTEREST RATE RISK

The Group has no significant interest rate risk. The Group currently does not have any specific policies in place to manage interest rate risk and has not entered into any interest rate swap transactions to mitigate interest rate risk but will closely monitor related risk in the future.

INFORMATION ON EMPLOYEES

As at 31 December 2025, the Group had 67 employees (31 December 2024: 69 employees), including the executive Directors. The Group recorded staff costs (including Directors' remuneration) of approximately RMB6.4 million (31 December 2024: RMB7.5 million). Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience. The remuneration paid to the senior management of the Group for the Year are set out in notes 9 and 28 to the financial statements.

On top of basic salaries, share options and bonuses may be paid by reference to the Group's performance as well as individual's performance. The Group provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC. No bonuses had been issued to the Group's employees for the Year.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 16 December 2025, the Company entered into the joint venture agreement (the "JV Agreement") with Whitecell Power (China) Limited ("WCP") and China Investment Holdings Limited ("China Investment Holdings"), both being independent third parties, in relation to the formation of a joint venture, Supercomputing Whitecell New Energy Digital Technology Co. Limited (the "Joint Venture"). The Joint Venture is a company incorporated in Hong Kong with limited liability on 10 December 2025 and shall be owned as to 51% by the Group, 24.5% by WCP, and 24.5% by China Investment Holdings upon the completion of the proposed capital increase of the Joint Venture to be contributed by WCP and China Investment Holdings pursuant to the JV Agreement. The Joint Venture and its subsidiaries will be principally engaged in the business of management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations (including but not limited to those already in operation and under construction) developed and deployed in the PRC by Shenzhen Super Computing Power Technology Co., Ltd.* (深圳市超算力量科技有限公司) ("Shenzhen SCPT"), an independent third party, pursuant to the service agreement entered into between the Group and Shenzhen SCPT on 18 March 2026.

The Group is principally engaged in the sales of compressed natural gas and liquefied natural gas in the PRC. While the Group remains optimistic about the growth of consumption of natural gas along with China improving its energy consumption structure by shifting from coal to cleaner energy such as natural gas and other renewable energy, the global economic landscape is expected to remain challenging and the overall investment and economic environment is likely to remain highly uncertain.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS *(cont'd)*

In view of these challenges, the Directors consider that it is timely and prudent for the Group to pursue selective investment opportunities to broaden the Group's revenue source and enhance resilience through diversification. The Board believes that the electricity charging market has favourable development prospects. The formation of the Joint Venture will allow the Group to enter the electricity charging market by leveraging the resources of WCP and China Investment Holdings. In particular, WCP is a well-established player in the electricity charging market with solid experience and expertise and proven performance in the management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations the PRC.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the formation of the Joint Venture and the terms of the JV Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

For further details, please refer to the announcements of the Company dated 16 December 2025, 16 January 2026 and 18 March 2026.

Save as disclosed in this report, as at 31 December 2025, there were no other significant investments held by the Company, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

There is no other plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

CAPITAL COMMITMENT

Details of the capital commitment of the Group are set out in note 27 to the financial statements.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (31 December 2024: Nil).

USE OF PROCEEDS

The Company's shares were listed on GEM of the Stock Exchange (the "Listing") on 18 May 2018 (the "Listing Date") and the net proceeds from the Listing were approximately HK$29.2 million. The Company intends to apply the net proceeds in the following manner:

Description	Planned use of proceeds as shown in the Prospectus (adjusted based on the actual net proceeds) HK$'000	Percentage of net proceeds	Actual usage of proceeds from the Listing Date to 31 December 2025 HK$'000	Unutilised amount as at 31 December 2025 HK$'000
Expanding gas station network by constructing one CNG refuelling station	5,212	17.9%	2,400	2,812
Expanding gas station network by constructing one combined CNG/LNG refuelling station	12,250	42.0%	2,334	9,916
Upgrading infrastructures and facilities of our Jingzhou Primary Station to equip it with LNG processing capacity	8,772	30.1%	8,772	–
Working capital and other general corporate purposes	2,916	10.0%	2,916	–
Total	**29,150**	**100.0%**	**16,422**	**12,728**

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF PROCEEDS *(cont'd)*

In pursuance of our business objectives, the implementation plans of our Group are set forth below:

Implementation plan as disclosed in Prospectus	Actual progress achieved up to the year ended 31 December 2025
Expanding gas station network by constructing one CNG refuelling station	• Obtained quotations for equipment and settled deposits for certain station equipment • Discussing with consultants on the engagement terms and design work of the gas refuelling station • Submitted the application to the relevant government authorities for the construction of new refuelling station and negotiating with officials in relation to the specific requirements • Expected to complete the implementation by end of 2026
Expanding gas station network by constructing one combined CNG/LNG refuelling station	• Performed site visits and estimated traffic flow of possible sites to identify suitable site • Obtained quotations and settled deposits for certain station equipment • Discussing with consultants on the engagement terms and design work of the gas refuelling station • Submitted the application to the relevant government authorities for the construction of new refuelling station and negotiating with officials in relation to the specific requirements • Expected to complete the implementation by end of 2026
Upgrading infrastructures and facilities of our Jingzhou Primary Station to equip it with LNG processing capacity	• Engaged consultant for modification design of Jingzhou Primary Station and settled the prepayment for the consulting services • Discussing with contractors on engagement terms and construction work of facility building • Constructing additional facility building, compressor room and electricity switchboard room • Purchased tanker trucks and certain station equipment • Informed the relevant government authorities in relation to the proposed installation of new facilities at our Jingzhou Primary Station with LNG processing capability • Completed during 2021

As disclosed in the Prospectus, the Company intended to install new facilities at the Jingzhou Primary Station, a gas processing station which acts as a primary station bridging high pressure pipelined gas that is being transmitted from PetroChina to the Group, to enlarge the Group's wholesale customer base and enable the Group to capture both CNG and LNG market. The implementation plan for upgrading infrastructures and facilities of the Jingzhou Primary Station to equip it with LNG processing capacity has been completed during the Year, and the Jingzhou Primary Station is currently able to maintain the pressure and low temperature of LNG, pump and dispense LNG, thereby operating with selling both CNG and LNG.

In relation to the above other implementation plans, we have submitted the relevant application in prior year and have been in discussion with the government officials regularly on the approval progress. However, due to the recent demolition of one of our gas refuelling substation located at Shihao Road, Jingzhou, Hubei Province, in July 2021, the Company has been actively looking for relocation opportunities and will seek approval from the relevant government authorities, once the new location is identified. Upon receiving the relevant approval from the government authorities, the Group would carry out feasibility study including environmental impact assessment to further implement the plans. The unutilised net proceeds have been placed with licensed banks in the PRC as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF PROCEEDS *(cont'd)*

The Directors would constantly evaluate the Group's business objectives and will change or modify plan against the changing market condition to ascertain the business growth of the Group.

As at the date of this report, the Directors do not anticipate any change to the principal plan as to the use of proceeds.

FUND RAISING ACTIVITIES

On 15 December 2023, the Company and CNI Securities Group Limited (the "2024 Placing Agent") entered into a placing agreement (the "2024 Placing Agreement") (as supplemented by a supplemental agreement dated 5 January 2024 (the "2024 Supplemental Placing Agreement") and a supplemental agreement dated 18 January 2024), pursuant to which the Company has conditionally agreed to place, through the 2024 Placing Agent on a best effort basis, a maximum of 35,451,000 placing shares at the placing price of HK$0.658 per placing share (the "2024 Placing") to not less than six placees (the "2024 Placees"), who and whose ultimate beneficial owner(s) are independent third parties. The placing shares rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the placing shares. The price of HK$0.658 per placing share was determined after arm's length negotiations between the Company and the 2024 Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The placing price represents a discount of approximately 17.75% to the closing price of HK$0.800 per Share as quoted on the Stock Exchange on the date of the 2024 Supplemental Placing Agreement; and a discount of approximately 19.95% to the average closing price of HK$0.822 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the 2024 Supplemental Placing Agreement. The 2024 Placing has enlarged the shareholder base and the capital base of the Company and allowed the Group to raise capital.

On 30 January 2024, a total of 5,940,000 Shares were successfully placed by the 2024 Placing Agent to not less than six 2024 Placees at placing price of HK$0.658 per Share pursuant to the terms and conditions of the 2024 Placing Agreement. The new Shares were issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 16 June 2023.

The gross proceeds from the 2024 Placing and net proceeds from the 2024 Placing, after deduction of the placing commission and other related expenses, amounted to HK$3.9 million and approximately HK$3 million, respectively, and the net price per Share is approximately HK$0.5.

For further details, please refer to the announcements of the Company dated 15 December 2023, 5 January 2024, 18 January 2024 and 30 January 2024 (the "2024 Placing Announcements").

The Company has applied and intends to apply the net proceeds from the 2024 Placing in the following manner:

Description	Planned use of proceeds as disclosed in the 2024 Placing Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to 31 December 2025 (HK$ million)	Approximate amount of unutilised proceeds as at 31 December 2025^(Note)^ (HK$ million)
Investment in renewable energy related businesses	1.5	50%	–	1.5
General working capital	1.5	50%	1.5	–
Total	**3.0**	**100%**	**1.5**	**1.5**

Note: The unutilised amount is expected to be utilised by the end of 2026.

FUND RAISING ACTIVITIES *(cont'd)*

On 12 June 2025, the Company and Eddid Securities And Futures Limited (the "2025 Placing Agent") entered into a placing agreement (the "2025 Placing Agreement"), pursuant to which the Company has conditionally agreed to place, through the 2025 Placing Agent on a best effort basis, a maximum of 29,310,000 placing shares at the placing price of HK$0.225 per placing share (the "2025 Placing") to not less than six places (the "2025 Placees"), who and whose ultimate beneficial owner(s) are independent third parties.

The placing shares rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the placing shares. The price of HK$0.225 per placing share was determined after arm's length negotiations between the Company and the 2025 Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The placing price represents a discount of approximately 16.67% to the closing price of HK$0.270 per Share as quoted on the Stock Exchange on the date of the 2025 Placing Agreement; and a discount of approximately 18.78% to the average closing price of approximately HK$0.277 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the 2025 Placing Agreement. The 2025 Placing has enlarged the shareholder base and the capital base of the Company and allowed the Group to raise capital.

On 27 June 2025, a total of 29,310,000 Shares have been successfully placed by the 2025 Placing Agent to not less than six 2025 Placees at placing price of HK$0.225 per Share pursuant to the terms and conditions of the 2025 Placing Agreement. The new Shares were issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 20 June 2024.

The gross proceeds from the 2025 Placing and the net proceeds from the 2025 Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK$6.6 million and approximately HK$6 million, respectively, and the net price per Share is approximately HK$0.2.

For further details, please refer to the announcements of the Company dated 12 June 2025, 19 June 2025 and 27 June 2025 (the "2025 Placing Announcements").

The Company has applied and intends to apply the net proceeds from the 2025 Placing in the following manner:

Description	Planned use of proceeds as disclosed in the 2025 Placing Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to 31 December 2025 (HK$ million)	Approximate amount of unutilised proceeds as at 31 December 2025 (HK$ million)
Potential formation of a joint venture company engaging in the trading of black pellets	3.0	50%	–	3.0
General working capital	3.0	50%	–	3.0
Total	**6.0**	**100%**	**–**	**6.0**

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FUND RAISING ACTIVITIES *(cont'd)*

On 16 December 2025, the Board has resolved to reallocate approximately HK$3 million, representing approximately 50% of the unutilised net proceeds from the 2025 Placing, to the formation of the Joint Venture. The Board believes that the electricity charging market has favourable development prospects and the formation of the Joint Venture will allow the Group to enter the electricity charging market by leveraging the resources of WCP and China Investment Holdings. Also, the Group was unable to form the joint venture with respect to the trading of black pellets as the parties could not agree on the commercial terms and timetable for the proposed joint venture. As a result, the intended application of proceeds could not be implemented, and the Board considers that the change in use of proceeds is in line with the business strategy of the Group, fair and reasonable, in the interests of the Company and its shareholders as a whole. The Company has no intention to downsize, cease or dispose of any of its existing business and operations.

For further details, please refer to the announcements of the Company dated 16 December 2025 and 16 January 2026 (the "Change In Use Of Proceeds Announcements").

The Board has resolved to reallocate the unutilised net proceeds from the 2025 Placing as follows:

Description	Planned use of proceeds as disclosed in the Change in Use Of Proceeds Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to 31 December 2025 (HK$ million)	Approximate amount of unutilised proceeds as at 31 December 2025 (HK$ million)
Formation of the Joint Venture	3.0	50%	–	3.0
General working capital	3.0	50%	–	3.0
Total	**6.0**	**100%**	**–**	**6.0**

Note: The unutilised amount is expected to be utilised by the end of 2026.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Liu Yong Cheng (劉永成), aged 57, is our executive Director, chairman and chief executive officer. Mr. Liu Yong Cheng is the elder brother of Mr. Liu Yong Qiang and Mr. Liu Yong Sheng. He was appointed as our Director and redesignated as an executive Director on 24 March 2017 and 28 June 2017, respectively. He is responsible for formulating corporate strategy, planning, business development and supervising the overall operations of our Group. Mr. Liu has about 16 years of experience in the natural gas industry. Mr. Liu joined our Group on 30 August 2007 as the director and legal representative of Hubei Tonglin Natural Gas Service Company Limited* (湖北桐林石油天然氣服務有限公司), an indirect wholly-owned subsidiary of the Company ("Tonglin Gas"). Mr. Liu served as a chairman of the board of Tonglin Gas since November 2010. Mr. Liu is also a director of our subsidiaries, Hongkong Hesheng International Industrial Limited ("Hesheng") and Zhuoyuan Enterprise Limited ("Zhuoyuan").

Prior to joining our Group, he served as a police officer at Guangzhou Public Security Bureau* (廣州市公安局) from September 1988 to August 1997. He served as a managing director of Guangzhou Dexin Property Development Co., Ltd.* (廣州市德心置業發展有限公司) from September 1997 to July 2007. Mr. Liu graduated from Guangzhou Gongan School* (廣州市公安學校) in the PRC in July 1988.

Mr. Liu Yong Qiang (劉永強), aged 52, is our executive Director and deputy general manager. Mr. Liu Yong Qiang is the younger brother of Mr. Liu Yong Cheng and Mr. Liu Yong Sheng. He was appointed as our Director and redesignated as an executive Director on 24 March 2017 and 28 June 2017, respectively. He is primarily responsible for formulating corporate strategy, planning, business development and supervising the overall operations of our Group. Mr. Liu has about 16 years of experience in the natural gas industry. Mr. Liu joined our Group on 30 August 2007 as a manager of Tonglin Gas and was responsible for the overall management of the company's strategic development. Mr. Liu served as a director and a deputy general manager of Tonglin Gas since November 2010 and March 2015, respectively. Mr. Liu is also a director of our subsidiaries, Hesheng and Zhuoyuan.

Prior to joining our Group, Mr. Liu was a PRC military officer in Guangxi from December 1991 to December 1994. He was an employee of Guangzhou Tongde Paper Mill* (廣州同德造紙廠) from January 1995 to August 1995. He was also an officer of Guangzhou Tongde Sub-district Office* (廣州市同德街道辦事處) from September 1995 to August 1996. He served as a deputy general manager of Guangzhou Dexin Property Development Co., Ltd.* (廣州市德心置業發展有限公司) from September 1996 to June 2007. Mr. Liu graduated from Guangzhou Baiyun Xizhou Middle School* (廣州白雲區西洲中學) (originally known as Shijing No. 2 Middle School* (石井第二中學)) in the PRC in July 1990.

Mr. Liu Yong Sheng (劉永生), aged 54, is our executive Director and deputy general manager. Mr. Liu Yong Sheng is the younger brother of Mr. Liu Yong Cheng and elder brother of Mr. Liu Yong Qiang. He was appointed as an executive Director on 24 June 2022. He is responsible for formulating corporate strategy, planning, business development and supervising the overall operations of our Group. Mr. Liu has over 25 years of working experience. Mr. Liu served as a deputy general manager of Tonglin Gas since January 2022.

Prior to joining our Group, Mr. Liu Yong Sheng worked in Guangzhou Tongde Subdistrict Office* (廣州市同德街道辦事處) from June 1993 to June 1996. He served as the general manager of Guangzhou Dexin Property Development Co., Ltd.* (廣州德心置業發展有限公司) from June 1996 to March 2019, the general manager of Guangzhou Helin Energy Investment Co., Ltd.* (廣州和林能源投資有限公司) from April 2019 to August 2020, the general manager of Weimin Medical Instrument (Guangzhou) Co., Ltd.* (為民醫療器械(廣州)有限公司) from September 2020 to December 2021. Mr. Liu Yong Sheng also served as the executive director and general manager of Guangzhou Zhisheng Property Management Co., Ltd.* (廣州致盛物業管理有限公司) since March 2021. Mr. Liu Yong Sheng completed an adult continuing education course at South China University of Technology (華南理工大學) studying computer and application in the PRC in October 1990.

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Luo Hongru (羅紅茹) ("Ms. Luo"), aged 60, was appointed as an independent non-executive director on 19 June 2020 and is the chairman of our Nomination Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

Ms. Luo has over 27 years of experience in legal industry. She graduated from The China Central Radio and TV Virtual University (now known as The Open University of China) after completing the two-year undergraduate programme with majoring in laws in April 2006. From October 1985 to December 1993 she worked at Dabu County Bureau of Justice in Guangdong province during which she was responsible for handling legal affairs. From December 1993 to July 2002, she worked at The Agriculture and Rural Affairs Committee of Guangdong Province (now known as Agricultural and Rural Department of Guangdong Province) in which she was responsible for personnel and payroll matters. From July 2002 to December 2005, she worked at Guangdong Chengzhan Law Firm as a lawyer. Since December 2005, she has been a partner of Guangdong Zhengda United Law Firm. Ms. Luo obtained the lawyer's certificate of the PRC in October 1993.

Ms. Zeng Li (曾麗) ("Ms. Zeng"), aged 47, was appointed as an independent non-executive Director on 30 April 2021 and is a member of our Audit and Risk Management Committee, Remuneration Committee and Nomination Committee.

Ms. Zeng has over 11 years of experience in finance and business management. From January 2010 to April 2011, she worked as an account manager at Nancheng sub-branch of Industrial Bank in the PRC. From April 2012 to November 2019, she worked as a finance manager at Fzg360 Network Co., Ltd.* (西藏房掌櫃網絡股份有限公司) ("Fzg360"), a company which is listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統) with stock code 836918. She also served as a supervisor of Fzg360 from August 2015 to June 2018. Since December 2019, she has worked as a director assistant at Dongguan Hefu Petrochemical Co., Ltd.* (東莞市和富石油化工有限公司). Ms. Zeng has been the legal representative of Fenggang branch of Dongguan Ganlin Accounting Co., Ltd.* (東莞市甘霖會計有限公司鳳崗分公司) since August 2006 and Dongguan Xie Gang Xincheng Accounting Consulting Service Department* (東莞市謝崗鑫成會計諮詢服務部) since November 2011. Ms. Zeng graduated from Southwestern University of Finance and Economics (西南財經大學) with a major in finance in January 2008.

Mr. Yeung Chun Yue David (楊振宇) ("Mr. Yeung"), aged 44, was appointed as an independent non-executive Director on 29 December 2021 and is the chairman of our Audit and Risk Management Committee.

Mr. Yeung has over 18 years of experience in accounting and tax advisory. Mr. Yeung has been an executive director of Hatcher Group Limited (Stock Code: 8365) since July 2021. From September 2017 to July 2021, he had been the managing partner and director of D & Partners CPA Limited. From July 2004 to September 2017, he worked in Cheng & Cheng Limited, Certified Public Accountants with his last position as a director. Mr. Yeung has been an independent non-executive director of Nexion Technologies Limited (stock code: 8420) since 10 September 2020; SANVO Fine Chemicals Group Limited (stock code: 301) since 13 December 2019; and Aeso Holding Limited (stock code: 8341) since 12 April 2019. Mr. Yeung graduated from City University of Hong Kong with a bachelor of business administration in accountancy in November 2004. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Adviser of the Taxation Institute of Hong Kong. He is currently a committee member of the Panyu Committee of Chinese People's Political Consultative Conference.

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

SENIOR MANAGEMENT

Other than Mr. Liu Yong Cheng, Mr. Liu Yong Qiang, Mr. Liu Yong Sheng and Mr. Zhao Yonghe (please refer to the disclosure of Mr. Zhao in the section headed "Joint Company Secretaries" in this report), there is one more senior management member of our Group as follows:

Ms. Li Shaohua (李紹華), aged 44, joined our Group in 2012 as the station manager of a gas station and has been promoted to the manager of the operation department and in charge of the administration department since 2019, primarily responsible for our Group's administration and management of production and operation.

Ms. Li has completed tertiary education in administrative management and obtained the title of economist, has extensive experience in the management of production and operation.

JOINT COMPANY SECRETARIES

Mr. Zhao Yonghe (趙永和), aged 51, joined our Group on 20 November 2015 as the financial controller and was appointed as the joint company secretary of our Group on 6 June 2017. Mr. Zhao is primarily responsible for overseeing our Group's financial and accounting operations and internal control. Mr. Zhao is an intermediate accountant in the PRC.

Mr. Zhao has more than 26 years of experience in the auditing, accounting and management industry. Prior to joining our Group, he was a financial manager at Ching Sum Mould (Dongguan) Company Limited* (精深制模（東莞）有限公司) from August 1997 to December 1999. He was a financial manager at Dongguanshi Niuxin Metal Product Company Limited* (東莞市鈕鑫金屬製品有限公司) from January 2000 to August 2005. He also worked as a chief financial officer from Dongguan Taide Lighting Technology* (東莞泰德照明科技有限公司) from September 2005 to February 2008. He then worked as a financial manager at Dongguan Hongxing Metal Product Company Limited* (東莞鴻興金屬製品有限公司) from March 2008 to November 2015.

Mr. Zhao completed two years studies in accounting at China Central Radio and Television University* (中央廣播電視大學) in China in July 2015. He also obtained a qualification certificate for accountant in intermediate level issued by Ministry of Finance of the PRC* (中華人民共和國財政部) in May 2006.

Mr. Tam Chun Wai Edwin (談俊緯), aged 44, is the joint company secretary of the Company. Mr. Tam is responsible for the corporate secretarial work of the Group. He was appointed on 18 May 2019. Mr. Tam holds a bachelor degree in accounting and finance from The Manchester Metropolitan University in the United Kingdom and has over 20 years of experience in financial and accounting management, corporate governance and compliance affairs. Mr. Tam is a practising fellow member of the Hong Kong Institute of Certified Public Accountants, fellow of the Association of Chartered Certified Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.

* *For identification purpose only*

REPORT OF THE DIRECTORS

The Directors are pleased to present this report and the audited financial statements for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries was engaged in the sales of CNG and LNG.

BUSINESS REVIEW

General

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 5 to 14 of this report. This discussion forms part of this directors' report.

Environmental policies and compliance with law and regulations

The Group is committed to supporting the environmental sustainability and is subject to various environmental laws and regulations set by the PRC national, provincial and municipal governments. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations. During the Year, the Group has complied with relevant laws and regulations that have significant impact on the operations of the Group.

A report on the environmental, social and governance aspects prepared in accordance with Appendix C2 to the GEM Listing Rules is set out in pages 40 to 56 of this report.

Relationship with stakeholders

The Group recognises that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

RESULTS AND DIVIDENDS

The Group's loss for the Year and the Group's financial position at 31 December 2025 are set out in the financial statements on pages 61 to 113 of this report.

The Board does not recommend the payment of final dividend for the Year (2024: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 114 of this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as disclosed in the section headed "Management Discussion and Analysis – Fund Raising Activities" in this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the share capital of the Company's share capital and share options during the Year are set out in notes 23 and 24 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in notes 32 to the consolidated financial statements. As at 31 December 2025, the reserves of the Company available for distribution, as calculated in accordance with statutory provisions applicable in the Cayman Islands, was approximately RMB63.0 million (31 December 2024: RMB57.3 million).

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for 21.3% of the total sales for the Year and sales to the largest customer included therein amounted to 6.4%. Purchases of the Group from the five largest natural gas suppliers accounted for 92.2% of the total purchases for the Year and purchases from the largest supplier included therein amounted to 40.8%. Other costs of sales, other than purchases of natural gas and LPG, mainly represented depreciation, utilities, staff costs and gas refuelling stations rental expenses and the Group does not have any other purchases.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Mr. Liu Yong Cheng *(Chairman and Chief Executive Officer)*
Mr. Liu Yong Qiang
Mr. Liu Yong Sheng
Ms. Luo Hongru
Ms. Zeng Li
Mr. Yeung Chun Yue David

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

In accordance with the articles of association of our Company, Mr. Liu Yong Cheng and Ms. Luo Hongru will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation of independence from each of the independent non-executive Directors. As at the date of this report, they are considered to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years which is subject to termination by either party giving not less than three months' written notice. Each of the independent non-executive Directors has entered into an appointment later with the Company for a fixed term of three years from their respective date of appointment, terminated by either party giving not less than three months' written notice.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

REPORT OF THE DIRECTORS (CONTINUED)

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance covering the liabilities of its Directors and officers in respect of legal actions that may brought against them. The Company has maintained appropriate insurance cover for the Directors and officers throughout the Year and are currently in force.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no Director, controlling shareholders nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries was a party during the Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 31 December 2025, interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares and underlying Shares of the Company:

Name	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total issued Shares*
Mr. Liu Yong Cheng	Interest in controlled corporation and parties acting in concert	76,125,000 *(Note 1)*	35.82%
Mr. Liu Yong Qiang	Interest in controlled corporation and parties acting in concert	76,125,000 *(Note 2)*	35.82%

* The percentage was calculated based on 212,505,000 Shares in issue as at 31 December 2025.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION *(cont'd)*

Long positions in ordinary shares and underlying Shares of the Company: *(cont'd)*

Notes:

(1) As at 31 December 2025, Mr. Liu Yong Cheng directly owned 100% of Yongsheng Enterprise Limited ("Yongsheng"), which in turn held 19,392,500 shares or approximately 9.13% of the issued Shares; therefore he was deemed, or taken to be interested in, all the shares held by Yongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Cheng was also deemed to be interested in 56,732,500 Shares or approximately 26.70% of the issued Shares owned by Hongsheng Enterprise Limited ("Hongsheng") as at 31 December 2025 as a result of being a party acting in concert with Mr. Liu Yong Qiang.

(2) As at 31 December 2025, Mr. Liu Yong Qiang directly owned 100% of Hongsheng, which in turn held 56,732,500 shares or approximately 26.70% of the issued Shares; therefore he was deemed, or taken to be interested in, all the shares held by Hongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Qiang was also deemed to be interested in 19,392,500 Shares or approximately 9.13% of the issued Shares owned by Yongsheng as at 31 December 2025 as a result of being a party acting in concert with Mr. Liu Yong Cheng.

Save as disclosed above, as at 31 December 2025, none of the Directors nor chief executive of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the Shares or the underlying Shares as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in ordinary shares and underlying Shares of the Company:

Name	Capacity	Number of Shares held	Approximate percentage of the total issued Shares*
Yongsheng	Beneficial owner and parties acting in concert	76,125,000 *(Note 1)*	35.82%
Hongsheng	Beneficial owner and parties acting in concert	76,125,000 *(Note 2)*	35.82%
Stable Development Company Limited	Beneficial owner	13,872,500 *(Note 3)*	6.53%

* The percentage was calculated based on 212,505,000 Shares in issue as at 31 December 2025.

Notes:

(1) As at 31 December 2025, Mr. Liu Yong Cheng directly owned 100% of Yongsheng, which in turn held 19,392,500 shares or approximately 9.13% of the issued Shares; therefore he was deemed, or taken to be interested in, all the shares held by Yongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Cheng was also deemed to be interested in 56,732,500 Shares or approximately 26.70% of the issued Shares owned by Hongsheng as at 31 December 2025 as a result of being a party acting in concert with Mr. Liu Yong Qiang. Mr. Liu Yong Cheng, an executive Director, is also a director of Yongsheng.

(2) As at 31 December 2025, Mr. Liu Yong Qiang directly owned 100% of Hongsheng, which in turn held 56,732,500 shares or approximately 26.70% of the issued Shares; therefore he is deemed, or taken to be interested in, all the shares held by Hongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Qiang was also deemed to be interested in 19,392,500 Shares or approximately 9.13% of the issued Shares owned by Yongsheng as at 31 December 2025 as a result of being a party acting in concert with Mr. Liu Yong Cheng. Mr. Liu Yong Qiang, an executive Director, is also a director of Hongsheng.

(3) As at 31 December 2025, Mr. Yu Kin Wai Perway directly owned 100% of Stable Development Company Limited, which in turn held 13,872,500 Shares, therefore he was deemed, or taken to be interested in, all the Shares held by Stable Development Company Limited for the purpose of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(cont'd)*

Save as disclosed above, as at 31 December 2025 and so far as known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company and any Associated Corporation" above, had notified the Company of an interest or short position in the Shares or underlying Shares which had been required to be recorded in the register required to be kept by the Company pursuant Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 20 April 2018. The Share Option Scheme enables the Company to grant options to the Directors, the directors of the Group's subsidiaries and employees of any member of the Group and any other persons (including consultants or advisers) (the "Eligible Participant") as incentives or rewards for their contributions to the Group. The Board, at its absolution discretion and subject to the terms of the Scheme, shall be entitled, at any time within ten years commencing from the date the Share Option Scheme was adopted, to make an offer for the grant of an option to any Eligible Participant.

The maximum number of shares that may be granted by the Company to any one Eligible Participant shall not exceed 1% of the issued share capital of the Company from time to time.

Upon acceptance of an option to subscribe for shares granted pursuant to the Scheme (the "Option"), the Eligible Participant shall pay HK$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option, which must be a day on which trading of shares take place on the Stock Exchange (the "Trading Day"); (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share on the date of grant, provided that in the event that any Option is proposed to be granted within a period of less than five Trading Dates, the new issue price of the Shares shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange. An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

SHARE OPTION SCHEME *(cont'd)*

The details of movement in the Options granted during the Year are as follows:

Name or category of participant	Number of share options						Exercise period of share options	Exercise price of share options HK$ (Note 5)	Date of grant of share options	Closing price of the Shares immediately before the date of grant of share options HK$ (adjusted)	Weighted average closing price of the Shares immediately before the exercise date HK$
	At 1 January 2025	Granted	Exercised	Cancelled	Lapsed	As at 31 December 2025					
Directors, chief executive, substantial shareholders and/or their respective associates											
Liu Yong Cheng	1,375,000	–	–	–	(1,375,000)	–	21 January 2020 to 20 January 2025	0.664	21 January 2020	0.812	–
	280,900	–	–	–	(280,900)	–	23 June 2020 to 22 June 2025	0.520	23 June 2020	0.544	–
Liu Yong Qiang	1,375,000	–	–	–	(1,375,000)	–	21 January 2020 to 20 January 2025	0.664	21 January 2020	0.812	–
	280,900	–	–	–	(280,900)	–	23 June 2020 to 22 June 2025	0.520	23 June 2020	0.544	–
Employees (other than Directors)											
In aggregate	8,250,000	–	–	–	(8,250,000)	–	21 January 2020 to 20 January 2025	0.664	21 January 2020	0.812	–
	12,598,309	–	–	–	(12,598,309)	–	23 June 2020 to 22 June 2025	0.520	23 June 2020	0.544	–
	–	8,500,000	–	–	–	8,500,000	8 July 2025 to 7 July 2030	0.309	8 July 2025	0.310	–
Shareholder and supervisor of an associate of the Group											
In aggregate	1,375,000	–	–	–	(1,375,000)	–	21 January 2020 to 20 January 2025	0.664	21 January 2020	0.812	–
	280,900	–	–	–	(280,900)	–	23 June 2020 to 22 June 2025	0.520	23 June 2020	0.544	–
Total	25,816,009	–	–	–	(25,816,009)	–					

SHARE OPTION SCHEME *(cont'd)*

Notes to share options granted on 21 January 2020 and 23 June 2020:

1. The share options are subject to the vesting period as follows:

   (a) 30% of the share options will be vested on, and exercisable from, the date of grant to the expiry of the option period (both days inclusive);

   (b) a further 30% of the share options will be vested on, and exercisable from, the first anniversary of the date of grant to the expiry of the option period (both days inclusive); and

   (c) the remaining 40% of the share options will be vested on, and exercisable from, the second anniversary of the date of grant to the expiry of the option period (both days inclusive).

2. The share options are exercisable for a period of five years from the date of grant and the fair values of the share options were calculated using the Binomial Option Pricing Model. The inputs to the model were as follows:

	Share options granted on 23 June 2020	Share options granted on 21 January 2020
Share price at the date of grant (before the Share Consolidation)	**HK$0.130**	HK$0.166
Exercise price per share (before the Share Consolidation) *(note 5)*	**HK$0.130**	HK$0.166
Expected volatility (%)	**42.55**	42.33
Risk-free interest rate (%)	**0.31**	1.62

   The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may not necessarily be the actual outcome.

3. The fair value of the share options granted was estimated at RMB4,655,000 using the Binomial Option Pricing Model, of which the Group did not recognise any share option expenses during the Year (for the year ended 31 December 2024: Nil). The fair value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

4. Share options which are cancelled/lapsed/forfeited prior to their exercise date will be removed from the Company's register of outstanding share options. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits/accumulated losses as a movement in reserves.

5. Due to the Share Consolidation, adjustments were made to the number of outstanding share options and the exercise price with effective from 20 July 2021 (the "Adjustments"). The exercise price of the share options granted on 21 January 2020 was adjusted from HK$0.166 to HK$0.664 and the exercise price of the share options granted on 23 June 2020 was adjusted from HK$0.130 to HK$0.520. For further details, please refer to the announcement of the Company dated 16 July 2021.

SHARE OPTION SCHEME *(cont'd)*

Notes to share options granted on 8 July 2025:

(1) The Options are valid for five years from the date of grant unless lapsed pursuant to the terms of the Share Option Scheme and may be exercisable during such period provided that the Options are vested.

(2) The share options are subject to the vesting period as follows:

(i) no Options can be exercised within the first 12 months from the date of grant; and

(ii) 100% of the Options can be exercised at any time after the expiration of 12 months from the date of grant.

(3) The share options are exercisable for a period of five years from the date of grant and the fair values of the share options were calculated using the Binomial Option Pricing Model. The inputs to the model were as follows:

	Share options granted on 8 July 2025
Share price at the date of grant	HK$0.290
Exercise price per share	HK$0.309
Expected volatility (%)	50.00
Risk-free interest rate (%)	1.94

The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may not necessarily be the actual outcome.

(4) The fair value of the share options granted was estimated at RMB768,000 using the Binomial Option Pricing Model, of which the Group recognised share option expenses of RMB75,000 during the Year (for the year ended 31 December 2024: Nil). The fair value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

(5) Share options which are cancelled/lapsed/forfeited prior to their exercise date will be removed from the Company's register of outstanding share options. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits/accumulated losses as a movement in reserves.

There were no options available for grant according to the existing scheme mandate limit under the Share Option Scheme as at 1 January 2025. As at 31 December 2025 and at the date of this report, according to the existing scheme mandate limit under the Share Option Scheme, there was 6,500,000 share options available for grant. As at 31 December 2025 and at the date of this report, the Company had utilised 8,500,000 share options of the existing scheme mandate limit under the Share Option Scheme and had 8,500,000 share options outstanding under the Share Option Scheme, which represented approximately 4.00% of the issued Shares in issue as at the date of this report. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the Period divided by the weighted average number of the Shares in issue for the Period is 4.00%.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save for the Share Option Scheme, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company Granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

REPORT OF THE DIRECTORS (CONTINUED)

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands.

RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme for all of its employees in Hong Kong. The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their respective holding of the Company's securities.

EQUITY-LINKED AGREEMENTS

During the Year, save for the Share Option Scheme, the Company did not enter into any equity-linked agreements in respect of shares of the Company.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings during the Year.

DEED OF NON-COMPETITION

As disclosed in the prospectus of the Company dated 8 May 2018 (the "Prospectus"), Mr. Liu Yong Qiang, Mr. Liu Yong Cheng, Hongsheng and Yongsheng, the controlling shareholders of the Company (the "Controlling Shareholders") entered into a deed of non-competition in favour of the Company on 20 April 2018 (for itself and as trustee for its subsidiaries) (the "Deed of Non-Competition"). Each of the Controlling Shareholders confirmed to the Company that they have compiled with the Deed of Non-Competition during the Year.

Pursuant to the Deed of Non-Competition, each of the Controlling Shareholders has irrevocably and unconditionally undertaken to the Company (for itself and as trustee for its subsidiaries) that, subject to certain exceptions, during the period that the Deed of Non-Competition remain effective, each of the Controlling Shareholders shall not, and shall procure that their associates (other than any members of the Group) not to, directly or indirectly, carry on, participate in, be engaged, be interested directly or indirectly, either for their own account or in conjunction with or on behalf of or for any other person in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Our independent non-executive Directors have reviewed the declarations made by the Controlling Shareholders regarding the compliance of the Deed of Non-Competition and were satisfied that the terms of the Deed of Non-Competition, and the enforcement of undertakings under the Deed of Non-Competition had been duly complied with and enforced during the Year.

REPORT OF THE DIRECTORS (CONTINUED)

COMPETING INTERESTS

During the Year, so far as the Directors are aware, none of the Directors, Controlling Shareholders and substantial shareholders of the Company, and their respective close associates (as defined under the GEM Listing Rules) had held any position or had interest in any businesses or companies that were materially competing or might materially compete with the business of the Group, or gave rise to any concern regarding conflict of interest.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group during the Year are set out in note 28 to the consolidated financial statements in this report. None of such related party transactions constitutes connected transaction which is subject to the reporting, annual review, announcement and/or shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

During the Year, the Group had not conducted any "connected transaction" or "continuing connected transaction" (as defined under Chapter 20 of the GEM Listing Rules) which is subject to reporting and annual review requirements under the GEM Listing Rules.

REVIEW BY AUDIT AND RISK MANAGEMENT COMMITTEE

The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit and Risk Management Committee. The Audit and Risk Management Committee is of the opinion that the consolidated financial statements of the Group for the Year comply with applicable reporting standards, GEM Listing Rules, and that adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report and the voluntary announcement of the Company dated 18 March 2026, the Group had no significant events occurred subsequent to the end of the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares were held by the public as at the latest practicable date prior to the date of this report.

AUDITORS

The consolidated financial statements of the Company for the Year was audited by Rongcheng (Hong Kong) CPA Limited. A resolution for the re-appointment of Rongcheng (Hong Kong) CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting. There have been no change of auditors in the part three years.

On behalf of the Board

Liu Yong Cheng
Chairman, Chief Executive Officer and Executive Director
25 March 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is committed to ensuring the Company adheres to a good standard of corporate governance.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules as the basis of the Company's corporate governance practices.

During the Year, the Company has complied with all the applicable code provisions as set out in the CG Code, except for code provision C.2.1 described in the paragraph headed "Board of Directors – Chairman and Chief Executive Officer".

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings") in respect of securities transactions by Directors.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Year.

The Company has also adopted the Required Standard of Dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its written guidelines (the "Employees Written Guidelines") in respect of securities dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises six Directors, consisting of three executive Directors and three independent non-executive Directors.

The composition of the Board is as follows:

Executive Directors
Mr. Liu Yong Cheng *(Chairman of the Board and chief executive officer)*
Mr. Liu Yong Qiang
Mr. Liu Yong Sheng

Independent Non-executive Directors
Ms. Luo Hongru
Ms. Zeng Li
Mr. Yeung Chun Yue David

The biographical information of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 15 to 17 of this report.

Mr. Liu Yong Cheng is the elder brother of Mr. Liu Yong Qiang and Mr. Liu Yong Sheng. Save as disclosed, none of the members of the Board is related to one another.

BOARD OF DIRECTORS *(cont'd)*

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual.

Under the current management structure of the Company, Mr. Liu Yong Cheng is the chairman of the Board (the "Chairman") and chief executive officer of the Company (the "Chief Executive Officer"). As Mr. Liu Yong Cheng has been leading the Group as the Chief Executive Officer and actively involved in the core business of Hubei Tonglin Natural Gas Service Company Limited, an indirect wholly-owned subsidiary of the Company, since its incorporation, and due to his familiarity with the operations of the Group, the Board believes that it is in the best interest of the Group to continue to have Mr. Liu Yong Cheng acting as the Chief Executive Officer and Chairman for effective management and business planning of the Group. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and three independent non-executive Directors. The Company will consult the Board for any major decisions. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances.

Independent Non-executive Directors

During the Year, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

The independent non-executive Directors are appointed for a specific term of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company.

The articles of association of the Company provides that all Directors appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting of the Company after appointment.

Under the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

BOARD OF DIRECTORS *(cont'd)*

Responsibilities, Accountabilities and Contributions of the Board and Management *(cont'd)*

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Mechanism regarding independent views to the Board

The Board has implemented different ways to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The mechanism is disclosed below:

(i) Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the GEM Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board Committees as required under the GEM Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The Nomination Committee strictly adheres to the Nomination Policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

(iii) Compensation

No equity-based remuneration with performance-related elements will be granted to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence.

(iv) Board Decision

Making the Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution. A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

(v) Board Evaluation

The Board assesses and reviews the time contributed by every independent non-executive Director and their attendance to meetings of the Board and the board committees so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his/her responsibilities as a Director of the Company.

BOARD OF DIRECTORS *(cont'd)*

Continuous Professional Development of Directors

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

The following Directors pursued continuous professional development and relevant details are summarised as follows:

Name of Directors	Type of Training Note
Executive Directors	
Mr. Liu Yong Cheng	✓
Mr. Liu Yong Qiang	✓
Mr. Liu Yong Sheng	✓
Independent Non-executive Directors	
Ms. Luo Hongru	✓
Ms. Zeng Li	✓
Mr. Yeung Chun Yue David	✓

Note:

During the Year, all Directors received training and training materials, including from the Company's legal advisors, about matters relevant to their duties as directors of a listed company. They also kept abreast of matters relevant to their role as Directors by such means as attendance at seminars and conferences and/or reading materials about financial, commercial, economic, legal, regulatory and business affairs.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit and Risk Management Committee, the Remuneration Committee, and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All committees of the Board are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 3 of this report.

Audit and Risk Management Committee

The Audit and Risk Management Committee consists of three independent non-executive Directors, namely Mr. Yeung Chun Yue David, Ms. Zeng Li and Ms. Luo Hongru. Mr. Yeung Chun Yue David is the chairman of the Audit and Risk Management Committee.

The terms of reference of the Audit and Risk Management Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit and Risk Management Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control, or other matters of the Group.

During the Year, the Audit and Risk Management Committee held two meetings to review the interim and annual financial results and reports, discuss with external auditors on their audit planning and significant issues on the financial reporting, operational and compliance controls.

BOARD COMMITTEES *(cont'd)*

Remuneration Committee

The Remuneration Committee consists of three members, namely Ms. Luo Hongru, independent non-executive Director, Mr. Liu Yong Cheng, executive Director and Ms. Zeng Li, independent non-executive Director. Ms. Luo Hongru is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Company granted share options on 8 July 2025 pursuant to the Share Option Scheme. On 15 July 2025, the Board and the Remuneration Committee have approved to amend the vesting period to 12 months from the date of grant to align with the GEM Listing Rules. The share options granted on 8 July 2025 are not subject to any clawback mechanism but shall lapse automatically (to the extent not already exercised) under various scenarios provided under the Share Option Scheme, which include the grantees of the Share Option Scheme ceasing to be an eligible participant by reason of resignation or dismissal, material negligence, criminal offence or bankruptcy. Having considered the above terms of the Share Option Scheme, the Board and the Remuneration Committee are of the view that a specific clawback mechanism is not necessary with respect to the share options granted on 8 July 2025.

During the Year, one meeting of the Remuneration Committee was held.

Details of the remuneration of the Directors and senior management by band are set out in Notes 9 and 10 to the financial statements.

Nomination Committee

The Nomination Committee consists of three members, namely Mr. Liu Yong Cheng, executive Director, Ms. Luo Hongru, independent non-executive Director and Ms. Zeng Li, independent non-executive Director. Mr. Liu Yong Cheng is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Year, the Nomination Committee met once to review the structure, size and composition of the Board and the independence of the independent non-executive Directors.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

BOARD COMMITTEES *(cont'd)*

Board Diversity Policy *(cont'd)*

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, experience, expertise, qualifications, skills and knowledge as well as independence of the Board.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Nomination Committee will review the Board Diversity Policy on a regular basis to ensure its effectiveness.

As at the date of this report, the Board comprises six Directors, four of whom are male and two of whom are female, with about 33% female representation on the Board. Three of the Directors are independent non-executive Directors and independent of management, thereby promoting critical review and control of the management process. The Board believes that gender diversity is a representing manifestation of Board diversity, among all other measurable objectives. While the Board has a domination of male composition, the Company has two female Directors achieving female representation in the Board. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board. The Board is also characterised by significant diversity, whether considered in terms of professional background and skills.

As at 31 December 2025, the gender ratio of the Group's workforce was approximately 38% male to 62% female. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the GEM Listing Rules; and
- commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

BOARD COMMITTEES *(cont'd)*

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Year, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Required Standard of Dealings and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board and Board Committee meetings held during the Year is set out in the table below:

	Number of Meetings Attended/Number of Meetings held for the Year				
Name of Directors	Board Meeting	Audit and Risk Management Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors					
Mr. Liu Yong Cheng	4/4	–	1/1	1/1	1/1
Mr. Liu Yong Qiang	4/4	–	–	–	1/1
Mr. Liu Yong Sheng	4/4	–	–	–	1/1
Independent Non-executive Directors					
Ms. Luo Hongru	4/4	2/2	1/1	1/1	1/1
Ms. Zeng Li	4/4	2/2	1/1	1/1	1/1
Mr. Yeung Chun Yue David	4/4	2/2	–	–	1/1

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit and Risk Management Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has adopted a series of internal control policies, procedures and programs designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

RISK MANAGEMENT AND INTERNAL CONTROLS *(cont'd)*

The Company's risk management and internal control systems have been developed with the following features and processes:

(a) The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification: Identifies risks that may potentially affect the Group's business and operations.

Risk Assessment: Assesses the risks identified by using the assessment criteria developed by the management; and considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response: Prioritises the risks by comparing the results of the risk assessment; and determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting: Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place; revises the risk management strategies and internal control processes in case of any significant change of situation; and reports the results of risk monitoring to the management and the Board regularly.

(b) The main features of the risk management and internal control systems are summarised as follows:

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; ensure that unauthorized access and use of inside information are strictly prohibited; and to provide reasonable assurance against material misstatement, loss or fraud.

The management has confirmed to the Board and the Audit and Risk Management Committee on the effectiveness of the risk management and internal control systems for the Year.

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. Nevertheless the Company engaged an external professional firm to carry out internal audit functions. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

The Board has engaged an external professional firm as its risk management and internal control review adviser (the "Adviser") to conduct the annual review of the risk management and internal control systems for the year ended 31 December 2025. Such review is conducted annually and cycles reviewed are under rotation basis. The Adviser has reported findings and areas for improvement to the Audit and Risk Management Committee and management. The Board and the Audit and Risk Management Committee are of the view that there are no material internal control defects noted. All recommendations from the Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

The Company has developed its Information Disclosure Policy which provides guidelines and procedures to the Company's Directors, senior management and employees in evaluating and handling confidential information, monitoring information disclosure, handling market rumors, leakage of information and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited. The Group has in place a restriction-to-access mechanism to ensure that inside information is restricted to authorised persons on a need-to-know basis in accordance with the nature of transactions.

CORPORATE GOVERNANCE REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 57 to 60.

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company, Rongcheng (Hong Kong) CPA Limited, in respect of audit services of the Group for the Year amounted to HK$880,000. No non-audit services were provided by the external auditors for the Year.

JOINT COMPANY SECRETARIES

Mr. Zhao Yonghe and Mr. Tam Chun Wai Edwin are joint company secretaries of the Company.

Mr. Zhao Yonghe is the financial controller of the Company. The Company has appointed Mr. Tam Chun Wai Edwin, an external service provider, as one of the Company's joint company secretaries. His primary contact person at the Company is Mr. Zhao Yonghe.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters.

Both Mr. Zhao Yonghe and Mr. Tam Chun Wai Edwin had complied with Rule 5.15 of the GEM Listing Rules by taking no less than 15 hours of the relevant professional training during the Year.

SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels.

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to Article 64 of the Company's articles of association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or a Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

SHAREHOLDERS' RIGHTS *(cont'd)*

Putting Forward Proposals at Annual General Meetings

There is no provision allowing shareholders to move new resolutions at general meeting under the Cayman Islands Companies Law or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

Shareholders may send written enquiries and concerns to the Company by mail to the Company's principal place of business in Hong Kong at 4/F, Wah Yuen Building, 149 Queen's Road Central, Hong Kong or by email to Tonlin_cng@163.com. The Company will not normally deal with verbal or anonymous enquiries.

INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings, publishing corporate communications such as quarterly results, interim results and annual results, financial reports, announcements and circulars. Shareholders may make enquiries with the Company through channels as mentioned above, and provide comments and recommendations to the Directors. Upon receipt of enquiries from shareholders, the Company will respond as soon as practicable.

Communication with Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Board and management maintain a continuing dialogue with the Shareholders and other stakeholders through various channels including but not limited to the Company's general meetings. The Company encourages all Shareholders to attend general meeting which provides a useful forum for Shareholders to exchange views with the Board. During the year under review, an annual general meeting of the Company was held on 25 June 2025 at which all the Directors attended either by person or by means of electronic facilities to communicate with the shareholders of the Company. In addition, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. The Board considers that the Shareholders' Communication Policy is effective during the Year.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PREPARATION BASIS AND SCOPE

The Company is pleased to present our annual Environmental, Social and Governance Report (the "ESG Report") for year ended 31 December 2025 to provide an overview of the Group's management of significant issues affecting the operation, including environmental, social and governance ("ESG") issues.

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. This Report illustrates the Group's policies and performance regarding the environmental and social aspects during the reporting period from 1 January 2025 to 31 December 2025 (the "Reporting Period").

This ESG Report covers all subsidiaries of the Group which are engaged in the sales of natural gas in the PRC which accounts for 100% of revenue during the Reporting Period. The Group will continue in assessing the impacts of its business on the major environmental, social and governance aspects and to include in the ESG report.

The Group recognises the importance of sustainable development. Sustainability is crucial for the Group's growth in order to achieve business excellence and enhance long-term competitiveness. The Group has established and implemented various policies to manage and monitor the risks related to environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this ESG Report.

REPORTING BASIS

This ESG Report was prepared in accordance to the Environmental, Social, and Governance Reporting Guide ("ESG Reporting Code") set out in Appendix C2 to the GEM Listing Rules. The Group has complied with the disclosure requirements of the "comply or explain" provisions set out in the ESG Reporting Code. During the process of preparation of this ESG Report, we summarized the Group's performance in corporate and social responsibilities based on the principles of "Materiality, Quantitative, Balance and Consistency". Please refer to the table below for our understanding and response to such reporting principles.

Reporting Principles	Definitions	Our Response
Materiality	The issues covered in this ESG Report should reflect the significant impacts of the Group on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected.	Through continuous communication with stakeholders, combined with the Group's strategic development and business operations, we can identify current material sustainable development issues.
Quantitative	The ESG Report should disclose key performance indicators ("KPIs") in a measurable manner.	The Group quantitatively discloses its environmental and social KPIs, and provides textual explanations on quantitative resources.
Balance	The ESG Report should reflect fairly the overall sustainability performance of the Group.	The Group has explained in detail the sustainable development issues that have a significant impact in the business, including the results achieved and the challenges it faces.
Consistency	The Group should use consistent disclosure principles for the preparation of the ESG Report.	The Group will ensure that the disclosure scope and reporting methods of the ESG Report are generally consistent every year.

SOURCE OF INFORMATION

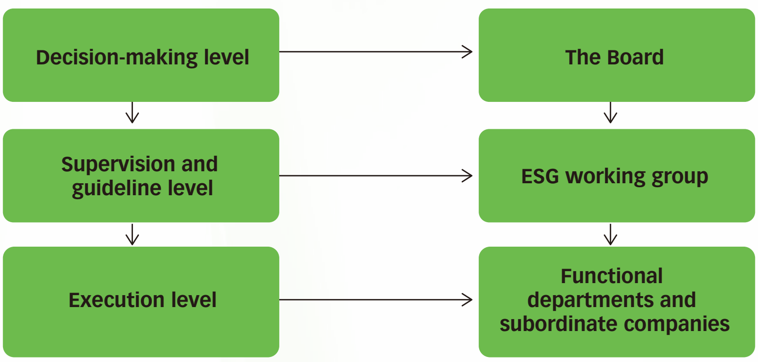
The information disclosed in this ESG Report is derived from the Group's formal documents, statistics or public information. The Board is responsible for the truthfulness, accuracy and completeness of its contents.

ACCESS TO THIS REPORT

The ESG Report is available in Chinese and English versions. In case of any discrepancy between the Chinese and English versions of the Report, the English version shall prevail. You may access the Group's official website at www.tl-cng.com or the website of the Stock Exchange at http://www.hkex.com.hk for an electronic copy of the Report.

SUSTAINABILITY GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainability strategy. To ensure effective ESG management, our ESG governance structure, composed of the Board, ESG working group, respective functional departments and subordinate companies, was established to promote ESG management and disclosure. The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG governance. The Board steers the Group's sustainable development forward and bears the overall responsibility of its ESG efforts. In the future, the Board will continue to strengthen ESG risk management and improve ESG working mechanism and regulatory processes to enhance its ESG governance standard. The ESG working group, serving on the supervision and coordination level, is responsible for implementing ESG governance strategy, coordinating ESG matters, compiling ESG reports, and reporting relevant work progress to the Board on a regular basis. Each functional department and subordinate company, serving on the execution level, is responsible for rolling out initiatives set up by the ESG working group and reporting relevant work progress and data.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

STAKEHOLDERS ENGAGEMENT

The Group emphasises the participation of its stakeholders. All of them have a substantial impact on the success of its business or activities.

In compiling the ESG Report, the Group consulted its internal stakeholders, to monitor and manage its impact on all aspects of the environment and society. Besides, the Group has established various engagement channels for its stakeholders to understand their concerns regarding the Group's operation. The Group believes that stakeholders engagement has significant level of influence in developing sustainable development strategies and fulfilling social responsibilities which is the basis for the Group's strategy formulation and decision-making.

Stakeholders	Issues of concern	Engagement channels
Government	To comply with the laws Proper tax payment Promote regional economic development and employment	On-site inspections and check Research and discussion through work conferences, work reports preparation and submission for approval
Shareholders and investors	Low risk Return on the investment Information disclosure and transparency Protection of interests and fair treatment of shareholders	Annual general meeting and other shareholder meetings Annual and interim reports, announcements and circulars Non-deal roadshows, investors conference
Employees	Safeguard the rights and interests of employees Working environment Career development opportunities Occupational health and safety	Training, seminars, briefing sessions Employee activities
Customers	Safe and high-quality products Stable relationship Integrity Reputation, brands and market demands	Emails, phone calls Customer feedback forms Industry exhibitions Site visits
Peer/Industry associations	Experience sharing Corporations Fair competition	Industry conferences Site visits and field trips
Market regulators	Compliance with the law and regulations Information disclosure	Annual and interim reports, announcements and circulars and other published documents Seminars
Public and communities	Community involvement Career opportunities Social responsibilities	Volunteering Charity and social investment

MATERIALITY ASSESSMENT

The Group attaches importance to the materiality assessment of ESG issues for the purpose of timely and comprehensive understanding of the materiality of each ESG issue to the business development of the Group and the expectation of stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement in the management level of relevant issues. The materiality assessment on ESG issues of the Group during the Reporting Period covers the following steps:

Step 1 The Group identified the following 21 issues in accordance with the disclosure requirements set out in the ESG Reporting Code and based on the business characteristics and daily operation of the Group. These issues are considered to have impacts on the environment and the society during our operation.

Step 2 Based on the understanding of the demands and expectations of stakeholder during the daily operation, the Group determined the materiality of ESG issues by benchmarking the key points and the trend of ESG works of industry peers.

Step 3 Based on the result of the materiality assessment, the Group discussed and determined the key disclosure of the ESG Report for the Reporting Period and the key points for improvement in the future ESG work of the Group.

Social Aspects				Environmental Aspects	
1. Equal opportunity	5. Prevention of child labor and forced labor	9. Complaint handling	13. Community investment	14. Exhaust emissions	18. Water consumption
2. Employment and employee benefits	6. Selection and evaluation of suppliers	10. Protection of intellectual property rights		15. Greenhouse gas emissions	19. Paper consumption
3. Occupational health and safety	7. Control and management on environmental and social risks along the supply chain	**11. Customer data privacy and data security**		16. Waste management	**20. Management of risks associated with Environmental and Natural Resources**
4. Employee development and training	**8. Product quality**	**12. Anti-corruption and money laundering**		17. Energy consumption	**21. Climate change**

According to the results of materiality assessment, 7 material topics (note) are regarded as the most concerned issues of stakeholder and the Group. While taking into account environmental and social responsibilities, the Group will pay more attention to the above areas, and strive to achieve continuous improvement and sustainable business development.

Note: Presented in bold.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

A. ENVIRONMENTAL ASPECTS

ASPECT A1: EMISSIONS

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavors to minimise the environmental impact of the business activities and maintain green operations and green office practices.

Our operations are subject to PRC environmental laws and regulations relating to the construction and operation of natural gas stations. In particular, we are subject to PRC environmental laws and regulations promulgated by both the central and local governments, including but not limited to the Environmental Protection Law (中華人民共和國環境保護法). We consider the protection of the environment to be paramount and have implemented procedures in our gas refuelling stations to ensure our compliance with all applicable requirements. In light of the Environmental Protection Law, the Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法), Law of the PRC on Prevention and Control of Water Pollution (中華人民共和國水污染防治法), Law of the PRC on Prevention and Control of Air Pollution (中華人民共和國大氣污染防治法) and Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法), we have adopted measures under our environment management policy, including but not limited to: (i) installation of re-circulation water cooling system; (ii) implementation of greening in the operation premises; (iii) installation of sound reduction measures to avoid noise pollution; (iv) engagement of solid waste collectors to collect, transport and treat refuse and waste products; and (v) minimising the amount of residual gas released to the atmosphere at our dispensers. Our environmental procedures have consistently been in compliance with applicable environment standards in our gas refuelling stations. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection.

During the Reporting Period, the Group generated/consumed no significant air pollutants, hazardous waste, non-hazardous waste, water, paper and packaging materials due to its business nature.

The greenhouse gas ("GHG") emissions from the operation during the Reporting Period and the corresponding period in 2024 are set out below:

GHG Emissions		
Type of GHG emissions	**Equivalent CO_2 emission (kg) 2025**	Equivalent CO_2 emission (kg) 2024
Scope 1 Direct emissions	**301,853.80**	271,450.84
Scope 2 Indirect emissions (location-based)	**1,203,349.04**	1,405,551.00
Total	**1,505,202.84**	1,677,001.84
Intensity (kg/revenue RMB'000)	**17.38**	17.42

Notes:

1. The calculation of GHG emissions is made reference to "*A Corporate Accounting and Reporting Standard*" from The GHG Protocol and the "*How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs*" issued by the Stock Exchange.

2. Our measurement approach to measure greenhouse gas emissions is by operational control due to the ability to take full ownership of all GHG emissions we can directly influence and reduce.

A. ENVIRONMENTAL ASPECTS *(cont'd)*

ASPECT A2: USE OF RESOURCES

The Group places high priority on the efficient use of resources. The major resources used by the Group are electricity. The Group strives to improve the efficient use of natural resources, such as minimising waste/emissions and implementing effective recycling program. Practical measures are implemented as follows.

Electricity

Electricity saving measures are encouraged that electrical appliances are required to be set as energy saving mode where possible. For computers, the idle automatically mode is 20 minutes or less. The room temperature should be set in a range from 20˚C to 26˚C. Also, power supply should be switched off when they are not in use. Preference will be given to office equipment with relatively high energy efficiency.

Energy consumption by the Group during the Reporting Period and the corresponding period in 2024 are set out below:

Energy Consumption		
Type of energy	**Energy consumed (kWh) 2025**	Energy consumed (kWh) 2024
Unleaded petrol	**215,953.64**	207,191.58
Compressed natural gas	**1,815,467.58**	1,708,240.91
Purchased electricity	**1,972,380.00**	1,990,048.00
Total	**4,003,801.22**	3,905,480.49
Energy intensity (kWh/revenue RMB'000)	**46.23**	40.56

Water

The impact of freshwater use is relatively insignificant for the Group. The Group did not encounter any problems in sourcing water that is fit for purpose. The Group encourages staff to reduce water wastage, for example, by not running water taps at all time.

Paper

Reduction in paper use indirectly reduces the overall GHG emission. The Group has been taking the following steps to reduce paper consumption:

- Reduce the use of paper by printing or photocopying on both sides of paper, where applicable.
- Encourage the employee to use suitable font size/shrinkage mode to minimise pages, if possible. Besides, electronic media is recommended for circulation/communication, to minimise using paper.

In view of our continuous effort, we target to maintain zero substantial non-compliance case in relation to the emission of exhaust gases, GHG and energy consumption in coming five years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned in sections "A1: Emissions" and "A2: Use of Resource", the Group strives to minimise the impacts to the environment and natural resources.

ASPECT A4: CLIMATE CHANGE

The Group is committed to mitigating the climate change and enhancing its resilience to adapt to the increasing threat of climate-related consequences.

The processes used to identify, evaluate and manage significant risks (including significant climate-related issues) by the Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

As a result of above risk management process, physical risk and transitions risks arising from climate change may not bring significant impacts to the Group's business. As a supporter of national and local dual carbon goals, the Group has assessed the potential climate related risks and identified the rising mean temperature and increasing severity and likelihood of extreme weather events such as rainstorms as major physical risks impacting our daily operation.

The Group's ESG working group is responsible for identifying and assessing any climate-related risks to which the Group's operations are exposed, and updating the Board with the latest news and developments on climate regulations and industry benchmark. In order to cope with climate-related risk, the Group implemented various emergency response mechanism and purchased adequate insurance against natural disasters for our natural gas facilities in order to cope with extreme weather.

In the future, we will continue to identify potential business activities impacting the environment and develop corresponding improvement measures, so as to further prevent the possible negative impacts of our operation on climate change.

B. SOCIAL ASPECTS

ASPECT B1: EMPLOYMENT

We believe that our employees are important assets to the Group. Our goal is to provide employees with resources and an environment that encourages them to develop careers with us. We have employees through job market recruiting and internal referrals taking into account of the candidates' initiative, attention to detail and work ethic. We provide management personnel and employees with on-the-job training, rotation training and trainings in other formats to improve their skills and knowledge. We believe we have good relationships with our employees and we did not experience any material labour disputes or difficulty in recruiting staff for our operations in past years. The Group's internal control policies include our standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The Group entered into separate labour contracts with each of our employees in accordance with the applicable labour laws of the PRC. The remuneration package of the employees includes salary, social insurance funds (including pension insurance, unemployment insurance, medical insurance, work-related injuries insurance and maternity insurance) and housing provident funds for our employees. In addition, we provide various employee benefits to our workers, including but not limited to living quarters.

During the Reporting Period, there were no material non-compliance regarding employment brought against the Group or its employees.

Below is a detailed breakdown of our employees by gender, age group, and employment category as at 31 December 2025 and 2024:

	2025		2024	
	Number of staff	% of total	Number of staff	% of total
By gender				
Male	23	38	26	41
Female	37	62	38	59
Total	60	100	64	100
By age group				
30 or below	Nil	Nil	1	2
31-40	2	3	4	6
41-50	30	50	30	47
51 or above	28	47	29	45
Total	60	100	64	100
By employment category				
Normal	43	72	44	69
Middle	7	11	7	11
Senior	10	17	13	20
Total	60	100	64	100
By employment type				
Full-time	60	100	64	100
Part-time	Nil	Nil	Nil	Nil
By geographical region				
PRC	59	98	62	97
Macau	1	2	2	3
Total	60	100	64	100

B. SOCIAL ASPECTS *(cont'd)*

ASPECT B1: EMPLOYMENT *(cont'd)*

Below is a detailed breakdown of our employees turnover rate by gender and age group as at 31 December 2025 and 2024:

	2025	2024
Turnover rate by gender		
Male	**13%**	4%
Female	**16%**	8%
Turnover rate by age group		
30 or below	**Nil**	Nil
31-40	**50%**	Nil
41-50	**17%**	10%
51 or above	**11%**	3%
By geographical region		
PRC	**12%**	6%
Macau	**100%**	Nil

ASPECT B2: HEALTH AND SAFETY

Since sales of natural gas involves risks and hazards due to its flammable and explosive nature, we are committed to conducting our operations in compliance with applicable health, work safety, social and environmental protection laws and regulations and we always strive for a high safety standard of our gas station operation and our staff. We have implemented various procedures and systems to reduce the likelihood of accidents and hazards.

As required by PRC laws and regulations, including the Labour Contract Law of the PRC (中華人民共和國勞動合同法) and its accompanying regulations, the Labour Law of the PRC (中華人民共和國勞動法) and Opinions on Several Questions concerning the Implementation of the Labour Law of the PRC (關於貫徹執行中華人民共和國勞動法若干問題的意見), we are required to have health and safety policies to ensure a safe working environment for our employees, and we are also required to provide health and safety training to our employees. We have implemented a comprehensive health and safety system. Our health and safety system primarily focuses on the following aspects:

- Implementation of precautionary measures: we take precautionary measures against fire hazards, theft, accidents and machinery damage. Our health and safety system identifies our exposure to potential workplace safety and healthcare hazards and outlines the precautionary measures and arrangements designed to eliminate and control those hazards to ensure that a high standard of health and safety is maintained in the workplace. We have implemented a safety monitoring system along the pipeline network for detection of any leakage or other gas incident and we have also added a readily detectable but harmless odour to our natural gas so that users and the general public can be alerted to gas leakage. We have put up different bulletin boards that set out the operational procedures of dispenser and loading of gas to tanker trucks at our gas refuelling stations for our frontline employees. We also conduct fire drill regularly to promote fire safety knowledge and hazard awareness among our frontline employees.

- Emergency response, notification and accident handling: we have an established accident response system. We have issued an internal policy which addresses industry safety, workplace and emergency hygiene and traffic accidents. The measures specify the responsibilities of each department in the event of an accident, including accident notification procedures, investigation, attribution of liability and penalties. The head of our safety and maintenance department shall be responsible for assisting with emergency responses, investigating the cause of accidents and preparing summary reports.

- Equipment maintenance: we repair and maintain all our facilities and equipment on a regular basis. We also upgrade our equipment by installing additional safety features to prevent or mitigate future work injuries and accidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

B. SOCIAL ASPECTS *(cont'd)*

ASPECT B2: HEALTH AND SAFETY *(cont'd)*

- Safety training: we provide regular safety trainings to all our employees. Newly recruited employees must go through a series of safety training sessions provided by our safety officers. Employees operating key equipment must participate in periodic safety training. Before we employ any new equipment, the operating employees must be specifically trained with respect to the safety issues involved.

- Risk management: according to our health and safety system, in order to ensure we are able to provide a safe working environment to our employees, we have a safety officer at each of our gas refuelling stations to conduct daily safety inspections on our production facilities, such as, compressors, dryers, gas cylinders and pipelines, to eliminate potential safety hazards in our production process.

Besides, in light of the occurrence of certain incidents in past years, we have implemented various policies, such as production line inspection system, tanker truck safety management system and accident handling system, to prevent the recurrence of gas leakage. We perform the following measures on a daily basis to prevent and detect gas leakage: (i) our safety officer on duty will inspect all equipment, such as pipes and hoses, valves, filters, compressor, dryer, and meters from time to time to identify any unusual sound or smell and physical wear-and-tear, and to monitor the meter readings on various gas meters installed along the gas pipes, and in cases where gas leakage is detected, the safety officer shall immediately notify the station manager so repair work can be carried out timely; (ii) the keys of the tanker trucks shall be passed to and kept by gas station operator prior to gas refuelling or loading of CNG into the tanker truck; and (iii) the driver of the tanker truck can only ignite the engine after the gas station operator confirms the removal of refuelling nozzle.

We believe that our health and safety system will continue to help us ensure employee health and safety as we continue to expand our operations. During the Reporting Period, there are no work related injuries case. There were no non-compliance cases noted in relation to laws and regulations for health and safety.

Below is those KPIs related to aspect "Health and safety" during the Reporting Period and the corresponding period in 2024 are set out below:

	2025	2024
Number of work-related fatalities	**Nil**	Nil
Rate of work-related fatalities	**Nil**	Nil
Number of working days lost due to work injury	**Nil**	Nil

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ASPECT B3: DEVELOPMENT AND TRAINING

In accordance with our human resources policy, new employees at our gas refuelling stations are required to undergo orientation to familiarise themselves with our safety policies and overall daily operations before they commence working for us. After they attend orientation, some of our employees are provided with duties-specific training for their respective post before they are qualified to work or to operate any facility at our gas refuelling stations. We will review our employee performance from time to time. In addition, for some posts which require particular skills or for enhancement of a certain skill or ability, our employees are further provided with professional and specialised training.

Below is those KPIs related to aspect "Development and training" during the Reporting Period and the corresponding period in 2024 are set out below:

	2025	2024
Percentage of employees who received training by gender		
Male	17%	Nil
Female	30%	Nil
Percentage of employees who received training by employee category		
Normal	28%	Nil
Middle	43%	Nil
Senior	Nil	Nil
Average number of hours of training completed by gender		
Male	0.87 hour	Nil
Female	1.16 hour	Nil
Average number of hours of training completed by employee category		
Normal	0.91 hour	Nil
Middle	3.43 hours	Nil
Senior	Nil	Nil

ASPECT B4: LABOUR STANDARDS

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with applicable labour laws of the PRC. The Group prohibits the use of child labour and forced labour. The Human Resources Department strictly complies with relevant labour laws and regulations in the PRC to implement recruitment. In the recruitment processes, the Human Resources Department takes effective procedures to verify applicants' age and inspects their identification documents and valid proof of identity before hiring any of them. Employment contracts and other records, documenting all relevant details of the employees (including age) are maintained properly for verification by relevant statutory body upon request.

During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding prevention of child labour or forced labour.

ASPECT B5: SUPPLY CHAIN MANAGEMENT

Due to the nature of our business activities, we had no major supplier other than PetroChina Company Limited ("PetroChina"). To secure a stable, reliable and abundant natural gas supply for our operation, we entered into the master supply agreement for a 25-year term with PetroChina on 10 January 2015.

In selecting general materials or service providers, the Group will screen through bidding process and give priority to suppliers who attained certain types of certification for the management system (including certification and qualification related to environmental protection). The Group will monitor the performance of supplies through different channels and regularly assess whether the supplier's performance meets the standards. Thus, we believe there are no significant environmental and social risks for our management decision on supply chain management.

Below is those KPIs related to aspect "Supply chain management" during the Reporting Period and the corresponding period in 2024:

Number of suppliers	2025	2024
PRC	**16**	15

ASPECT B6: PRODUCT RESPONSIBILITY

We believe that the quality of our products is crucial to our continued growth. We place great emphasis on quality control and have implemented stringent monitoring and quality control systems to manage our operations. As natural gas is our principal raw material, its quality is fundamental in determining the quality of our services and operation. We source all natural gas directly from PetroChina, a nationwide reputable oil/gas producer in the PRC, which could consistently meet our demand and quality requirements. Prior to 2016 before PetroChina had an electronic system in place, we would send our staff to PetroChina's Transmission Substation to collect the daily gas composition analysis reports and to review the test result of the natural gas supplied to us. With the PetroChina's electronic system implemented, our staff will download the daily reports from PetroChina's website every day. We will also review the sulphur and moisture content of the natural gas and keep record of all daily gas composition analysis reports prepared by PetroChina.

Intellectual property

We believe that our intellectual property rights are critical to our continued success. We primarily rely on laws and regulations on trademarks and trade secrets and our employees' and third parties' contractual commitments to confidentiality to protect our intellectual property rights.

The Group's Human Resources department is the department responsible for the work related to intellectual property rights, responsible for the acquisition, modification, renewal, licensing, pledge, transfer, logout, and monitoring of intellectual property of all units including trademarks, functional variable names, copyrights, patents, responsible for guiding, supervising, and managing the intellectual property rights maintenance and rights protection and anti-counterfeiting of all units. The Group requires our staff to endeavor to guarantee and develop intellectual property rights of the Group while totally respect legal intellectual property rights of third parties. In addition, the Group would also sign confidentiality agreement and competition prohibition agreement with its staff and suppliers to prevent the infringement of intellectual property rights. Employees who are suspected of violating relevant rules of intellectual property rights of the Group shall be under investigation and the Group would take appropriate actions to this.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ASPECT B6: PRODUCT RESPONSIBILITY *(cont'd)*

Customer data protection and privacy

The Group respects the privacy of customers and their intellectual property rights. Customer data and information obtained during the course of business operation will only be used in providing services for customers, and it will not be disclosed to third-party organisations or be used for other purposes other than providing customer services without customers' consent. The Group has stipulated the process and precautions of handling important documents for employees in in which employees are required to treat customer data in strict confidence. The Group's customer information is attended by specified personnel and can only be accessed by authorised personnel. Classified paper documents are properly placed in the storage room to avoid data breaches. Additionally, the Group provides regular training for employees to enhance their awareness in personal data security, and to prevent employees from using, leaking, and selling customers' personal information illegally.

During the Reporting Period, there are no disputes between our Group and our customers in respect of the quality of our products by us.

Below is those KPIs related to aspect "Product responsibility" during the Reporting Period and the corresponding period in 2024:

	2025	2024
Percentage of total products sold or shipped subject to recalls for safety and health reasons	**Nil**	Nil
Number of complaints about products and services	**Nil**	Nil

ASPECT B7: ANTI-CORRUPTION

To ensure operation efficiency and employees' development in a fair and honest working environment, the Group has formulated anti-corruption policy to avoid suspected corruption and provided channel such as by letter, meeting, email or phone call for employees to report suspected corruption. If there are any suspected case related to corruption, employees are encouraged to report the related cases through the mentioned channels. All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees. Besides, anti-corruption training were provided to senior management through internal training during the Reporting Period.

The Group has been in strict compliance with law and regulation related to anti-corruption.

During the Reporting Period, there was no any legal case regarding corrupt practices brought against the Group or its employees.

ASPECT B8: COMMUNITY INVESTMENT

As a socially responsible company, the Group is committed to understand the needs of the communities in which we operate. The Group strives to develop long-term relationship with our stakeholders and seek to make contributions to have a positive impact on community development.

APPENDIX I ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX

	Subject areas, aspects, general disclosures and KPIs	Section
A. Environmental		
Aspect A1: Emissions		
	General Disclosure	**A1: Emissions**
KPI A1.1	The types of emissions and respective emissions data.	A1: Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and, where appropriate, intensity.	A1: Emissions
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	A1: Emissions
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	A1: Emissions
KPI A1.5	Description of emission targets set and steps taken to achieve them.	A2: Use of Resources
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	A1: Emissions
Aspect A2: Use of Resources		
	General Disclosure	**A2: Use of Resources**
KPI A2.1	Direct and indirect energy consumption by type in total.	A2: Use of Resources
KPI A2.2	Water consumption in total and intensity.	A1: Emissions
KPI A2.3	Description of energy use efficiency and a description of targets set and steps taken to achieve them.	A2: Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency and a description of targets set and steps taken to achieve them.	A2: Use of Resources
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	A1: Emissions
Aspect A3: The Environmental and Natural Resources		
	General Disclosure	**A3: The Environmental and Natural Resources**
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A1: Emissions & A2: Use of Resources

	Subject areas, aspects, general disclosures and KPIs	Section
Aspect A4: Climate Change		
	General Disclosure	**A4: Climate Change**
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	A4: Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
	General Disclosure	**B1: Employment**
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	B1: Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1: Employment
Aspect B2: Health and safety		
	General Disclosure	**B2: Health and safety**
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2: Health and safety
KPI B2.2	Lost days due to work injury.	B2: Health and safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	B2: Health and safety
Aspect B3: Development and Training		
	General Disclosure	**B3: Development and Training**
KPI B3.1	The percentage of employee trained by gender and and employee category.	B3: Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3: Development and Training

	Subject areas, aspects, general disclosures and KPIs	Section
Aspect B4: Labour Standards		
	General Disclosure	**B4: Labour Standards**
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4: Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4: Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
	General Disclosure	**B5: Supply Chain Management**
KPI B5.1	Number of suppliers by region.	B5: Supply Chain Management
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	B5: Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5: Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, how they are implemented and monitored.	B5: Supply Chain Management
Aspect B6: Product Responsibility		
	General Disclosure	**B6: Product Responsibility**
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6: Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6: Product Responsibility
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights.	B6: Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	B6: Product Responsibility
KPI B6.5	Description of customer data protection and privacy policies, how they are implemented and monitored.	B6: Product Responsibility

	Subject areas, aspects, general disclosures and KPIs	Section
Aspect B7: Anti-corruption		
	General Disclosure	**B7: Anti-corruption**
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case.	B7: Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	B7: Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7: Anti-corruption
Aspect B8: Community Investment		
	General Disclosure	**B8: Community Investment**
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	In light of our result of materiality assessment, such KPIs is considered as not material and thus not disclosed.
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	In light of our result of materiality assessment, such KPIs is considered as not material and thus not disclosed.

INDEPENDENT AUDITOR'S REPORT

容诚 | RCHK

To the shareholders of TL Natural Gas Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of TL Natural Gas Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 113, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on property, plant and equipment and right-of-use assets	
We identified the impairment assessment of property, plant and equipment and right-of-use assets relating to the sales of natural gas segment as a key audit matter due to the involvement of significant judgements and estimates in determining the recoverable amounts of the respective cash-generating unit ("CGU") to which property, plant and equipment and right-of-use assets relating to the sales of natural gas segment have been allocated. As set out in note 14 to the consolidated financial statements, the Group performed impairment assessment on its property, plant and equipment and right-of-use assets with net carrying values of RMB12,663,000 and RMB2,022,000, respectively. These impairment tests involved significant estimation and judgements around assumptions used, including expected future cash flows, future cost of sales and discount rate. Management determined that a provision for impairment on property, plant and equipment and right-of-use assets of RMB759,000 and RMB241,000, respectively, was recognised during the year ended 31 December 2025.	Our procedures in relation to management's impairment assessment on property, plant and equipment and right-of-use assets included: • Obtaining an understanding of the management's process and basis adopted in preparing the value in use calculations of the CGU, including key inputs; • Assessing the reasonableness of the key assumptions made by the management, including the growth rate, by comparing the current year's actual results with prior year's forecast, to consider whether any past forecast including any assumptions, with hindsight, had been aggressive; • Assessing the appropriateness of the methodology, and the reasonableness of key assumptions based on our knowledge of the business and industry; and • Evaluating the potential impact on the value in use calculations of the CGU based on the reasonably possible changes of the budgeted growth rate and discount rate applied by the management of the Group. Based on the procedures performed, we consider impairment assessment as property, plant equipment and right-of-use assets is supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Fong Ho Keung
Practising Certificate Number: P08079
25 March 2026
Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (restated)
CONTINUING OPERATIONS			
REVENUE	5	**86,594**	96,284
Cost of sales		**(79,513)**	(88,168)
Gross profit		**7,081**	8,116
Other income, gains and other losses	6	**197**	327
(Impairment loss) reversal of impairment losses on financial assets, net		**(331)**	106
Impairment loss on property, plant and equipment		**(759)**	(1,115)
Impairment loss on right-of-use assets		**(241)**	(108)
Selling and distribution expenses		**(1,061)**	(1,145)
Administrative expenses		**(12,451)**	(13,893)
Finance costs	8	**(40)**	(45)
LOSS BEFORE TAXATION	7	**(7,605)**	(7,757)
TAXATION	11	**236**	(510)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(7,369)**	(8,267)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	25	**(376)**	(1,625)
LOSS FOR THE YEAR		**(7,745)**	(9,892)
Attributable to:			
Owners of the Company			
from continuing operations		**(7,369)**	(8,056)
from discontinued operations		**(376)**	(1,625)
Non-controlling interests			
from continuing operations		**–**	–
from discontinued operations		**–**	(211)
		(7,745)	(9,892)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
From continuing and discontinued operations			
Basic and diluted	13	**RMB(3.91) cents**	RMB(5.30) cents
From continuing operations			
Basic and diluted		**RMB(3.72) cents**	RMB(4.41) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000 (restated)
LOSS FOR THE YEAR	**(7,745)**	(9,892)
OTHER COMPREHENSIVE (EXPENSE) INCOME		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1**	(6)
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation from functional currency to presentation currency	**(603)**	422
OTHER COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR, NET OF TAX	**(602)**	416
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(8,347)**	(9,476)
Attributable to:		
Owners of the Company		
from continuing operations	**(7,971)**	(7,640)
from discontinued operations	**(376)**	(1,625)
Non-controlling interests		
from continuing operations	**–**	–
from discontinued operations	**–**	(211)
	(8,347)	(9,476)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**12,663**	15,271
Right-of-use assets	15	**2,022**	1,919
Other intangible assets	16	**45**	60
Deferred tax assets	22	**236**	–
Advance payments for non-current assets	19	**1,627**	2,747
Total non-current assets		**16,593**	19,997
CURRENT ASSETS			
Inventories	17	**99**	93
Trade receivables	18	**1,795**	1,802
Prepayments and other receivables	19	**10,868**	10,872
Bank balances and cash	20	**31,001**	29,437
Total current assets		**43,763**	42,204
CURRENT LIABILITIES			
Trade payables	21	**173**	119
Other payables and accruals	21	**5,543**	4,921
Lease liabilities	15	**728**	414
Tax payable		**2,737**	2,870
Total current liabilities		**9,181**	8,324
NET CURRENT ASSETS		**34,582**	33,880
TOTAL ASSETS LESS CURRENT LIABILITIES		**51,175**	53,877
NON-CURRENT LIABILITY			
Lease liabilities	15	**590**	579
Total non-current liabilities		**590**	579
Net assets		**50,585**	53,298
EQUITY			
Share capital	23	**7,280**	6,210
Reserves		**43,305**	47,088
Equity attributable to owners of the Company		**50,585**	53,298
Non-controlling interests		**–**	–
Total equity		**50,585**	53,298

The consolidated financial statements on pages 61 to 113 were approved and authorised for issue by the board of directors on 25 March 2026 and are signed on its behalf by:

Liu Yong Cheng
Director

Liu Yong Qiang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Capital reserve RMB'000 (note a)	Other reserve RMB'000 (note c)	Exchange fluctuation reserve RMB'000	Statutory reserve RMB'000 (note b)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	5,990	80,560	4,300	17,350	–	4,930	2,112	(55,149)	60,093	(808)	59,285
Loss for the year	–	–	–	–	–	–	–	(9,681)	(9,681)	(211)	(9,892)
Other comprehensive expense for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	–	(6)	–	–	(6)	–	(6)
Exchange differences arising on translation from functional currency to presentation currency	–	–	–	–	–	422	–	–	422	–	422
Total comprehensive expense for the year	–	–	–	–	–	416	–	(9,681)	(9,265)	(211)	(9,476)
Acquisition of additional interest from a non-controlling interest (note 33(c))	–	–	–	–	(1,019)	–	–	–	(1,019)	1,019	–
Issue of shares, net of transaction costs (note 23)	220	3,269	–	–	–	–	–	–	3,489	–	3,489
At 31 December 2024	6,210	83,829	4,300	17,350	(1,019)	5,346	2,112	(64,830)	53,298	–	53,298

	Attributable to owners of the Company										
	Share capital RMB'000	**Share premium RMB'000**	**Share option reserve RMB'000**	**Capital reserve RMB'000 (note a)**	**Other reserve RMB'000 (note c)**	**Exchange fluctuation reserve RMB'000**	**Statutory reserve RMB'000 (note b)**	**Accumulated losses RMB'000**	**Total RMB'000**	**Non-controlling interests RMB'000**	**Total equity RMB'000**
At 1 January 2025	**6,210**	**83,829**	**4,300**	**17,350**	**(1,019)**	**5,346**	**2,112**	**(64,830)**	**53,298**	**–**	**53,298**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(7,745)**	**(7,745)**	**–**	**(7,745)**
Other comprehensive expense for the year:											
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**1**	**–**	**–**	**1**	**–**	**1**
Exchange differences arising on translation from functional currency to presentation currency	**–**	**–**	**–**	**–**	**–**	**(603)**	**–**	**–**	**(603)**	**–**	**(603)**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**(602)**	**–**	**(7,745)**	**(8,347)**	**–**	**(8,347)**
Issue of shares, net of transaction costs (note 23)	**1,070**	**4,489**	**–**	**–**	**–**	**–**	**–**	**–**	**5,559**	**–**	**5,559**
Share option lapsed	**–**	**–**	**(4,300)**	**–**	**–**	**–**	**–**	**4,300**	**–**	**–**	**–**
Equity-settled share option arrangement	**–**	**–**	**75**	**–**	**–**	**–**	**–**	**–**	**75**	**–**	**75**
Transfer upon completion of deregistration	**–**	**–**	**–**	**–**	**1,019**	**–**	**–**	**(1,019)**	**–**	**–**	**–**
At 31 December 2025	**7,280**	**88,318**	**75**	**17,350**	**–**	**4,744**	**2,112**	**(69,294)**	**50,585**	**–**	**50,585**

Notes:

a) The capital reserve of the Group represents the paid-up capital of the companies comprising the Group prior to the incorporation of the Company and the reserve arising from the reorganisation.

b) In accordance with the Company Law of the People's Republic of China ("PRC"), the subsidiary of the Company which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC accounting standards, to its statutory surplus reserve until the reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(c) During the year ended 31 December 2024, the Group has acquired additional interest of Guangzhou Jinbao Technology Co. Ltd. from the non-controlling interest at nil consideration. The Group recognised a decrease in equity attributable to owners of the Company of RMB1,019,000. The amount represented the difference between the consideration paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interest upon the acquisition of additional interest in a subsidiary. On 30 June 2025, the subsidiary was deregistered and the reserve was transferred to accumulated losses during the year ended 31 December 2025.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before taxation	**(7,981)**	(9,382)
Adjustments for:		
Depreciation of property, plant and equipment	**2,390**	2,561
Depreciation of right-of-use assets	**660**	796
Amortisation of other intangible assets	**15**	12
Finance costs	**40**	45
Interest income	**(136)**	(247)
Impairment loss on property, plant and equipment	**759**	1,115
Impairment loss on right-of-use assets	**241**	108
Impairment loss (reversal of impairment losses) on financial assets, net	**331**	(106)
Loss on disposals of property, plant and equipment	**10**	–
Share-based payment expense	**75**	–
Cashflow before changes in working capital	**(3,596)**	(5,098)
(Increase) decrease in inventories	**(6)**	37
Decrease in trade receivables	**19**	1,328
Decrease in prepayments and other receivables	**781**	1,787
Increase in trade payables	**54**	97
(Decrease) increase in other payables and accruals	**(404)**	73
Net cash flows used in operating activities	**(3,152)**	(1,776)
INVESTING ACTIVITIES		
Interest received	**136**	247
Additions of property, plant and equipment	**(551)**	(82)
Additions of other intangible assets	**–**	(45)
Net cash flows (used in) from investing activities	**(415)**	120
FINANCING ACTIVITIES		
Proceeds from issuance of shares	**6,018**	3,597
Repayment of principal of lease liabilities	**(679)**	(812)
Transaction costs attributable to issue of shares	**(459)**	(108)
Interest paid	**(40)**	(45)
Net cash flows from financing activities	**4,840**	2,632
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,273**	976
Cash and cash equivalents at beginning of year	**29,437**	28,375
Effect of foreign exchange rate changes, net	**291**	86
CASH AND CASH EQUIVALENTS AT END OF YEAR	**31,001**	29,437

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION

TL Natural Gas Holdings Limited (the "Company") is a public limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The registered office address of the Company is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands. The principal place of business of the Company in Hong Kong is 4/F, Wah Yuen Building, 149 Queen's Road Central, Hong Kong. In the opinion of the directors of the Company, the holding company and the ultimate holding company of the Company are Yongsheng Enterprise Limited and Hongsheng Enterprise Limited, respectively, which are incorporated in British Virgin Islands ("BVI").

The principal activities of the Company and its subsidiaries (the "Group") are sales of natural gas and provision of digital marketing service.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	*Lack of Exchangeability*

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(cont'd)*

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards - Volume 11*[2]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[3]
HKFRS 19 and its amendments	*Subsidiaries without public Accountability: Disclosure*[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group is mainly involved in the sale of compressed natural gas and liquefied natural gas and provision of digital marketing service. Revenue is measured based on the fair value of consideration received or receivable specified in the contracts with customers.

(a) Sale of compressed natural gas and liquefied natural gas

Revenue from the sale of compressed natural gas and liquefied natural gas is recognised at the point in time when control of the asset is transferred to the customer, generally upon the sales of goods at our gas refueling stations, or upon delivery of the goods to customers. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and the payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(b) Transmission service

Revenue from the provision of transmission service is recognised at the point in time when services are rendered.

(c) Digital marketing service

Revenue from the provision of digital marketing service is recognised at the point in time when services are rendered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5.00%
Leasehold improvements	37.50%
Plant and machinery	10.00%
Motor vehicles	10.00%
Others	20.00% to 33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Leases

The Group assesses whether a contract is, or contains, a lease based on the definition under HKFRS 16 at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate and stand-alone price of the non-lease components.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Office building and motor vehicles	2-3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

(c) Short-term leases

Lease payments on short-term leases is recognised as an expense on a straight-line basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Leases *(cont'd)*

The Group as a lessee (cont'd)

(d) Lease modifications

The Group accounts for a lease modification as a separate lease if:

– the modification increase the scope of the lease by adding the right to use one or more underlying assets; and

– the consideration for leases increases an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, base on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 *Revenue from Contracts with Customers* in accordance with the policies set out for "Revenue recognition" above.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Impairment of financial assets *(cont'd)*

General approach (cont'd)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Taxation

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business consolidation and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Taxation *(cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business consolidation and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

3.2 Material accounting policy information *(cont'd)*

Foreign currencies

These consolidated financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the year. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and an overseas subsidiary are currencies other than RMB. As at the end of the year, the assets and liabilities of the Company and an overseas subsidiary are translated into RMB at the exchange rates prevailing at the end of the year and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial within the next financial year.

Impairment assessment on property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for property, plant and equipment and right-of-use assets at the end of each reporting period. The assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset, if available. When value in use calculations are undertaken, management must estimate the expected future cash flows from the assets or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The key assumptions used in the expected future cash flows calculations include expected future cash flows and future cost of sales and discount rate. Where the expectation is different from the original estimates, the carrying value and provision for such assets in the period in which such estimates are changed will be adjusted accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

5. REVENUE AND OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM") that are used to make strategic decisions.

In the current year, the Group's reporting segment under HKFRS 8 *Operating Segments* is sale of compressed natural gas and liquefied natural gas and transmission service for natural gas ("Sales of natural gas").

In addition to the above reportable segment, other operating segments include the automated car wash service and the provision of fast food catering service. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, the automated car wash service and the provision of fast food catering service were grouped into "others".

An operating segment regarding to provision of digital marketing service was discontinued in the current year due to deregistration of a subsidiary. The segment information reported on the next pages does not include any amounts for this discontinued operations, which is described in more detail in note 25.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit (loss), which is a measure of adjusted loss before taxation. The adjusted loss before taxation is measured consistently with the Group's loss before taxation except that interest income as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

5. REVENUE AND OPERATING SEGMENT INFORMATION *(cont'd)*

Continuing operations

Year Ended 31 December 2025

	Sales of natural gas RMB'000	Others RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	86,594	–	86,594
Revenue			86,594
Segment result	(4,133)	(304)	(4,437)
Reconciliation:			
Interest income			136
Corporate and other unallocated expenses			(3,304)
Loss before taxation from continuing operations			(7,605)
Segment assets	47,784	453	48,237
Reconciliation:			
Corporate and other unallocated assets			12,119
Total assets			60,356
Segment liabilities	9,157	73	9,230
Reconciliation:			
Corporate and other unallocated liabilities			541
Total liabilities			9,771
Other segment information			
Additions to non-current assets (note)	1,555	–	1,555
Impairment losses recognised on financial assets, net	331	–	331
Impairment loss on property, plant and equipment	759	–	759
Impairment loss on right-of-use assets	241	–	241
Depreciation and amortisation	3,050	–	3,050

5. REVENUE AND OPERATING SEGMENT INFORMATION *(cont'd)*

Continuing operations *(cont'd)*

Year Ended 31 December 2024 (restated)

	Sales of natural gas RMB'000	Provision of digital marketing service RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Segment revenue					
Sales to external customers	96,284	–	96,284	–	96,284
Revenue					96,284
Segment result	(4,372)	–	(4,372)	270	(4,102)
Reconciliation:					
Interest income					247
Corporate and other unallocated expenses					(3,902)
Loss before taxation					(7,757)
Segment assets	51,653	396	52,049	819	52,868
Reconciliation:					
Corporate and other unallocated assets					9,333
Total assets					62,201
Segment liabilities	8,692	20	8,712	164	8,876
Reconciliation:					
Corporate and other unallocated liabilities					27
Total liabilities					8,903
Other segment information					
Additions to non-current assets (note)	127	–	127	–	127
Reversal of impairment losses recognised on trade receivables, net	106	–	106	–	106
Impairment loss on property, plant and equipment	1,115	–	1,115	–	1,115
Impairment loss on right-of-use assets	108	–	108	–	108
Depreciation and amortisation	3,221	–	3,221	88	3,309

Note: Non-current assets include property, plant and equipment and right-of-use assets.

5. REVENUE AND OPERATING SEGMENT INFORMATION *(cont'd)*

Geographical information

(a) Revenue from external customers

During both years, all of the Group's revenue was generated from customers located in the PRC.

(b) Non-current assets

	2025 **RMB'000**	2024 RMB'000
The PRC	**16,357**	19,997

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

No individual customer of the Group has contributed over 10% of the total revenue of the Group during both years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

5. REVENUE AND OPERATING SEGMENT INFORMATION *(cont'd)*

Revenue from contracts with customers

Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Continuing operations		
Type of goods or services		
Sale of compressed natural gas and liquefied natural gas	**86,594**	96,284
Total revenue from contracts with customers	**86,594**	96,284

Timing of revenue recognition

All of the Group's revenue was recognised at a point in time in the current and prior reporting periods.

Performance obligations for contracts with customers

Sale of compressed natural gas and liquefied natural gas

The performance obligation of the sale of compressed natural gas and liquefied natural gas is satisfied upon delivery of the goods.

Transmission service

The performance obligation of the provision of transmission services is satisfied upon services are rendered.

Digital marketing service

The performance obligation of the provision of digital marketing service is satisfied upon services are rendered.

The remaining performance obligations of the sale of compressed natural gas and liquefied natural gas as at 31 December 2025:

	2025 RMB'000	2024 RMB'000
Within one year	**1,002**	1,055

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue within one year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

6. OTHER INCOME, GAINS AND OTHER LOSSES

	2025 RMB'000	2024 RMB'000
Continuing operations		
Other income and gains		
Bank interest income	136	247
Net exchange gains	–	1
Sundry income	61	79
	197	327

7. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging:

	2025 RMB'000	2024 RMB'000
Continuing operations		
Cost of inventories sold	74,497	82,885
Depreciation of property, plant and equipment	2,375	2,501
Depreciation of right-of-use assets	660	796
Amortisation of other intangible assets	15	12
Utility expense	1,267	1,328
Transportation expense	525	1,066
Auditor's remuneration	810	813
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	5,802	6,858
Pension scheme contributions	578	616
	6,380	7,474
Expense relating to short-term leases	600	769

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Continuing operations		
Interest on lease liabilities	**40**	45

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the GEM Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Group	
	2025 RMB'000	2024 RMB'000
Fees	**230**	231
Other emoluments:		
Salaries, allowances and benefits in kind	**1,613**	1,678
Pension scheme contributions	**23**	17
	1,636	1,695
	1,866	1,926

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Ms. Luo Hong Ru	**60**	60
Ms. Zeng Li	**60**	60
Mr. Yeung Chun Yue David	**110**	111
	230	231

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(cont'd)*

(b) Executive directors and the chief executive

Year ended 31 December 2025	**Salaries, bonuses, allowances and benefits in kind RMB'000**	**Pension scheme contributions RMB'000**	**Total remuneration RMB'000**
Mr. Liu Yong Cheng*	**419**	**3**	**422**
Mr. Liu Yong Qiang	**419**	**3**	**422**
Mr. Liu Yong Sheng	**775**	**17**	**792**
	1,613	**23**	**1,636**

Year ended 31 December 2024	Salaries, bonuses, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Mr. Liu Yong Cheng*	380	–	380
Mr. Liu Yong Qiang	380	–	380
Mr. Liu Yong Sheng	918	17	935
	1,678	17	1,695

* Mr. Liu Yong Cheng is also the chief executive of the Company during both years.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2024: three directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining two (2024: two) highest paid employees who are neither a director nor the chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	426	1,393
Pension scheme contributions	–	–
Equity-settled share-based expense	37	–
	463	1,393

The number of non-director and non-chief executive highest paid employee whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
Nil to RMB500,000	2	1
RMB500,001 to RMB1,000,000	–	–
RMB1,000,001 to RMB1,500,000	–	1
RMB1,500,001 to RMB2,000,000	–	–

No emoluments have been paid by the Group to any directors or the five highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of the office during both years.

11. TAXATION

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The major components of taxation of the Group during the year are analysed as follows:

	2025 RMB'000	2024 RMB'000
Continuing operations		
Current tax – the PRC	**–**	–
Deferred tax *(note 22)*	**(236)**	510
Total tax (credit) charge for the year	**(236)**	510

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

The statutory tax rate for the subsidiary in Hong Kong is 16.5%. No Hong Kong Profits Tax on the Group's subsidiary has been provided as there were no assessable profits arising in Hong Kong during both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

A reconciliation of the tax charge applicable to loss before taxation at the statutory rate in the PRC to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Continuing operations		
Loss before taxation	**(7,605)**	(7,757)
Tax at the statutory tax rate of 25% (2024: 25%)	**(1,901)**	(1,939)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**801**	1,021
Tax effect of expenses not deductible for tax purpose	**445**	428
Tax effect of tax losses not recognised	**419**	1,000
Tax (credit) charge at the Group's effective rate	**(236)**	510

The Group had tax losses arising in Hong Kong of RMB482,000 as at 31 December 2025 (2024: RMB482,000), that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. The Group also has tax losses arising in the PRC of RMB2,119,000 (2024: RMB1,392,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiary that has been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

11. TAXATION *(cont'd)*

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributable by the subsidiary established in the PRC in respect of earnings generated from 1 January 2008.

As of 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in the PRC. In the opinion of the directors, it is not probable that this subsidiary will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with an investment in a subsidiary in the PRC for which deferred tax liabilities have not been recognised totaled approximately RMB1,401,000 as at 31 December 2025 (2024: RMB3,619,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

12. DIVIDENDS

No dividend has been paid or declared by the Company during both years.

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share amount for the year is based on loss for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

	2025 **RMB'000**	2024 RMB'000
For continuing and discontinued operations		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	**(7,745)**	(9,681)
For continuing operations		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	**(7,369)**	(8,056)

	Number of shares	
	2025 **'000**	2024 '000
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**198,292**	182,723

For discontinued operations

Basic and diluted loss per share for discontinued operations for the year is RMB(0.19) cents (2024: RMB(0.89) cents).

No adjustment has been made to the basic and diluted loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improve-ments RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Others RMB'000	Total RMB'000
31 December 2025						
At 31 December 2024 and 1 January 2025:						
Cost	**24,027**	**837**	**20,546**	**4,392**	**1,002**	**50,804**
Accumulated depreciation and impairment	**(12,808)**	**(439)**	**(18,933)**	**(2,473)**	**(880)**	**(35,533)**
Net carrying amount	**11,219**	**398**	**1,613**	**1,919**	**122**	**15,271**
At 1 January 2025, net of accumulated depreciation and impairment	**11,219**	**398**	**1,613**	**1,919**	**122**	**15,271**
Additions	**–**	**–**	**44**	**507**	**–**	**551**
Depreciation provided	**(1,246)**	**(134)**	**(442)**	**(501)**	**(67)**	**(2,390)**
Impairment loss recognised	**–**	**(45)**	**(238)**	**(472)**	**(4)**	**(759)**
Disposals	**–**	**–**	**–**	**–**	**(10)**	**(10)**
At 31 December 2025, net of accumulated depreciation and impairment	**9,973**	**219**	**977**	**1,453**	**41**	**12,663**
At 31 December 2025:						
Cost	**24,027**	**837**	**20,556**	**4,899**	**813**	**51,132**
Accumulated depreciation and impairment	**(14,054)**	**(618)**	**(19,579)**	**(3,446)**	**(772)**	**(38,469)**
Net carrying amount	**9,973**	**219**	**977**	**1,453**	**41**	**12,663**
31 December 2024						
At 31 December 2023 and 1 January 2024:						
Cost	24,027	837	20,478	4,481	1,024	50,847
Accumulated depreciation and impairment	(10,711)	(280)	(18,271)	(1,921)	(799)	(31,982)
Net carrying amount	13,316	557	2,207	2,560	225	18,865
At 1 January 2024, net of accumulated depreciation and impairment	13,316	557	2,207	2,560	225	18,865
Additions	–	–	68	–	14	82
Depreciation provided	(1,246)	(134)	(558)	(512)	(111)	(2,561)
Impairment loss recognised	(851)	(25)	(104)	(129)	(6)	(1,115)
At 31 December 2024, net of accumulated depreciation and impairment	11,219	398	1,613	1,919	122	15,271
At 31 December 2024:						
Cost	24,027	837	20,546	4,392	1,002	50,804
Accumulated depreciation and impairment	(12,808)	(439)	(18,933)	(2,473)	(880)	(35,533)
Net carrying amount	11,219	398	1,613	1,919	122	15,271

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Impairment assessment on property, plant and equipment and right-of-use assets

The cash-generating units ("CGUs") were identified based on reportable segment. The Group has identified one CGU based on its operation segments: sales of natural gas.

During the year ended 31 December 2025, in view of the unsatisfactory financial performance during the year, the management of the Group concluded there was indication for impairment and conducted impairment assessment on property, plant and equipment and right-of-use assets relating to the sales of natural gas segment.

The recoverable amount of CGU of the sales of natural gas segment had been determined based on value in use calculation. The calculation used cash flow forecast based on financial budgets approved by the management covering a period of 5 years and pre-tax discount rate of 17.4% (2024: 17.4%). The CGU's cash flow beyond the 5-year period were extrapolated using a steady 1.3% growth rate per annum (2024: 2.5%). The annual growth rate used is ranged from 0% to 1.3% (2024: from 0.3% to 1.9%), which was based on the relevant industry growth rate forecasts and does not exceed the average long term growth rate for the relevant industry.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU is lower than the carrying amount of property, plant and equipment and right-of-use assets amounted to RMB12,663,000 and RMB2,022,000, respectively, as at 31 December 2025. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, Impairment loss amounting to RMB759,000 (2024: RMB1,115,000) and RMB241,000 (2024: RMB108,000) on property, plant and equipment and right-of-use assets, respectively, was recognised in profit or loss during the year ended 31 December 2025.

15. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group as a lessee

The Group has lease contracts for leasehold land, office building and motor vehicles used in its operations. Lump sum payments were made upfront to acquire a leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Office building and motor vehicles RMB'000	Total RMB'000
As at 1 January 2024	1,354	1,469	2,823
Depreciation charge	(39)	(757)	(796)
Impairment loss recognised	–	(108)	(108)
As at 31 December 2024 and 1 January 2025	1,315	604	1,919
Additions	**–**	**1,004**	**1,004**
Depreciation charge	**(39)**	**(621)**	**(660)**
Impairment loss recognised	**–**	**(241)**	**(241)**
As at 31 December 2025	**1,276**	**746**	**2,022**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

15. RIGHT-OF-USE ASSETS/LEASE LIABILITIES *(cont'd)*

The Group as a lessee *(cont'd)*

(b) Lease liabilities:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	993	1,805
Additions	1,004	–
Accretion of interest recognised during the year	40	45
Payments	(719)	(857)
Carrying amount at 31 December	1,318	993
Analysed into:		
Current portion	728	414
Non-current portion	590	579
	1,318	993

(c) A maturity analysis of lease liabilities is shown in the table below:

	2025 RMB'000	2024 RMB'000
Present value of the maturity of lease liabilities:		
Within 1 year	728	414
After 1 year but within 2 years	590	579
Less: Amount shown under current liabilities	(728)	(414)
Amount shown under non-current liabilities	590	579

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	40	45
Expense relating to short-term leases	600	769
Depreciation charge of right-of-use assets	660	796
Total cash outflow for leases	1,319	1,626

The weighted average incremental borrowing rates applied to lease liabilities ranged from 3.5% to 5% (2024: 3.5% to 4.9%).

Details of impairment assessment on the Group's right-of-use assets are set out in note 14.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

16. OTHER INTANGIBLE ASSETS

	Software RMB'000	Patents and licences RMB'000 *(Note)*	Total RMB'000
31 December 2025			
Carrying amount at 1 January 2025, net of accumulated amortisation	**60**	**–**	**60**
Amortisation provided during the year	**(15)**	**–**	**(15)**
Carrying amount at 31 December 2025	**45**	**–**	**45**
Cost	**100**	**1,542**	**1,642**
Accumulated amortisation and impairment	**(55)**	**(1,542)**	**(1,597)**
Net carrying amount	**45**	**–**	**45**
31 December 2024			
Carrying amount at 1 January 2024, net of accumulated amortisation	27	–	27
Addition	45	–	45
Amortisation provided during the year	(12)	–	(12)
Carrying amount at 31 December 2024	60	–	60
Cost	100	1,542	1,642
Accumulated amortisation and impairment	(40)	(1,542)	(1,582)
Net carrying amount	60	–	60

Note: As at 31 December 2025, accumulated impairment loss of other intangible assets of RMB1,542,000 (2024: RMB1,542,000) was recognised in relation to the Group's patents and licences related to car washing equipment. The management of the Group confirmed that the patents and licences for the Group's car washing equipment could not be renewed and therefore considered that it was appropriate to recognise the impairment loss.

17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Natural gas	**99**	93

18. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables, gross	**1,797**	1,816
Less: Allowance for ECL	**(2)**	(14)
Trade receivables, net	**1,795**	1,802

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The following is an aged analysis of trade receivables net of allowance for ECL presented based on the invoice dates.

	2025 RMB'000	2024 RMB'000
Within 3 months	**1,795**	1,802

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**14**	120
Reversal of Impairment losses, net	**(12)**	(106)
At end of year	**2**	14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

18. TRADE RECEIVABLES *(cont'd)*

An impairment analysis is performed at each reporting date using a provision matrix to measure the ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As of 31 December 2025

		Past due	
	Current	Less than 6 months	Total
Expected credit loss rate	**0.22%**	**5.86%**	**0.67%**
Gross carrying amount (RMB'000)	**1,767**	**30**	**1,797**
Allowance for ECL (RMB'000)	**–**	**2**	**2**

As of 31 December 2024

		Past due	
	Current	Less than 6 months	Total
Expected credit loss rate	0.13%	4.15%	0.77%
Gross carrying amount (RMB'000)	1,527	289	1,816
Allowance for ECL (RMB'000)	2	12	14

19. PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments	**3,206**	3,492
Deposits and other receivables	**5,627**	4,872
Advance payments for non-current assets *(note (a))*	**1,627**	2,747
Amounts due from directors *(note (b))*	**2,378**	2,508
	12,838	13,619
Less: Allowance for ECL	**(343)**	–
	12,495	13,619
Analysed for reporting purpose of:		
Amount shown under non-current assets	**1,627**	2,747
Amount shown under current assets	**10,868**	10,872
	12,495	13,619

Deposits and other receivables mainly represented deposits with suppliers and advance to third parties. Details of impairment assessment are set out in note 31.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

19. PREPAYMENTS AND OTHER RECEIVABLES *(cont'd)*

Notes:

(a) Balance mainly represented advance payments for certain plant and machinery in relation to the Group's sales of natural gas segment amounting to RMB1,627,000 (2024: RMB2,747,000).

(b) Amounts are non-trade nature, interest-free, unsecured and repayable on demand.

20. BANK BALANCES AND CASH

	2025 RMB'000	2024 RMB'000
Bank balances and cash	**31,001**	29,437
Denominated in:		
RMB	**25,324**	26,838
HK$	**5,677**	2,599
	31,001	29,437

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
31 December 2025

21. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Trade payables	**173**	119
Other tax payable	**2,241**	2,205
Accrued payroll	**1,199**	944
Contract liabilities *(note)*	**1,002**	1,055
Other payables	**1,101**	717
Other payables and accruals	**5,543**	4,921

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Within 3 months	**173**	119

Note: Details of contract liabilities are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Short-term advances received from customers		
Sales of natural gas	**1,002**	1,055

Contract liabilities include short-term advances received to deliver natural gas. The amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period was RMB1,055,000 (2024: RMB1,255,000).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

22. DEFERRED TAXATION

The movements in deferred tax liabilities and assets during the year are as follows:

2025

Deferred tax assets

	Impairment allowance on financial assets RMB'000	Impairment allowance on property, plant and equipment RMB'000	Lease liabilities RMB'000	Total deferred tax assets RMB'000
At 1 January 2025	30	–	155	185
Deferred tax credited (charged) to profit or loss	–	250	(146)	104
Gross deferred tax assets at 31 December 2025	30	250	9	289

Deferred tax liabilities

	Right-of-use assets RMB'000	Total deferred tax liabilities RMB'000
At 1 January 2025	185	185
Deferred tax credited to profit or loss	(132)	(132)
Gross deferred tax liabilities at 31 December 2025	53	53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

22. DEFERRED TAXATION *(cont'd)*

2024

Deferred tax assets

	Impairment allowance on financial assets RMB'000	Impairment allowance on property, plant and equipment RMB'000	Impairment allowance on other intangible assets RMB'000	Lease liabilities RMB'000	Total deferred tax assets RMB'000
At 1 January 2024	30	272	225	336	863
Deferred tax charged to profit or loss	–	(272)	(225)	(181)	(678)
Gross deferred tax assets at 31 December 2024	30	–	–	155	185

Deferred tax liabilities

	Right-of-use assets RMB'000	Total deferred tax liabilities RMB'000
At 1 January 2024	353	353
Deferred tax credited to profit or loss	(168)	(168)
Gross deferred tax liabilities at 31 December 2024	185	185

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in consolidated statement of financial position	**236**	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

23. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Authorised 2,500,000,000 ordinary shares of HK$0.04 each (2024: 2,500,000,000 ordinary shares of HK$0.04 each)	**88,632**	88,632
Issued and fully paid: 212,505,000 ordinary shares of HK$0.04 each (2024: 183,195,000 ordinary shares of HK$0.04 each)	**7,280**	6,210

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024 and 31 December 2024	183,195,000	6,210
Issue of shares (note)	29,310,000	1,070
At 31 December 2025	212,505,000	7,280

Note: On 27 June 2025, an aggregate of 29,310,000 shares have been placed to not less than six places at the placing price of HK$0.225 per placing shares in accordance with the terms of the placing agreement (the "Placing"). The gross and net proceeds (after deducting the placing commission and other related expenses from the Placing) amounted to approximately RMB6,018,000 (equivalent to approximately HK$6,595,000) and RMB5,559,000 (equivalent to approximately HK$6,091,000), respectively.

24. SHARE OPTION SCHEME

On 21 January 2020, the Company granted share options (the "Options") to eligible individuals pursuant to the share option scheme adopted by the Company on 20 April 2018. The Options shall entitle eligible individuals (the "Grantees") to subscribe for a total of 49,500,000 ordinary shares of HK$0.01 each share in the share capital of the Company. The exercise price of share options is HK$0.166 per share. The Options are exercisable for a period of five years from the date of grant, subject to the vesting period as follows: (a) 30% of the Options will be vested on, and exercisable from, the date of grant to the expiry of the option period (both days inclusive); (b) a further 30% of the Options will be vested on, and exercisable from, the first anniversary of the date of grant to the expiry of the option period (both days inclusive); and (c) the remaining 40% of the Options will be vested on, and exercisable from, the second anniversary of the date of grant to the expiry of the option period (both days inclusive).

On 23 June 2020, the Company granted the Options to eligible individuals pursuant to the share option scheme adopted by the Company on 20 April 2018. The Options shall entitle the Grantees to subscribe for a total of 66,236,000 ordinary shares of HK$0.01 each in the share capital of the Company. The exercise price of share options is HK$0.13 per share. The Options are exercisable for a period of five years from the date of grant, subject to the vesting period as follows: (a) 30% of the Options will be vested on, and exercisable from, the date of grant to the expiry of the option period (both days inclusive); (b) a further 30% of the Options will be vested on, and exercisable from, the first anniversary of the date of grant to the expiry of the option period (both days inclusive); and (c) the remaining 40% of the Options will be vested on, and exercisable from, the second anniversary of the date of grant to the expiry of the option period (both days inclusive).

On 8 July 2025, the Company granted the Options to eligible individuals pursuant to the share option scheme adopted by the Company on 20 April 2018. The Options shall entitle the Grantees to subscribe for a total of 8,500,000 ordinary shares of HK$0.04 each in the share capital of the Company. The exercise price of share options is HK$0.309 per share. The Options are exercisable for a period of four years after 12 months from the date of grant and shall be vested on the date of grant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

24. SHARE OPTION SCHEME *(cont'd)*

The purpose of the grant of the Options is to attract and retain employees, to reward the Grantees for their past contribution to the Company, to provide incentives to employees to further contribute to the Group and to align their interests with the best interests of the Company and its shareholders as a whole, which is in line with the purpose of the share option scheme.

The following share options were outstanding under the Scheme during the year:

	Weighted average Exercise price HK$ per share	Number of options '000
At 1 January 2025	**0.589**	**25,816**
Granted during the year	**0.309**	**8,500**
Lapsed during the year	**0.589**	**(25,816)**
At 31 December 2025	**0.309**	**8,500**

The exercise prices and exercise periods of the share options as at 31 December 2025 is as follows:

Number of options '000	Exercise price HK$ per share	Exercise period
8,500	0.309	8-7-26 to 7-7-30

The fair value of the share options granted during the year ended 31 December 2025 was RMB768,000 (RMB0.090 each).

The fair value of the options granted during the year ended 31 December 2025 were estimated as at the date of grant using a binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Share options granted on 8 July 2025

	Options
Dividend yield (%)	0.00
Expected volatility (%)	50.00
Historical volatility (%)	0.00
Risk-free interest rate (%)	1.94
Expected life of options (year)	5.00
Weighted average share price (HK$ per share)	0.099

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2025, the Company had 8,500,000 (2024: 25,816,009) share options outstanding under the Scheme.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

25. DISCONTINUED OPERATIONS

In June 2025, the Group deregistered a wholly owned subsidiary, Guangzhou Jinbao Technology Co. Ltd., which resulted in cessation of the digital marketing service segment.

The loss for the year from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the digital marketing service segment as discontinued operations.

	From 1 January 2025 to 10 June 2025 (Date of deregistration) RMB'000	2024 RMB'000
Administrative expenses	**376**	1,625
Loss before taxation	**376**	1,625
Income tax expense	**–**	–
Loss for the period	**376**	1,625
Loss for the period from discontinued operations includes the following:		
Loss on disposal of property, plant and equipment	**10**	–
Depreciation of property, plant and equipment	**15**	60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities RMB'000
At 1 January 2024	1,805
Changes from financing cash flows	(857)
Interest expense	45
At 31 December 2024	993
At 1 January 2025	**993**
Additions	**1,004**
Changes from financing cash flows	**(719)**
Interest expense	**40**
At 31 December 2025	**1,318**

27. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Plant and machinery	**539**	539

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

28. RELATED PARTY TRANSACTIONS

(a) Balances with related parties

(i) Amounts due from directors

	2025 RMB'000	2024 RMB'000
Mr. Liu Yong Cheng	**1,189**	1,254
Mr. Liu Yong Qiang	**1,189**	1,254
	2,378	2,508

(b) Key management compensation

Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	**2,057**	1,939
Pension scheme contributions	**23**	17
Total compensation paid to key management personnel	**2,080**	1,956

Further details of directors' and the chief executive's remuneration are included in note 9 to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2025 RMB'000	2024 RMB'000
Amortised cost		
Trade receivables	**1,795**	1,802
Financial assets included in prepayments and other receivables	**7,662**	7,380
Bank balances and cash	**31,001**	29,437
	40,458	38,619

Financial liabilities

	2025 RMB'000	2024 RMB'000
Amortised cost		
Financial liabilities included in trade and other payables	**1,274**	836
Lease liabilities	**1,318**	993
	2,592	1,829

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of bank balances and cash, trade receivables, financial assets included in prepayments and other receivables, financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank balances and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk refers to the risk on fluctuation of fair value or future cash flows of financial instruments which arises from changes in exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HK$ exchange rate, with all other variables held constant, of the Group's loss before taxation (due to changes in the fair values of monetary assets and liabilities), and the Group's equity.

	Increase (decrease) in HK$/RMB rate %	Increase (decrease) in loss before taxation RMB'000	Increase (decrease) in in equity RMB'000
2025			
If the RMB weakens against the HK$	**5**	**156**	**1,151**
If the RMB weakens against the HK$	**(5)**	**(156)**	**(1,151)**
2024			
If the RMB weakens against the HK$	5	(241)	(3,062)
If the RMB weakens against the HK$	(5)	241	3,062

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

Credit risk *(cont'd)*

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	1,797	1,797
Financial assets included in prepayments and other receivables					
– Normal**	6,885	–	–	–	6,885
– Doubtful**	–	1,120	–	–	1,120
Bank balances and cash	31,001	–	–	–	31,001
	37,886	1,120	–	1,797	40,803

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	1,816	1,816
Financial assets included in prepayments and other receivables					
– Normal**	7,380	–	–	–	7,380
Bank balances and cash	29,437	–	–	–	29,437
	36,817	–	–	1,816	38,633

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful". The management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2025, the Group assessed the ECL for deposits and other receivables and impairment loss of RMB343,000 was recognised.

For amounts due from directors, the management measured the ECL using 12m ECL. The management of the Group make periodic individual assessment on the recoverability of amounts due from directors based on the historical settlement record and adjustments for supportive forward looking information. The management believes that there are no significant increase in credit risk of these amounts. No impairment loss was recognised for both years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate lease liabilities (see note 15 for details). The Group currently does not have an interest rate hedging policy. However, management will consider hedging significant interest rate risk should the need arise.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025					
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
Lease liabilities	**–**	**252**	**559**	**638**	**1,449**	**1,318**
Financial liabilities included in trade and other payables	**1,274**	**–**	**–**	**–**	**1,274**	**1,274**
	1,274	**252**	**559**	**638**	**2,723**	**2,592**

As at 31 December 2024

	As at 31 December 2024					
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
Lease liabilities	–	158	468	424	1,050	993
Financial liabilities included in trade and other payables	836	–	–	–	836	836
	836	158	468	424	1,886	1,829

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during both years.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 **RMB'000**	2024 RMB'000
NON-CURRENT ASSET		
Investments in subsidiaries	**36,219**	36,219
CURRENT ASSETS		
Other receivables	**4,199**	4,295
Amounts due from subsidiaries	**37,639**	40,155
Amounts due from directors	**2,378**	2,566
Bank balances and cash	**5,612**	2,528
Total current assets	**49,828**	49,544
CURRENT LIABILITIES		
Accruals and other payables	**216**	8
Amounts due to subsidiaries	**9,594**	10,086
Total current liabilities	**9,810**	10,094
NET CURRENT ASSETS	**40,018**	39,450
Net assets	**76,237**	75,669
EQUITY		
Share capital	**7,280**	6,210
Reserves *(note)*	**68,957**	69,459
Total equity	**76,237**	75,669

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(cont'd)*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share option reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2024	80,560	4,300	6,530	(22,936)	68,454
Loss for the year	–	–	–	(3,580)	(3,580)
Other comprehensive income for the year:					
Exchange differences on translation of the Company's financial statements	–	–	1,316	–	1,316
Total comprehensive income (expense) for the year	–	–	1,316	(3,580)	(2,264)
Issue of shares, net of transaction costs	3,269	–	–	–	3,269
At 31 December 2024	83,829	4,300	7,846	(26,516)	69,459
Loss for the year	**–**	**–**	**–**	**(3,118)**	**(3,118)**
Other comprehensive income for the year:					
Exchange differences on translation of the Company's financial statements	**–**	**–**	**(1,948)**	**–**	**(1,948)**
Total comprehensive income (expense) for the year	**–**	**–**	**(1,948)**	**(3,118)**	**(5,066)**
Issue of shares, net of transaction costs	**4,489**	**–**	**–**	**–**	**4,489**
Share options lapsed	**–**	**(4,300)**	**–**	**4,300**	**–**
Equity-settled share based payment expenses	**–**	**75**	**–**	**–**	**75**
At 31 December 2025	**88,318**	**75**	**5,898**	**(25,334)**	**68,957**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2025	2024	Principal activities
Directly held:					
Zhuoyuan Enterprise Limited# 卓遠實業有限公司	BVI 28 March 2017	US$100	**100%**	100%	Investment holding
Yesheng Enterprise Limited# 葉盛實業有限公司	BVI 19 December 2018	US$100	**100%**	100%	Investment holding
Excellence Enterprise Holdings Limited# 卓越實業控股有限公司	BVI 22 November 2019	US$100	**100%**	100%	Investment holding
Jet Union Technology Limited# 捷銳科技有限公司	BVI 18 October 2019	US$100	**100%**	100%	Investment holding
Indirectly held:					
Hong Kong Hesheng International Industrial Limited# 香港合盛國際實業有限公司	Hong Kong 3 July 2014	HK$20,225,000	**100%**	100%	Investment holding
Hong Kong Hengsheng Industrial Holdings Limited# 香港恒盛實業控股有限公司	Hong Kong 4 January 2019	HK$10,000	**100%**	100%	Investment holding
Hubei Tonglin Natural Gas Service Company Limited 湖北桐林石油天然氣服務有限公司 *(note (a))*	The PRC 30 August 2007	HK$37,500,000	**100%**	100%	Sales of natural gas
Jet Orient Technology Limited# 捷凱科技有限公司	Hong Kong 29 October 2019	HK$10,000	**100%**	100%	Investment holding

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(cont'd)*

Information about subsidiaries *(cont'd)*

Name	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2025	2024	Principal activities
Guangdong Jet Orient Technology Limited 廣東捷凱科技有限公司 *(note (a))*	The PRC 13 November 2019	RMB5,000,000	**100%**	100%	Investment holding
Dongguan Lvze Jieneng Technology Co. Limited 東莞市綠澤節能科技有限公司 *(note (b))*	The PRC 12 August 2015	RMB20,000,000	**100%**	100%	Automated car wash service
Silver Max AP#	Hong Kong 6 March 2020	HK$10,000	**100%**	100%	Investment holding
TPB Property#	Malaysia 13 March 2020	RM100	**100%**	100%	Investment holding
Guangzhou Jinbao Technology Co. Ltd. 廣州勁爆科技有限公司 *(note (b))*	The PRC 2 December 2021	RMB6,000,000	**–** *(note (d))*	100% *(note (c))*	Provision of digital marketing service
Super Computing Whitecell New Energy Digital Technology Co. Limited# 超華新能源數字技術有限公司	Hong Kong 10 December 2025	HK$6,000,000	**100%**	–	Inactive

Notes:

(a) This entity is registered as a wholly-foreign-owned enterprise under PRC law.

(b) This entity is limited liability enterprise established under PRC law.

(c) The non-controlling interests were not material to the Group. During the year ended 31 December 2024, the Group has acquired additional interest of Guangzhou Jinbao Technology Co. Ltd. from the non-controlling interest at nil consideration.

(d) The entity was deregistered on 10 June 2025.

These entities are limited liability companies registered in their respective place of incorporation.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out below.

RESULTS

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	**86,594**	96,284	77,952	67,591	46,436
Gross profit (loss)	**7,081**	8,116	7,487	16,270	(988)
Loss before taxation	**(7,981)**	(9,382)	(21,874)	(3,811)	(8,292)
Loss for the year	**(7,745)**	(9,892)	(23,262)	(3,644)	(8,480)

ASSETS AND LIABILITIES

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	**60,356**	62,201	69,160	95,317	97,606
Total liabilities	**9,771**	8,903	9,875	13,236	13,338
Total equity	**50,585**	53,298	59,285	82,081	84,268