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UNITED ENERGY GROUP LIMITED
聯合能源集團有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 467)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS
For the year ended 31 December 2024

	2024	2023	**Change**
	HK$'000	HK$'000	**%**
Results			
Turnover	**17,522,924**	13,591,075	+28.9
Gross profit	**3,301,651**	4,439,240	-25.6
Profit/(loss) for the year	**1,558,118**	(1,707,401)	N/A
Profit/(loss) for the year attributable to owners of the Company	**1,558,132**	(1,707,385)	N/A
Basic earning/(loss) per share (HK cents)	**6.04**	(6.53)	N/A
EBITDA (Note 1)	**7,173,212**	3,006,136	+138.6
Adjusted EBITDA (Note 1)	**7,991,874**	8,885,063	-10.1
Key items in Consolidated Statement of Financial Position			
Equity attributable to owners of the Company	**13,289,971**	12,830,726	+3.6
Total assets	**26,120,400**	25,829,150	+1.1
Net assets	**13,295,380**	12,836,149	+3.6

OPERATION HIGHLIGHTS
For the year ended 31 December 2024

	2024	2023	**Change %**
Pakistan Assets			
Operation			
Average Daily Working Interest Production (boed)	**36,627**	43,017	-14.9
Reserve (Note 2)			
Net Entitlement 1P Reserve at the year end (mmboe)	**49.2**	48.4	+1.7
Working Interest 2P Reserve at the year end (mmboe)	**88.9**	94.0	-5.4
MENA Assets			
Operation			
Average Daily Working Interest Production (boed)	**71,452**	57,390	+24.5
Reserve (Note 2)			
Net Entitlement 1P Reserve at the year end (mmboe)	**110.6**	119.8	-7.7
- Egypt Assets	**3.9**	4.4	-11.4
- Iraq Assets	**106.7**	115.4	-7.5
Working Interest 2P Reserve at the year end (mmboe)	**576.7**	517.6	+11.4
- Egypt Assets	**17.3**	18.5	-6.5
- Iraq Assets	**559.4**	499.1	+12.1

Note:

1. For EBITDA and adjusted EBITDA, please refer to "Other Financial Information" on pages 33 and 34 for more information.
2. Working interest reserve represents Group's proportion prior to application of the state share under the concession agreements governing the assets, while net entitlement reserve represents Group's proportion after application of the state share under the concession agreements governing the assets.

** For identification purposes only*

The board of directors of the Company (the "Board") of United Energy Group Limited (the "Company") hereby present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Note	**2024** **HK$'000**	2023 HK$'000
Turnover	4	**17,522,924**	13,591,075
Cost of sales		**(14,221,273)**	(9,151,835)
Gross profit		**3,301,651**	4,439,240
Investment and other income	5	**222,411**	213,279
Other gains and losses	6	**(438,337)**	(5,127,278)
Exploration expenses		**(577,194)**	(492,526)
Administrative expenses		**(700,501)**	(676,330)
Other operating expenses		**(54,526)**	(87,026)
Profit/(loss) from operations		**1,753,504**	(1,730,641)
Finance costs	8	**(351,143)**	(293,634)
Share of profits of associates		**56,623**	4,334
Profit/(loss) before tax		**1,458,984**	(2,019,941)
Income tax credit	10	**99,134**	312,540
Profit/(loss) for the year	9	**1,558,118**	(1,707,401)
Attributable to:			
Owners of the Company		**1,558,132**	(1,707,385)
Non-controlling interests		**(14)**	(16)
		1,558,118	(1,707,401)
Earning/(loss) per share	11		
Basic (cents per share)		**6.04**	(6.53)
Diluted (cents per share)		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year	**1,558,118**	(1,707,401)
Other comprehensive income after tax:		
Item that will not be reclassified to profit or loss:		
Remeasurement (losses)/gains on defined benefit pension plans, net of tax credit of approximately HK$400,000 (2023: net of tax expense of approximately HK$669,000)	**(765)**	1,658
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(5,820)**	1,285
Other comprehensive income for the year, net of tax	**(6,585)**	2,943
Total comprehensive income for the year	**1,551,533**	(1,704,458)
Attributable to:		
Owners of the Company	**1,551,547**	(1,704,442)
Non-controlling interests	**(14)**	(16)
	1,551,533	(1,704,458)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**11,870,336**	11,224,269
Right-of-use assets		**616,469**	566,597
Intangible assets		**1,582,605**	1,619,227
Investment in associates		**125,225**	280,126
Investment in a joint venture		**-**	-
Advances, deposits and prepayments		**93,423**	43,059
Deferred tax assets		**999,348**	436,918
		15,287,406	14,170,196
Current assets			
Inventories		**257,860**	252,570
Trade and other receivables	13	**7,603,933**	8,048,362
Financial assets at fair value through profit or loss ("FVTPL")		**3,221**	2,677
Employee retirement benefits assets		**9,103**	9,162
Current tax assets		**23,081**	18,904
Bank and cash balances		**2,935,796**	3,327,279
		10,832,994	11,658,954
Current liabilities			
Trade and other payables	14	**8,794,443**	6,643,732
Due to a director		**7,708**	3,857
Borrowings		**155,825**	306,034
Lease liabilities		**129,523**	205,131
Provisions		**33,959**	10,565
Financial guarantee contracts		**8,634**	11,714
Current tax liabilities		**1,638,556**	1,806,378
		10,768,648	8,987,411
Net current assets		**64,346**	2,671,543
Total assets less current liabilities		**15,351,752**	16,841,739
Non-current liabilities			
Trade and other payables	14	**979,276**	585,000
Borrowings		**77,950**	2,488,001
Lease liabilities		**166,752**	99,250
Provisions		**699,752**	668,368
Employee retirement benefits obligations		**54,677**	38,608
Deferred tax liabilities		**77,965**	126,363
		2,056,372	4,005,590
NET ASSETS		**13,295,380**	12,836,149

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2024

	Note	**2024**	2023
		HK$'000	HK$'000
Capital and reserves			
Share capital		**260,405**	260,405
Reserves		**13,029,566**	12,570,321
Equity attributable to owners of the Company		**13,289,971**	12,830,726
Non-controlling interests		**5,409**	5,423
TOTAL EQUITY		**13,295,380**	12,836,149

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and redomiciled to Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is 39/F, West Tower, Cheung Kong Center II, 10 Harcourt Road, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company.

In the opinion of the Company's directors, He Fu International Limited, a company incorporated in British Virgin Islands, is the immediate parent; Mingze Orient Investment Limited#, a company incorporated in People's Republic of China, is the ultimate parent and Mr. Zhang Hong Wei is the ultimate controlling party of the Company.

The English translation of the ultimate parent company is for reference only. The official name - 名澤東方投資有限公司 is in Chinese.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(a) Application of new and revised HKFRS Accounting Standards (cont'd)

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements: (cont'd)

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 ("HK Int 5")(Revised)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Adoption of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (collectively the "HKAS 1 Amendments")

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of this announcement, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (cont'd)

Up to the date of issue of this announcement, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group: (cont'd)

	Effective for accounting periods beginning on or after
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (cont'd)

Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7 (cont'd)

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments to HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates and Joint Ventures* deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

4. TURNOVER

Turnover from contracts with customers for the year is as follows:

	2024	2023
	HK$'000	HK$'000
Sales and production of crude oil, condensate, gas and liquefied petroleum gas	**9,858,537**	10,417,962
Trading of energy products	**7,664,387**	3,173,113
	17,522,924	13,591,075

4. **TURNOVER (CONT'D)**

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

	Sales and production of crude oil, condensate, gas and liquefied petroleum gas	Trading of energy products	Total
	HK$'000	HK$'000	HK$'000
For the year ended 31 December 2024			
Primary geographical markets			
- Hong Kong	**-**	**215,587**	**215,587**
- Pakistan	**2,410,379**	**2,346,638**	**4,757,017**
- Singapore	**970,305**	**1,728,418**	**2,698,723**
- Egypt	**1,119,490**	**-**	**1,119,490**
- Iraq	**5,358,363**	**-**	**5,358,363**
- United Arab Emirates	**-**	**694,837**	**694,837**
- Switzerland	**-**	**2,678,907**	**2,678,907**
Revenue from external customers	**9,858,537**	**7,664,387**	**17,522,924**
For the year ended 31 December 2023			
Primary geographical markets			
- Hong Kong	-	291,178	291,178
- Pakistan	3,063,382	-	3,063,382
- Singapore	555,674	315,020	870,694
- Egypt	1,149,321	-	1,149,321
- Iraq	5,381,177	-	5,381,177
- United Arab Emirates	268,408	2,072,809	2,341,217
- Switzerland	-	494,106	494,106
Revenue from external customers	10,417,962	3,173,113	13,591,075

The turnover from sales and production of crude oil, condensate, gas, liquefied petroleum gas and energy products are net of sales tax, royalty to government, sales discounts and windfall levy amounting to approximately HK$379,626,000 (2023: HK$473,504,000), HK$470,480,000 (2023: HK$547,902,000), HK$10,247,000 (2023: HK$23,448,000), and HK$132,088,000 (2023: HK$169,410,000) respectively.

5. INVESTMENT AND OTHER INCOME

	2024	2023
	HK$'000	HK$'000
Dividends income from listed equity investments	**308**	176
Interest income on:		
Bank deposits	**68,050**	47,167
Loan receivables	**1,869**	1,830
Total interest income	**69,919**	48,997
Liquefied petroleum gas processing fees charged to concessions, net	**6,668**	7,764
Income from technical services charged to concessions	**68,248**	93,735
Income from operation and maintenance services provided	**46,973**	44,362
Agency income from trade of commodities	**-**	6,719
Management fees income	**5,003**	2,726
Rental income	**3,418**	3,999
Sales of scrap materials	**2,603**	227
Service income from trade of energy products	**13,045**	-
Others	**6,226**	4,574
	222,411	213,279

6. OTHER GAINS AND LOSSES

	2024	2023
	HK$'000	HK$'000
Deemed gain on increase in interest of a joint operation	**89,908**	-
Fair value gains on financial assets at FVTPL	**544**	614
Gain on disposals of property, plant and equipment	**9,850**	7,131
Gain on lease modification	**671**	-
Net foreign exchange (loss)/gain	**(15,714)**	230,226
Release of provision for decommissioning costs	**4,740**	-
Reversals of impairment losses on trade receivables	**-**	1,611
Reversals of impairment losses on other receivables	**-**	375
Impairment losses on trade receivables	**(78,000)**	-
Impairment losses on investment in associates	**(211,087)**	(119,491)
Impairment losses on intangible assets	**(8,528)**	(2,263,951)
Impairment losses on property, plant and equipment	**(212,083)**	(2,833,566)
Imputed interest income on financial guarantee contracts	**3,080**	3,072
Property, plant and equipment written off	**(21,718)**	(153,349)
Other payables and accruals written back	**-**	50
	(438,337)	(5,127,278)

7. SEGMENT INFORMATION

The Group has identified two reportable segments as follows:

Exploration and production	-	activities relating to the exploration and production of crude oil and natural gas in Pakistan, Middle East and North Africa
Trading	-	activities relating to trading of energy products, including petrochemical

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and market strategies.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Segment profit or loss does not include the following items:

- investment and other income
- other gains and losses
- share of profits of associates

Segment assets do not include the following items:

- investment in associates
- deferred tax assets
- financial assets at fair value through profit or loss
- current tax assets
- bank and cash balances

Segment liabilities do not include the following items:

- due to directors
- borrowings
- lease liabilities
- deferred tax liabilities
- current tax liabilities
- financial guarantee contracts

7. SEGMENT INFORMATION (CONT'D)

	Exploration and production HK$'000	Trading HK$'000	Total HK$'000
For the year ended 31 December 2024			
Turnover from external customers	**9,858,537**	**7,664,387**	**17,522,924**
Segment profit	**1,717,100**	**321**	**1,717,421**
Interest revenue	**63,929**	**5,990**	**69,919**
Interest expense	**351,070**	**73**	**351,143**
Depreciation and amortisation	**5,268,596**	**9**	**5,268,605**
Depreciation on right-of-use assets	**92,713**	**1,767**	**94,480**
Share of profits of associates	**56,623**	**-**	**56,623**
Income tax (credit)/expense	**(100,247)**	**1,113**	**(99,134)**
Other material non-cash items:			
Allowance for trade receivables	**78,000**	**-**	**78,000**
Deemed gain on increase in interest of a joint operation	**89,908**	**-**	**89,908**
Impairment losses on investment in associates	**211,087**	**-**	**211,087**
Impairment losses on intangible assets	**8,528**	**-**	**8,528**
Impairment losses on property, plant and equipment	**212,083**	**-**	**212,083**
Property, plant and equipment written off	**466,016**	**-**	**466,016**
Addition to segment non-current assets	**6,525,947**	**1,743**	**6,527,690**
As at 31 December 2024			
Segment assets	**21,090,943**	**942,786**	**22,033,729**
Segment liabilities	**7,516,019**	**3,046,088**	**10,562,107**

7. SEGMENT INFORMATION (CONT'D)

	Exploration and production HK$'000	Trading HK$'000	Total HK$'000
For the year ended 31 December 2023			
Turnover from external customers	10,417,962	3,173,113	13,591,075
Segment profit/(loss)	3,202,474	(210)	3,202,264
Interest revenue	47,445	1,552	48,997
Interest expense	293,606	28	293,634
Depreciation and amortisation	4,649,630	2	4,649,632
Depreciation on right-of-use assets	82,285	526	82,811
Share of profits of associates	4,334	-	4,334
Income tax (credit)/expense	(312,693)	153	(312,540)
Other material non-cash items:			
Allowance for slow-moving inventories	88,181	-	88,181
Impairment losses on investment in associates	119,491	-	119,491
Impairment losses on intangible assets	2,263,951	-	2,263,951
Impairment losses on property, plant and equipment	2,833,566	-	2,833,566
Other payables and accruals written back	50	-	50
Property, plant and equipment written off	587,239	-	587,239
Reversal of allowance for trade receivables	1,611	-	1,611
Reversal of allowance for other receivables	375	-	375
Addition to segment non-current assets	7,318,628	2,137	7,320,765
As at 31 December 2023			
Segment assets	21,552,315	210,931	21,763,246
Segment liabilities	6,767,301	1,178,972	7,946,273

7. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment profit or loss, assets and liabilities:

	2024 HK$'000	2023 HK$'000
Profit or loss		
Total profit of reportable segments	**1,717,421**	3,202,264
Share of profits of associates	**56,623**	4,334
Investment and other income	**222,411**	213,279
Other gains and losses	**(438,337)**	(5,127,278)
Consolidated profit/(loss) for the year	**1,558,118**	(1,707,401)
Assets		
Total assets of reportable segments	**22,033,729**	21,763,246
Unallocated amounts:		
Investment in associates	**125,225**	280,126
Deferred tax assets	**999,348**	436,918
Financial assets at fair value through profit or loss	**3,221**	2,677
Current tax assets	**23,081**	18,904
Bank and cash balances	**2,935,796**	3,327,279
Consolidated total assets	**26,120,400**	25,829,150
Liabilities		
Total liabilities of reportable segments	**10,562,107**	7,946,273
Unallocated amounts:		
Due to a director	**7,708**	3,857
Borrowings	**233,775**	2,794,035
Lease liabilities	**296,275**	304,381
Deferred tax liabilities	**77,965**	126,363
Current tax liabilities	**1,638,556**	1,806,378
Financial guarantee contracts	**8,634**	11,714
Consolidated total liabilities	**12,825,020**	12,993,001

7. SEGMENT INFORMATION (CONT'D)

Geographical information:

The Group's turnover from external customers by location of operations and information about its non-current assets (excluding financial assets at amortised costs and deferred tax assets) by location of assets are detailed below:

	Sales and production of crude oil, condensate, gas and liquefied petroleum gas	Trading of energy products	Total
	HK$'000	HK$'000	HK$'000
For the year ended 31 December 2024			
Primary geographical markets			
- Hong Kong	**-**	**215,587**	**215,587**
- Pakistan	**2,410,379**	**2,346,638**	**4,757,017**
- Singapore	**970,305**	**1,728,418**	**2,698,723**
- Egypt	**1,119,490**	**-**	**1,119,490**
- Iraq	**5,358,363**	**-**	**5,358,363**
- United Arab Emirates	**-**	**694,837**	**694,837**
- Switzerland	**-**	**2,678,907**	**2,678,907**
Revenue from external customers	**9,858,537**	**7,664,387**	**17,522,924**
For the year ended 31 December 2023			
Primary geographical markets			
- Hong Kong	-	291,178	291,178
- Pakistan	3,063,382	-	3,063,382
- Singapore	555,674	315,020	870,694
- Egypt	1,149,321	-	1,149,321
- Iraq	5,381,177	-	5,381,177
- United Arab Emirates	268,408	2,072,809	2,341,217
- Switzerland	-	494,106	494,106
Revenue from external customers	10,417,962	3,173,113	13,591,075

7. SEGMENT INFORMATION (CONT'D)

Geographical information: (cont'd)

	Non-current assets	
	2024	2023
	HK$'000	HK$'000
Hong Kong	**567,944**	546,377
People's Republic of China ("PRC") (except Hong Kong)	**110,412**	66,609
Pakistan	**5,121,686**	6,222,068
Singapore	**1,566**	1,597
Egypt	**1,093,231**	1,093,890
Iraq	**7,025,627**	5,767,212
United Arab Emirates	**24,536**	608
Bulgaria	**306,434**	-
Consolidated total	**14,251,436**	13,698,361

Turnover from major customers:

Turnover derived from major customers who contributed 10% or more of total turnover of the Group is as follows:

	2024	2023
	HK$'000	HK$'000
Customer A	**5,323,034**	5,368,223
Customer B (Note)	**2,678,907**	N/A
Customer C (Note)	**2,634,627**	N/A
Customer D (Note)	**2,449,777**	N/A
Customer E	**1,773,254**	2,216,430

Note:

Customer B, customer C and customer D did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2023.

8. FINANCE COSTS

	2024	2023
	HK$'000	HK$'000
Interest on bank loans	**90,503**	235,387
Interest expense on lease liabilities	**16,848**	37,189
Interest on advances from customers	**204,874**	49,728
Provisions - unwinding of discounts	**42,359**	26,861
Others	**175**	-
Total borrowing costs	**354,759**	349,165
Amount capitalised	**(3,616)**	(55,531)
	351,143	293,634

The weighted average capitalisation rate on funds borrowed was generally at a rate of 3.4% (2023: 9.5%) per annum.

9. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging/(crediting) the following:

	2024	2023
	HK$'000	HK$'000
Auditors' remuneration	**15,786**	7,133
Depreciation and amortisation (note (a))	**5,268,605**	4,649,632
Depreciation on right-of-use assets	**94,480**	82,811
Cost of inventories sold (note (b))	**14,113,303**	9,034,849
Impairment losses on investment in associates (included in other gains and losses)	**211,087**	119,491
Impairment losses on intangible assets (included in other gains and losses)	**8,528**	2,263,951
Impairment losses on property, plant and equipment (included in other gains and losses)	**212,083**	2,833,566
Property, plant and equipment written off (included in other gains and losses of approximately HK$21,718,000 (2023: HK$153,349,000) and exploration expenses of approximately HK$444,298,000 (2023: HK$433,890,000))	**466,016**	587,239
Allowance for slow-moving inventories (included in cost of inventories sold)	**-**	88,181
Allowance for trade receivables	**78,000**	-
Reversal of allowance for trade receivables	**-**	(1,611)
Reversal of allowance for other receivables	**-**	(375)
Staff costs excluding directors' emoluments		
- Salaries, bonuses and allowances	**585,742**	537,816
- Retirement benefits – defined contribution plans	**34,435**	33,878
- Retirement benefits – defined benefit plans	**19,524**	15,394
- Share-based payments	**15,552**	17,574
	655,253	604,662

9. PROFIT/(LOSS) FOR THE YEAR (CONT'D)

Notes:

(a) Amortisation charges on intangible assets of approximately HK$334,529,000 (2023: HK$440,395,000) which are included in the costs of sales and services rendered.

(b) Cost of inventories sold includes staff costs, depreciation and amortisation, short term leases expenses and allowance for slow-moving inventories of approximately HK$5,585,540,000 (2023: HK$5,054,232,000) which are included in the amounts disclosed separately above.

10. INCOME TAX CREDIT

Income tax has been recognised in profit or loss as following:

	2024	2023
	HK$'000	HK$'000
Current tax – Overseas		
Provision for the year	**508,426**	1,218,717
Deferred tax	**(607,560)**	(1,531,257)
	(99,134)	(312,540)

No provision for profits tax in Austria, Cayman Islands, Bermuda, British Virgin Islands, Jersey, Kuwait, Dubai, Netherlands, United States of America, Republic of Panama, Mauritius, Cyprus, Bulgaria or Hong Kong is required as the Group has no assessable profit for the year arising in or derived from these jurisdictions for the years ended 31 December 2024 and 2023.

Egypt, Iraq, Pakistan, Singapore and PRC Income Tax has been provided at a rate of 22.5%, 35%, ranging from 40% to 50%, 17% and 25% respectively on the estimated taxable income earned by the companies with certain tax preference, based on existing legislation, interpretation and practices in respect thereof.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2024 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in all jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK$1,558,132,000 (2023: loss of HK$1,707,385,000) and the weighted average number of ordinary shares of 25,801,598,466 (2023: 26,151,548,893) in issue during the year.

(b) Diluted earnings/(loss) per share

The Company did not have any dilutive potential ordinary share for the year ended 31 December 2024 and 2023. Diluted earnings/(loss) per share for the year ended 31 December 2024 and 2023 are the same as the basic earnings/(loss) per share for the year.

12. DIVIDEND

	2024	2023
	HK$'000	HK$'000
2024 Special dividend of HK4 cents per ordinary share paid	**1,033,984**	-
2023 Special dividend of HK4 cents per ordinary share paid	**-**	1,051,597
	1,033,984	1,051,597

Subsequent to the end of reporting period, final dividend in respect of the year ended 31 December 2024 of HK5 cents per ordinary share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting. (2023: Nil)

13. TRADE AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables (note (a))	**6,320,638**	7,084,266
Allowance for trade receivables	**(102,348)**	(24,348)
Allowance for price adjustments (note (b))	**(196,100)**	(195,610)
	6,022,190	6,864,308
Other receivables (note (c))	**1,582,130**	1,184,441
Allowance for other receivables	**(387)**	(387)
	1,581,743	1,184,054
Total trade and other receivables	**7,603,933**	8,048,362

(a) **Trade receivables**

The Group's trading terms with customers are mainly on credit. The credit term generally ranges from 30 to 45 days (2023: 30 to 45 days) except for the customers in Iraq which were settled by having physical delivery of crude oil on accumulation of balance sufficient enough for cargo lifting. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on the invoice date is as follows:

	2024 HK$'000	2023 HK$'000
0 to 30 days	**3,858,007**	2,469,309
31 to 60 days	**254,487**	288,916
61 to 90 days	**688,384**	1,904,084
Over 90 days	**1,519,760**	2,421,957
	6,320,638	7,084,266

(b) **Allowance for price adjustments**

This represents the provision for the possible price adjustment in gas prices as per the draft gas price notifications submitted to the relevant regulatory authorities in Pakistan in respect of certain gas sales agreements. Since the final price notification has not yet been received from the regulatory authorities, the management had estimated the potential price differential based on the draft notifications and a possible price reduction (excluding royalty expenses) of approximately HK$196,100,000 (2023: HK$195,610,000) was provided.

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables

The details of other receivables, and net of allowance, are as follows:

	2024	2023
	HK$'000	HK$'000
Due from joint operators	**752,320**	505,284
Advances to staff	**12,194**	10,807
Central excise duty receivables	**4,843**	6,716
Deposits and prepayments	**380,048**	339,331
Sales tax receivables	**171,381**	99,055
Other tax receivables	**1,989**	5,557
Withholding tax receivables	**1,334**	1,334
Amount due from associates (note (i))	**194,655**	184,347
Others	**62,979**	31,623
	1,581,743	1,184,054

Note:

(i) As at 31 December 2024, other than due from an associate of the Group, Orient Group Beijing Investment Holding Limited, of approximately HK$26,208,000 (2023: HK$26,208,000) which interest bearing at a rate of 3 months LIBOR plus 1.7% per annum (2023: 3 months LIBOR plus 1.7% per annum), unsecured and repayable on or before 29 September 2025, the remaining balances are unsecured, interest-free and repayable on demand.

14. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	HK$'000
Trade payables (note (a))	**2,139,032**	1,117,991
Other payables (note (b))	**7,634,687**	6,110,741
Total trade and other payables	**9,773,719**	7,228,732
Analysed as:		
Current liabilities	**8,794,443**	6,643,732
Non-current liabilities	**979,276**	585,000
	9,773,719	7,228,732

14. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2024	2023
	HK$'000	HK$'000
0 to 30 days	**761,135**	394,838
31 to 60 days	**215,777**	138,550
61 to 90 days	**82,322**	331,963
Over 90 days	**1,079,798**	252,640
	2,139,032	1,117,991

(b) Other payables

	2024	2023
	HK$'000	HK$'000
Accrual for operating and capital expenses	**2,698,622**	2,354,045
Due to joint operators	**106,041**	87,474
Deferred payment for acquisition of a subsidiary	**43,276**	-
Advances from customers (note (i))	**2,496,000**	1,170,000
Salaries and welfare payables	**188,056**	210,143
Provision for infrastructure funds	**867,122**	911,253
Other tax payables	**1,190,292**	1,311,404
Others	**45,278**	66,422
	7,634,687	6,110,741

Note:

(i) The Group entered into an agreement with a customer for secured crude oil prepayment facilities to the extent of approximately HK$3,120,000,000 (equivalent to approximately US$400,000,000) (2023: HK$1,170,000,000 (equivalent to approximately US$150,000,000)). Advances drawn under the facilities bear interest rate at 5.25% plus 3 months Term SOFR per annum (2023: 4.75% plus 3 months Term SOFR per annum), are repayable principally by the delivery of the Group's crude oil entitlement and are guaranteed by the unlimited corporate guarantee granted by the Company.

15. CONTINGENT LIABILITIES

(a) For the years ended 31 December 2024 and 2023, the Company issued various unlimited corporate guarantees in favour of the President of the Islamic Republic of Pakistan for providing United Energy Pakistan Limited ("UEPL") with all necessary financial and other means to enable UEPL to fully perform its obligations as stipulated in the concession agreements.

(b) Certain subsidiaries of the Group had dispute with the Pakistan government on the applicability of windfall levy on its production of oil and condensate. On 27 December 2017, the government's approval for the execution of windfall levy was granted and the windfall levy became applicable on the subsidiaries. Based on legal advice from external lawyers, the management believes that the applicability of the windfall levy is prospective, i.e. from the date of the government's approval. If the applicability of windfall levy is retrospective, further provision for the windfall levy of approximately HK$191,969,000 (2023: HK$191,969,000) would be required to be made in the consolidated financial statements for the year ended 31 December 2024.

(c) As at 31 December 2024, certain subsidiaries of the Group received various tax orders in an attempt to re-assess tax liability for prior years by the Pakistan tax department. The subsidiaries of the Group are currently appealing against these orders and the cumulative potential tax exposure for the pending tax cases was approximately HK$898,741,000 (2023: HK$807,579,000).

(d) As at 31 December 2024, bank guarantees to the extent of approximately HK$53,593,000 (equivalent to approximately US$6,871,000) (2023: HK$54,532,000 (equivalent to approximately US$6,991,000)) in favor of certain government authorities was obtained by certain subsidiaries of the Group to guarantee its exploration, performance and financial obligations as stipulated in the concession agreements.

16. EVENT AFTER THE REPORTING PERIOD

(a) On 7 February 2025, United Energy (MENA) Limited, a wholly owned subsidiary of the Group entered into a share purchase agreement with Apex International Energy L.P., pursuant to the agreement the Group has conditionally agreed to acquire the entire issued share capital of Apex International Energy Holdings I ("AIEH I"), a company incorporated in the Cayman Islands, at a purchase consideration of approximately HK$1,170,000,000 (equivalent to approximately US$150,000,000) plus a deferred consideration of approximately HK$54,600,000 (equivalent to approximately US$7,000,000). AIEH I is an upstream oil and gas company and principally engaged in explorations and exploitations activities in Egypt. The completion of the acquisition is subject to the full satisfaction of conditions precedent mentioned in the share purchase agreement and the Egypt government approval before 7 February 2026.

Details of the acquisition of AIEH I were set out in the Company's announcements dated 7 February 2025, 26 February 2025 and 28 February 2025.

(b) On 14 February 2025, Super Success International Holdings Limited, a wholly owned subsidiary of the Group entered into a share sale and purchase agreement with a related company, Orient Group Industrial & Development Co., Ltd., pursuant to the agreement the Group has conditionally agreed to acquire 52% issued share capital of Orient Group Beijing Investment Holding Limited ("OGBIH") held by the related company, at a purchase consideration of approximately HK$148,200,000 (equivalent to approximately US$19,000,000). The completion of the acquisition is subject to the full satisfaction of conditions precedent mentioned in the share sale and purchase agreement and the Pakistan government approval.

Details of the acquisition of OGBIH were set out in the Company's announcements dated 14 February 2025, 27 February 2025 and 7 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review
The Group is one of the largest listed integrated energy companies in Hong Kong, with business presence in South Asia, MENA and Europe. The Group is principally engaged in upstream oil & natural gas, clean energy and energy trading businesses. Leveraging on management's extensive experience in oil & gas business, the Group has successfully grown its footprint as one of the major players in energy space. Over time, the Group has established a solid and diversified portfolio through acquisitions and capital investments.

As forecasted by IMF in January 2025, global economy growth in 2024 is likely to be 3.2% down from 3.3% in 2023. Trade policy uncertainty, geopolitical tensions (Middle East, Ukraine, etc) and fiscal instability in some regions weighed on growth. The global economy is holding steady, although it varies widely across countries. Global disinflation continues while global financial conditions remain largely accommodative. World oil demand was estimated to have increased by 1.64 mmbbld year-on-year to average of 103.7 mmbbld in 2024 as reported by the OPEC Monthly Oil Market Report of January 2025. Oil price remained at a relatively high level with average Brent Oil Price in 2024 at US$80.52/bbl, ~2% lower than US$82.49/bbl in 2023, according to data from U.S. Energy Information Administration. The Group recorded net profit attributable to shareholders for the reporting period of approximately HK$1,558,132,000, representing a change from loss to profit, compared to net loss of approximately HK$1,707,385,000 in last year, primarily due to increase of production and higher amount of impairment and dry well written-off in last year.

Cost of sales rendered by the Group for the reporting period was approximately HK$14,221,273,000, and the Group invested approximately HK$6,378,782,000 of capital expenditure in oil exploration, development and production activities. The Group drilled 47 wells during the reporting period, including 21 wells in Pakistan Assets and 26 wells in MENA Assets.

Business Strategy
As one of the largest listed integrated energy companies listed in Hong Kong, the Group is mainly engaged in exploration, development, production and sale of oil and natural gas. The principal elements of its strategy are as follows:

Focus on reserve growth and production increase
The Group remains committed to strategic exploration across its key operational areas, ensuring a well-planned and systematic approach to reserve expansion. Through effective exploration strategies and execution, the Group achieved reserve additions during the year. In mature oil and gas fields, targeted operational measures successfully sustained production levels, while newly drilled development wells contributed incremental output with a higher success rate. The Group continues to manage its oil and gas assets sustainably, diversifying its portfolio across different stages of the value chain. Looking ahead, significant discoveries are anticipated in new exploration locations and prospective technical research plays, further strengthening future growth potential.

Maximizing the potential of existing assets
With core operations in Pakistan, Iraq, and Egypt, the Group leverages its high-quality asset base under the guidance of a seasoned management team. Its vision is to replicate past successes by applying proven expertise to newly acquired exploration blocks, ensuring a sustainable and scalable growth strategy for its asset portfolio.

Driving high-quality development
The Group is committed to sustainable, efficient, cost-effective, and environmentally responsible asset development. In addition to optimizing its existing operations, the Group actively pursues opportunities in clean and low-carbon energy, aiming to create synergies between its core business and renewable energy initiatives to support long-term growth.

Maintaining a prudent financial policy
A disciplined and prudent financial policy remains fundamental to the Group's long-term success. The Group continues to streamline processes, enhance operational efficiency, optimize costs, and uphold disciplined investment decisions, reinforcing its low-cost strategy and competitive edge. Cash flow and debt management are systematically structured to ensure a healthy financial position, providing stability and flexibility for future growth.

Exploration
In 2024, the Group continued efforts in oil and gas exploration. Adhering to the philosophy of value-driven and anchoring on exploration and discoveries of small and prolific oil and gas fields, 11 commercial discoveries were achieved of which 8 were in Pakistan, 2 in Egypt and 1 in Iraq.

In 2024, the Group strengthened its technical capabilities and enhanced exploration efficiency. By maintaining a balanced investment strategy, the Group continued to support exploration activities, ensuring sustainable growth and long-term development. As of the end of 2024, exploration area in Pakistan increased to 26,454 Km^2 (including 5,639 Km^2 non-operated), following the successful addition of new blocks to its portfolio. Egypt's exploration area was 1,597 Km^2. Exploration breakthroughs and commercial discoveries were achieved in Badin, Kotri North, Mirpur Khas Khipro ("MKK") and Middle Indus and Mehar ("MIM") blocks, with production addition in mature fields in Pakistan. Exploration campaign in Pakistan and Egypt continued to optimize business portfolio and enhance production.

In Pakistan, within six months of the Sawan South block award, two back-to-back wells were spud, resulting in discoveries that established commercial production. Work associated with the new blocks will continue in 2025.

Engineering Construction
In 2024, the Group strategically allocated operational resources and effectively advanced engineering construction projects. Through meticulous planning and efficient management, the Group successfully completed its production support and facility modification projects, ensuring the achievement of production and reserve targets while delivering significant economic benefits.

In Iraq, both crude oil and natural gas CPF were commissioned in 2024. These projects have laid a solid foundation for further production capacity ramp-up in Block 9. Other major projects in Iraq also progressed as per schedule.

In mature assets, the Group explored innovative approaches to process optimization, efficiency enhancement, energy conservation, and emission reduction, yielding tangible benefits from facility upgrades and renovations. In Pakistan, the successful implementation of several compression projects improved production efficiency and optimized asset value. Meanwhile, in Egypt, the transition to power sourced from the national electrical grid progressed smoothly across most assets. This initiative optimized operating costs, reduced diesel consumption, partially eliminated rented generators, and enhanced facility efficiency, performance, and safety, fostering a healthier and more sustainable workplace for employees.

Development and Production

For the year ended 31 December 2024, the Group's average daily gross production was approximately 180,554 boed (Pakistan Assets – 51,896 boed plus MENA Assets – 128,658 boed), a 7.6% increase compared to approximately 167,826 boed last year. Gross accumulated production was approximately 66.08 mmboe, a 7.9% increase compared to approximately 61.26 mmboe last year. At the same time, Group's average working interest production was 108,079 boed (Pakistan Assets – 36,627 boed plus MENA Assets – 71,452 boed), a 7.6% increase compared to approximately 100,407 boed last year. Working interest accumulated production was approximately 39.56 mmboe, a 7.9% increase compared to approximately 36.65 mmboe last year. In 2024, the Group aggressively managed decline rate of mature fields coupled with new exploration successes, contributed to sustaining production with a slight increase.

Pakistan

As of 31 December 2024, the Group holds interests in 20 blocks of which 13 are exploration licenses for oil and gas production in Pakistan.

In 2024, Pakistan Assets achieved an average daily gross production of approximately 51,896 boed, decreased by 17.3% compared to last year, and an average daily working interest production of approximately 36,627 boed, decreased by 14.9% compared to last year. Pakistan Assets have an oil and liquids ratio of ~24.4% which was 1.3% higher than last year. Accumulated gross production and working interest production for the full year was approximately 19.0 mmboe and 13.4 mmboe respectively.

Iraq

The Group holds a 60% participating interest in the EDPSC and is the Operator of Block 9 in Iraq. In 2024, average daily gross and working interest production was approximately 86,832 boed and 52,099 boed respectively, an increase of 37.1% compared to last year. Accumulated gross and working interest production for the year was approximately 31.78 mmboe and 19.07 mmboe respectively. Block 9 has an oil and liquids ratio of 100%.

The Group also holds a 30% participating interest in the GDPSC and is the Operator of Siba block in Iraq. Average daily gross and working interest production in 2024 was approximately 25,955 boed and 7,786 boed respectively, an increase of 4.7% compared to last year. Accumulated gross and working interest production was approximately 9.5 mmboe and 2.8 mmboe respectively. Siba has an oil and liquids ratio of ~66%.

In 2024, the Group acquired a 100% participating interest in FAO Block in which work will commence in 2025.

Egypt

The Group holds interests in four blocks in Egypt. It has a 100% participating interest in Burg El Arab. Participating interest in Area A, Abu Sennan and East Ras Qattara are 70%, 32.05% and 49.5% respectively. The Group is Operator of all these blocks, except for East Ras Qattara. In 2024, average daily gross and working interest production was approximately 15,872 boed and 11,567 boed respectively, a decrease of 6.4% and 3.3% compared to last year. Accumulated gross production and working interest production for the year were approximately 5.8 mmboe and 4.2 mmboe respectively. Egypt Assets have an oil and liquids ratio of ~99%

CORE STRENGTHS

1. ***Successful exploration program and solid resources base***
   During the year, the Group achieved 11 commercial discoveries, strengthening its reserve base and supporting long-term production growth. With a stable production growth momentum, the Group maintained a reserve life of approximately 16 years, ensuring a solid foundation for future sustainability and development.

2. ***Rapid development of large-scale oilfields and increased production capacity***
   In Block 9, the Group successfully commissioned a 100,000 barrel per day Oil CPF and a 130 mmscf per day Gas CPF in 2024. These milestones were achieved after 25 and 33 months of dedicated efforts by the Company and its partners, ensuring safely, timely, and efficient production increase.

3. ***Significant low-cost advantage and strong financial performance***
   The Group remains committed to efficient business management, maintaining an industry-leading low-cost advantage. Operating expenses continue to be well-controlled, supporting strong cash flow generation. With a stable financial position and a low gearing ratio, the Group has a solid foundation for future growth and expanded financing capacity.

4. ***Industry-leading HSE performance***
   Operational safety is a top priority for the Group. Various Health, Safety and Environment ("HSE") indicators remain at industry-leading levels. A comprehensive risk prevention and control system, reinforced by a robust safety inspection mechanism, ensures the highest standards of workplace safety and environmental responsibility.

5. ***Advancing a lower-carbon future***
   In alignment with global carbon reduction initiatives and the energy transition, the Group has adopted a dual-pronged strategy to develop both traditional hydrocarbons and clean energy businesses. Its clean energy portfolio includes solar and wind projects, with additional opportunities being explored through cutting-edge technologies and innovative solutions to support a more sustainable energy future.

6. ***Commitment to social responsibility***
   The Group values its employees as its most important asset, fostering a diverse workforce representing multiple nationalities, cultures, and religions. Committed to social development in local communities, the Group actively invests in education, healthcare, and vocational training programs, promoting sustainable income generation in the regions where it operates.

SALES AND MARKETING

Sales of Crude Oil

The Group sells crude oil and condensate produced in Pakistan and Iraq primarily through traders in international market. The Group's crude oil sales price is mainly determined by the prices of international benchmark crude oil of similar quality, with certain adjustments subject to prevailing market conditions. Prices are quoted and settled in US dollars with Brent Oil Price as a basis. Regarding Egyptian Assets, as per the articles of PSC in Egypt, the Group sells crude oil to Egyptian General Petroleum Corporation ("EGPC") at a price determined under the PSC, generally at a small discount to Brent Oil Price.

In 2024, the Group's total working interest crude and condensates sale volumes are 28.2 million barrels, representing a year-on-year increase of 21.6%, Its average realised oil price (before government royalty, windfall levy and government take at working interest production) was approximately US$75.54/bbl, representing a year-on-year decrease of 3.9%, mainly due to the decrease in Brent Oil Price.

Sales of Natural Gas

The Group's natural gas sales price is based on negotiated long-term sales agreements. Contract terms normally include a price review mechanism which links the price of natural gas sold to crude oil prices. The Group's natural gas customers are primarily located in Pakistan and are government owned entities namely Sui Southern Gas Company Limited ("SSGCL").

In 2024, the Group's total working interest natural gas sale volume was 11.1 mmboe, representing a year-on-year decrease of 14.7%. Its average realised gas price (before government royalty, windfall levy and government take at working interest production) was approximately US$30.0/boe, representing a year-on-year decrease of 2.8%, mainly due to the historical period for the price review mechanism of natural gas.

Sales of Energy Products

The Group's energy trading business carried energy products trading and optimized cargo liftings in Iraq. Trading activities were carried out with international counterparts, including Vitol SA, BP Singapore Pte. Ltd, Trafigura Pte Ltd, Repsol Trading Singapore Pte. Ltd, Itochu, etc. Price is mainly determined by the prices of international benchmark energy products of similar quality, with certain adjustments subject to prevailing market conditions.

In 2024, the Group's total energy products trade volume was 1,735,425 tons and its average realized price was approximately US$560.40/tons.

FINANCIAL RESULTS

Financial Review

For the year ended 31 December 2024 (the "reporting period"), the Group reported a profit attributable to the owners of the Company of approximately HK$1,558,132,000, compared to loss of approximately HK$1,707,385,000 for the year ended 31 December 2023 ("last year"), a change from loss to profit. The increase in net profit was primarily due to there were oil and gas assets impairment of approximately HK$4,185,457,000 (net tax) and exploration dry well write-off approximately HK$201,156,000 (net tax) for last year, compared to oil and gas assets impairment of approximately HK$166,286,000 (net of tax) and exploration dry well write-off approximately HK$306,335,000 (net of tax) for current year, which are sharply reduced during the reporting period.

During the reporting period, the Group's average daily working interest production was approximately 108,079 boed (Pakistan Assets of 36,627 boed plus MENA Assets of 71,452 boed) compared to approximately 100,407 boed (Pakistan Assets of 43,017 boed plus MENA Assets of 57,390 boed) of last year, increased by 7.6%. The Group aggressively managed decline rate of mature oil fields, meanwhile, new exploration successes contributed to production increase. The average realised oil and gas price (before government royalty, windfall levy and government take at working interest production) was approximately US$62.58/boe, compared to approximately US$61.31/boe of last year, representing a slight increase of 2.1%.

Turnover

	2024	2023
	HK$'000	HK$'000
Exploration and production	**9,858,537**	10,417,962
Trading	**7,664,387**	3,173,113
	17,522,924	13,591,075

The Group's turnover for the reporting period was approximately HK$17,522,924,000, representing an increase of 28.9% as compared with the turnover of approximately HK$13,591,075,000 of last year. The increase in turnover was mainly contributed by the effect of the growth of trading business during the reporting period.

Exploration and Production Category		**Year 2024**	Year 2023	Change
Oil and gas sales*	*USD'000*	**2,477,102**	2,238,415	+10.7%
Crude oil and liquids	*USD'000*	**2,130,053**	1,822,322	+16.9%
Natural gas	*USD'000*	**333,733**	402,803	-17.1%
LPG	*USD'000*	**13,316**	13,290	+0.2%
Sales Volume	*mmboe*	**39.6**	36.5	+3.1
Crude oil and liquids	*mmboe*	**28.2**	23.2	+5.0
Natural gas	*mmboe*	**11.1**	13.0	-1.9
LPG	*mmboe*	**0.3**	0.3	+0.0#
Realised prices*	*US$/boe*	**62.58**	61.31	+2.1%
Crude oil and liquids	*US$/bbl*	**75.54**	78.60	-3.9%
Natural gas	*US$/boe*	**30.00**	30.88	-2.8%
LPG	*US$/boe*	**51.37**	47.93	+7.2%

** before government royalty, windfall levy and government take (at working interest quantity)*
 # represents volume less than 100,000 boe

Cost of sales

Operating expenses for exploration and production activities

The Group's operating expenses for exploration and production activities (which is defined as the cost of sales excluding depreciation and amortisation, distribution expenses and allowance for slow-moving inventories) increased 5.3% to approximately HK$1,352,643,000 in 2024, compared with approximately HK$1,284,260,000 in 2023. The operating expenses per boe (at working interest production) was approximately US$4.38 in 2024, compared with approximately US$4.51 in 2023, slightly decreased by 2.9%. For Pakistan Assets, operating expenses per boe was approximately US$5.16, increased by 13.2% (last year: approximately US$4.56 per boe); while for MENA Assets, operating expense per boe was approximately US$3.98, decreased by 11.0% (last year: approximately US$4.47 per boe).

Depreciation, depletion and amortisation

Included in the cost of sales, the depreciation, depletion and amortisation was approximately HK$5,215,320,000, representing an increase of 13.5% as compared with the amount of approximately HK$4,596,942,000 in last year.

Gross profit

The Group's gross profit for the reporting period was approximately HK$3,301,651,000 (gross profit ratio 18.8%) which represented a decrease of 25.6% as compared with gross profit of approximately HK$4,439,240,000 (gross profit ratio 32.7%) for the last year. The decrease in gross profit was mainly due to lower average net realised price (after government royalty, windfall levy and government take) during 2024 compared to corresponding period and increased depreciation, depletion and amortisation during the year.

Exploration expenses

The Group's exploration expenses for the reporting period was approximately HK$577,194,000 (last year: approximately HK$492,526,000) which included the expenses for performance of geological and geophysical studies, surface use rights and the written off loss of approximately HK$444,298,000 (last year: approximately HK$433,890,000) arising from dry exploration wells in Pakistan and Egypt Assets.

Administrative expenses

The Group's administrative expenses for the reporting period was approximately HK$700,501,000 (last year: approximately HK$676,330,000) representing 4.0% (last year: 5.0%) of the turnover.

Finance costs

The Group's finance costs for the reporting period was approximately HK$351,143,000, which represented an increase of 19.6% as compared with the finance costs of approximately HK$293,634,000 for the last year. The increase in finance costs was mainly due to the increased prepayment facilities financing during the reporting period; offset by the repayment of borrowings. The weighted average interest rate of borrowings for the reporting period was 11.47% (2023: 7.89%), sharp increase in weighted average interest rate of borrowings mainly caused by amortisation effect of upfront fee upon repayment of borrowings. The weighted average interest rate of borrowings for the reporting period would be 10.14% excluding the amortisation effect of upfront fee upon repayment of borrowings.

Income tax credit

The Group's income tax credit for the reporting period was approximately HK$99,134,000. This included the current income tax of approximately HK$508,426,000 and deferred tax income of approximately HK$607,560,000, compared with current income tax of approximately HK$1,218,717,000 and deferred tax income of approximately HK$1,531,257,000 for the last year respectively. The Group's effective tax rate for the reporting period was approximately -6.8% (2023: 15.5%). The decrease in effective tax rate mainly contributed by a reversal of overprovision of tax approximately HK$300,942,000 upon a favorable determination from tax bureau and impairment and written off loss incurred in jurisdiction with higher tax rate in the reporting period.

Cash generated from operating activities
The Group's net cash inflow from operating activities for the reporting period was approximately HK$7,425,999,000, representing a slight increase of 1.4% as compared with the last year of approximately HK$7,326,562,000.

Cash used in investing activities
In 2024, the Group's net cash used in investing activities decreased by 5.1% to approximately HK$6,227,376,000 from last year, mainly comprise of the development expenditure of approximately HK$5,969,101,000 for the reporting period with an overall decrease of 10.7% as compared to last year and net payment for acquisition of intangible assets of approximately HK$269,590,000 during the reporting period.

Cash used in financing activities
In 2024, the net cash used in financing activities was approximately HK$1,591,065,000, mainly due to the payment of special dividend of approximately HK$1,033,984,000, repayment of bank loans of approximately HK$2,578,772,000, purchase of treasury shares of approximately HK$61,990,000 and purchase of shares under performance share unit scheme of approximately HK$11,819,000; but offset by drawdown of prepayment facilities of approximately HK$2,340,000,000.

Dividend
A final dividend of HK5 cents per share (2023: Nil) in relation to profit attributable to the year ended 31 December 2024 is proposed after the end of reporting period and amounts to approximately HK$1,292,498,000.

OTHER FINANCIAL INFORMATION

To supplement our consolidated results which are prepared and presented in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certificate Public Accountants ("HKICPA"), we utilize non-HKFRS EBITDA and adjusted EBITDA as an additional financial measure.

EBITDA and adjusted EBITDA are not required by, or presented in accordance with HKFRS Accounting Standards. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and the impact of non-recurring transactions. We also believe that the non-HKFRS measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRS Accounting Standards. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following table set forth reconciliations of the Group's non-HKFRS measures for the years ended 31 December 2024 and 2023 to the nearest measures prepared in accordance with HKFRSs.

	Note	**2024** **HK$'000**	2023 HK$'000
Profit/(loss) for the year		**1,558,118**	(1,707,401)
Adjustments:			
Depreciation and amortisation	9	**5,268,605**	4,649,632
Depreciation on right-of-use assets	9	**94,480**	82,811
Finance costs	8	**351,143**	293,634
Income tax credit	10	**(99,134)**	(312,540)
EBITDA		**7,173,212**	3,006,136
Adjustments:			
Property, plant and equipment written off in other gains and losses	6	**21,718**	153,349
Property, plant and equipment written off in exploration expenses	9	**444,298**	433,890
Impairment losses on investment in associates	6	**211,087**	119,491
Impairment losses on intangible assets	6	**8,528**	2,263,951
Impairment losses on property, plant and equipment	6	**212,083**	2,833,566
Share of profits of associates		**(56,623)**	(4,334)
Gain on disposals of property, plant and equipment	6	**(9,850)**	(7,131)
Gain on lease modification	6	**(671)**	-
Deemed gain on increase in interest of a joint operation	6	**(89,908)**	-
Allowance for slow-moving inventories	9	**-**	88,181
Other payables and accruals written back	6	**-**	(50)
Impairment losses/(reversals of impairment losses) on trade receivables	6	**78,000**	(1,611)
Reversals of impairment losses on other receivables	6	**-**	(375)
Adjusted EBITDA		**7,991,874**	8,885,063

EBITDA is calculated as the profit/(loss) for the year, adjust for finance costs, income tax credit, depreciation and amortisation and depreciation on right-of-use assets.

Adjusted EBITDA is calculated as the profit/(loss) for the year, adjust for finance costs, income tax credit, depreciation and amortisation, depreciation on right-of-use assets, property, plant and equipment written off, impairment losses on investment in associates, intangible assets and property, plant and equipment, share of profits of associates, gain on disposals of property, plant and equipment, gain on lease modification, deemed gain on increase in interest of a joint operation, allowance for slow-moving inventories, other payables and accruals written back, impairment losses/reversals of impairment losses on trade receivables and reversals of impairment losses on other receivables.

The adjusted EBITDA for the reporting period was approximately HK$7,991,874,000, decreased by 10.1% from the last year of approximately HK$8,885,063,000. The decrease in adjusted EBITDA was mainly attributable to the decrease in average net realised sales price during the reporting period.

Business and market outlook

According to the recent IMF forecast in January 2025, the global economy in 2025 is projected to grow by 3.3%. The economic growth forecast is expected to be below the historical annual average growth rate of 3.7%. Global headline inflation is expected to decline to 4.2 percent in 2025, converging back to target earlier in advanced economies than in emerging market and developing economies. Global oil demand is forecasted to increase by 1.45 mmbbld to average of 105.2 mmbbld, as per OPEC Monthly Market Report of January 2025. Oil and gas industry is expected to benefit from high energy prices caused by tightened and imbalanced market.

For 2025, the Group targets an average daily gross production of 178,900 to 204,200 boed, and an average daily working interest production of 104,200 to 120,600 boed. Capital expenditure is anticipated to reach US$750 million, which is essential to support exploration, development and construction plans of the Group. It aims to continue with its financial discipline and manage capital expenditure to a possible extent through optimization of its exploration and development plans.

Pakistan Assets:

According to an energy outlook report prepared by Ministry of Planning, Development and Special Initiatives Government of Pakistan, gas demand is expected to increase from approximately 3.56 bcfd in 2020 to approximately 4.24 bcfd in 2030. On the supply side, domestic production is expected to decline from approximately 3.69 bcfd in 2020 to approximately 2.18 bcfd by 2030. Gas shortage in Pakistan is mitigated by importing significantly more expensive LNG from the neighboring countries. Given Group’s production is predominantly in gas, its sale of natural gas is almost guaranteed to be taken up by the state-owned gas distribution customers. The Group continues to leverage its experience and understanding of the geology and geophysics in Lower Indus Basin, Middle Indus Basin, Kirthar and Suleman Fold Belt of Pakistan to unlock the potentials of these assets. In January 2024, two exploration blocks were successfully awarded through the bidding process. Compared with 2023, the extent of exploration rights rose from 24,830 Km^2 to 26,454 Km^2, approximately 6.5% increase. Besides, efforts are in place to further to expand its footprint in Pakistan.

For Pakistan Assets, the Group plans to achieve an average daily working interest production of 29,500 to 35,500 boed in 2025.

MENA Assets:

In March 2019, the Group completed the acquisition of KEC, which is engaged in exploration, appraisal, development and production of oil and gas assets in the MENA region. This acquisition brought high-quality assets to the Group’s portfolio with significant scale and strong development potential. The production base and long reserve life of these assets are highly complementary to the Group’s existing portfolio and will provide a sustainable development profile for the Group for the next two decades. As per reserve report issued by independent reserve auditor as of 31 December 2024, the MENA Assets were reported with 2P working interest reserve of 576.7 mmboe with almost 97.0% located in Iraq. The Group will leverage its strong financial capability to further unlock the potential of MENA Assets and replicate its past success story in MENA region. Average daily gross production of Block 9 in Iraq is expected to reach 130,000 boed. Gas production of Siba in Iraq is expected to reach a sustainable plateau production target in the near future. Egyptian assets are mature producing assets and are expected to stay stable in terms of both production and reserve, in 2025.

In 2025, Iraq Assets are expected to achieve an average daily working interest production of 65,100 to 73,000 boed, whereas Egypt Assets will achieve an average daily working interest production of 9,500 to 12,100 boed.

Conclusion
The Group delivered a remarkable turnaround in 2024. This significant improvement reflects the effectiveness of our strategic initiatives, including enhanced operational efficiency, disciplined cost control, and focused investments in high-potential assets. Building on this momentum, the Group remains committed to ramping up production, strengthening its portfolio, and fostering innovation through investments in talent and technology. With a steadfast focus on sustainable growth and value creation, we are confident in our ability to deliver long-term returns for our shareholders while navigating the evolving energy market with resilience and agility.

Liquidity and Financial Resources
During the reporting period, the Group continues to maintain a strong financial position, with bank and cash balances amounting to approximately HK$2,935,796,000 as at 31 December 2024 (31 December 2023: approximately HK$3,327,279,000).

The Group borrowings are noted below. These are from the banks and other trading commodity corporation, which show lenders confidence in the Group financial strength and its future plans.

	Principal amount outstanding at 31 December 2024	
	US$	Equivalent to HK$
Term loans	30,000,000	234,000,000
Prepayment facilities	320,000,000	2,496,000,000
Finance leases	5,077,000	39,601,000
	355,077,000	**2,769,601,000**

As at 31 December 2024, the gearing ratio was approximately 11.6% (31 December 2023: 16.5%), based on borrowings, advance from customers, and lease liabilities under current liabilities and non-current liabilities of approximately HK$1,845,348,000 (31 December 2023: approximately HK$1,096,165,000) and approximately HK$1,180,702,000 (31 December 2023: approximately HK$3,172,251,000) respectively and total assets of approximately HK$26,120,400,000 (31 December 2023: approximately HK$25,829,150,000). As at 31 December 2024, the current ratio was approximately 1.01 times (31 December 2023: approximately 1.30 times), based on current assets of approximately HK$10,832,994,000 (31 December 2023: approximately HK$11,658,954,000) and current liabilities of approximately HK$10,768,648,000 (31 December 2023: approximately HK$8,987,411,000).

As at 31 December 2024, the Group's total borrowings amounted to approximately HK$233,775,000 (31 December 2023: approximately HK$2,794,035,000), all of them are denominated in United States dollars. The weighted average interest rate of the borrowings as at 31 December 2024 was 8.61% (31 December 2023: 8.33%).

As at 31 December 2024, the Group's property, plant and equipment, right-of-use assets, trade receivable, advances, deposits and prepayments and bank balances, with total carrying value of approximately HK$1,682,181,000 (31 December 2023: approximately HK$4,039,764,000) and share charges in respect of the equity interests of certain subsidiaries were pledged to secure the Group's general banking facilities, finance lease, trade and other payables and exploration, performance and financial obligations of the Group.

The Group is continuously exploring opportunities to optimise its capital structure, including the debt portfolio, to support organic, as well as inorganic growth, and will over the coming 12-month period explore opportunities for tapping the international debt capital markets, including the possibility to issue a corporate bond.

Material Acquisitions and Disposal
On 29 March 2024, the Group entered into a sale and purchase agreement with an independent third party to acquire 100% equity interest of Green Profit EOOD at a base consideration of EUR37,500,000 with adjustments. Green Profit EOOD targets to develop total of 250MW solar electricity generation facilities in Bulgaria. The transaction has been completed on 15 November 2024.

On 30 June 2023, an associate, UEG Renewable Energy Group Private Limited, and a subsidiary, Super Success International Holdings Limited, of the Group together entered into a sale and purchase agreement with an independent third party to dispose the Group's entire equity interests of the associates, Super Success Investments Limited and UEP Wind Power (Private) Limited with their main assets and liabilities of wind power generation in Pakistan. However, approval for the disposal has not been granted by the PRC government authorities and such transaction was terminated on 31 December 2024 upon the expiry of long stop date.

Except for the above, the Group and the Company do not have other material acquisition and disposal during the reporting period.

Segment Information
Particulars of the Group's segment information are set out in note 7 of the Notes to Consolidated Financial Statements in this announcement.

Capital Structure
During the reporting period, the changes of the share capital structure of the Company are as follow:

The Company repurchased 190,910,000 shares of the Company in total as treasury shares from market after the recent amendments to the Listing Rules relating to treasury shares which have become effective on 11 June 2024. Shareholders approved to adopt the amendments of the existing bye-laws of the Company in order to enable the Company to hold and dispose of any repurchased shares of the Company as treasury shares in the Special General Meeting held on 12 August 2024.

After completion of the purchase of treasury shares during the period, the total number of issued shares of the Company (including treasury shares) was 26,040,504,786 shares as at 1 January 2024 and 31 December 2024 and the total number of issued shares of the Company (excluding treasury shares) was 25,849,594,786 shares as at 31 December 2024.

Employees
As at 31 December 2024, the Group employed a total of 2,260 full time employees in Hong Kong, PRC, Pakistan, Dubai and other MENA locations. Employees' remuneration package is reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. Remuneration package included basis salaries, year-end bonus, medical and contributory provident fund.

Contingent Liabilities
Particulars of the Group's contingent liabilities are set out in note 15 of the Notes to Consolidated Financial Statements in this announcement.

Exposure to Fluctuations in Exchange Rates and Related Hedges
The Group's monetary assets and transactions are mainly denominated in United States dollars and Hong Kong dollars, which are relatively stable. Other currency involved include Renminbi, Pakistani Rupee, Iraqi Dinar and Egyptian Pound which exchange rate impact is not considered significant. The Group did not use financial instruments for hedging purposes during the reporting period and will continue to monitor impact of any exchange fluctuations and take appropriate action to prevent any exposure to the Group.

Major Customers and Suppliers

In 2024, the Group's five largest customers represented 84.8% of total turnover (2023: 79.4%) and the Group's five largest suppliers represented 53.5% of total cost of sales (2023: 52.4%).

EVENTS AFTER THE REPORTING PERIOD

Particulars of the Group's events after the reporting period are set out in note 16 of the Notes to Consolidated Financial Statements in this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company repurchased 190,910,000 shares of the Company in total as treasury shares from market on 21, 24, 28 June 2024 and 11 September 2024 after the recent amendments to the Listing Rules relating to treasury shares which have become effective on 11 June 2024. Shareholders approved to adopt the amendments of the existing bye-laws of the Company in order to enable the Company to hold and dispose of any repurchased shares of the Company as treasury shares in the Special General Meeting held on 12 August 2024.

Save as disclosed above, the Company has not redeemed any of its shares nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2024.

AUDIT COMMITTEE

The Audit Committee has reviewed the draft audited consolidated financial statements for the year ended 31 December 2024. The Audit Committee has also discussed with management and reviewed the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting matters, and found them to be satisfactory.

OTHER COMMITTEE

Besides the Audit Committee, the Board has also established Remuneration Committee and Nomination Committee. Each Committee has its defined scope of duties and written terms of reference.

DISTRIBUTION RESERVES

As at 31 December 2024, the aggregate amounts of the Company's reserves available for distribution to equity shareholders of the Company was approximately HK$6,402,448,000 (31 December 2023: approximately HK$7,436,432,000).

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Tuesday, 3 June 2025 (the "AGM"). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

FINAL DIVIDEND

The Board has recommended to declare and payment of a final dividend for the year ended 31 December 2024 at HK5 cents per share to the shareholders whose names appear on the register of members of the Company on Wednesday, 11 June 2025. Subject to approval of the proposed final dividend by the Company's shareholders at the forthcoming AGM to be held on Tuesday, 3 June 2025, the dividend cum-date and ex-date will be Thursday, 5 June 2025 and Friday, 6 June 2025 respectively, and the final dividend will be paid to the shareholders of the Company on or about Thursday, 26 June 2025. The proposed final dividend has not been reflected in the consolidated financial statements as at 31 December 2024.

CLOSURE OF REGISTER OF MEMBERS

The AGM of the Company will be held on Tuesday, 3 June 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 28 May 2025 to Tuesday, 3 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Tuesday, 27 May 2025.

The proposed final dividend is subject to the passing of an ordinary resolution by the Company's shareholders at the AGM. The record date for entitlement to the proposed final dividend is Wednesday, 11 June 2025. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 10 June 2025 to Wednesday, 11 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 9 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Having made specific enquiry with all Directors, each of whom has confirmed compliance with the required standard set out in the Model Code during the year ended 31 December 2024.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions as set out in the CG Code set out in Appendix C1 to the Listing Rules during the year ended 31 December 2024 except that.

- the CG Code Part 2 C.2.1 — the Company has the post of chief executive officer but it was still vacant;

- the CG Code Part 2 B.2.2 — the independent non-executive Directors have not been appointed for any specific terms as they are subject to retirement by rotation at least once every three years in accordance with the Company's Bye-laws.

CG Code Part 2 C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although the Company has separated the duties between the chairman and chief executive officer, the post of the chief executive officer is still vacant. In this connection, the executive function of the Company is performed by the executive Directors and management of the Company. Thus, significant decision of the Company is made by the Board. The Board considers that such structure will not affect the balance of power and authority between the chairman and the executive Directors.

CG Code Part 2 B.2.2 of the Code provides that non-executive Directors should be appointed for a specific term, subject to re-election. None of the independent non-executive Directors has entered into any service contracts with the Company or its subsidiaries. In view of the fact that the independent non-executive Directors are subject to retirement by rotation at least once every three years though they have no set term of office, the Board considers that the quality of good corporate governance will not be impaired.

SCOPE OF WORK OF AUDITOR

The figures in respect of the preliminary announcement of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, RSM Hong Kong ("RSM"), to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by RSM in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The 2024 annual report will be despatched to the Shareholders and available on the Company's website at www.uegl.com.hk and HKEx news website at www.hkexnews.hk in due course.

By Order of the Board
United Energy Group Limited
Zhang Hong Wei
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hong Wei (Chairman), Mr. Yiu Chi Shing (Vice Chairman) and Ms. Zhang Meiying; and the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Ms. Wang Ying.

GLOSSARY AND DEFINITION

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings.

General Terms:

"AGM"	annual general meeting of the Company
"Board"	board of directors of the Company
"China" or "PRC"	the People's Republic of China
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Company"	United Energy Group Limited
"CSR"	corporate social responsibility
"Director(s)"	director(s) of the Company
"Egypt Assets"	assets in Egypt area engaged in Upstream business
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of China
"HSSE"	health, safety, security and environment
"IMF"	International Monetary Fund
"Iraq Assets"	assets in Iraq area engaged in Upstream business
"KEC"	Kuwait Energy PLC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MENA"	Middle East and North Africa
"MENA Assets"	assets in MENA engaged in Upstream business, including Iraqi Assets and Egypt Assets
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"OPEC"	Organisation of the Petroleum Exporting Countries
"Pakistan Assets"	assets in Pakistan area engaged in Upstream business
"PSU Scheme"	the performance share unit scheme adopted by the Company on 1 April 2019
"SFO"	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$" or "US dollars"	the lawful currency of the United States of America

Technical Terms:

"1P"	proved reserve
"2P"	proved plus probable reserve
"bbl"	barrel
"bcfd"	billion cubic feet per day
"boe"	barrels of oil equivalent
"boed"	barrels of oil equivalent per day
"CPF"	Central processing facilities
"EDPSC"	Exploration Development and Production Service Contract
"FDP"	field development plan
"GDPSC"	Gas Development and Production Service Contract
"GW"	gigawatt
"LNG"	liquefied natural gas
"LPG"	liquefied petroleum gas
"mmbbld"	million barrels per day
"mmboe"	million barrels of oil equivalent
"Operator"	the entity designated by the working interest owners to carry out the joint operations pursuant to the relevant agreement among them
"PSC"	profit sharing contract
"Upstream business" or "E&P"	oil and gas exploration, development, production and sales