



# FUELING CONNECTIONS, POWERING PROGRESS

ANNUAL REPORT 2025



# OUR MISSION

We believe in providing safe and environmentally-friendly energy, and so we envision to establish an internationally renowned enterprise, and build an integrated energy brand for a world of sustainable energy.

## CONTENTS

**01** CORPORATE PROFILE

**06** CORPORATE STRUCTURE

**12** BOARD OF DIRECTORS

**02** CHAIRMAN'S MESSAGE

**07** FINANCIAL HIGHLIGHTS

**15** OUHUA ENERGY  
Summary of Sustainability Reports

**04** 主席致辞

**09** OPERATIONS REVIEW

**16** FINANCIAL CONTENTS





Ouhua Energy Holdings Limited (“Ouhua Energy” or the “Company”, and together with its subsidiaries, the “Group”) is one of the leading importers of liquefied petroleum gas (“LPG”) in the People’s Republic of China (“PRC”) in terms of quantity. Ouhua Energy is strategically based in Chaozhou City, Guangdong Province, the “Ceramics Capital” of the PRC. Production of ceramics relies heavily on LPG.



Ouhua Energy captures about 40% of the local market share in east of Guangdong. In addition butane and propane, from overseas suppliers and processing these into LPG, it also directly purchases LPG from domestic refineries for sale to customers across the PRC, and exports to Vietnam, Philippines and Thailand and so on.

Ouhua Energy is equipped with a comprehensive suite of production facilities, including over 100,000 cubic metres of LPG storage facilities, and a current annual LPG production capacity of 900,000 tonnes. These facilities are well located in a prime waterfront area supported by wharves that enable the Group to serve diverse markets beyond a geographical radius of 500 kilometres by land and 300 kilometres across the sea.

As a licenced tier-one LPG distributor, the Group is focusing its efforts on developing the LPG retail chain, including the construction of urban gas pipeline system. Moving towards a green, low-carbon emission economy environment, LPG is a clean energy and can

be widely used in commercial vehicles. The Group is also committed to exploring the market in LPG filling gas stations and the production of dimethyl ether (“DME”), to further integrate advanced technology into its operations and extend the product chain which utilises the same raw materials to ensure that it retains a competitive position in imports.

The strong emphasis on product quality, safety, embedded technologies and environmental practices has cemented the Group’s distinguished reputation and contributed to a strong customer base. The core values of the business are to seize opportunities which are before us, earn and maintain the trust of our clients, establish a high-value market position, innovate and achieve sustainable development.



# CHAIRMAN'S MESSAGE



## DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Ouhua Energy Holdings Limited (“Ouhua Energy” or the “Company,” and together with its subsidiaries, the “Group”), I present our annual report for the financial year ended 31 December 2025 (“FY2025”).

## BUSINESS REVIEW FOR FY2025

Financial Year 2025 was a period marked by significant operational challenges and intense market volatility. The Group recorded a total revenue of RMB 2,170.7 million, representing 18.5% decrease from RMB 2,664.6 million in FY2024.

This decline was primarily driven by heightened competition within the Liquefied Petroleum Gas (LPG) market and a reduction in sales volume, which fell from 572,967 tons in FY2024 to 489,414 tons in FY2025. A key factor in this volume decrease was an unexpected supply chain disruption in November 2025. Raw materials procured from overseas could not be discharged due to a supplier’s contracted vessel having non-compliant documentation.

Profitability also faced pressure, with gross profit decreasing by RMB 8.0 million or 22.7% to RMB 27.3 million for the year in review, from RMB 35.3 million in FY2024. This was due to LPG price fluctuations.

LPG price fluctuations also affected the Group’s gross profit margin, which narrowed moderately from 1.33% in FY2024 to 1.26% in FY2025.

With a lower gross profit for FY2025, and a decrease in selling and distribution expenses as well as administration expenses, we managed to pare down losses to a net loss of RMB 59.3 million for the year in review, as compared to a net loss of RMB 69.5 million in FY2024.

## BUSINESS SEGMENT HIGHLIGHTS

Over the year in review, China remained our main market driver, contributing 99.5% or RMB 2,160.9 million in revenue, out of total Group revenue of RMB 2,170.7 million. Revenue from the Asia-Pacific, ex-China, was RMB 9.8 million.

In terms of product/service lines revenue segmentation for FY2025, LPG contributed RMB 2,154.4 million, Propane (“C3”) generated RMB 3.0 million and Butane generated (“C4”) RMB 6.8 million. (These three product lines are classified under the LPG business segment) Meanwhile, electricity sales (classified under “Others” business segment) amounted to RMB 6.6 million.

## BUSINESS OUTLOOK 2026

Looking ahead to FY2026, the global energy landscape remains uncertain. The ongoing war between Iran and the US and Israel and the de facto closure of the Strait of Hormuz, a vital trade route on the southern border of Iran, have raised global energy prices, including for LPG.<sup>1</sup>

<sup>1</sup> Asia braces for ‘Covid-like’ crisis as Iran war fuel shortage widens. 25 March 2026, The Independent. <https://www.independent.co.uk/news/world/asia/asia-energy-crisis-iran-war-covid-work-from-home-b2945185.html>

# CHAIRMAN'S MESSAGE

For the Group, with the significance of this geopolitical development and its economic effects, we have undertaken a comprehensive assessment of its impact on our business.

We note that our business has limited direct exposure to the conflict as the Group's production facilities, operational base, and core customer base are primarily located in mainland China. We see that domestic demand for the Group's products has remained stable. In terms of raw material procurement, we see that over 80 percent of the Group's raw material suppliers are based in the Middle East. With sustained conflict, global petroleum supply chain disruptions may worsen and crude oil prices could further escalate. This could increase the difficulty and cost of raw material procurement in subsequent periods.

As for our pricing mechanism, we note that LPG pricing is inherently linked to market conditions. We anticipate that product selling prices can be adjusted in response to market movements, which should effectively offset any increase in raw material costs.

Our inventory position is another critical factor. As at 31 December 2025, the Group had placed advance deposits for inventory purchases, and the related inventory was delivered prior to the onset of the Middle East crisis. These inventory reserves are expected to cushion the impact of any sudden increase in LPG prices.

In sum, the evolving Iran war injects volatility to the global LPG supply chain and our raw material procurement, making our business outlook uncertain for FY2026.

## CONCLUSION

While we recognise the uncertainties in our business environment for the next twelve months, we must also recognise the determination and agility we have demonstrated over the past year.

At this juncture, I would like to thank our management team and staff for their resilience and dedication during these demanding times. I would also like to express my sincere gratitude to our shareholders, customers, and business partners for their continued trust. We remain committed to navigating the current volatility with prudence and seeking long-term value for our stakeholders.

## LIANG GUO ZHAN

*Executive Chairman  
Ouhua Energy Holdings Limited*



# 主席致辞

## 尊敬的各位股东：

本人谨代表欧华能源控股有限公司（下称“欧华能源”或“本公司”，连同其附属公司统称“本集团”）董事会，呈列本集团截至2025年12月31日止财政年度（下称“2025财年”）的年度报告。

## 2025财年业务回顾

2025财年充满重大经营挑战与剧烈市场波动。本集团录得总收入21.7亿元人民币，较2024财年的26.6亿元人民币下降18.5%。

收入下滑主要受液化石油气（LPG）市场竞争加剧及销量减少影响，销量由2024财年的57.3万吨降至2025财年的48.9万吨。销量下滑的一个关键原因是2025年11月突发供应链中断：因供应商签约船舶文件不合规，海给外采购原材料无法卸货。

盈利能力亦承压，年度毛利由2024财年的3531万元人民币减少802万元人民币（降幅22.7%）至2729万元人民币，主要受液化石油气价格波动影响。

液化石油气价格波动同样影响本集团毛利率，由2024财年的1.33%微降至2025财年的1.26%。

尽管2025财年毛利下降，本集团通过削减销售及分销开支与行政开支，将亏损收窄至净亏损5931万元人民币，2024财年净亏损为6956万元人民币。

## 业务板块亮点

回顾年度内，中国仍为本集团主要市场，贡献收入21.6亿元人民币，占集团总收入21.7亿元人民币的99.5%；中国以外亚太地区收入为980万元人民币。

2025财年产品/服务线收入划分：液化石油气贡献21.5亿元人民币，丙烷（C3）收入295万元人民币，丁烷（C4）收入685万元人民币（以上三项均归属于液化石油气业务板块）；电力销售（归属于“其他”业务板块）收入658万元人民币。

## 2026财年业务展望

展望2026财年，全球能源格局仍具不确定性。伊朗与美国、以色列持续冲突，以及伊朗南部边境重要贸易航道霍尔木兹海峡事实上关闭，已推高包括液化石油气在内的全球能源价格。

对本集团而言，鉴于上述地缘政治局势及其经济影响，本集团已就其对业务的影响展开全面评估。

本集团注意到，业务受冲突直接影响有限，因生产设施、运营基地及核心客户群主要位于中国内地，国内产品需求保持稳定。

原材料采购方面，本集团逾80%原材料供应商位于中东。若冲突持续，全球石油供应链扰动可能加剧，原油价格或进一步上涨，后续原材料采购难度与成本或上升。

定价机制方面，液化石油气定价与市场状况紧密挂钩。本集团预计可根据市场变动调整产品售价，有效抵消原材料成本上涨。

库存状况为另一关键因素。截至2025年12月31日，本集团已就采购存货支付预付款，相关存货已于中东危机爆发前交付。该等存货储备预计可缓冲液化石油气价格突然上涨的影响。

总体而言，伊朗局势持续演变加剧全球液化石油气供应链及本集团原材料采购的波动性，令2026财年业务展望存在不确定性。

## 结语

尽管未来十二个月经营环境存在不确定性，我们亦须肯定过去一年展现的决心与应变能力。

在此，本人感谢管理团队及全体员工在艰难时期的坚韧与付出；衷心感谢各位股东、客户及商业伙伴的持续信任。本集团将继续审慎应对当前波动，致力为股东创造长期价值。

## 梁国湛

执行董事兼主席欧华能源控股有限公司

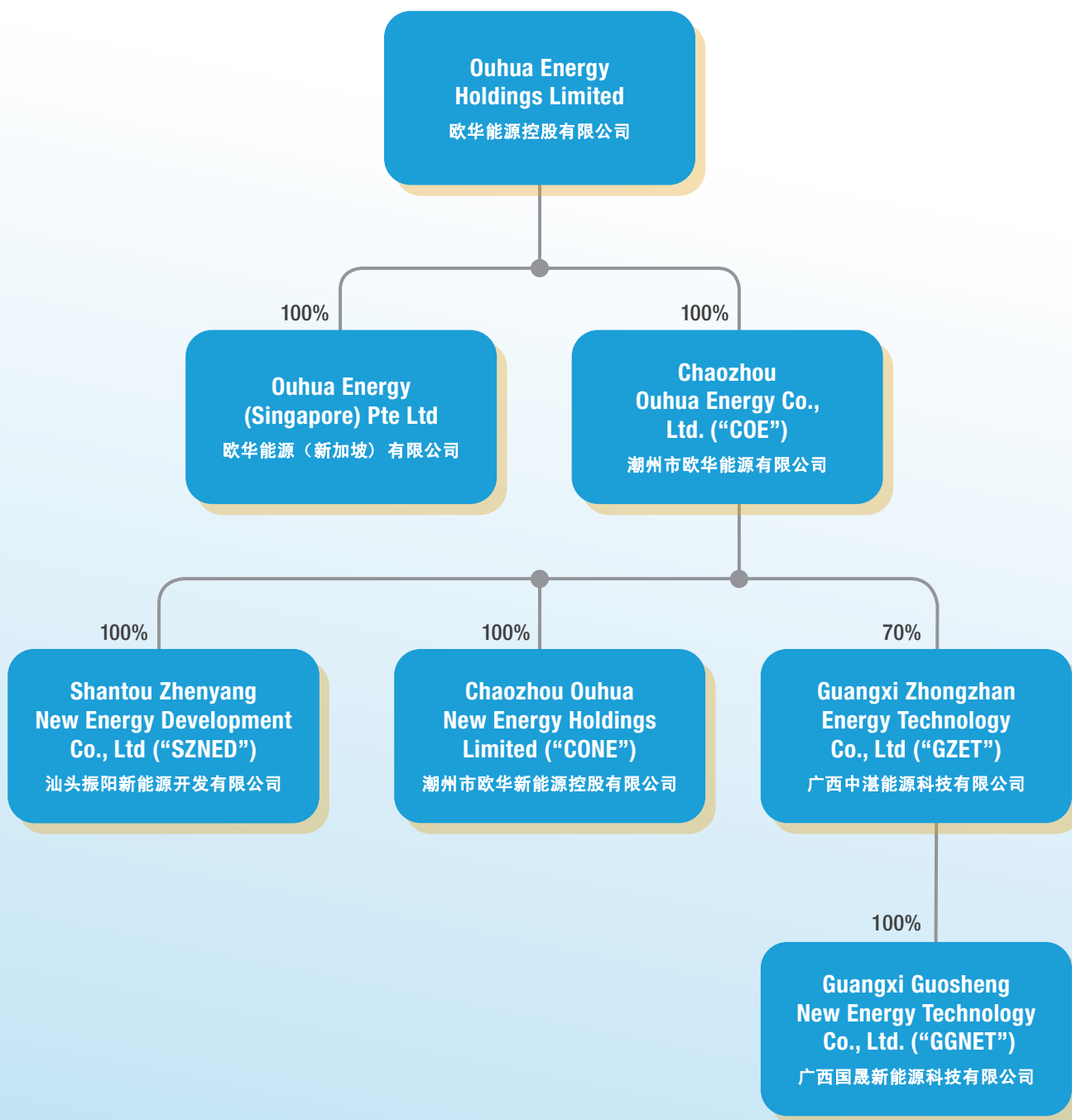
## POISED FOR THE FUTURE

The energy landscape of tomorrow beckons for sustainable energy solutions, and we stand ready to heed the call. As a provider of clean and efficient fuel products, we are well positioned to deliver on emergent opportunities stemming from the rising demand for greener energy.



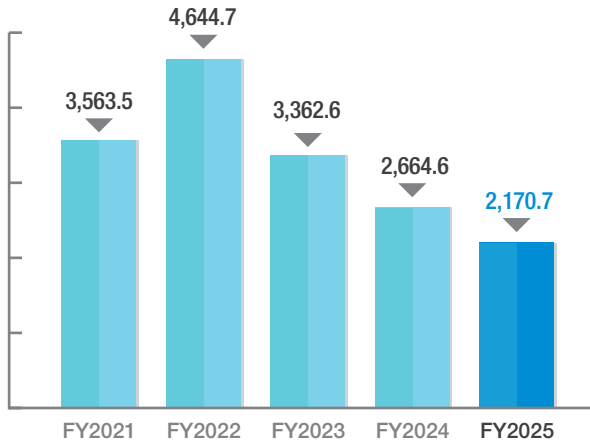
# CORPORATE STRUCTURE

We are cautiously optimistic about both the short-term and the long-term future of our Group due to our Group's ongoing transformation and our focused efforts in capturing opportunities to improve and advance our level of technology.

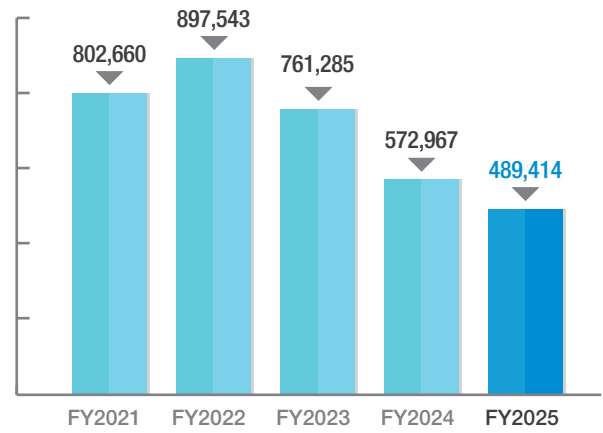


# FINANCIAL HIGHLIGHTS

**REVENUE**  
(RMB 'millions)



**SALE VOLUME**  
(tonnes)



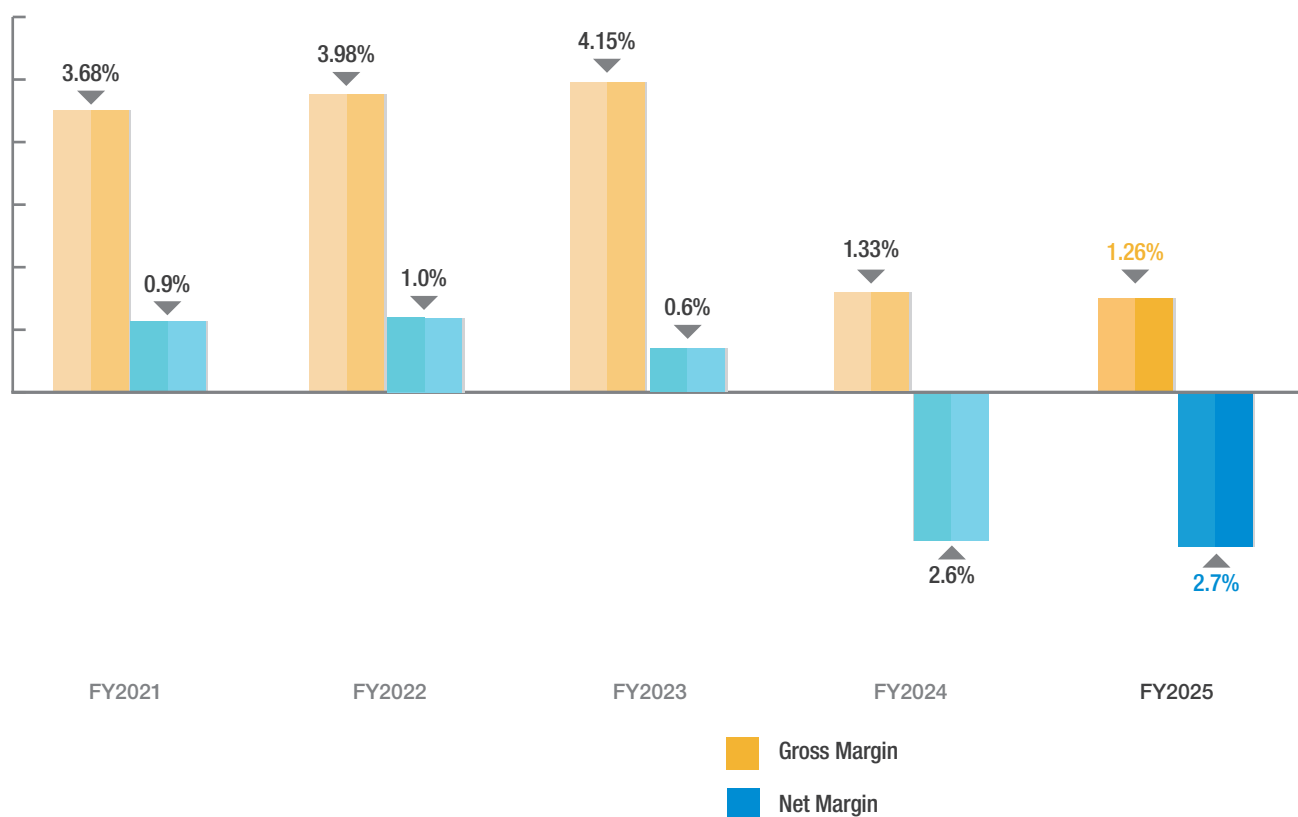
**GROSS AND NET PROFIT**  
(RMB 'millions)



(1) Gearing ratio equals to total borrowings divided by equity

# FINANCIAL HIGHLIGHTS

## PROFIT MARGINS (%)



KEY FINANCIAL RATIO	FY 2021	FY 2022	FY2023	FY2024	FY2025
Earnings per Share (RMB cents)	8.62	12.65	5.00	(18.53)	(16.00)
Gross Margin (%)	3.68	3.98	4.15	1.33	1.26
Net Margin (%)	0.9	1.0	0.6	(2.6)	(2.7)
Gearing Ratio (times)	0.8	1.4	1.6	2.2	2.2
NAV (RMB cents)	62.7	75.3	81.9	63.2	47.5

PRODUCTION DATA	FY 2021	FY 2022	FY2023	FY2024	FY2025
Designed Capacity (tonnes)	900,000	900,000	900,000	900,000	900,000
Weighted Average Design Capacity (tonnes)	900,000	900,000	900,000	900,000	900,000
Actual Output (tonnes)	802,660	897,543	761,285	572,967	484,414
Actual Output (percentage)	89.2	99.7	84.6	63.7	54.4

(1) Gearing ratio equals to total borrowings divided by equity

# OPERATIONS REVIEW

For FY2025, Group revenue was booked at RMB 2,170.7 million, an 18.5% decrease compared to RMB 2,664.6 million booked for FY2024.

Revenue from the LPG sector, our main business segment, decreased by 18.5% or RMB 494.5 million from RMB 2,658.6 million in FY2024 to RMB 2,164.2 million in FY2025 due to fierce competition in FY2025 in the Liquefied Petroleum Gas (“LPG”) market. Revenue in the “Others” segment, which is our electricity sales, saw a moderate uptick from RMB 5.9 million in FY2024 to RMB 6.6 million in FY2025.

There was a decrease in sales volume of LPG over the year in review; from 572,967 tons in FY2024 to 489,414 tons in FY2025. This was primarily attributable to an unexpected supply chain disruption in November 2025, when raw materials procured from overseas could not be discharged at the port due to the supplier’s contracted vessel’s non-compliant documentation.

## EARNINGS AND COSTS ANALYSIS

Gross profit decreased by RMB 8.0 million or 22.7% from RMB 35.3 million in FY2024 to RMB 27.3 million in FY2025 due to the price fluctuation of LPG. The price fluctuation of LPG also affected our cost of sales. This brought down our gross profit margin from 1.33% in FY2024 to 1.26% in FY2025.

As for Other operating income, the Group saw an increase from RMB 6.4 million in FY2024 to RMB 6.7 million in FY2025. The increase of RMB 0.3 million or 5.9% was mainly attributed to the increase in government subsidy

of RMB 1.2 million, which was offset by the decrease in warehouse rental income of RMB 0.6 million and interest income of RMB 0.2 million.

Selling and distribution expenses decreased by RMB 13.9 million or 25.6% from RMB 54.5 million in FY2024 to RMB 40.6 million in FY2025. This was due mainly to the decrease in marine freight cost of RMB 14.8 million, partly offset by an increase in land freight cost of RMB 2.3 million.

There was also a decrease in administrative expenses by RMB 3.5 million, or 17.4%, from RMB 20.2 million in FY2024 to RMB 16.7 million in FY2025, mainly due to the Group’s cost control measures to eliminate non-value-added activities and the voluntary reduction of the CEO’s remuneration by RMB 1.0 million in 2025.

Other operating expenses decreased by RMB 3.4 million or 15.6% from RMB 22.1 million in FY2024 to RMB 18.7 million in FY2025. This was primarily due to lower bank charges and foreign exchange, which were partly offset by higher property, plant and equipment write-off losses.

Finance costs decreased by approximately RMB 4.1 million, or 19.0%, from RMB 21.4 million in FY2024 to RMB 17.4 million in FY2025, mainly due to lower bank borrowings in FY2025.

All in, the Group recorded a net loss attributable to equity holders of RMB 59.3 million in FY2025 compared with a net loss of RMB 69.6 million in FY2024.



# OPERATIONS REVIEW

## FINANCIAL POSITION AND LIQUIDITY

Non-current assets decreased by RMB 30.0 million or 13.9% from RMB 215.8 million as at 31 December 2024 to RMB 185.8 million as at 31 December 2025, mainly due to the depreciation of fixed assets and amortisation of right-of-use assets.

Current assets decreased by RMB 220.2 million or 29.2% from RMB 755.0 million as at 31 December 2024 to RMB 534.8 million as at 31 December 2025, mainly due to the decrease in cash and cash equivalents of RMB 152.5 million and the decrease in inventories of RMB 71.5 million.

Meanwhile, current liabilities saw a reduction of approximately RMB 176.2 million, or 26.2%, from RMB 671.9 million as at 31 December 2024 to RMB 495.7 million as at 31 December 2025.

This was mainly due to decreases in bank borrowings of RMB 120.7 million and trade and other payables of RMB 47.6 million.

Non-current liabilities also reduced by RMB 14.4 million or 23.2% from RMB 62.1 million as at 31 December 2024 to RMB 47.7 million as at 31 December 2025. This was due to the decrease in long-term loans of RMB 4.4 million and non-current lease liabilities of RMB 10.0 million.

## CASH FLOW

For the Group, cash and cash equivalents amounted to RMB 21.4 million as at year-end 31 December 2025, representing a decrease of RMB 152.5 million from RMB 173.9 million as at year-end 31 December 2024. The decrease was due to decrease in cash flows from financing activities and from operating activities.

Net cash used in operating activities was RMB 22.8 million for FY2025, compared with net cash generated of RMB 0.7 million for FY2024. The decrease was primarily attributable to higher advance deposits for inventory purchases at year-end 2025, as management anticipated rising LPG demand and sought to secure supply and pricing.

Meanwhile, net cash used in investing activities over the year in review was RMB 1.7 million, mainly due to acquisition of property, plant and equipment.

Net cash used in financing activities was RMB 127.7 million for FY2025. This was mainly due to net repayment of bank borrowing of RMB 140.7 million, partly offset by a decrease in pledged fixed deposit of RMB 26.0 million.





## CORPORATE SOCIAL RESPONSIBILITY

The Board strongly believes in creating a sustainable business strategy compatible with its growth. The Board is aware of the importance of corporate social responsibility and the impact of its operations on the environment. Therefore, the Group has continuously sought to minimise the impact of its activities through water, paper and energy conservation. The Board encourages the Company's employees to recycle resources and materials across its operations. In addition, the Board emphasises the need to provide and maintain a safe and healthy work environment for the Company's employees. The Company's employees are further required to observe the Group's internal safety rules and regulations which are communicated to them regularly. The sustainability report is a standalone report and the Company is in the midst of preparing it. Upon its completion, the Company will publish it separately from its Annual Report.

## FORGING THE PATH FORWARD

Whilst market uncertainties and stiff competition cloud the horizon, we retain confidence in our ability to navigate past these challenges and lay the groundwork for continued success. On this road ahead, our venture for new opportunities will also be complemented with our judicious approach to our spending and risk management.

## BOARD OF DIRECTORS



### **LIANG GUO ZHAN**

#### ***Executive Chairman***

LIANG GUO ZHAN is the founder and Executive Chairman of the Group. As Executive Chairman, he has played a pivotal role in the growth and expansion of our Group. He is currently responsible for the overall management, formulation and implementation of business strategies and investments of our Group. Prior to joining our Group, he was the director and general manager of Chaozhou Huafeng Refining Co., Ltd (“Huafeng Refining”). Prior to establishing Huafeng Refining, he was a director and the general manager of Chaozhou Huafeng (Group) Incorporation Ltd. (“Huafeng Incorporation”) from 1997 to 2000, and the general manager of Chaozhou Huafeng (Group) Ltd (“Huafeng Group”) from 1994 to 1997. Prior to 1994, he established Chaozhou City Anbu Foreign Investment Services Company in 1992 and a petrol station affiliated to Huafeng Group in Anbu Town, Chaozhou City in 1990. He obtained a diploma in Business Management from the Beijing Society Academic Institute. He has also completed a corporate strategy and pricing management program conducted by the Cheung Kong Graduate School of Business in January 2005. He is currently the Vice President of Guangdong Oil and Gas Association, President of Chaozhou Gas Industry Association. He was also recognised as one of The world’s Top Ten Great Chaozhou Businessman in 2017.



### **MR LIMJOCO ROSS YU**

#### ***Lead Independent Director***

ROSS YU LIMJOCO was appointed as Independent Non-executive Director of our Company on 22 April 2021. Mr. Limjoco is the Managing Director of Anchorage Consulting Private Limited and TMS Capital Advisory Ltd as well as Technical Advisor to Shangyew Public Accounting Corporation. He has more than 25 years of commercial and audit experience both domestic and international markets where he led audit engagements in various companies, assisting companies with, inter alia, initial public offering, mergers and acquisitions, financial due diligence, corporate advisory & restructuring and valuation. His professional experience gained includes those from the Big 5 international accounting firms, mid-tier accounting firms and the commercial industry. Mr Limjoco holds a Bachelor of Science in Business Administration with a major in accountancy from the Philippine School of Business Administration. He is a practising member of Institute of Singapore Chartered Accountant, member of Philippine Institute of Certified Public Accountant, member of Certified Fraud Examiner and International Association of Certified Valuation Specialists. He is a Singapore Chartered Valuer and Appraiser.

## BOARD OF DIRECTORS



### ZHANG JINMING

*Executive Director*

ZHANG JINMING was appointed on 22 April 2021 as Executive Director of our Company. Mr Zhang is currently the Standing Vice General Manager of Chaozhou Ouhua Energy Co., Ltd., our wholly-owned subsidiary in China. Prior to this, he has served various positions such as Engineer, Terminal Manager and General Manager in several other companies. He has more than 20 years of experience in the marine oil and gas industry, particularly in the area of LPG and LNG. Mr Zhang graduated with a bachelor degree in Oil and Gas Storage and Transportation from the China University of Petroleum in 1995. He has also completed a course in Parttime International Trade with the University of International Business and Economics in 2007.



### LIANG YALING

*Non-Executive and Non-Independent Director*

LIANG YALING was appointed as Non-Executive Director of our Company on 30 April 2020. She is currently the General Manager of Human Resources Department at Chaozhou Huafeng Group Co. Ltd and has been in this position and other positions since 1999. She founded Hong Kong Huaye International Trade Co. Ltd and served as Chairman from 1996 to 1999. Prior to founding Hong Kong Huaye International Trade Co. Ltd., she worked as General Manager for Chaozhou Anbu Foreign Investment Service Company.

She has been serving as the Vice-President of Chaoan District Young Entrepreneurs Association since 2015 and had previously served as founding director and director of the Guangdong Chamber of Commerce in Singapore from 2014 to 2019. She is also a member of the 9th Chao'an CPPCC. She was awarded the Shantou Professional Managers Association 2018 Annual Special Achievement Award and China's Outstanding Professional Manager (CEO) on the 40th Anniversary of Reform and Opening Up.

## BOARD OF DIRECTORS



**MS AGNES KANG**  
*Independent Director*

MS AGNES KANG is our Independent Director and was appointed on 25 April 2024. She has more than 20 years of experience in the corporate finance, risk and compliance, accounting, finance and audit industry, having held various senior appointments in finance in the past, including her current employment as group chief financial officer and head of overseas development with Econ Healthcare (Asia) Limited, a healthcare company listed on Catalist board, SGX-ST. Prior to joining Econ Healthcare, she was the group financial controller in mainboard listed lifestyle F&B Group, Breadtalk Group Limited (now known as Breadtalk Group Pte. Ltd.). Ms Kang is a qualified Chartered Accountant of Malaysia and an Associate of Institute of Singapore Chartered Accountants (“ISCA”). She holds a Bachelor of Accounting with Honours from National University of Malaysia.



**KE YIHUA**  
*Chief Financial Officer*

Mr. Ke Yihua was appointed as Chief Financial Officer of the Group on 10 December 2025. He has over 20 years of experience in accounting, corporate finance, taxation and investment. Prior to joining the Group, Mr. Ke served as Chief Financial Officer of Ximei Resources Holding Limited, a company listed on The Stock Exchange of Hong Kong Limited, from 2018 to 2025. From 2015 to 2018, he was the Finance Director of Jianglong Shipbuilding Technology Co., Ltd., a company listed on the ChiNext board of the Shenzhen Stock Exchange. From 2011 to 2015, Mr. Ke held the position of Finance Controller at Macquarie International Infrastructure Fund, where he was responsible for the fund’s investments, mergers and acquisitions, and project financial management in mainland China. In his early career, Mr. Ke mainly engaged in accounting, taxation and financial reporting in multinational corporations, and his last position was China Finance Manager at Nilfisk.

Mr. Ke is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a non-practicing member of the Chinese Institute of Certified Public Accountants (CICPA). He studied at Sun Yat-sen University from 1995 to 1999 and obtained a Bachelor’s degree in Economics.

# OUHUA ENERGY - SUMMARY OF SUSTAINABILITY REPORTS

The Group is committed to creating a sustainable business strategy compatible with its growth. The Group recognises the importance of corporate social responsibility and the impact of its operations on the environment. As a socially responsible company, the Group strives to create value for all stakeholders and partners while embedding high standards of sustainable operations into its business activities.

Information on the Group’s sustainable policies, initiatives, performance and targets can be found in its sustainability report, which is prepared in accordance with the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B and with reference to the Global Reporting Initiative (“GRI”) Standards. GRI 11: Oil and Gas Sector 2021 is applied to the oil and gas sector in which we operate.

The sustainability report includes information and data regarding the sustainability performance of liquefied petroleum gas (“LPG”) business of the Group, covering LPG production, storage and distribution as well as retail chain development and market explore for the financial year ended 31 December 2025 (“FY2025”).

Recognizing the potential impact of climate-related risks and opportunities on its future business and development, the Group has adopted the Task Force on Climate-related Financial Disclosures (“TCFD”) framework for climate-related reporting. Additionally, the Group has conducted a qualitative scenario analysis using Shared Socioeconomic Pathways (SSP) scenarios to evaluate the resilience of its business strategy under both low- and high-carbon scenarios.

In FY2025, the Group conducted a review of its material Environmental, Social and Governance (“ESG”) topics against the Sustainability Accounting Standards Board (“SASB”) for the Oil & Gas – Refining & Marketing industry. This review confirmed that the material topics disclosed in the previous year remains relevant, with one exception: Pricing Integrity & Transparency. This topic is currently under review by the Management to assess whether the necessary data requirements are sufficiently developed for disclosure in future reporting periods. For FY2025, the identified material ESG topics are as follows:

ENVIRONMENTAL MANAGEMENT	ORGANISATIONAL & RELATIONSHIP MANAGEMENT	CORPORATE GOVERNANCE
<p><b>EMISSIONS</b></p> <ul style="list-style-type: none"> <li>• GRI 11.1: GHG Emissions</li> <li>• GRI 11.3: Air Emissions</li> </ul> <p><b>CLIMATE CHANGE</b></p> <ul style="list-style-type: none"> <li>• GRI 11.2: Climate Adaptation, Resilience, and Transition</li> </ul> <p><b>WASTE</b></p> <ul style="list-style-type: none"> <li>• GRI 11.5: Waste</li> <li>• Water and Effluents</li> <li>• GRI 11.6: Water and Effluents</li> </ul> <p><b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b></p> <ul style="list-style-type: none"> <li>• GRI 308: Supplier Environmental Assessment 2016</li> </ul>	<p><b>EMPLOYMENT</b></p> <ul style="list-style-type: none"> <li>• GRI 11.10: Employment</li> </ul> <p><b>PRACTICES DIVERSITY AND EQUAL OPPORTUNITY</b></p> <ul style="list-style-type: none"> <li>• GRI 11.11: Non-discrimination and Equal Opportunity</li> <li>• Occupational Health &amp; Safety</li> <li>• GRI 11.9: Occupational</li> </ul> <p><b>HEALTH AND SAFETY FORCED OR COMPULSORY LABOUR</b></p> <ul style="list-style-type: none"> <li>• GRI 11.12: Forced Labor and Modern Slavery</li> </ul> <p><b>OUR COMMUNITIES</b></p> <ul style="list-style-type: none"> <li>• GRI 11.15: Local Communities</li> </ul>	<p><b>ANTI-CORRUPTION</b></p> <ul style="list-style-type: none"> <li>• GRI 11.20: Anticorruption</li> </ul> <p><b>COMPLIANCE</b></p> <ul style="list-style-type: none"> <li>• GRI 2: General Disclosures 2021</li> </ul>

The sustainability report provides comprehensive qualitative and quantitative disclosures on key areas, including the Group’s sustainability governance structure, stakeholder engagement, materiality assessment, and performance on material issues. The Group remains committed to monitoring its progress in achieving sustainability targets, continuously improve the management of key sustainability risks and opportunities and drive for sustainable growth. In preparation for aligning next year’s reporting with the International Sustainability Standards Board (“ISSB”), the Group will also review its sustainability disclosures against IFRS S2 to ensure compliance with evolving global standards.

# FINANCIAL CONTENTS

- 17 Corporate Governance report
  - 35 Directors' Statement
  - 38 Independent Auditors' Report
  - 42 Consolidated Statement of Profit or Loss and Other Comprehensive Income
  - 43 Statements of Financial Position
  - 44 Consolidated Statement of Changes in Equity
  - 45 Consolidated Statement of Cash Flows
  - 47 Notes to the Financial Statements
  - 97 Additional Information On Directors Seeking Appointment
  - 101 Statistics of Shareholdings
  - 103 Notice of Annual General Meeting
- Proxy Form



# CORPORATE GOVERNANCE REPORT

Ouhua Energy Holdings Limited (the “**Company**”) was admitted to the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 3 November 2006. The Company is committed to setting and maintaining a high standard of corporate governance to safeguard the interests of shareholders and enhance shareholders’ value.

The Company is committed to complying with the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore. The Company is pleased to confirm that for the financial year ended 31 December 2025 (“**FY2025**”), it has generally adhered to the Principles and Provisions as set out in the Code, except for certain deviations which are explained below.

## 1. BOARD MATTERS

### The Board’s Conduct of Affairs

***Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

- (i) Apart from its statutory duties and responsibilities, the Board oversees the Management and affairs of the Group. It focuses on strategies and policies, with particular attention paid to growth and financial performance. It delegates the formulation of business policies and day-to-day management to the Executive Directors.

The principal functions of the Board include the following:

- (a) approve the Group’s key business strategies and financial objectives of the Company, including the review of annual budgets, major investments/divestments, and funding proposals;
  - (b) oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
  - (c) review management performance;
  - (d) identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
  - (e) set the Company’s values and standards, and ensure that obligations to shareholders and others are understood and met; and
  - (f) consider sustainability issues (for example, environmental and social factors) in the formulation of its strategies.
- (ii) Directors are fiduciaries who act objectively in the best interests of the Company and hold the Management of the Company accountable for performance by the implementation of a code of conduct and ethics which sets the appropriate tone-from-the-top, desired culture of the Company and ensures proper accountability within the Company.
  - (iii) Directors who are facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict.

### Matters Requiring Board Approval

- (iv) The Directors have set out internal guidelines on matters and the type of material transactions that require Board approval. The Board meets at least two (2) times a year to review and deliberate on the key activities and business strategies of the Group, including reviewing and approving internal guidelines on materiality of transactions, acquisitions, financial performance, and to endorse the release of the interim and full-year financial results. Additional meetings of the Board may be held to address significant transactions or issues. The Company’s Bye-Laws allow a Board meeting to be conducted by means of telephone, electronic or other communication facilities.

# CORPORATE GOVERNANCE REPORT

## Frequency of Meetings

- (v) Directors attend and actively participate in Board and Board Committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.
- (vi) The number of Board and Board Committee meetings held and the attendance of each Director at every Board and Board Committee meeting held during FY2025 is set out below:-

	Board		AC		NC		RC	
	Number	Attended	Number	Attended	Number	Attended	Number	Attended
Mr Liang Guo Zhan	2	2	3	3*	1	1*	1	1*
Mr Zhang Jinming	2	2	3	3*	1	1*	1	1*
Mr Limjoco Ross Yu	2	2	3	3	1	1	1	1
Ms Liang Yaling	2	2	3	3	1	1	1	1
Ms Kang Shwu Huey	2	2	3	3	1	1	1	1

\* By invitation

- (vii) Directors are consistently provided with complete, adequate and timely information prior to meetings to allow Directors to make informed decisions and to discharge their duties and responsibilities. Directors are also periodically briefed on the performance and developments in respect of the Group.
- (viii) As a general rule, notices are sent to the Directors at least one (1) week in advance of Board meetings, followed by Board papers in order for the Directors to be adequately prepared for the meetings. Key management personnel attend Board meetings to address queries from the Directors.
- (ix) Directors have unrestricted access to the Company's key management personnel, and may also request for further explanations, briefings or informal discussions on any aspects of the Group's operations or business issues from the management. Requests for the Company's information by the Board are dealt with promptly.

## Professional Advisers

- (x) The Board (whether as individual members or as a group) has direct access to independent professional advisers, where so requested by them in the furtherance of their duties, at the expense of the Company.

## Training for the Directors

- (xi) The Company is responsible for arranging and funding the training of Directors. Every Executive Director receives appropriate training to develop individual skills in order to discharge his or her duties. The Group also provides extensive information about its history, mission and values to the Directors. Where necessary, the Directors will be updated regarding new legislation, regulations and risks which are relevant to the Group. Where appropriate, the Company will arrange for Directors to attend seminars to obtain updates on business and regulatory changes relevant to the Group.
- (xii) Directors understand the Company's business as well their directorship duties (including their roles as executive, non-executive and independent directors).
- (xiii) Directors with no prior experience as a director of a listed company are required to undergo training in the roles and responsibilities of a listed company director unless the Nominating Committee is of the view that the Director has other relevant experience.
- (xiv) The Board ensures that incoming newly-appointed Directors will be given an orientation on the Group's business strategies and operations and governance practices to facilitate the effective discharge of their duties. Newly-appointed Directors will also be provided with a formal letter setting out their duties and obligations.

# CORPORATE GOVERNANCE REPORT

## Board Committees

- (xv) The Board discharges its responsibilities either directly or indirectly through various Board committees. These committees (the “**Board Committees**”) include the Nominating Committee (the “**NC**”), Remuneration Committee (the “**RC**”) and Audit Committee (the “**AC**”). Each of the Board Committees functions within its terms of reference. Authority to make decisions on certain Board matters is delegated by the Board to the Board Committees as described below.

## 2. BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

### Independent Directors and Non-Executive Directors

- (i) As at the date of this report, the Board comprises five (5) members. Save for the Executive Chairman, Mr Liang Guo Zhan, and the Executive Director, Mr Zhang Jinming, the rest of the Board are non-executive, and Mr Limjoco Ross Yu and Ms Kang Shwu Huey are independent of Management:

Mr Liang Guo Zhan	Executive Chairman and Chief Executive Officer (“ <b>CEO</b> ”)
Mr Zhang Jinming	Executive Director
Mr Limjoco Ross Yu	Non-Executive and Lead Independent Director
Ms Liang Yaling	Non-Executive Director
Ms Kang Shwu Huey	Non-Executive and Independent Director

- (ii) The Company endeavours to maintain a strong and independent element on the Board. The NC adopts the Code’s definition of what constitutes as an Independent Director. The NC and the Board considers an Independent Director as one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its officers or its substantial shareholders with shareholdings of 5% or more in the voting shares (excluding treasury shares) of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of that Director’s independent business judgment in the best interests of the Company. All the Board Committee meetings are chaired by the Independent Directors. There are two (2) Independent Directors on the Board. Whilst the prevailing applicable Principle of the Code would be that majority of the Board comprise Independent Directors since the Executive Chairman and the CEO are the same person (i.e. Mr Liang Guo Zhan), the Board is satisfied that the Principle that there be a strong and independent element is still adhered to. This is because all the Board Committee meetings are chaired by the Independent Directors, and the majority of the Board comprises Non-Executive Directors who have been consistently proven to be exercising independent business judgement in the best interests of the Company. The Non-Executive Directors and/or Independent Directors, when necessary, led by the Lead Independent Director, will have discussions amongst themselves without the presence of the Management and provide feedback to the Board and/or Chairman as appropriate.
- (iii) The current Board comprises five (5) members, with two (2) out of five (5) being Independent Directors, from different backgrounds, whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group.

In recognition of the importance and value of gender diversity in the composition of the Board, the Board has two (2) female Directors, representing 40% of total Board membership. Ms Liang Yaling has been a member of the Board since 30 April 2020, and Ms Kang Shwu Huey Agnes has been a member of the Board since 25 April 2024. In addition, the Board consists of Directors of different ages ranging from more than 40 years old to more than 70 years old, to allow for a more diversified contribution to the Board. Taking the foregoing as well as the scope and nature of the operations of the Company into consideration, the Board is of the view that the Directors, on the whole, have an appropriate balance and mix of skills, knowledge, experience, age, gender and diversity of thoughts so as to foster constructive debate with a high level of independent thinking. Hence, the Board believes that the existing composition of the Board effectively serves the Group and that the Board has the appropriate level of balance and mix to enable it to avoid groupthink and have constructive discussions in the best interests of the Company, consistent with the intent of the Principles of the Code.

# CORPORATE GOVERNANCE REPORT

- (iv) Each of the Independent Directors has confirmed that he/she does not have any relationship with the Company or its related corporations, its officers or its shareholders with shareholdings of 5% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgment. The NC has reviewed and determined that the said Directors are independent. The independence of each Director has been and will be reviewed annually by the NC based on the Provisions set forth in the Code.
- (v) Mr Limjoco Ross Yu, our Lead Independent Director, who was first appointed on 22 April 2021, would have served on the Board for more than five (5) years from the date of his first appointment, by the date of the forthcoming annual general meeting ("**AGM**"). The Board, with the concurrence of the NC, has rigorously reviewed his independence and considered the need for progressive refreshing of the Board, his working experience and contributions. The Board is satisfied that he is independent in character and judgment, and has found no reason to consider that the length of his service has in any way diminished his independence. Given his wealth of business and working experience, and professionalism in carrying out his duties, the NC has found Mr Limjoco Ross Yu suitable to continue to act as an Independent Director. The Board has accepted the NC's recommendation that Mr Limjoco Ross Yu is considered independent.
- (vi) Ms Kang Shwu Huey, our Independent Director, who was first appointed on 25 April 2024 would have served on the Board for more than two (2) years from the date of her first appointment by the date of the forthcoming AGM. The Board, with the concurrence of the NC, has rigorously reviewed her independence and considered the need for progressive refreshing of the Board, her working experience and contributions. The Board is satisfied that she is independent in character and judgment. Given her wealth of business and working experience, and professionalism in carrying out her duties, the NC has found Ms Kang suitable to continue acting as an Independent Director. The Board has accepted the NC's recommendation that Ms Kang is considered independent.
- (vii) Both the NC and the Board are of the view that Mr Limjoco Ross Yu and Ms Kang Shwu Huey are independent, and that there is no individual or small group of individuals who dominate the Board's decision-making process. Mr Yu and Ms Kang had abstained from deliberating on his/her independence.

## **Board Size**

- (viii) The Board periodically examines its size to ensure that it is of an appropriate number for effective decision-making. The Board is of the view that a Board size of five (5) members is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company.
- (ix) The NC is of the view that no individual or small group of individuals dominate the Board's decision-making process.

## **Competencies of the Directors**

- (x) The NC recommends all appointments and retirements of Directors. The NC is of the view that the current Board and Board Committees' composition reflects the broad range of experience, skills, knowledge and other diversity criteria, such as gender and age, necessary to avoid groupthink and to foster constructive debate. The NC and the Board are both of the view that the current Board and Board Committees comprise persons whose diverse skills, experience and attributes provide for an effective Board. The profiles of each Director, which include their qualifications and experiences, are set out in this Annual Report. Particulars of interests of Directors who held office at the end of FY2025 in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report.
- (xi) The Independent Directors will constructively challenge and assist in the development of proposals on strategy, and assist the Board and Board Committees in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Independent Directors will have discussions amongst themselves without the presence of the Management.

# CORPORATE GOVERNANCE REPORT

## 3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

- (i) The Company has not created separate positions of Chairman and CEO as the Board is of the view that there are adequate measures in place against an uneven concentration of power and authority in one (1) individual. The roles for both Chairman and CEO of the Company are assumed by Mr Liang Guo Zhan. As such, Mr Liang Guo Zhan bears executive responsibility for the Group's business as well as responsibility for the workings of the Board and ensures that procedures are introduced to comply with the Code.
- (ii) Although the roles and responsibilities for Chairman and CEO are vested in Mr Liang Guo Zhan, major decisions are made in consultation with the Board, which comprises a majority of Independent and Non-Executive Directors. Mr Liang Guo Zhan's performance and appointment to the Board will be reviewed periodically by the NC and his remuneration package will be reviewed periodically by the RC. The majority of both the NC and the RC comprise only the Independent Directors. The Board believes that there are adequate measures in place against an uneven concentration of power and authority in one (1) individual, including but not limited to the appointment of a Lead Independent Director as elaborated on below, in line with the Code's requirements.
- (iii) In view of the above and in line with the Code, Mr Limjoco Ross Yu, had been appointed as the Lead independent Director by the Company to enhance the independence of the Board and to assist the Chairman in the discharge of his duties when the need arises. As the Lead Independent Director, he is the contact person for shareholders in situations where there are concerns or issues which communication with the Chairman, CEO or Chief Financial Officer ("CFO") of the Group has failed to resolve or where such communication is inappropriate. When necessary, the Independent Directors will have discussions amongst themselves as led by the Lead Independent Director.

## 4. BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Establishment, Composition and Membership of the NC

- (i) At the date of this report, the NC comprises two (2) Non-Executive and Independent Directors and one (1) Non-Executive Director, hence fulfilling the requirement that the NC be made up of at least three (3) Directors, the majority of whom, including the NC chairman, are Independent Directors. The NC is chaired by Ms Kang Shwu Huey. The other members are Mr Limjoco Ross Yu and Ms Liang Yaling. The Lead Independent Director is a member of the NC. The chairman of the NC is an Independent Director and is not associated in any way with the substantial shareholders of the Company. The NC meets at least once each year and at other times as required.
- (ii) The membership of the NC as at the date of this report is as follows:

Chairman:	Ms Kang Shwu Huey	(Independent Director)
Members:	Limjoco Ross Yu	(Lead Independent Director)
	Liang Yaling	(Non-Executive Director)

### Responsibilities of the NC

- (iii) The NC is regulated by its Terms of Reference that set out the following responsibilities of its members:
  - (a) making recommendations on all Board appointments and re-nominations, having regard to the Director's contributions and performance;
  - (b) ensuring that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years;

# CORPORATE GOVERNANCE REPORT

- (c) reviewing the independence of the Directors;
  - (d) reviewing the adequacy of each Director's contributions at meetings and his/her ability and capacity in carrying out his/her duties as a Director, in particular, where the Director concerned has multiple board representations;
  - (e) deciding on how the Board's performance may be evaluated, and to propose objective performance criteria for assessing the effectiveness of the Board as a whole, its Board Committees, and the contribution by each Director to the effectiveness of the Board;
  - (f) reviewing the Board succession plans for Directors;
  - (g) ensuring that new Directors are aware of their duties and obligations;
  - (h) reviewing the training and professional development programmes for the Board and its Directors; and
  - (i) carrying out such other duties as may be agreed to by the NC and the Board.
- (iv) Pursuant to the Company's Bye-Laws, all Directors are required to retire and subject themselves to re-election by shareholders at an AGM at least once every three (3) years.
- (v) The NC oversees the Board succession and determines the criteria for the appointment of new Directors and sets up a process for the selection and appointment of such Directors, taking into consideration the professional qualifications, expertise and experience of each candidate. In particular, the NC would consider each candidate's knowledge of the Chinese culture, the Chinese economy, doing business in China, the oil and gas industry, and the environment, and of the familiarity with corporate governance matters, as well as each candidate's ability to commit to their role as a Director. In particular, the NC seeks to identify any gaps in the Board's skill set taking into account the Group's strategy and business operations.
- (vi) The NC determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, for the purposes of the Code. The NC is of the view that Mr Limjoco Ross Yu and Ms Kang Shwu Huey are independent.
- (vii) In assessing the performance of each individual Director, the NC considers whether he/she has multiple board representations and other principal commitments, and is able to and has adequately carried out his/her duties as a Director notwithstanding such commitments. The NC is satisfied that sufficient time and attention to the affairs of the Company has been given by those Directors who have/had multiple board representations.
- (viii) To address the competing time commitments that are faced when Directors serve on multiple boards, the NC has reviewed, and the Board has determined, and set that as a general rule, the maximum number of listed company board appointments a Director may have be not more than five (5) board appointments. However, any Director may hold more than five (5) listed company board representations should the NC be satisfied and is of the view that such Director is able to devote sufficient time and attention to the affairs of the Company after taking into account their individual circumstances, contributions, responsibilities and other principal commitments. Non-Executive Directors may consult the chairman of the NC before accepting any listed company board appointments as directors. Currently, none of the Directors holds more than five (5) directorships in listed companies.

# CORPORATE GOVERNANCE REPORT

- (ix) The dates of initial appointment and last re-election of each Director, together with their directorships in other listed companies subsisting in FY2025 and the last three (3) preceding years are set out below:

Name	Date of initial appointment	Date of last re-election	Present directorships in other listed companies	Past directorships in other listed companies in preceding three (3) years	Current Principal Commitments
Liang Guo Zhan	11 January 2006	25 April 2024	–	–	–
Zhang Jinming	22 April 2021	20 April 2023	–	–	–
Limjoco Ross Yu	22 April 2021	29 April 2025	Quantum Healthcare Limited	<ul style="list-style-type: none"> <li>• Sen Yue Holdings Limited</li> <li>• CFM Holdings Limited</li> <li>• MH Development Limited</li> <li>• China Supply Chain Holdings Limited</li> <li>• Sunpower Group Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Anchorage Assurance</li> <li>• Beacon Management Advisory Private Limited</li> <li>• Limjoco, Lumagui &amp; Co</li> </ul>
Liang Yaling	30 April 2020	29 April 2025	–	–	–
Kang Shwu Huey	25 April 2024	–	–	–	–

Mr Zhang Jinming will retire at the Company's forthcoming AGM and will be eligible for and attend to re-election.

- (x) Key information on the individual Directors and their shareholdings in the Company are set out in the Annual Report under the heading "Board of Directors".

## 5. BOARD PERFORMANCE

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

### **Formal Assessment of the Effectiveness of the Board and Contributions of Each Director**

- (i) The NC has implemented a process for the assessment of the effectiveness of the Board and Board Committees as a whole and the contribution by each Director to the effectiveness of the Board. In this respect, the NC shall propose objective performance criteria which shall be approved by the Board. Such performance criteria should include comparison with industry peers, address how the Board has enhanced long term shareholders' value, and consider the Company's share price performance over a five (5) year period vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peers. Other objective performance criteria that may be used include quantitative factors such as return on assets, return on equity, return on investment, economic value added and profitability on capital employed. These performance criteria should not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify such changes.
- (ii) The individual performance criteria includes qualitative and quantitative factors such as performance of principal functions and fiduciary duties, level of participation at meetings and attendance record. The individual performance criteria has not been changed since the last financial year.

# CORPORATE GOVERNANCE REPORT

- (iii) The NC has assessed the current Board's and Board Committees' performance to-date and responsibilities and the conduct of its affairs as a whole for the financial year, and is of the view that the performance of each Director, the Board, and Board Committees as a whole was satisfactory. Although some of the Board members have/had multiple board representations, the NC is satisfied that sufficient time and attention has been given by the Directors to the Group.

## 6. REMUNERATION MATTERS

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

### **Establishment, Composition and Membership of the RC**

- (i) The Company has established the RC, which makes recommendations to the Board on the framework of remuneration and the specific remuneration packages for each Director, the CEO and key management personnel. As at the date of this report, the RC comprises two (2) Non-Executive and Independent Directors and one (1) Non-Executive Director. The majority of the RC, including the RC chairman, are independent. The RC is chaired by Ms Kang Shwu Huey. The other members are Mr Limjoco Ross Yu and Ms Liang Yaling. The RC meets at least once each year and at other times as required.

- (ii) The membership of the RC as at the date of this report is as follows:

Chairman:	Ms Kang Shwu Huey	(Independent Director)
Members:	Mr Limjoco Ross Yu	(Lead Independent Director)
	Ms Liang Yaling	(Non-Executive Director)

- (iii) The RC is regulated by its Terms of Reference that sets out the following responsibilities:
  - (a) recommending to the Board a framework of remuneration for the Board and the key management personnel of the Group;
  - (b) determining the specific remuneration package for each Executive Director as well as for the key management personnel, covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits in kind. In setting remuneration packages, the RC shall be aware of pay and employment conditions within the industry and in comparable companies. The remuneration packages should take into account the Company's relative performance and the performance of individual Directors. The remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and the responsibilities of the Directors. Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised;
  - (c) reviewing the level and structure of the remuneration to align with the long-term interest and risk policies of the Company in order to attract, retain and motivate the Directors and key management personnel;
  - (d) in the case of the service contracts of the Directors, reviewing and recommending to the Board the terms of renewal of such service contracts. There should be a fixed appointment period for all Directors after which they are subject to re-election. The service contracts should not be excessively long or with onerous removal clauses. The RC should consider what compensation commitments the Directors' contracts of service, if any, would entail in the event of early termination. The RC should aim to be fair and avoid rewarding poor performers;
  - (e) submitting recommendations for endorsement by the entire Board;

# CORPORATE GOVERNANCE REPORT

- (f) considering the various disclosure requirements for Directors' and key executives' remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;
  - (g) reviewing the Company's obligations arising in the event of termination of the employment of Directors and key management personnel; and
  - (h) carrying out such other duties as may be agreed to by the RC and the Board.
- (iv) Each member of the RC shall abstain from voting on any resolution concerning his/her own remuneration.
- (v) The RC may have access to expert advice regarding executive compensation matters, if required.

## 7. LEVEL AND MIX OF REMUNERATION

***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

- (i) The remuneration policy for Executive Directors and key management personnel comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Company and the individual. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.
- (ii) Non-Executive Directors do not have service agreements with the Company. They are each paid a director's fee which is determined by the Board and RC based on the effort and time spent as well as responsibilities as a member of the AC, NC and/or RC. The fees are subject to approval by the shareholders at each AGM. Except as disclosed, the Non-Executive Directors do not receive any remuneration from the Company.
- (iii) According to the respective service agreements of the Executive Directors:-
  - (a) the service agreement for the Executive Chairman is valid for an initial period of three (3) years commencing from 3 November 2006 and shall be automatically renewed on a year-to-year basis;
  - (b) the service agreements for the Executive Directors shall be automatically renewed on a year-to-year basis;
  - (c) the remuneration of the Executive Directors includes a fixed salary and a variable performance-related bonus which is designed to align their interests with those of the shareholders;
  - (d) the service agreements may be terminated by either the Company or the Executive Director giving not less than six (6) months' notice in writing.
- (iv) All revisions to the remuneration packages for the Directors and key management personnel are subject to review by, and approval of, the Board and are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

# CORPORATE GOVERNANCE REPORT

## 8. DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

### Directors' Remuneration

- (i) The RC recommends to the Board a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate key management personnel to run the Company successfully in order to maximise shareholders' value. The recommendations of the RC on the remuneration of the Directors and key management personnel will be submitted for endorsement by the Board. The members of the RC do not participate in any decisions concerning their own remuneration.
- (ii) A breakdown showing the amount and breakdown of the remuneration of each individual Director and key management personnel in FY2025 is as follows:

Remuneration Band	Base/fixed salary (RMB)	Variable or performance related income/ bonuses (RMB)	Director's fees (RMB/SGD)	Other benefits (RMB)
<u>Directors</u>				
Mr Liang Guo Zhan*	-	-	-	-
Mr Zhang Jinming	352,140	137,334	-	52,800
Mr Limjoco Ross Yu	-	-	245,637/45,000	-
Ms Liang Yaling	-	-	131,006/24,000	-
Ms Kang Shwu Huey	-	-	163,758/30,000	-
<u>Key Management Personnel</u>				
Ms Lin Jinjin	80%	20%	-	-
Mr Ke Yihua	100%	-	-	-

\*Mr Liang Guo Zhan had voluntarily requested the Company to waive his remuneration for FY2025.

The Directors' fees are subject to the approval of the shareholders at the forthcoming AGM.

- (iii) In considering the disclosure of remuneration of the two (2) key management personnel of the Company, the Company considered the overall quantum received by each individual executive as well as the confidential nature of the key management personnel's remuneration and believes that a full disclosure as recommended by the Code would be prejudicial to the Company's interests. The annual aggregate remuneration paid to these two (2) key management personnel of the Company (who are not Directors or the CEO) for FY2025 is RMB 535,186.
- (iv) The Group does not have any employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2025.
- (v) The Company has not adopted any employee share scheme.

# CORPORATE GOVERNANCE REPORT

## 9. RISK MANAGEMENT AND INTERNAL CONTROLS

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

- (i) The Board and the AC acknowledge that the Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's business. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.
- (ii) The Board acknowledges that no cost-effective internal control system will preclude all errors and irregularities. However, such a system is designed to manage rather than completely eliminate the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatements, losses or fraud.
- (iii) The Board approves and reviews, at least on an annual basis, the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Group for effective risk governance.
- (iv) The AC is responsible for overseeing risk governance, and the related roles and responsibilities of the AC on risk governance include:
  - (a) proposing the risk governance and risk policies for the Group to the Board;
  - (b) reviewing the risk management methodology adopted by the Group;
  - (c) reviewing the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by Management; and
  - (d) reviewing Management's assessment of risks and Management's action plans to mitigate such risks.
- (v) Based on the discussions with the auditors and the Management's responses to the auditors' recommendations for improvements to the Group's internal controls, the AC and the Board opines that the Group's internal and operational controls established and maintained by the Group, work performed by the external and internal auditors, and reviews performed by Management and the Board and Board Committees, and internal controls including financial, operational, compliance and information technology controls, were adequate and effective for FY2025 to address material financial, operational and compliance risks to meet the needs of the Group in their current business environment and scope of operations.
- (vi) The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.
- (vii) The CEO and the CFO have provided assurance to the Board that:
  - (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
  - (b) the Company's risk management and internal control systems are adequate and effective.

# CORPORATE GOVERNANCE REPORT

- (viii) To further enhance the internal controls of the Company, the Board has engaged audit professionals to assist in:
  - (a) setting out a scope of review to review the Company's risk assessment processes;
  - (b) establishing the internal control framework (Enterprise Risk Management); and
  - (c) monitoring the adequacy and effectiveness of the Company's internal control process via Control Self-Assessment.

## 10. AUDIT COMMITTEE

**Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.**

### Establishment, Composition and Membership of the AC

- (i) As at the date of this report, the AC of the Company comprises two (2) Non-Executive and Independent Directors and one (1) Non-Executive Director. The majority of the AC, including the AC chairman, are independent. The AC is chaired by Mr Limjoco Ross Yu. The other members are Ms Liang Yaling and Ms Kang Shwu Huey. The AC meets at least two (2) times a year, or more if the circumstances call for it. At least two (2) members, including the AC chairman, have recent and relevant accounting or related financial management expertise or experience.
- (ii) The AC does not comprise former partners or directors of the Company's existing auditing firm: (a) within a period of two (2) years commencing on the date of their ceasing to be partner or director of the auditing firm; and in any case, (b) for as long as they have any financial interest in the auditing firm.
- (iii) The membership of the AC as at the date of this report is as follows:

Chairman:	Limjoco Ross Yu	(Lead Independent Director)
Members:	Kang Shwu Huey	(Independent Director)
	Liang Yaling	(Non-Executive Director)

### Responsibilities of the AC

- (iv) The AC is regulated by its Terms of Reference that set out the following responsibilities of its members:
  - (a) reviewing with external auditors the audit plan, their evaluation of the system of internal accounting controls, their audit report and their management letter and Management's responses;
  - (b) reviewing the nature and extent of non-audit services by the external auditors, when necessary, and to seek a balance in the maintenance of objectivity;
  - (c) reviewing significant reporting issues and judgments to ensure the integrity of financial statements and any formal announcements relating to the Company's financial statements;
  - (d) reviewing the assurances from the CEO and the CFO on the financial records and financial statements;
  - (e) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls and risk management system, including financial, operational, compliance and information technology controls established by the Management;
  - (f) to review and ratify all interested person transactions, if any, to ensure that they comply with the internal control procedures for approvals, and have been conducted on an arm's length basis;
  - (g) reviewing the adequacy, effectiveness, independence, scope and results of the Company's external and internal audit function of the Group and its cost effectiveness, and the independence and objectivity of the external auditors;

# CORPORATE GOVERNANCE REPORT

- (h) reviewing the Group's financial statements, the accompanying statements and the announcements before submission to the Board for approval so as to ensure the integrity of information to be released;
  - (i) reviewing significant findings of internal investigations;
  - (j) recommending to the Board the annual appointment/re-appointment of the external auditors and the remuneration and terms of engagement of the external auditors;
  - (k) meeting with the internal auditors and external auditors without the presence of the Management at least once a year;
  - (l) reviewing interested person transactions; and
  - (m) performing other functions as required by law or the Code.
- (v) The profile of the AC members is set out under the Annual Report. The Board considers that the members of the AC are qualified to discharge the responsibilities of the AC.

## Summary of the AC's Activities

- (vi) The AC has adopted written Terms of Reference defining its membership, administration and duties.
- (vii) The AC has explicit authority to investigate any matter within its Terms of Reference and is authorised to obtain independent professional advice. It has full access to and co-operation of the Management. The AC has full discretion to invite any Director or key executive to attend its meetings, as well as reasonable resources to enable it to discharge its functions properly.
- (viii) The AC will annually review, *inter alia*, the independence and objectivity of the external auditors, taking into consideration the nature and extent of any non-audit services provided to the Company by the external auditors.
- (ix) The AC met three (3) times during the year under review. Details of the members' attendance at the meetings are set out above. The CFO, Company Secretary, internal auditors and external auditors were invited to these meetings. Other members of senior management were also invited as appropriate.
- (x) The AC reviewed the half-year and full-year announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the AC reviewed the audit plan and audit committee report presented by the external auditors.
- (xi) The AC also reviewed the annual financial statements and discussed with the Management, the CFO and the external auditors the significant accounting policies, judgment and estimates applied by the Management in preparing the annual financial statements. Following the review and discussions, the AC then recommended to the Board the approval of the audited annual financial statements.
- (xii) The aggregate amount of audit fees paid to the external auditors and other independent auditors in FY2025 was approximately S\$206,000 and there were non-audit fees of S\$31,200 paid to the external auditors in FY2025, such non-audit fees being for the purpose of the Company's sustainable reporting. The Board of Directors and the AC are satisfied that the appointment of different auditing firms would not compromise the standards and effectiveness of the audit of the Group. The Group confirms that it has complied with Rule 712 and Rule 715 of the SGX-ST Listing Manual in relation to its auditing firms.
- (xiii) The AC has reviewed arrangements by which the employees of the Group may, in confidence, raise concerns (such as possible improprieties in matters of financial reporting or other matters) with the object of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. In this regard, the AC had since adopted a whistle-blowing policy with effect from 12 April 2022 (the "Whistle-Blowing Policy"). The AC oversees the administration of the Whistle-Blowing Policy. Periodic reports will be submitted to the AC stating the number and the complaints received, the results of the investigations, follow-up actions and unresolved complaints.

# CORPORATE GOVERNANCE REPORT

- (xiv) The external auditors provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.
- (xv) Specifically for the purposes of compliance with the Audit Committee Guide by the Singapore Institute of Directors which covers key concepts, principles and approaches relating to the duties and responsibilities of audit committees of SGX-ST listed companies, and leading practices for the same, the AC adopts the following practices:
  - (a) The AC ensures that each member understands all sections of the external auditors' report and assesses the impact, if any, on the Company. The AC specifically reviews drafts of such a report prior to its publication as set out in the Annual Report under the heading "Independent Auditors' Report", ensuring no inconsistencies between the report and its own reviews of the same.
  - (b) The AC ensures that its members understand the external auditors' rationale for the selection of the key audit matters highlighted within the external auditors' report, and provides a commentary to communicate its independent views to the shareholders as set out below:

- i. **Revenue Recognition**

In consideration of the continued volatility in the oil and gas industry coupled with the voluminous transactions in the Group, there is a risk that revenue may be overstated. In addition, in accordance with ISA 240 "The Auditors' Responsibilities Relating to Fraud in an Audit of Financial Statements", there is a presumed fraud risk in revenue recognition and the presumption has not been rebutted

- ii. **Existence of Cash and Cash Equivalents and Pledged Fixed Deposits**

As at 31 December 2025, the Group reported cash and bank balances and pledged fixed deposits of approximately RMB 21.4 million and RMB 3.8 million which contributed to about 4.0% and 0.7% of the total current assets respectively. Accordingly, the existence of cash and bank balances was identified as an area of focus.

## Internal Audit

- (i) The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company's assets. The objective of the internal audit function is to provide an independent review of the effectiveness of the Group's internal controls and provide reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.
- (ii) The Company has appointed internal auditors to perform the review and test of controls of the Group's processes including the review of interested person transactions. The Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors are used as a reference and guide by the Company's internal auditors.
- (iii) The AC annually reviews the adequacy of the internal auditors to ensure that the internal audits are performed effectively. The AC is satisfied that the internal auditors are staffed by qualified and experienced personnel.
- (iv) The internal auditors report directly to the chairman of the AC, and meets with the AC at least twice a year for internal audit planning and reporting. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.
- (v) The AC reviews and approves the annual internal audit plans and reviews the scope and results of the internal audit performed by the internal auditors at least twice a year to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the internal auditors to perform their function.

# CORPORATE GOVERNANCE REPORT

## 11. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

- (i) In compliance with the prevailing rules of the SGX-ST Listing Manual, all resolutions will be voted on by way of poll at general meetings held on and after 1 August 2015. This will entail shareholders being invited to vote on each of the resolutions by poll, using polling slips (instead of voting by hands), thereby allowing all shareholders present or represented at the meeting to vote on a one (1) share, one (1) vote basis. The voting results of all votes cast for, or against, each resolution will then be screened at the meeting and announced to the SGX-ST after the meeting.
- (ii) The Company regards its AGM as an opportunity to communicate directly with shareholders and therefore encourages greater shareholder participation, whether in person or by proxy. The CEO and other Directors attend the AGM and are available to answer questions and address concerns from shareholders.
- (iii) The Board acknowledges that the release of timely and relevant information is crucial for good corporate governance as it is required for shareholders to make informed decisions in respect of their investments in the Company. The Company thus ensures that it informs shareholders of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares, by ensuring that all such material information is accurately disclosed in a timely manner on the SGXNet system.
- (iv) The Company puts in place corporate governance practices to promote the fair and equitable treatment of all of its shareholders. The Company ensures that rules in respect of general meetings of shareholders are available to all shareholders, including the voting procedures that govern the general meetings of shareholders. It also ensures that shareholders are entitled to attend the general meetings of shareholders and have the opportunity to participate effectively in and vote at such meetings.
- (v) The Company is active in promoting regular, effective and fair communication with its shareholders.
- (vi) The Group's CEO and the Independent Directors are entrusted with the responsibility of facilitating communications with its shareholders and analysts and attending to their queries or concerns.
- (vii) The Board is mindful of its obligations to keep shareholders informed of all major developments that affect the Group in accordance with the SGX-ST Listing Manual.
- (viii) Information is communicated to shareholders on a timely basis through:
  - (a) annual reports that are prepared and issued to all shareholders within the mandatory period. Non-shareholders may access the SGX website for copies of the Company's annual reports;
  - (b) half-yearly and full-yearly announcements of, and press briefings on, its financial statements via SGXNet;
  - (c) other announcements via SGXNet;
  - (d) media releases on major developments regarding the Company; and
  - (e) notices of AGMs.

# CORPORATE GOVERNANCE REPORT

- (ix) At AGMs, shareholders will be given the opportunity to air their views and ask Directors or Management questions regarding the Company. Shareholders will be encouraged to attend the AGMs to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The AGM is the principal forum for dialogue with shareholders. The Board supports the Code's principle to encourage shareholders' participation. The Bye-Laws allow a shareholder of the Company to appoint up to two (2) proxies to attend the AGM and vote in place of the shareholder. The Company publishes minutes of the AGM on its corporate website and on SGXNet as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Board and Management.
- (x) Resolutions are, as far as possible, structured separately and may be voted upon independently. Resolutions are passed at general meetings by poll.
- (xi) The members of the AC, NC and RC will be present at the AGM to address the queries relating to the work of these Board Committees. The external auditors will also be present to assist the Directors in addressing any queries about the conduct of audit and the preparation and contents of the auditors' report posed by the shareholders.
- (xii) While acknowledging that voting by poll is integral in the enhancement of corporate governance, the Company is concerned over the cost effectiveness and efficiency of the polling procedures which may be logistically and administratively burdensome. Electronic polling may be efficient in terms of speed but may not be cost effective. All resolutions are to be voted by poll for general meetings.
- (xiii) The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNet.
- (xiv) The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with shareholders and/or has specifically entrusted an investor relations team with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

## Engagement with Stakeholders

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

- (i) The Company maintains a current corporate website at <http://www.ohwa.com.sg> to communicate and engage with stakeholders.
- (ii) The Company considers the interests of its stakeholders, including employees, customers, and suppliers, with particular focus on providing a healthy and safe working environment for its employees, providing safe and reliable products to its customers, and ensuring fair dealings with its suppliers.
- (iii) The Company is conscious of its environmental impact and seeks to promote clean energy application in China.

## Securities Transactions by Officers and Employees

In compliance with Rule 1207(19) of the SGX-ST Listing Manual on dealings in securities, Directors and employees of the Company are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company prohibits dealings in its shares by its officers and employees during the period commencing two (2) weeks before the announcement of the Company's results for each of the first three (3) quarters of its financial year and the one (1) month before the announcement of the Company's full year results, or when they are in possession of unpublished price-sensitive information on the Group.

# CORPORATE GOVERNANCE REPORT

## Interest Person Transactions (“IPTs”)

The Group has established procedures to ensure that all IPTs are reported on a timely manner to the AC and are properly reviewed and approved, and are conducted at arm’s length basis, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

When a potential conflict of interest arises, the Director concerned shall not participate in discussions concerning the conflict of interest and refrain from exercising any influence over other members of the Board.

It is envisaged that the Group will, in the ordinary course of its business, continue to enter into IPTs set out in the Appendix to the Annual Report. Given that the IPTs are expected to be recurrent transactions and to allow the Group to undertake such transactions in a more expeditious manner, shareholders’ approval would be required for the renewal of the general mandate for IPTs (“**Interested Person Transaction Mandate**”) in accordance with Chapter 9 of the SGX-ST Listing Manual. Please refer to the Appendix to the Annual Report for details on the Interested Person Transaction Mandate.

The aggregate value of interested person transactions entered into during FY2025 is as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the financial year under review conducted under the shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		RMB’000	RMB’000
<b>Chaozhou Huafeng (Group) Incorporation Ltd</b>			
Lease of storage facilities	An associate of Mr Liang Guo Zhan	5,000	5,000
<b>Chaozhou Huaxin Energy Co.,Ltd</b>			
Lease of storage facilities	An associate of Mr Liang Guo Zhan	1,000	1,000
<b>Guangdong Zhongzhan New Energy Technology Co., Ltd</b>			
Sale of LPG	An associate of Mr Liang Guo Zhan	106,486	106,486
<b>Chaozhou Huafeng Gas Factory Co., Ltd</b>			
Sale of LPG	An associate of Mr Liang Guo Zhan	10,121	10,121
Lease of port terminals, land use rights, office premises and staff dormitory		2,249	2,249
<b>Guangdong Huafeng Zhongtian LNG Co., Ltd</b>			
Lease of port terminals, land use rights, office premises and staff dormitory	An associate of Mr Liang Guo Zhan	3,810	3,810

# CORPORATE GOVERNANCE REPORT

## **12. MATERIAL CONTRACTS**

There were no material contracts of the Company or its subsidiary involving the interest of any CEO, Director or controlling shareholder subsisting at the end of FY2025, or if not then subsisting, entered into by the Company during FY2025 or still subsisting as at 31 December 2025.

## **13. CORPORATE SOCIAL RESPONSIBILITY**

The Board strongly believes in creating a sustainable business strategy compatible with its growth. The Board is aware of the importance of corporate social responsibility and the impact of its operations on the environment. Therefore, the Group has continuously sought to minimise the impact of its activities through water, paper and energy conservation. The Board encourages the Company's employees to recycle resources and materials across its operations. In addition, the Board emphasises the need to provide and maintain a safe and healthy work environment for the Company's employees. The Company's employees are further required to observe the Group's internal safety rules and regulations which are communicated to them regularly.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

The directors present their statement to the members together with the audited financial statements of the Ouhua Energy Holdings Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

## 1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

### Executive director

Liang Guo Zhan (Executive Chairman)  
Zhang Jinming

### Non-executive director

Liang Yaling

### Independent non-executive directors

Kang Shwu Huey  
Limjoco Ross Yu

## 3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

## 4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations except as disclosed below:

Name of directors and company in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
<b>Holding Company:</b>				
(Number of ordinary shares)				
<i>High Tree Worldwide Ltd</i>				
Liang Guo Zhan	100	100	–	–
<b>Company</b>				
Liang Guo Zhan	22,974,000	22,974,000	220,914,000	220,914,000
Liang Yaling	–	–	1,791,000	1,791,000

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

## 4. Directors' interests in shares or debentures (Continued)

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the Register of the Directors shareholdings, the directors' interests as at 21 January 2026 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2025.

## 5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

## 6. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Limjoco Ross Yu (Chairman)  
Kang Shwu Huey  
Liang Yaling

The Audit Committee has convened three meetings during the year with key management and the internal and external auditors of the Company.

The Audit Committee carried out its functions:

- (i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;
- (ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- (iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;
- (iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- (v) reviewed and assessed the adequacy of the Group's risk management processes;
- (vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- (vii) reviewed interested person transactions in accordance with SGX listing rules;
- (viii) reviewed the nomination of external auditors and gave approval of their compensation; and
- (ix) submitted of report of actions and minutes of the Audit Committee to the board of directors with any recommendations as the Audit Committee deems appropriate.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

## 6. Audit Committee (Continued)

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Forvis Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

## 7. Auditors

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

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**Liang Guo Zhan**  
Director

Singapore  
30 April 2026

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**Liang Yaling**  
Director

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Report on the Audit of Financial Statements

### Opinion

We have audited the financial statements of Ouhua Energy Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on page 42 to 96.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Revenue Recognition</b> <b>Refer to Note 2.4 and Note 4 to the financial statements</b>	
<b>Key audit matter</b>	<b>Our audit response</b>
In consideration of the continued volatility in the oil and gas industry, coupled with the high volume of transactions undertaken by the Group, there is a risk that revenue may be overstated, particularly in relation to the timing of revenue recognition. In addition, in accordance with ISA 240 "The Auditors' Responsibilities Relating to Fraud in an Audit of Financial Statements", there is a presumed fraud risk in revenue recognition and the presumption has not been rebutted. Accordingly, revenue recognition was determined to be a key audit matter as it required significant auditor attention due to the heightened risk of inappropriate revenue recognition arising from industry volatility and the high volume of transactions.	Our audit procedures included, and were not limited to the following: <ul style="list-style-type: none"><li>- evaluation of the design and testing of the proper implementation of relevant key controls over the revenue recognition;</li><li>- performance of test of controls which included testing of the operating effectiveness of key controls over the revenue cycle;</li><li>- performance of analytical procedures, such as analysing the gross profit margins reported by the Group;</li><li>- performance of test of details which includes inspection of supporting corresponding delivery documents; and</li><li>- performance of cut-off tests on revenue transactions recorded immediately before and after the financial year-end to assess whether revenue was recognised in the appropriate accounting period.</li></ul>

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Report on the Audit of Financial Statements (Continued)

### Key Audit Matters (Continued)

<b>Existence of Cash and Cash Equivalents and Pledged Fixed Deposits Refer to Note 2.14, Note 18 and Note 17 to the financial statements</b>	
<b>Key audit matter</b>	<b>Our audit response</b>
<p>As at 31 December 2025, the Group reported cash and bank balances and pledged fixed deposits of approximately RMB 21.4 million and RMB 3.8 million, representing about 4.0% and 0.7% of total current assets respectively, with the majority of balances placed with financial institutions in the People's Republic of China ("PRC").</p> <p>Given the significance of the balances and their concentration in the PRC, the existence of cash and bank balances was identified as a key audit matter.</p>	<p>Our audit procedures included, and were not limited to the following:</p> <ul style="list-style-type: none"><li>- evaluation of the design and testing of the proper implementation of the Group's relevant key controls over the receipt and payment cycles;</li><li>- circularisation of all bank confirmations for bank balances (including in-person visits to banks in the PRC);</li><li>- verification of interbank transfers against underlying supporting documentation on a sample basis;</li><li>- examination of the year end bank reconciliations and testing of the accuracy of the closing bank balances;</li><li>- performance of physical count of the cash on hand balances; and</li><li>- introduction of an element of unpredictability by circularising confirmations at a date other than the financial year-end.</li></ul>

### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, 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.

### Responsibilities of management and directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Report on the Audit of Financial Statements (Continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- 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 management.
- Conclude on the appropriateness of management's 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 activities within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## **Report on the Audit of Financial Statements (Continued)**

*Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

### **FORVIS MAZARS LLP**

Public Accountants and  
Chartered Accountants

Singapore  
30 April 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	4	2,170,741	2,664,594
Cost of sales		(2,143,449)	(2,629,287)
<b>Gross profit</b>		27,292	35,307
Other operating income	5	6,737	6,363
Selling and distribution expenses		(40,570)	(54,516)
Administrative expenses		(16,686)	(20,200)
Other operating expenses		(18,678)	(22,126)
<b>Loss from operations</b>		(41,905)	(55,172)
Finance costs	6	(17,362)	(21,437)
Loss before income tax	7	(59,267)	(76,609)
Income tax	9	(46)	7,052
<b>Loss for the financial year</b>		(59,313)	(69,557)
<b>Other comprehensive loss:</b>			
<b>Components of other comprehensive loss that may be reclassified subsequently to profit or loss, net of tax</b>			
Exchange differences on translation foreign operations		(303)	(674)
<b>Total comprehensive loss for the financial year</b>		(59,616)	(70,231)
<b>(Loss)/profit attributable to:</b>			
Owners of the parent		(59,672)	(69,456)
Non-controlling interests		359	(101)
		(59,313)	(69,557)
<b>Total comprehensive (loss)/profit attributable to:</b>			
Owners of the parent		(59,975)	(70,130)
Non-controlling interests		359	(101)
		(59,616)	(70,231)
<b>Loss per share attributable to owners of the Company (RMB fen per share)</b>			
Basic and diluted	10	(16)	(19)

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>					
Property, plant and equipment	11	182,495	212,413	–	–
Intangible assets	12	3,342	3,432	–	–
Investments in subsidiaries	13	–	–	284,277	284,277
<b>Total non-current assets</b>		<b>185,837</b>	<b>215,845</b>	<b>284,277</b>	<b>284,277</b>
<b>Current assets</b>					
Inventories	14	67,840	139,341	–	–
Trade and other receivables	15	365,355	293,944	239	–
Due from related parties	16	76,389	118,032	68	67
Pledged fixed deposits	17	3,787	29,768	–	–
Cash and cash equivalents	18	21,434	173,919	314	393
<b>Total current assets</b>		<b>534,805</b>	<b>755,004</b>	<b>621</b>	<b>460</b>
<b>Total assets</b>		<b>720,642</b>	<b>970,849</b>	<b>284,898</b>	<b>284,737</b>
<b>Current liabilities</b>					
Trade and other payables	19	100,295	147,872	4,751	4,256
Due to related parties	16	11,922	12,842	4,613	4,658
Due to a subsidiary	20	–	–	44,583	41,800
Due to holding company	20	1,757	1,797	1,757	1,797
Bank borrowings	21	365,285	486,000	–	–
Lease liabilities	22	11,681	11,946	–	–
Income tax payable		4,797	11,454	–	–
<b>Total current liabilities</b>		<b>495,737</b>	<b>671,911</b>	<b>55,704</b>	<b>52,511</b>
<b>Non-current liabilities</b>					
Bank borrowings	21	19,216	23,567	–	–
Lease liabilities	22	25,685	35,676	–	–
Deferred tax liabilities	23	2,823	2,898	–	–
<b>Total non-current liabilities</b>		<b>47,724</b>	<b>62,141</b>	<b>–</b>	<b>–</b>
<b>Net assets</b>		<b>177,181</b>	<b>236,797</b>	<b>229,194</b>	<b>232,226</b>
<b>Issued capital and reserves attributable to owners of the Company</b>					
Share capital	24	149,488	149,488	149,488	149,488
Treasury shares	25	(4,783)	(4,783)	(4,783)	(4,783)
Share premium	26	130,298	130,298	130,298	130,298
Statutory reserve	27	20,953	20,953	–	–
Foreign currency translation reserve	28	2,819	3,122	(40,895)	(42,113)
Accumulated losses		(125,999)	(66,327)	(4,914)	(664)
Total equity attributable to owners of the Company		172,776	232,751	229,194	232,226
Non-controlling interests		4,405	4,046	–	–
<b>Total equity</b>		<b>177,181</b>	<b>236,797</b>	<b>229,194</b>	<b>232,226</b>

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>	149,488	(2,506)	130,298	20,953	3,796	3,129	4,147	309,305
Loss for the financial year	-	-	-	-	-	(69,456)	(101)	(69,557)
Other comprehensive loss:								
Exchange differences on translating foreign operations	-	-	-	-	(674)	-	-	(674)
Total comprehensive loss for the financial year	-	-	-	-	(674)	(69,456)	(101)	(70,231)
Purchase of treasury shares	-	(2,277)	-	-	-	-	-	(2,277)
<b>Balance at 31 December 2024</b>	149,488	(4,783)	130,298	20,953	3,122	(66,327)	4,046	236,797
(Loss)/profit for the financial year	-	-	-	-	-	(59,672)	359	(59,313)
Other comprehensive (loss)/profit:								
Exchange differences on translating foreign operations	-	-	-	-	(303)	-	-	(303)
Total comprehensive (loss)/profit for the financial year	-	-	-	-	(303)	(59,672)	359	(59,616)
<b>Balance at 31 December 2025</b>	149,488	(4,783)	130,298	20,953	2,819	(125,999)	4,405	177,181

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>OPERATING ACTIVITIES</b>			
Loss before income tax		(59,267)	(76,609)
Adjustments for:			
Depreciation of property, plant and equipment	11	23,620	12,250
Amortisation of intangible assets	12	90	90
Interest income	5	(137)	(369)
Interest expense	6	17,362	21,437
Loss on disposal of property, plant and equipment	7	103	34
Property, plant and equipment written off	7	7,900	–
Operating loss before movements in working capital		(10,329)	(43,167)
Changes in working capital			
Inventories		71,501	106,879
Trade and other receivables		(71,411)	3,957
Due from related parties		41,643	(46,366)
Trade and other payables		(47,577)	(23,486)
Cash used in operations		(16,173)	(2,183)
Interest received		137	369
Income tax paid/refunded		(6,778)	2,536
Cash flows (used in)/generated from operating activities		(22,814)	722
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(1,866)	(202)
Proceeds from disposal of property, plant and equipment		161	64
Cash flows used in investing activities		(1,705)	(138)
<b>FINANCING ACTIVITIES</b>			
Decreased in pledged fixed deposits		25,981	10,238
(Advances to)/Repayment from related parties		(920)	3,278
Proceeds from bank borrowings		1,234,303	486,000
Repayments of bank borrowings		(1,375,036)	(472,116)
Repayments of lease liabilities		(11,951)	(12,262)
Purchase of treasury shares		–	(2,277)
Effect of foreign currency re-alignment on financing activities		(40)	26
Cash flows (used in)/generated from financing activities		(127,663)	12,887
Net (decrease)/increase in cash and cash equivalents		(152,182)	13,471
Cash and cash equivalents at beginning of financial year		173,919	161,122
Effect of foreign exchange rate changes in cash and cash equivalents		(303)	(674)
<b>Cash and cash equivalents at end of financial year</b>	18	<b>21,434</b>	<b>173,919</b>

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

## Reconciliation of assets/liabilities arising from financing activities

	1 January 2025	Financing cash inflows	Financing cash outflows	Non-cash movements		31 December 2025
				Interest expense	Foreign exchange movement	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Liabilities</b>						
Due to related parties	12,842	–	(920)	–	–	11,922
Due to holding company	1,797	–	–	–	(40)	1,757
Bank borrowings	509,567	1,234,303	(1,375,036)	15,667	–	384,501
Lease liabilities	47,622	–	(11,951)	1,695	–	37,366
<b>Assets</b>						
Pledged fixed deposits	(29,768)	25,981	–	–	–	(3,787)

	1 January 2024	Financing cash inflows	Financing cash outflows	Non-cash movements		31 December 2024
				Interest expense	Foreign exchange movement	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Liabilities</b>						
Due to related parties	9,564	3,278	–	–	–	12,842
Due to holding company	1,771	–	–	–	26	1,797
Bank borrowings	477,127	486,000	(472,116)	18,556	–	509,567
Lease liabilities	57,003	–	(12,262)	2,881	–	47,622
<b>Assets</b>						
Pledged fixed deposits	(40,006)	10,238	–	–	–	(29,768)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General

Ouhua Energy Holdings Limited (the “Company”) is a company incorporated in Bermuda under the Bermuda Companies Act as an exempted company with limited liability. The Company’s registered office is located at 5th Floor, Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Group is located at Long Wan Suo Cheng Town, Raoping County, Guangdong Province, People’s Republic of China (“PRC”). The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of investment holding.

The Company’s holding company is High Tree Worldwide Ltd., a company incorporated in British Virgin Islands and is wholly-owned by Liang Guo Zhan, Executive Chairman of the Group.

The particulars of the subsidiaries are set out in Note 13 to the financial statements.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2025 were authorised for issue by the Board of Directors on 30 April 2026.

## 2. Summary of material accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), including related Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC INT”).

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Chinese Renminbi (“RMB”), which is the presentation currency of the Group. The functional currency of the Company is United States dollar. As the Group mainly operates in PRC, RMB is used as the presentation currency of the Group and the Company. All financial information presented in RMB has been recorded to the nearest thousand (“RMB’000”) unless otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

In the current financial year, the Group has adopted all the new and revised IFRS and IFRIC INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2025. The adoption of these new/revised IFRS and IFRIC INT did not result in changes to the Group’s and Company’s accounting policies and has no material effect on the current or prior year and is not expected to have a material effect on future periods.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

*IAS, IFRS and IFRIC INT issued but not effective.*

At the date of authorisation of these financial statements, the following IAS, IFRS and IFRIC INT that were issue but not yet effective:

IAS, IFRS	Title	Effective date (annual periods beginning on or after)
IFRS 9, IFRS 7	Amendments to IFRS 9 and IFRS 7: <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Various	Annual improvements to IFRSs - Volume 11	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosure	1 January 2027
IFRS 9, IFRS 7	Amendments to IFRS 9 and IFRS 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
IFRS 10, IAS 28	Amendments to IFRS 10 and IAS 28: <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of IFRS 18 *Presentation and disclosure in financial statements*, will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

IFRS 18, effective for annual periods beginning on or after 1 January 2027, replaces IAS 1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements. IFRS 18 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. As a consequential result of IFRS 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

IFRS 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements of the Group are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a “concentration test” as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree’s identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* (“IFRS 3”) are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* (“IFRS 5”), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group’s previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree’s share-based payment awards are measured in accordance with IFRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.3 Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

#### *Measurement of non-controlling interest*

The measurement option is elected for each individual business combination and does not constitute an accounting policy choice for similar transactions. Selecting the option will require management to carefully consider their future intentions regarding transactions with non-controlling interest, since the two options, combined with the revisions to accounting for changes in ownership interest of a subsidiary will potentially result in significantly different amounts of goodwill and equity.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.4 Revenue recognition

The Group is principally in the business of import, processing and wholesale of liquefied petroleum gas. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

#### Sale of goods

The Group sells a range of products to its customers. Revenue is recognised at a point in time when the control of the goods is transferred to the distributors (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

#### Sale of electricity

Revenue from the sale of electricity is recognised over time when electricity is delivered to consumers, or upon transmission to the power grid.

### 2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

### 2.6 Employee benefits

Pursuant to the relevant regulations of the PRC government, the subsidiary in the PRC has participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiary in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund its retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiary in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are charged to the consolidated profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.7 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the consolidated profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's and the Company's liabilities for current tax are calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group and the Company are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year. Deferred tax is charged or credited to the consolidated profit or loss, except to the extent that they relate to items recognised in consolidated statement of other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in consolidated profit or loss or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense on income in profit or loss, except when they relate to items credited or debited directly to equity in which case the tax is also recognised directly in equity.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.8 Foreign currency transaction and translation

Foreign currency transactions are translated into the individual entities' respective functional currency at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting financial statements, the assets and liabilities of the Group's and the Company's operations (including comparatives) are expressed in RMB using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

### 2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.9 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method, on the following bases:

	<u>Annual Depreciation rates</u>
Building and storage	3% - 4.5%
Vessel	5%
Plant and machinery	4% - 9%
Motor vehicles	9%
Office equipment	18%
Leasehold improvements	33½%

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 22.

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The vessel is required to undergo planned dry-docking for replacement of certain components, major repairs and maintenance of other components, which cannot be carried out while the vessel is operating. Dry-dock occurs approximately once every 5 years depending on the nature of work and external requirements. These dry-docking costs are capitalised and depreciated on a straight-line basis over the estimated period until the next dry-docking.

The residual value of such components is estimated at nil. The useful life of the dry-docking costs is reviewed at least at each financial year-end based on market conditions and regulatory requirements.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The residual value of the vessel for the purpose of calculating the annual depreciation expense for the financial year is estimated using the scrap steel price less estimated costs of disposal of a complete vessel with all normal machinery and equipment on board.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.10 Intangible assets

Acquired intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is initially measured at their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method, over the following bases:

	<u>Annual amortisation rates</u>
Customer relationship	5%

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

### 2.11 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. 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 for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.12 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

#### Financial assets

##### Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”) in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”) depends on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group’s business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset’s contractual cash flows are solely payments of principal and interest (“SPPI”) on the principal amount outstanding to determine the classification of the financial assets.

##### Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include trade and other receivables, cash and cash equivalents.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.12 Financial instruments (Continued)

#### Financial assets (Continued)

##### Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group’s accounting policy for its impairment of financial assets, refer to Note 30.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.12 Financial instruments (Continued)

#### **Financial liabilities and equity instruments**

##### Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### *Ordinary share capital*

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

##### *Treasury shares*

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

##### Financial liabilities

##### Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

##### Other financial liabilities

##### *Trade and other payables*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.12 Financial instruments (Continued)

#### Other financial liabilities (Continued)

##### *Borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to commodity price risk, comprising commodity forward contract.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and cash in banks which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.15 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. 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.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under IFRS 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.15 Leases (Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within “property, plant and equipment”.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased

The lease payments included in the measurement of the lease liability comprise the following payments during the lease term:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early.

The lease payments for an optional renewal period are included in the lease liability if the Group is reasonably certain to exercise an extension option. Similarly, when the Group is reasonably certain not to exercise the termination option, the lease payments for this cancellable period are also included in the lease liability.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

#### The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Summary of material accounting policies (Continued)

### 2.15 Leases (Continued)

The Group as a lessor (Continued)

#### *Operating leases*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss as they arise.

### 2.17 Government subsidies

Subsidies from the PRC government are recognised at their fair values when they are received, or when there is reasonable assurance that the grant will be received and all attached conditions have been complied with.

### 2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors who make strategic decisions.

## 3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.1 Critical judgements in applying the Group's accounting policies

#### Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

### 3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last three years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2025 is RMB 1,169,000 (2024: RMB 1,169,000) (Note 30).

#### Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments in subsidiaries are impaired. Where applicable, the Company's assessments are based on the estimation of the value-in-use of the assets defined in IAS 36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2025 was approximately RMB 284,277,000 (2024: RMB 284,277,000).

#### Impairment of property, plant and equipment

Property, plant and equipment are assessed at the end of each financial year to ascertain whether there is an indication of impairment, if such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in profit or loss.

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not been recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amount of the Group's property, plant and equipment as at 31 December 2025 was RMB 182,495,000 (2024: RMB 212,413,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2025 was RMB 182,495,000 (2024: RMB 212,413,000).

#### Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2025 was approximately RMB 67,840,000 (2024: RMB 139,341,000). There was no allowance made on inventory for the year ended 31 December 2025 and 2024.

#### Provision for income taxes

The Group mainly has exposure to income taxes in PRC. Due to its inherent nature, judgement is involved in determining the Group's provisions for income taxes. The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amount of the Group's current income tax payables as at 31 December 2025 was RMB 4,797,000 (2024: RMB 11,454,000).

## 4. Revenue

	Group	
	2025 RMB'000	2024 RMB'000
<b>Sale of goods</b>		
- Liquefied petroleum gas ("LPG")	2,154,358	2,552,617
- Propane ("C3")	2,956	36,931
- Butane ("C4")	6,847	69,097
<b>Provision of services</b>		
- Electricity	6,580	5,949
Revenue from contracts with customers	<u>2,170,741</u>	<u>2,664,594</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. Revenue (Continued)

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major product/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

	Liquefied Petroleum Gas		Others		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Primary geographical markets</b>						
PRC	2,154,358	2,552,617	6,580	5,949	2,160,938	2,558,566
Asia Pacific	9,803	106,028	–	–	9,803	106,028
Total	2,164,161	2,658,645	6,580	5,949	2,170,741	2,664,594
<b>Major product/service lines</b>						
Liquefied petroleum gas (“LPG”)	2,154,358	2,552,617	–	–	2,154,358	2,552,617
Propane (“C3”)	2,956	36,931	–	–	2,956	36,931
Butane (“C4”)	6,847	69,097	–	–	6,847	69,097
Electricity	–	–	6,580	5,949	6,580	5,949
Total	2,164,161	2,658,645	6,580	5,949	2,170,741	2,664,594
<b>Timing of revenue recognition</b>						
Over time	–	–	6,580	5,949	6,580	5,949
At a point in time	2,164,161	2,658,645	–	–	2,164,161	2,658,645
Total	2,164,161	2,658,645	6,580	5,949	2,170,741	2,664,594

### Contract balances

The following table provides information about contract liabilities from contracts with customers.

	Group	
	2025	2024
	RMB'000	RMB'000
Contract liabilities (Note 19)	(44,157)	(26,782)
Revenue recognised that was included in the contract liability balance at the beginning of the year	26,782	28,893

The increase in contract liabilities for the financial year ended 31 December 2025 from the prior year is due to more advances received with the sales of liquefied petroleum gas during the financial year.

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years are as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Within one year	44,157	26,782

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 5. Other operating income

	Group	
	2025 RMB'000	2024 RMB'000
Tugboat service	538	587
Interest income from fixed deposits	137	369
Subsidies from government*	1,828	564
Vessel rental income	4,078	4,078
Warehouse rental income	91	646
Others	65	119
	6,737	6,363

\* The subsidies from government related to monetary subsidies received from government agencies in PRC for work place safety, import activities and others.

## 6. Finance costs

	Group	
	2025 RMB'000	2024 RMB'000
Interest expenses on bank borrowings	15,667	18,556
Interest expenses on leases	1,695	2,881
	17,362	21,437

## 7. Loss before income tax

The following charges/(credit) were included in the determination of loss before taxation:

	Group	
	2025 RMB'000	2024 RMB'000
Audit fees paid to auditors		
- Auditors of the Company	927	681
- Under provision in respect of prior year	240	-
- Other auditors	479	576
Depreciation of property, plant and equipment (Note 11)	23,620	12,250
Employee benefit costs (Note 8)	15,854	17,644
Marine freight	28,482	43,258
Foreign exchange (gain)/loss - net	(1,427)	5,357
Amortisation on intangible asset (Note 12)	90	90
Loss on disposal of property, plant and equipment	103	34
Property, plant and equipment written off	7,900	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 8. Employee benefits costs

	Group	
	2025 RMB'000	2024 RMB'000
Salaries, bonuses and allowances	12,854	14,555
Other staff benefits	983	1,176
Contribution to retirement benefits schemes	2,017	1,913
	15,854	17,644
	15,854	17,644

Employee benefits costs included the amounts shown as Directors' remuneration in Note 29(b) to the financial statements.

## 9. Income tax

	Group	
	2025 RMB'000	2024 RMB'000
<b>Current tax</b>		
Current financial year	121	–
Over provision in prior year	–	(2,222)
	121	(2,222)
<b>Deferred tax credit (Note 23)</b>		
Origination and reversal of temporary differences	(75)	(4,830)
	46	(7,052)
	46	(7,052)

	Group	
	2025 RMB'000	2024 RMB'000
<b>Reconciliation of effective tax rate is as follows:</b>		
Loss before income tax	(59,267)	(76,609)
Tax calculated at applicable PRC tax rate of 25% (2024: 25%)	(14,817)	(19,152)
Tax effect of non-taxable items	805	805
Tax effect of non-deductible items	(965)	(209)
Over provision in prior year	–	(2,222)
Deferred tax assets not recognised	15,098	13,726
	46	(7,052)
	46	(7,052)

The Company is incorporated in Bermuda and accordingly exempted from income tax in the country of incorporation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 9. Income tax (Continued)

Tax laws affecting a subsidiary by:

### (i) Foreign investment enterprises income tax rate

With effective from 1 January 2008, the new applicable Corporate Income Tax (“CIT”) rate will be 25% for all PRC subsidiaries held by foreign investment.

### (ii) Withholding tax on dividends

Under the PRC tax law, dividends received by foreign investors from their investment in Chinese enterprises in respect of profits earned since 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by a treaty. Pursuant to a tax arrangement between the PRC and Singapore, the investment holding companies established in Singapore are subject to a reduced withholding tax rate of 5% on dividends they received from their PRC subsidiaries subject to certain statutory criteria being met.

The Group has deferred tax assets available for set-off against future taxable profits subjected to compliance with the PRC tax law and agreement by tax authority attributable to the following:

	Group	
	2025 RMB'000	2024 RMB'000
Unabsorbed tax losses	115,296	54,904

Future tax benefits have not been recognised as there is no reasonable certainty of their recovery in the future period. The use of these deferred tax assets is subject to the agreement of the tax authorities.

## 10. Loss per share

The calculations for loss per share of the Group are based on:

	2025	2024
Loss attributed to equity holders (RMB'000)	(59,672)	(69,456)
Weighted average number of ordinary shares ('000)	372,951	374,786
Basic and diluted loss per share (RMB fen)	(16.00)	(18.53)

Basic loss per share is calculated by dividing the Group's loss attributed to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted loss per share is calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

There is no dilutive potential ordinary share during the financial years 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 11. Property, plant and equipment

<u>Group</u>	<u>Buildings and storage</u>		<u>Vessel</u>		<u>Plant and machinery</u>		<u>Motor vehicles</u>		<u>Office equipment</u>		<u>Leasehold improvements in progress</u>		<u>Construction in progress</u>		<u>Right-of-use</u>		<u>Total</u>	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Cost</u>																		
Balance at 1 January 2024	185,512	115,000	81,278	6,030	4,468	42,122	8,048	69,119	511,577									
Additions	-	-	-	-	20	-	182	-	202									
Transfer	-	-	4,364	-	-	-	(4,364)	-	-									
Disposal/Written off	-	-	(555)	(53)	(116)	-	-	-	(724)									
Balance at 31 December 2024	185,512	115,000	85,087	5,977	4,372	42,122	3,866	69,119	511,055									
Additions	-	-	141	-	75	17	1,633	-	1,866									
Transfer	-	-	1,385	-	228	-	(1,613)	-	-									
Disposal/Written off	-	-	(10,376)	(11)	(8)	(41)	-	-	(10,436)									
Balance at 31 December 2025	185,512	115,000	76,237	5,966	4,667	42,098	3,886	69,119	502,485									
<u>Accumulated depreciation</u>																		
Balance at 1 January 2024	147,035	66,380	30,316	2,726	2,947	19,327	-	13,311	282,042									
Charged for the financial year	563	5,244	638	299	393	756	-	4,357	12,250									
Disposal/Written off	-	-	(499)	(36)	(91)	-	-	-	(626)									
Balance at 31 December 2024	147,598	71,624	30,455	2,989	3,249	20,083	-	17,668	293,666									
Charged for the financial year	2,063	5,244	5,066	419	625	334	-	9,869	23,620									
Disposal/Written off	-	-	(2,223)	(7)	(6)	(36)	-	-	(2,272)									
Balance at 31 December 2025	149,661	76,868	33,298	3,401	3,868	20,381	-	27,537	315,014									
<u>Accumulated impairment losses</u>																		
Balance at 1 January, 31 December 2024 and 31 December 2025	-	4,976	-	-	-	-	-	-	4,976									
<u>Carrying amount</u>																		
At 31 December 2025	35,851	33,156	42,939	2,565	799	21,717	3,886	41,582	182,495									
At 31 December 2024	37,914	38,400	54,632	2,988	1,123	22,039	3,866	51,451	212,413									

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 11. Property, plant and equipment (Continued)

On 20 May 2008, a subsidiary of the Group, Chaozhou Ouhua Energy Co., Ltd (“Chaozhou Ouhua”) entered into a nominee agreement (the “Agreement”) with a related party, Chaozhou Huafeng (Group) Incorporation Ltd (“Huafeng Incorporation”), where Huafeng Incorporation agreed to act as the nominee of Chaozhou Ouhua and would register Chaozhou Ouhua’s vessel under Huafeng Incorporation’s name upon the completion of the construction of the said vessel. The vessel was completed in May 2011.

Management has sought and obtained legal opinion on the Agreement and which affirmed that the Agreement was legally binding between Chaozhou Ouhua and Huafeng Incorporation. Consequently, Chaozhou Ouhua possesses full ownership interest in and retains all the risks and rewards of the vessel.

Upon completion of the vessel in 2011, for vessel licencing purposes, the vessel was required to be registered under both Zhejiang Huachang Marine Transportation Co., Ltd (“Huachang”) and Huafeng Incorporation. For this purpose, Huafeng Incorporation with the agreement of Chaozhou Ouhua (the sole legal, beneficial and rightful owner of the vessel), entered into a Transfer of Rights agreement with Huachang where it stated that Huachang does not have any ownership interest in the vessel despite the vessel is co-registered under the name of Huafeng Incorporation and Huachang.

As of 31 December 2025, the plant and machinery of the Group’s subsidiary, with carrying amount of RMB 41,154,000 (2024: RMB 43,651,000), have been pledged as collateral to secure the subsidiary’s credit facilities (Note 21).

Property, plant and equipment includes right-of-use assets with carrying amount of RMB 41,582,000 (2024: RMB 51,451,000). Details of right-of-use assets are disclosed in Note 22.

During the current financial year, the Group carried out a review of the recoverable amount of the CGUs, no further impairment loss is required.

## 12. Intangible assets

	<b>Customer relationship RMB’000</b>
<b><u>Group</u></b>	
<b><u>Cost</u></b>	
At 1 January, 31 December 2024 and 31 December 2025	3,566
<b><u>Accumulated amortisation</u></b>	
At 1 January 2024	44
Amortisation charge for the year	90
At 31 December 2024	134
Amortisation charge for the year	90
At 31 December 2025	224
<b><u>Carrying amounts</u></b>	
At 31 December 2025	3,342
At 31 December 2024	3,432

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 13. Investments in subsidiaries

	Company	
	2025	2024
	RMB'000	RMB'000
Unquoted equity investment, at cost	221,417	221,417
Loan to a subsidiary <sup>(a)</sup>	62,860	62,860
	<u>284,277</u>	<u>284,277</u>

<sup>(a)</sup> The loan to a subsidiary form part of the Company's net investment. The loan is interest free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. The Company re-assessed the recoverability of these amounts on a lifetime ECL basis consequent to their assessment and concluded that these receivables are of no significant increase in credit risk. In its assessment of the credit risk of the subsidiary, the Company considered amongst other factors, the financial position of the subsidiary as of 31 December 2025, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiary operates in.

During the financial year, there were indicators that the impairment loss recognised may need to be recognised for the Company's investments in subsidiary, Chaozhou Ouhua Energy Co., Ltd, due to the loss making position during the year. The Company carried out a review of the recoverable amounts of this investment. The recoverable amount was estimated based on the value-in-use model.

The key assumptions underlying the Company's impairment assessment of its investments in subsidiaries are:

- Cash flow projections covering a 5-year period; and
- Cash flow beyond the 5-year period were extrapolated using an estimated long-term growth rate which did not exceed the long-term average growth rate of the country in which the subsidiary investments are located.

The significant inputs are set out in the table as follows:

	2025	2024
	%	%
Average revenue growth rate	6.6	5.7
Terminal growth rate	1.5	1.5
Discount rate	<u>10.8</u>	<u>11.8</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 13. Investments in subsidiaries (Continued)

During the current financial year, the Group carried out a review of the recoverable amount of the cash generating unit, no impairment loss is required.

The Group has the following investments in subsidiaries:

Name of subsidiary/ (Principal place of business)	Registered capital	Effective equity held by the Group		Principal activities
		2025 %	2024 %	
Chaozhou Ouhua Energy Co., Ltd <sup>(1)</sup> (PRC)	RMB 221,416,000	100	100	Import, processing and wholesale of liquefied petroleum gas
Ouhua Energy (Singapore) Pte. Ltd. <sup>(2)</sup> (Singapore)	S\$ 100	100	100	Dormant
<b><u>Held through Chaozhou Ouhua Energy Co., Ltd</u></b>				
Guangxi Zhongzhan Energy Technology Co., Ltd. (PRC) <sup>(2)</sup>	RMB 9,000,000	70	70	Photovoltaic power generation
Guangxi Guosheng New Energy Technology Co., Ltd. (PRC) <sup>(1)</sup>	RMB 2,000,000	70	70	Photovoltaic power generation
Shantou Zhenyang New Energy Development Co., Ltd. (PRC) <sup>(1)</sup>	RMB 1,000,000	100	100	Photovoltaic power generation
Chaozhou Ouhua New Energy Holding Co., Ltd. (PRC) <sup>(2) (3)</sup>	RMB 12,000,000	100	100	Photovoltaic power generation

<sup>(1)</sup> Audited by an overseas fellow member firm of Forvis Mazars LLP for consolidation purpose.

<sup>(2)</sup> The financial statement of the subsidiary is not subject to audit under local law of country.

<sup>(3)</sup> In February 2024, the Group incorporated a wholly owned subsidiary, Chaozhou Ouhua New Energy Holding Co., Ltd., with a registered capital of RMB12,000,000. The subsidiary remained dormant, and no capital injection was made as of 31 December 2025 and 31 December 2024.

## 14. Inventories

	Group	
	2025 RMB'000	2024 RMB'000
Raw materials	56,030	118,531
Finished goods	627	5,146
Goods in transit	11,183	15,664
	<u>67,840</u>	<u>139,341</u>

Cost of inventories recognised in cost of sales amounted to approximately RMB1,979,967,189 (2024: RMB 2,435,846,094) during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables - third parties	42,253	47,015	-	-
Less: Loss allowance (Noted 30)	(1,169)	(1,169)	-	-
	41,084	45,846	-	-
Prepayments	976	530	239	-
Security deposits	42,745	47,096	-	-
Advances to suppliers - third parties	92,674	40,929	-	-
Advances to suppliers - related parties	186,999	154,957	-	-
Value added tax recoverable	-	4,140	-	-
Others	1,052	621	-	-
Less: loss allowance	(175)	(175)	-	-
Trade and other receivables	365,355	293,944	239	-

Trade receivables from third parties, arising from the Group's contract with its customers, are non-interest bearing and are generally on credit term of 10 days (2024: 10 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

The details of the impairment of trade receivables and credit exposures are disclosed in Note 30.

The security deposits made to third-party construction consultants for the upcoming production base, wharf and living area upgrading projects.

## 16. Due from/(to) related parties

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Due from related parties</b>				
Trade	75,678	113,582	-	-
Non-trade	711	4,450	68	67
	76,389	118,032	68	67
<b>Due to related parties</b>				
Non-trade	(11,922)	(12,842)	(4,613)	(4,658)

The trade and non-trade amount due from/(to) related parties are unsecured, interest-free and are repayable on demand.

## 17. Pledged fixed deposits

Fixed deposits at the end of the financial year have an average maturity period of 3 months (2024: 3 months) from the end of the financial year.

Fixed deposits are pledged with financial institutions as security for banking facilities granted to the Group. The effective interest rate for those fixed deposits is at 0.30% (2024: 0.30%) per annum. The carrying amounts of pledged fixed deposits approximate their fair values.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 18. Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash balances	350	177	–	–
Bank balances	21,084	173,742	314	393
	<u>21,434</u>	<u>173,919</u>	<u>314</u>	<u>393</u>

The carrying amounts of cash and cash equivalents approximate their fair values.

As at 31 December 2025, the Group has cash and cash equivalents placed with banks in the PRC amounting to approximately RMB 21,082,000 (2024: RMB 173,281,000). The repatriation of the cash into Singapore is subject to the Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC.

## 19. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	41,759	102,700	–	–
Accrued expenses	5,630	6,294	2,086	1,531
Interest payable	426	997	–	–
Contract liabilities	44,157	26,782	–	–
Due to a director	2,590	2,669	2,610	2,669
Others	5,733	8,430	55	56
Trade and other payables	<u>100,295</u>	<u>147,872</u>	<u>4,751</u>	<u>4,256</u>

Trade payables are non-interest bearing and are normally settled on 30 days (2024: 30 days) terms while other payables have an average term of 10 days (2024: 10 days).

Amount due to a director is non-trade in nature, unsecured, interest-free and is repayable on demand.

Contract liabilities relate to advances from customers. A contract liability is recognised for the advances received from customers and is derecognised as and when the performance obligation is met.

Others include salary payable, staff welfare payable and other payable related to operations.

## 20. Due to a subsidiary and holding company

Amount due to a subsidiary and holding company are non-trade in nature, unsecured, interest-free and are repayable on demand. The carrying amount of amount due to a subsidiary and holding company approximates their fair values.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 21. Bank borrowings

	Group	
	2025 RMB'000	2024 RMB'000
<u>Due within 1 year</u>		
Trust receipts	82,127	206,000
Bank loan A	–	100,000
Bank loan B	–	114,750
Bank loan C	–	65,250
Bank loan D	100,000	–
Bank loan E	68,000	–
Bank loan F	46,000	–
Bank loan G	66,000	–
Bank loan H	578	–
Bank loan I	2,580	–
	365,285	486,000
<u>Due after one year</u>		
Bank loan H	3,611	4,767
Bank loan I	15,605	18,800
	19,216	23,567
	384,501	509,567

Trust receipts were secured by pledged fixed deposits (Note 17) and corporate guarantees from related parties and personal guarantee by a director.

The borrowing rates for trust receipts and bank loans range between 2.08% (2024: 4.00%) and 4.07% (2024: 4.30%).

The Group's bank borrowings consist mainly of Bank loan A to I:

- Bank loan A relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The bank loan term is 1 year and repayable in January 2025. The effective interest rate of the bank loan at the reporting date is 4.00%.
- Bank loan B relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The bank loan term is 1 year and repayable in February 2025. The effective interest rate of the bank loan at the reporting date is 4.00%.
- Bank loan C relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The bank loan term is 1 year and repayable in June 2025. The effective interest rate of the bank loan at the reporting date is 4.00%.
- Bank loan D relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The bank loan term is 1 year and repayable in January 2026. The effective interest rate of the bank loan at the reporting date is 4.00%.
- Bank loan E relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The loan term is 1 year and repayable in March 2026. The interest rate for the loan is 3.60%.
- Bank loan F relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The loan term is 1 year and repayable in April 2026. The interest rate for the loan is 3.60%.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 21. Bank borrowings (Continued)

The Group's bank borrowings consist mainly of Bank loan A to I: (Continued)

- Bank loan G relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and personal guarantee by a director. The loan term is 1 year and repayable in June 2026. The interest rate for the loan is 3.60%.
- Bank loan H relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and collateralised by certain equipment of the Group. The loan term is 9 years and repayable in February 2033. The interest rate for the loan is 4.30%.
- Bank loan I relates to secured Renminbi denominated bank loan secured by corporate guarantees from related parties and collateralised by certain equipment of the Group. The loan term is 9 years and repayable in December 2033. The interest rate for the loan is 4.30%.

The carrying amounts of bank borrowings approximate their fair values.

## 22. The Group as a lessee

The Group leases office premises and land for 1 to 30 years (2024: 1 to 30 years).

The Group leases port terminals for 6 to 10 years (2024: 6 to 10 years). The Group is restricted from entering any sublease arrangement for these leases.

### Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 3 months before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation.

### 22(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

	Office premises and land RMB'000	Port terminals RMB'000	Total RMB'000
<b>Group</b>			
At 1 January 2024	30,115	25,693	55,808
Depreciation	(1,082)	(3,275)	(4,357)
At 31 December 2024	29,033	22,418	51,451
Depreciation	(5,777)	(4,092)	(9,869)
At 31 December 2025	23,256	18,326	41,582

The total cash outflow for leases during the financial year ended 31 December 2025 is RMB 11,951,000 (2024: RMB 12,262,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 22. The Group as a lessee (Continued)

### 22(b) Lease liabilities

	Group	
	2025 RMB'000	2024 RMB'000
Lease liabilities- non-current	25,685	35,676
Lease liabilities - current	11,681	11,946
	<u>37,366</u>	<u>47,622</u>

The maturity analysis of lease liabilities is disclosed in Note 30.

### 22(c) Amounts recognised in profit or loss

	Group	
	2025 RMB'000	2024 RMB'000
Interest expense on lease liabilities	1,695	2,881
Expense relating to short-term leases	555	295
	<u>555</u>	<u>295</u>

## 23. Deferred tax liabilities

	Group	
	2025 RMB'000	2024 RMB'000
Deferred tax liabilities	<u>2,823</u>	<u>2,898</u>

Movements in deferred tax liabilities of the Group during the financial year are as follows:

	Provisions and accelerated tax depreciation RMB'000	Fair value adjustment of assets acquired (Note a) RMB'000	Total RMB'000
<b>Group</b>			
At 1 January 2024	10,739	(3,011)	7,728
Charge to profit or loss	(4,830)	–	(4,830)
At 31 December 2024	5,909	(3,011)	2,898
Charge to profit or loss	(75)	–	(75)
At 31 December 2025	<u>5,834</u>	<u>(3,011)</u>	<u>2,823</u>

Note (a) The deferred tax liability is recognised in respect of the fair value adjustment on property, plant and equipment and intangible assets of the acquired subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 24. Share capital

	Group and Company					
	2025		2024		2024	
	No. of ordinary shares		USD'000		RMB'000	
	'000	'000	USD'000	RMB'000	USD'000	RMB'000
Authorised (of USD0.05 each)	1,000,000	1,000,000	50,000	390,000	50,000	390,000
<b>Issued and fully paid</b>						
At 1 January and 31 December	383,288	383,288	19,164	149,488	19,164	149,488

The Company has one class of ordinary shares which carry no right to fixed income.

The holders of ordinary shares are entitled to receive dividends as and when declared. All ordinary shares carry one vote per share without restriction.

## 25. Treasury shares

	Group and Company			
	2025		2024	
	Number of ordinary shares	RMB'000	Number of ordinary shares	RMB'000
<b>Issued and paid up:</b>				
At beginning of year	10,336,900	5,707,900	4,783	2,506
Repurchased during the year	–	4,629,000	–	2,277
At end of year	10,336,900	10,336,900	4,783	4,783

On 25 April 2024, the special general meeting of the Company has approved an adjustment to the maximum number of shares that maybe repurchased under the previously approved share buy-back mandate, reducing the limit from 38,328,800 shares to 37,583,800 shares. At 31 December 2025, the Company hold a total of 10,336,900 shares (2024: 10,336,900 shares) amounting to approximately RMB 4,783,000 (2024: RMB 4,783,000).

During the financial year ended 31 December 2024, the Company repurchased 4,629,000 ordinary shares at an average price of SGD0.091 per share, which were held as treasury shares.

## 26. Share premium

	Group and Company			
	2025		2024	
	US\$'000	RMB'000	US\$'000	RMB'000
At 1 January and 31 December	16,704	130,298	16,704	130,298

Share premium is the capital of the Company raised upon issuing shares that was in excess of the par value of the shares of USD 0.05.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 27. Statutory reserve

According to the relevant PRC regulations and the Articles of Association of the PRC subsidiary, it is required to transfer 10% of its profit after income tax, as determined under China's General Accepted Accounting Principles, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

## 28. Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of the Company whose functional currency is different from that of the Group's presentation currency. Movement in this account is set out in the consolidated statement of changes in equity.

## 29. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 29. Significant related party transactions (Continued)

During the financial year, in addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions took place during the financial year at terms agreed between the parties:

- (a) Sale and purchases of goods and services

	Group	
	2025 RMB'000	2024 RMB'000
<b>Revenue</b>		
Sale of LPG to related parties	116,607	309,494
<b>Expenses</b>		
Lease of port terminals, land use rights, office premises and staff dormitory paid to related parties	(6,059)	(6,059)
LPG transportation freight charges paid to related party	–	(7,599)
Lease of storage facilities paid to related party	(6,000)	(6,000)

During the financial year, in addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions took place during the financial year at terms agreed between the parties: (Continued)

- (b) Compensation of key management personnel

The remuneration of directors of the Group during the financial year are as follows:

	Group	
	2025 RMB'000	2024 RMB'000
<b>Short-term employee benefits</b>		
Directors' fees	540	535
Directors' salaries	542	1,111
	<u>1,082</u>	<u>1,646</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

### *Financial instruments by category*

	Note	Group	
		2025 RMB'000	2024 RMB'000
<b><i>Financial assets at amortised cost</i></b>			
Trade receivables - third parties	15	41,084	45,846
Other receivables (excluding prepayment, advance to suppliers and value added tax recoverable)	15	43,622	47,542
Due from related parties	16	76,389	118,032
Pledged fixed deposits	17	3,787	29,768
Cash and cash equivalents	18	21,434	173,919
		<u>186,316</u>	<u>415,107</u>
<b><i>Financial liabilities at amortised cost</i></b>			
Trade payables	19	41,759	102,700
Other payables (excluding contract liabilities)	19	14,379	18,390
Due to a related party	16	11,922	12,842
Due to holding company	20	1,757	1,797
Bank borrowings	21	384,501	509,567
Lease liabilities	22	37,366	47,622
		<u>491,684</u>	<u>692,918</u>
<b><i>Company</i></b>			
	Note	2025 RMB'000	2024 RMB'000
<b><i>Financial assets at amortised cost</i></b>			
Loan to a subsidiary	13	62,860	62,860
Cash and cash equivalents	18	314	393
Due from a related party	16	68	67
		<u>63,242</u>	<u>63,320</u>
<b><i>Financial liabilities at amortised cost</i></b>			
Trade and other payables	19	4,751	4,256
Due to related parties	16	4,613	4,658
Due to a subsidiary	20	44,583	41,800
Due to holding company	20	1,757	1,797
		<u>55,704</u>	<u>52,511</u>

The Group's activities expose it to credit risk, liquidity risk, and market risk (including interest rate risk and foreign currency risk). The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of their counterparties' financial condition. The Group does not hold any collateral as security over their customers.

The Group's and the Company's major classes of financial assets are cash and cash equivalents, trade and other receivables, amount due from related parties and pledged fixed deposits.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per IFRS 9's presumption.

The Group has not rebutted the presumption included in IFRS 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk <sup>(Note 1)</sup>	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition <sup>(Note 2)</sup> or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired <sup>(Note 3)</sup>	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount <sup>(Note 4)</sup>	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### **Credit risk (Continued)**

#### Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset.

#### Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract; such as default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

#### Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

At the reporting date, the Group's trade receivables comprise 4 customers (2024: 4 customers), 1 related party of the Group and 3 unrelated customers (2024: 1 related party of the Group and 3 unrelated customers), that represented more than 95% (2024: 88%) of the carrying amount of total trade receivables. The Group's primary exposure to credit risk arises relating to trade receivables and is limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of industries.

#### Trade receivables (includes trade amount due from related parties) (Note 15 and 16)

The Group uses the practical expedient under IFRS 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for the future outlook of the industry which the customers operates and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Credit risk (Continued)

Trade receivables (includes trade amount due from related parties) (Note 15 and 16) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current	Past due				Total
		1 to 30 days	31 – 60 days	61 – 90 days	More than 90 days	
<b>31 December 2025</b>						
Expected credit loss rates	0%	0%	0%	0%	100%	
Trade receivables (gross) - third parties (RMB'000)	28,424	7,503	5,157	–	1,169	42,253
Trade receivables (gross) - related parties (RMB'000)	75,678	–	–	–	–	75,678
Loss allowance (including credit impaired) (RMB'000)	–	–	–	–	1,169	1,169
<b>31 December 2024</b>						
Expected credit loss rates	0%	0%	0%	0%	100%	
Trade receivables (gross) – third parties (RMB'000)	25,895	15,110	4,841	–	1,169	47,015
Trade receivables (gross) – related parties (RMB'000)	113,582	–	–	–	–	113,582
Loss allowance (including credit impaired) (RMB'000)	–	–	–	–	1,169	1,169

As of 31 December 2025, the Group recorded trade amount due from related parties of RMB 75,678,000 (2024: RMB 113,582,000). The Group assessed the latest performance and financial position of related parties, adjusted for forward looking factors specific to the related parties and the economic environment which could affect the ability of related parties to settle the financial assets and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group determined that the ECL is insignificant.

Other receivables (Note 15) and non-trade amount due from related parties (Note 16)

As of 31 December 2025, the Group recorded other receivables of RMB 1,052,000 (2024: RMB 621,000). The Group assessed the latest performance and financial position of the respective debtor, adjusted for the future outlook of the industry which the debtors operate in, by referring to expert publications on the industry, and for any market talks on the debtors' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the loss allowance using 12-month ECL and the loss allowance for other receivables amounting to RMB175,000 (2024: RMB 175,000) is pertain to credit impaired debtors.

As of 31 December 2025, the Group recorded amount due from related parties of RMB 711,000 (2024: RMB 4,450,000) consequent to an advance to the related parties. The Group assessed the loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of no significant increase in credit risk. In its assessment of the credit risk of the related parties, the Group considered amongst other factors, the financial position of the related parties as of 31 December 2025, the past financial performance and cashflow trends, adjusted for forward looking factors specific to the related parties and the economic environment which could affect the ability of related parties to settle the financial assets. Using lifetime ECL, the Group determined that the ECL is insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Credit risk (Continued)

Other receivables (Note 15) and non-trade amount due from related parties (Note 16) (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, amount due from related parties and other receivables are as follows:

Group	Trade receivables – third parties		Due from related parties		Other receivables		
	Note (i) RMB'000	Category 4 RMB'000	Note (i) RMB'000	Category 1 RMB'000	Category 2 RMB'000	Category 4 RMB'000	Total RMB'000
<b>Loss allowance</b>							
At 1 January, 31 December 2024 and 31 December 2025	–	1,169	–	–	–	175	175
<b>Gross carrying amount</b>							
At 31 December 2024	45,846	1,169	113,582	4,450	446	175	621
At 31 December 2025	41,084	1,169	75,678	711	877	175	1,052
<b>Net carrying amount</b>							
At 31 December 2024	45,846	–	113,582	4,450	446	–	446
At 31 December 2025	41,084	–	75,678	711	877	–	877

Note (i) For trade receivables, the Group uses the practical expedient under IFRS 9 in the form of an allowance matrix to measure the ECL, where then loss allowance is equal to lifetime ECL.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Credit risk (Continued)

Other receivables (Note 15) and non-trade amount due from related parties (Note 16) (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the loan to a subsidiary and amount due from related party are as follows:

#### Company

##### Internal credit risk grading

	Loan to a subsidiary		Due from related party	
	Category 2	Total	Category 2	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Loss allowance</b>				
At 1 January, 31 December 2024 and 31 December 2025	-	-	-	-
<b>Gross carrying amount</b>				
At 31 December 2024	62,860	62,860	67	67
At 31 December 2025	62,860	62,860	68	68
<b>Net carrying amount</b>				
At 31 December 2024	62,860	62,860	67	67
At 31 December 2025	62,860	62,860	68	68

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay).

	Effective interest rate %	Less than 1 year RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>Group</b>					
<b>Undiscounted financial assets</b>					
Trade receivables - third parties	-	41,084	-	-	41,084
Other receivables (excluding prepayment, advance to suppliers and VAT tax receivables)	-	43,622	-	-	43,622
Due from related parties	-	76,389	-	-	76,389
Pledged fixed deposits	0.30	3,787	-	-	3,787
Cash and cash equivalents	-	21,434	-	-	21,434
<b>As at 31 December 2025</b>		<b>186,316</b>	<b>-</b>	<b>-</b>	<b>186,316</b>
Trade receivables - third parties	-	45,846	-	-	45,846
Other receivables (excluding prepayment, advance to suppliers and VAT tax receivables)	-	47,542	-	-	47,542
Due from a related party	-	118,032	-	-	118,032
Pledged fixed deposits	0.30	29,768	-	-	29,768
Cash and cash equivalents	-	173,919	-	-	173,919
<b>As at 31 December 2024</b>		<b>415,107</b>	<b>-</b>	<b>-</b>	<b>415,107</b>
<b>Undiscounted financial liabilities</b>					
Trade payables	-	41,759	-	-	41,759
Other payables (excluding contract liabilities)	-	14,379	-	-	14,379
Due to related parties	-	11,922	-	-	11,922
Due to holding company	-	1,757	-	-	1,757
Bank borrowings, fixed interest rates	2.08 - 4.07	365,285	19,216	-	384,501
Lease liabilities	4.65 - 6.55	12,926	19,211	10,312	42,449
<b>As at 31 December 2025</b>		<b>448,028</b>	<b>38,427</b>	<b>10,312</b>	<b>496,767</b>
Trade payables	-	102,700	-	-	102,700
Other payables (excluding contract liabilities)	-	18,390	-	-	18,390
Due to related parties	-	12,842	-	-	12,842
Due to holding company	-	1,797	-	-	1,797
Bank borrowings, fixed interest rates	4.00 - 4.30	486,000	23,567	-	509,567
Lease liabilities	4.65 - 6.55	12,715	27,165	22,484	62,364
<b>As at 31 December 2024</b>		<b>634,444</b>	<b>50,732</b>	<b>22,484</b>	<b>707,660</b>
<b>Total undiscounted net financial liabilities</b>					
<b>- at 31 December 2025</b>		<b>(261,712)</b>	<b>(38,427)</b>	<b>(10,312)</b>	<b>(310,451)</b>
<b>- at 31 December 2024</b>		<b>(219,337)</b>	<b>(50,732)</b>	<b>(22,484)</b>	<b>(292,553)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Liquidity risk (Continued)

	Effective interest rate %	Less than 1 year RMB'000	Total RMB'000
<b>Company</b>			
<b>Undiscounted financial assets</b>			
Cash and cash equivalents	–	314	314
Due from a related party	–	68	68
<b>As at 31 December 2025</b>		382	382
Cash and cash equivalents	–	393	393
Due from a related party	–	67	67
<b>As at 31 December 2024</b>		460	460
<b>Undiscounted financial liabilities</b>			
Trade and other payables	–	4,751	4,751
Due to related parties	–	4,613	4,613
Due to a subsidiary	–	44,583	44,583
Due to holding company	–	1,757	1,757
<b>As at 31 December 2025</b>		55,704	55,704
Trade and other payables	–	4,256	4,256
Due to related parties	–	4,658	4,658
Due to a subsidiary	–	41,800	41,800
Due to holding company	–	1,797	1,797
<b>As at 31 December 2024</b>		52,511	52,511
<b>Total undiscounted net financial liabilities</b>			
<b>- At 31 December 2025</b>		(55,322)	(55,322)
<b>- At 31 December 2024</b>		(52,051)	(52,051)

### Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and commodity price risk which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management policies is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Interest rate risk

The Group is not exposed to interest rate risk as the Group does not have significant variable interest-bearing financial instruments as at 31 December 2025.

#### Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents, and liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group and Company do not have significant foreign currency risk exposure except for the financial assets and liabilities denominated in United States dollar ("USD"), Singapore dollar ("SGD") and Euro ("EUR").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Market risk (Continued)

#### Foreign currency risk (Continued)

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	USD RMB'000	RMB RMB'000	SGD RMB'000	EUR RMB'000	Total RMB'000
<b>Group</b>					
<b>2025</b>					
<b>Financial assets</b>					
Trade receivables - third parties	-	41,084	-	-	41,084
Other receivables (excluding Prepayment and advance to suppliers)	-	43,622	-	-	43,622
Due from related parties	-	76,389	-	-	76,389
Pledged fixed deposits	-	3,787	-	-	3,787
Cash and cash equivalents	112	21,262	-	60	21,434
	112	186,144	-	60	186,316
<b>Financial liabilities</b>					
Trade payables	41,759	-	-	-	41,759
Other payables (excluding contract liabilities)	4,751	9,628	-	-	14,379
Due to related parties	4,613	4,700	2,609	-	11,922
Due to holding company	1,757	-	-	-	1,757
Bank borrowings	-	384,501	-	-	384,501
Lease liabilities	-	37,366	-	-	37,366
	52,880	436,195	2,609	-	491,684
Net financial (liabilities)/assets	(52,768)	(250,051)	(2,609)	60	(305,368)
Less: Net liabilities/(assets) denominated in respective entities functional currency	11,121	250,051	-	-	261,172
Currency exposure	(41,647)	-	(2,609)	60	(44,196)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Market risk (Continued)

Foreign currency risk (Continued)

	USD RMB'000	RMB RMB'000	SGD RMB'000	EUR RMB'000	Total RMB'000
<b>Group</b>					
<b>2024</b>					
<b>Financial assets</b>					
Trade receivables - third parties	–	45,846	–	–	45,846
Other receivables ( <i>excluding Prepayment and advance to suppliers</i> )	–	47,542	–	–	47,542
Due from related parties	–	118,032	–	–	118,032
Pledged fixed deposits	–	29,768	–	–	29,768
Cash and cash equivalents	116	173,744	4	55	173,919
	<u>116</u>	<u>414,932</u>	<u>4</u>	<u>55</u>	<u>415,107</u>
<b>Financial liabilities</b>					
Trade payables	102,700	–	–	–	102,700
Other payables ( <i>excluding contract liabilities</i> )	4,256	14,134	–	–	18,390
Due to related parties	4,658	5,515	2,669	–	12,842
Due to holding company	1,797	–	–	–	1,797
Bank borrowings	–	509,567	–	–	509,567
Lease liabilities	–	47,622	–	–	47,622
	<u>113,411</u>	<u>576,838</u>	<u>2,669</u>	<u>–</u>	<u>692,918</u>
Net financial (liabilities)/assets	(113,295)	(161,906)	(2,665)	55	(277,811)
Less: Net liabilities denominated in respective entities functional currency	10,720	161,906	–	–	172,626
Currency exposure	<u>(102,575)</u>	<u>–</u>	<u>(2,665)</u>	<u>55</u>	<u>(105,185)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Market risk (Continued)

Foreign currency risk (Continued)

	USD RMB'000	RMB RMB'000	SGD RMB'000	Total RMB'000
<b>Company</b>				
<b>2025</b>				
<b>Financial assets</b>				
Due from a related party	–	68	–	68
Cash and cash equivalents	8	305	1	314
	8	373	1	382
<b>Financial liabilities</b>				
Trade and other payables	4,751	–	–	4,751
Due to a subsidiary	–	43,403	–	43,403
Due to a related party	4,613	–	–	4,613
Due to holding company	1,757	–	–	1,757
	11,121	43,403	–	54,524
Net financial (liabilities)/assets	(11,113)	(44,210)	1	(55,322)
Less: Net liabilities denominated in functional currency	11,113	–	–	11,113
Currency exposure	–	(44,210)	1	(44,209)
<b>2024</b>				
<b>Financial assets</b>				
Due from a related party	–	67	–	67
Cash and cash equivalents	9	380	4	393
	9	447	4	460
<b>Financial liabilities</b>				
Trade and other payables	4,256	–	–	4,256
Due to a subsidiary	–	41,800	–	41,800
Due to a related party	4,658	–	–	4,658
Due to holding company	1,797	–	–	1,797
	10,711	41,800	–	52,511
Net financial (liabilities)/assets	(10,702)	(41,353)	4	(52,051)
Less: Net liabilities denominated in functional currency	10,702	–	–	10,702
Currency exposure	–	(41,353)	4	(41,349)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. Financial instruments and financial risk (Continued)

### Market risk (Continued)

#### Foreign currency sensitivity analysis

A 10% strengthening of RMB against the following currencies at the end of the financial year would increase or (decrease) consolidated profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	
	2025	2024
	RMB'000	RMB'000
<b>As at 31 December</b>		
USD	4,165	10,258
SGD	261	267
EUR	(6)	(6)

## 31. Fair value of assets and liabilities

The fair values of applicable assets and liabilities are determined and categorised using a fair value hierarchy as follows:

- Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets.
- Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Except as disclosed in the respective notes, the carrying amounts of the current financial assets and financial liabilities approximate their respective fair values.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 32. Capital management policies and objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 21 and equity attributable to equity holders of the Company, comprising share capital, share premium, statutory reserve, foreign currency translation reserve, and accumulated losses as disclosed in consolidated statement of financial position.

The Group manages its capital structure by making necessary adjustments to it in response to the changes in economic conditions.

The Group and the Company manage capital by regularly monitoring its current and expected liquidity requirements. The Group and the Company are subject to the rules and regulations of the foreign exchange control promulgated by the PRC government for conversion of RMB into foreign currencies.

As disclosed in Note 27, a subsidiary of the Group is required by the relevant PRC regulations to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group also monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total liabilities divided by equity. Total liabilities are sum of "current liabilities" and "non-current liabilities" and equity is "shareholders' equity" as shown in the statements of financial position.

The debt-equity ratios as at 31 December 2025 and 2024 were as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Total liabilities	543,461	734,052
Equity	177,181	236,797
Debt to equity ratio	3.07	3.10

The management is continuously considering various measures to improve on the ratio above.

The Group's overall strategy remains unchanged from 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 33. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

For the financial year ended 31 December 2025, the principal operation of the Groups relates almost entirely to the import, processing, storage and distribution of liquefied petroleum gas in the PRC and Asia Pacific region. All the non-current assets are located in the PRC. Therefore, there is only one reportable operating segment.

The following summary describes the operations in each of the Group's reportable segments:

Liquefied Petroleum gas	Import, processing, storage and distribution of liquefied petroleum gas.
Others	Provision of electricity from solar, as well as provision of system services that support integration of renewables into the grid and investment holdings.

### a. Operating segments

Information regarding the continuing operations' results of each reportable segment is included below.

	<b>Liquefied Petroleum Gas RMB'000</b>	<b>Others RMB'000</b>	<b>Elimination RMB'000</b>	<b>Total RMB'000</b>
<b>2025</b>				
<b>Turnover</b>				
External sales	2,164,161	6,580	–	2,170,741
<b>Results</b>				
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(20,562)	1,375	855	(18,332)
Interest income	117	20	–	137
Interest expenses	(16,930)	(1,429)	997	(17,362)
Depreciation and amortisation	(21,987)	(1,723)	–	(23,710)
Reportable segment loss before income tax	(59,362)	(1,757)	1,852	(59,267)
<b>2024</b>				
<b>Turnover</b>				
External sales	2,658,645	5,949	–	2,664,594
<b>Results</b>				
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(40,974)	(1,292)	(935)	(43,201)
Interest income	348	21	–	369
Interest expenses	(21,437)	–	–	(21,437)
Depreciation and amortisation	(12,340)	–	–	(12,340)
Reportable segment loss before income tax	(74,403)	(1,271)	(935)	(76,609)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 33. Segment reporting (Continued)

### a. Operating segments (Continued)

	Liquefied Petroleum gas RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
<b>2025</b>				
<b>Assets</b>				
Segment assets	726,532	359,365	(365,255)	720,642
<b>Total assets</b>	<b>726,532</b>	<b>359,365</b>	<b>(365,255)</b>	<b>720,642</b>
<b>Liabilities</b>				
Segment liabilities	500,248	116,375	(73,162)	543,461
<b>Total liabilities</b>	<b>500,248</b>	<b>116,375</b>	<b>(73,162)</b>	<b>543,461</b>
Capital expenditure	1,866	–	–	1,866
<b>2024</b>				
<b>Assets</b>				
Segment assets	962,268	366,573	(357,992)	970,849
<b>Total assets</b>	<b>962,268</b>	<b>366,573</b>	<b>(357,992)</b>	<b>970,849</b>
<b>Liabilities</b>				
Segment liabilities	676,888	107,358	(50,194)	734,052
<b>Total liabilities</b>	<b>676,888</b>	<b>107,358</b>	<b>(50,194)</b>	<b>734,052</b>
Capital expenditure	202	–	–	202

### b. Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of the markets.

Distribution of total sales by geographical markets:

	Group	
	2025 RMB'000	2024 RMB'000
PRC	2,160,938	2,558,566
Asia Pacific	9,803	106,028
	<b>2,170,741</b>	<b>2,664,594</b>

### Major customers

The revenues from one customer, which is a related party, of the Group's Liquefied Petroleum Gas segment represent approximately RMB 106,486,000 (2024: RMB 148,144,000).

The Group's results and assets are mainly pertaining to the PRC market.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## **34. Event subsequent to the reporting date**

The military conflict in the Middle East that began on 28 February 2026 which resulted in increased uncertainty over regional security, supply chain reliability, and economic conditions. The Group and the Company primarily operate in Asia Pacific and do not currently expect the military conflict in the Middle East to have any direct significant adverse impact on the Group's and the Company's results in the coming financial year. However, as the situation is still evolving, the full effect of the conflict remains uncertain and the Group and the Company are therefore unable to provide a quantitative estimate of its potential impact on the Group and the Company. The Group and the Company will be monitoring the situation and may consider implementing appropriate measures to mitigate the adverse impact of the military conflict in the Middle East on the Group's and the Company's operation.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT

## Additional Information on Existing Directors Seeking Re-Election to the Board

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), we set out below the additional information on Mr Zhang Jinming, who is seeking re-election as a Director at the forthcoming Annual General Meeting. The information shall be read in conjunction with his biography set out under the section “Board of Directors” of the Annual Report 2025.

	<b>Mr Zhang Jinming</b>
<b>Date of Appointment</b>	22 April 2021
<b>Date of last re-appointment</b>	20 April 2023
<b>Age</b>	55
<b>Country of Principal Residence</b>	China
<b>The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	<p>The re-election of Mr Zhang Jinming as an Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.</p> <p>Mr Zhang Jinming has abstained from the deliberation of the Board pertaining to his re-election.</p>
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Executive
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Executive Director
<b>Professional qualifications</b>	<p>Bachelor degree, Oil and Gas Storage and Transportation, China University of Petroleum</p> <p>Parttime International Trade, University of International Business and Economics</p>
<b>Working experience and occupation(s) during the past 10 years</b>	<p>From May 1999 to June 2018, Mr Zhang Jinming was the Vice General Manager at Zhuhai Chimusco Co Ltd. From January 2019 to May 2020, Mr Zhang Jinming was General Manager at ShanDong Hino Port Co Ltd.</p> <p>Since June 2020, Mr Zhang Jinming has served at the Group, first as a Standing Vice General Manager at Chaozhou Ouhua Energy Co., Ltd., and assuming the position of Executive Director from 22 April 2021.</p> <p>Please refer to Ms Liang’s biography set out under the section “Board of Directors” of the Annual Report.</p>
<b>Shareholding interest in the Company and its subsidiaries</b>	None
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries</b>	None

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT

	Mr Zhang Jinming
<b>Conflict of interest (including any competing business)</b>	None
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company</b>	Yes
<b>Past (for the last 5 years)</b>	None
<b>Present</b>	None
<b>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</b>	No
<b>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</b>	No
<b>(c) Whether there is any unsatisfied judgment against him?</b>	No
<b>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</b>	No
<b>(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?</b>	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT

	Mr Zhang Jinming
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT

	Mr Zhang Jinming
<p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No
<p>Any prior experience as a director of a company listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Yes</p> <p>Mr. Zhang Jinming has been the Executive Director of the Company since his appointment on 22 April 2021.</p> <p>N/A</p> <p>N/A</p>

# STATISTICS OF SHAREHOLDINGS

As at 27 April 2026

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 27 APRIL 2026

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.07	20	0.00
100 - 1,000	57	3.91	50,800	0.01
1,001 - 10,000	665	45.58	4,752,100	1.28
10,001 - 1,000,000	723	49.55	43,868,400	11.76
1,000,001 and above	13	0.89	324,279,780	86.95
<b>Total</b>	<b>1,459</b>	<b>100.00</b>	<b>372,951,100</b>	<b>100.00</b>

Note:

%: Based on 372,951,100 shares (excluding shares held as treasury shares) as at 27 April 2026

\* Treasury Shares as at 27 April 2026 - 10,336,900 shares

## TWENTY LARGEST SHAREHOLDERS AS AT 27 APRIL 2026

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	243,234,780	65.22
2	LIANG GUO ZHAN	22,974,000	6.16
3	PHILLIP SECURITIES PTE LTD	22,888,600	6.14
4	XU RIZHAO	17,676,600	4.74
5	MAYBANK SECURITIES PTE. LTD.	4,177,000	1.12
6	TAN KIM SENG	2,640,000	0.71
7	LI KUN	1,791,000	0.48
8	NARESH NANUBHAI DESAI	1,700,000	0.46
9	CHEN ZEFENG	1,641,000	0.44
10	DBS NOMINEES PTE LTD	1,640,300	0.44
11	GAN TIAM SIANG	1,527,500	0.41
12	UOB KAY HIAN PTE LTD	1,199,000	0.32
13	KIM SENG HOLDINGS PTE LTD	1,190,000	0.32
14	OCBC SECURITIES PRIVATE LTD	904,000	0.24
15	CHEN SHAOWEN	806,000	0.22
16	CHUA GEOK CHENG	760,000	0.20
17	TAN ENG CHUA EDWIN	726,300	0.19
18	CHEN SHAOHAN	624,100	0.17
19	WONG KIM HWA DESMOND	600,000	0.16
20	LEE CHEA SIANG	550,000	0.15
	<b>TOTAL:</b>	<b>329,250,180</b>	<b>88.29</b>

Note:

%: Based on 372,951,100 shares (excluding shares held as treasury shares) as at 27 April 2026

\* Treasury Shares as at 27 April 2026 - 10,336,900 shares

# STATISTICS OF SHAREHOLDINGS

As at 27 April 2026

## DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

	Direct Interest	%	Deemed Interest	%
<b>Directors</b>				
Liang Guo Zhan	22,974,000	6.16	220,914,000	59.23
Limjoco Ross Yu	-	-	-	-
Liang Ya Ling	-	-	1,791,000	0.48
Zhang Jinming	-	-	-	-
Kang Shwu Huey	-	-	-	-
<b>Substantial Shareholders</b>				
Liang Guo Zhan	22,974,000	6.16	220,914,000	59.23
High Tree Worldwide Ltd.	220,914,000	59.23	220,914,000	59.23

### Notes:

1. High Tree Worldwide Ltd. is wholly-owned by Mr. Liang Guo Zhan, who is thus deemed to have an interest in the shares held by High Tree Worldwide Ltd. Such shares are registered in the name of CGS International Securities Pte. Ltd. Mr. Liang Guo Zhan, Ms. Liang Yaling and High Tree Worldwide Ltd. will abstain, and have undertaken to ensure that their respective Associates will abstain, from voting at the forthcoming AGM on the ordinary resolution relating to the renewal of the Shareholders' Mandate.
2. The percentage is rounded to the nearest two (2) decimal places and calculated based on a total number of 372,951,100 shares of the Company in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

## PUBLIC FLOAT

Based on the information available to the Company as at 27 April 2026, approximately 22.48% of the shares are held in the hands of public, and the Company confirms its compliance with Rule 723 of the SGX-ST Listing Manual.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of OUHUA ENERGY HOLDINGS LIMITED (the “Company”) will be held at Wyndham Singapore Hotel, Studio 1 at Lobby Level (Level L, North Tower), 3 Coleman Street, Singapore 179805, on Thursday, 28 May 2026 at 10:00 a.m., and at any adjournment thereof (the “Annual General Meeting”) for the following purposes:

## AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2025 together with the report of the Auditors and Directors’ Statement. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to the following Bye-Law of the Company and who, being eligible, have offered themselves for re-election: -
  - (i) Mr. Zhang Jinming (Bye-Law 104 of the Company’s Bye-Laws) **(Resolution 2)**  
[see Explanatory Note 1]
3. To approve the payment of Directors’ fees of S\$99,000 for the financial year ended 31 December 2025. **(Resolution 3)**
4. To re-appoint Messrs Forvis Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**
5. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS:

6. To consider and, if thought fit, to renew and pass the following resolution as an Ordinary Resolution:

“That authority be and is hereby given to the Directors to:

- (A)
  - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,  
  
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (B) (notwithstanding that this authority may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to such authority (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

# NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company at the time this authority is given, after adjusting for:-
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this authority is passed; and
  - (ii) any subsequent bonus issue, consolidation or sub-division of shares;
- (3) in exercising the authority conferred by this authority, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

[see Explanatory Note 2]

**(Resolution 5)**

7. To consider and, if thought fit, to renew and pass the following resolution as an Ordinary Resolution:

“That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of the SGX-ST for the Company and its subsidiary to enter into any of the transactions falling within the types of interested person transactions as set out in the Appendix to the Annual Report 2025 (the “Appendix”) with the interested persons described in the Appendix, provided that such transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders of the Company and in accordance with the guidelines and procedures as set out in the Appendix and that such approval (the “Interested Person Transaction Mandate”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Interested Person Transaction Mandate.”

[see Explanatory Note 3]

**(Resolution 6)**

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.”

**(Resolution 7)**

BY ORDER OF THE BOARD

Chia Foon Yeow  
Company Secretary  
Singapore  
7 May 2026

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

- (1) Mr. Zhang Jinming will, upon re-election as Director of the Company, remain as an Executive Director of the Company.
- (2) Ordinary Resolution 5 proposed in item 6 above, if passed, will empower the Directors of the Company to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this Resolution would not exceed in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. For the allotment and issue of shares and convertible securities otherwise than on a pro rata basis to all shareholders, the aggregate number shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. The percentage of issued shares is based on the Company's total number of issued shares at the time the proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time the proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting or date by which the next Annual General Meeting is required by law to be held, whichever is the earlier.
- (3) Ordinary Resolution 6 proposed in item 7 above is to renew the Interested Person Transaction Mandate for transactions with interested persons and if passed, will empower the Directors of the Company to do all acts necessary to give effect to the Resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting.

## IMPORTANT NOTES:

- (i) Each of the resolutions to be put to the vote of shareholders at the Annual General Meeting (and at any adjournment thereof) will be voted on by way of a poll.
- (ii) A proxy need not be a shareholder of the Company.
- (iii) A shareholder who is a natural person need not submit the Depositor Proxy Form if he is attending the Annual General Meeting in person. Where a shareholder is a corporation and wishes to be represented at the Annual General Meeting, it must nominate not more than two persons ("Appointees"), who shall be natural persons, to attend and vote as proxy for The Central Depository (Pte) Limited ("Depository") at the Annual General Meeting. Where such shareholder's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (iv) Unless the Depository specifies otherwise in a written notice to the Company, the Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at the Annual General Meeting each of the Depositors who are individuals and whose names are shown in the records of the Depository as at a time not earlier than 72 hours prior to the time of the Annual General Meeting. Therefore, such Depositors (as defined in the Bye-Laws of the Company) who are individuals can attend and vote at the Annual General Meeting without the lodgement of any "Depositor Proxy Form", which is the proxy form titled "Annual General Meeting – Depositor Proxy Form" despatched to shareholders who are Depositors.
- (v) A shareholder who is a Depositor may nominate not more than two Appointees, who shall be natural persons, to attend and vote in his/her/its place as proxy for the Depository in respect of his/her/its shares entered against his/her/its name in the Depository Register, by completing the Depositor Proxy Form in accordance with the instructions stated therein and by:
  - (A) sending it by e-mail to [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com); or
  - (B) depositing the duly completed Depositor Proxy Form at the office of the Company's Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, either by hand or by post at 9 Raffles Place, #26-01 Republic Plaza, Tower 1, Singapore 048619,not less than 72 hours before the time appointed for the Annual General Meeting.
- (vi) A shareholder may nominate not more than two Appointees, who shall be natural persons, to attend and vote in his/her/its place in respect of his/her/its shares registered in his/her/its name in the Register of Members of the Company, by completing the proxy form titled "Proxy Form" despatched together with this Annual Report to Depositors ("Shareholder Proxy Form") in accordance with the instructions stated therein and by:
  - (A) sending it by e-mail to [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com); or
  - (B) depositing the duly completed Depositor Proxy Form at the office of the Company's Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, either by hand or by post at 9 Raffles Place, #26-01 Republic Plaza, Tower 1, Singapore 048619,not less than 72 hours before the time appointed for the Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

- (vii) Completion and return of the instrument appointing a proxy or proxies by a shareholder will not prevent him/her from attending, speaking and voting at the Annual General Meeting if he/she so wishes. The appointment of the proxy(ies) for the Annual General Meeting will be deemed to be revoked if the shareholder attends the Annual General Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies to the Annual General Meeting.

## **PERSONAL DATA PRIVACY:**

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

**OUHUA ENERGY HOLDINGS LIMITED**

(Company Registration No. 37791)

(Incorporated in Bermuda on 3 January 2006)

**PROXY FORM  
ANNUAL GENERAL MEETING****Important:**

1. This Meeting (as defined below) will be held, in a wholly physical format, at Wyndham Singapore Hotel, Studio 1 at Lobby Level (Level L, North Tower), 3 Coleman Street, Singapore 179805, on Thursday, 28 May 2026 at 10:00 a.m. **There will be no option for shareholders to participate virtually.** Printed copies of the Notice of the Meeting and this proxy form will not be sent to members of the Company. Instead, the Notice of the Meeting and this proxy form will be made available to members on SGX's website at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <http://www.ohwa.com.sg>.
2. Arrangements relating to attendance at the Meeting by members, including CPF/SRS investors (as defined below), submission of questions to the Chairman of the Meeting by members, including CPF/SRS investors, in advance of, or at, the Meeting, addressing of substantial and relevant questions in advance of, or at, the Meeting, and voting at the Meeting by the members, including CPF/SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 7 May 2026. This announcement may be accessed via the SGX's website at <https://www.sgx.com/securities/companyannouncements> and the Company's corporate website at <http://www.ohwa.com.sg>.
3. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. For investors who have used their CPF/SRS monies to buy the Shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. This report is forwarded at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY. CPF/SRS investors who wish to appoint the Chairman of the Meeting as their proxy should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 10:00 a.m. on Monday, 18 May 2026.

I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of OUHUA ENERGY HOLDINGS LIMITED (the "Company") hereby appoint(s):

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

as my/our proxy(ies) to vote and/or abstain from voting for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting (the "Meeting") of the Company, to be held at Wyndham Singapore Hotel, Studio 1 at Lobby Level (Level L, North Tower), 3 Coleman Street, Singapore 179805, on Thursday, 28 May 2026 at 10:00 a.m., and at any adjournment thereof. I/We direct my/our proxy(ies) to vote for or against, or to abstain from voting in relation to, the Resolutions to be proposed at the Meeting as indicated hereunder. In the absence of specific directions in respect of a resolution, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting.

No.	Resolutions relating to:	For*	Against*
1	Receipt and adoption of the Audited Financial Statements for the financial year ended 31 December 2025 together with the report of the Auditors and Directors' Statement		
2	Re-election of Mr. Zhang Jinming as a Director of the Company		
3	Approval of the payment of Directors' fees S\$99,000 for the financial year ended 31 December 2025		
4	Re-appointment of Messrs Forvis Mazars LLP as Auditors of the Company and authorising the Directors to fix their remuneration		
5	Authorising the Directors to issue shares, or to grant offers, agreements or options that might or would require shares to be issued		
6	Renewal of the interested person transaction mandate		
7	Renewal of the share buy-back mandate		

\* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**TOTAL NUMBER OF SHARES IN :**

(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal of Corporate Member(s) or  
Duly Authorised Attorney/Officer of Member(s)  
(Please see notes overleaf before completing this form)



**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his/her/its stead.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named.
3. A proxy need not be a member of the Company.
4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. Members are strongly encouraged to submit completed proxy forms via email.
6. Please insert the total number of shares held by you. A member should only insert the number of shares registered in his/her/its name in the Register of Members of the Company. The number inserted should not include the shares entered against the member's name in the Depository Register (as defined in the Byelaws of the Company). If no number is inserted, the Company shall be entitled to deem that this proxy form relates to all shares registered in the member's name in the Register of Members of the Company only.
7. This duly executed proxy form must be deposited at the office of the Company's Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, either by hand or by post at 9 Raffles Place, #26-01 Republic Plaza, Tower 1, Singapore 048619 or sent by email to [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com), not less than 72 hours before the time appointed for the Meeting.
8. This proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
9. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be duly stamped and deposited with this proxy form, failing which this proxy form shall be treated as invalid.

**General**

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy**

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Liang Guo Zhan**  
(Executive Chairman)

**Zhang Jinming**  
(Executive Director)

**Kang Shwu Huey**  
(Independent Director)

**Limjoco Ross Yu**  
(Lead independent Director)

**Liang Yaling**  
(Non-Executive and Non-Independent Director)

## BERMUDA RESIDENT REPRESENTATIVE

Ocorian Services (Bermuda) Limited  
Victoria Place  
5th Floor, 31 Victoria Street  
Hamilton HM10  
Bermuda

## COMPANY SECRETARY

Chia Foon Yeow

## REGISTERED OFFICE

Victoria Place  
5th Floor, 31 Victoria Street  
Hamilton HM10  
Bermuda

## COMPANY REGISTRATION NUMBER

37791

## PRINCIPAL PLACE OF BUSINESS

Long Wan Suo Cheng Town  
Raoping County, Chaozhou City  
Guangdong Province  
The People's Republic of China

## BERMUDA PRINCIPAL REGISTRAR AND TRANSFER AGENT

Ocorian Management (Bermuda) Limited  
Victoria Place 5th Floor, 31 Victoria Street  
Hamilton HM10  
Bermuda

## SINGAPORE SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services  
9 Raffles Place #26-01  
Republic Plaza Tower I  
Singapore 048619

## AUDITOR OF THE COMPANY

Forvis Mazars LLP  
Public Accountants and Chartered Accountants  
135 Cecil Street #10-01  
Singapore 069536  
Partner-in-charge: Lai Keng Wei  
(Appointed with effect since financial  
year ended 31 December 2025)

## PRINCIPAL BANKERS

**Bank of China**  
Macau Branch  
Bank of China Building  
Avenida Doutor Mario Soares Macau  
The People's Republic of China  
**Bank of China**  
Shenzhen Branch  
29 Longxiang Road  
Longgang Centre Area, Labour Building

**Shenzhen, Guangdong Province**  
The People's Republic of China  
Shenzhen Development Bank Co., Ltd.  
Guangzhou Branch, Liuhua Sub-branch  
2/F International Banking Centre  
191 Dongfengxi Road  
Guangzhou City, Guangdong Province  
The People's Republic of China

**Bank of China**  
Chaozhou Branch  
Chaozhou Road, Bank of China Building  
Chaozhou City, Guangdong Province  
The People's Republic of China

**Industrial and Commercial Bank of China**  
Chaozhou Branch  
Chaozhou Road  
Chaozhou City, Guangdong Province  
The People's Republic of China



Long Wan Suo Cheng Town, Raoping County,  
Chaozhou City, Guangdong Province  
The People's Republic of China

Tel: (86) 768 286 3988

Fax: (86) 768 286 3977

[www.ohwa.com.sg](http://www.ohwa.com.sg)