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BEIJING GAS BLUE SKY HOLDINGS LIMITED **北京燃氣藍天控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 6828)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND PROPOSED AMENDMENTS TO BYE-LAWS

HIGHLIGHTS

- The Group reported revenue of RMB1,688.4 million for FY2024 (FY2023: RMB1,935.6 million), representing a decrease of 12.8% as compared to FY2023.
- Profit attributable to the shareholders of the Company was RMB85.1 million (FY2023: RMB82.2 million), representing an increase of 3.5% as compared to FY2023.
- EBITDA amounted to RMB305.0 million in FY2024 (FY2023: RMB371.0 million), representing a decrease of 17.8% as compared to FY2023.
- The Group recorded segment revenue of RMB9.1 million (FY2023: Nil) and segment profit of RMB7.5 million (FY2023: Nil) for the Group’s development and operation of integrated clean energy and new energy business in FY2024.
- Basic and diluted earnings per share for FY2024 were RMB0.37 cents (FY2023: RMB0.36 cents).
- The Board did not declare a final dividend for FY2024 (FY2023: Nil).

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Gas Blue Sky Holdings Limited (the “**Company**” or “**Beijing Gas Blue Sky**”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (“**FY2024**” or “**the Year**”) together with the comparative figures for the year ended 31 December 2023 (“**FY2023**”) as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
REVENUE	5	1,688,431	1,935,619
Cost of sales		<u>(1,638,725)</u>	<u>(1,876,771)</u>
Gross profit		49,706	58,848
Other income and gains, net	6	54,832	69,729
Administrative expenses		(136,312)	(146,839)
Reversal of impairment/(impairment) of financial assets, net	8	(37,137)	10,719
Other expenses, net	8	(6,443)	(21,181)
Finance costs	7	(110,664)	(173,735)
Share of profits and losses of:			
Joint ventures		(14)	77
Associates		302,306	302,250
PROFIT BEFORE TAX	8	116,274	99,868
Income tax	9	(31,329)	(7,493)
PROFIT FOR THE YEAR		84,945	92,375
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation from functional currency to presentation currency		3,995	12,669
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		4,844	2,995
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		8,839	15,664

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000 (Restated)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>93,784</u>	<u>108,039</u>
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company		85,066	82,161
Non-controlling interests		(121)	10,214
		<u>84,945</u>	<u>92,375</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company		93,905	97,825
Non-controlling interests		(121)	10,214
		<u>93,784</u>	<u>108,039</u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted (RMB cents)	11	<u>0.37</u>	<u>0.36</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000 (Restated)	As at 1 January 2023 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		479,576	503,053	552,407
Investment properties		59,466	61,425	64,605
Right-of-use assets		33,040	41,084	34,944
Goodwill		659,908	659,908	659,908
Operating rights		319,505	337,034	357,023
Investments in joint ventures		18,084	19,179	21,753
Investments in associates		1,975,030	1,796,176	1,666,081
Prepayments, deposits and other receivables		9,357	1,433	1,784
Equity investments at fair value through other comprehensive income		100	426	417
Total non-current assets		<u>3,554,066</u>	<u>3,419,718</u>	<u>3,358,922</u>
CURRENT ASSETS				
Inventories		12,823	17,002	17,824
Trade receivables	12	73,452	78,610	98,403
Contract assets		44,089	26,945	37,812
Prepayments, deposits and other receivables		336,116	416,329	443,447
Due from joint ventures		59,608	37,407	69,671
Due from associates		87	175,336	6,563
Due from related parties		4,695	19,556	10,408
Financial assets at fair value through profit or loss		42	82	112
Income tax recoverable		2,935	1,387	916
Restricted cash and pledged deposits		2,387	8,351	14,125
Cash and cash equivalents		<u>360,328</u>	<u>363,708</u>	<u>487,576</u>
Total current assets		<u>896,562</u>	<u>1,144,713</u>	<u>1,186,857</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2024

		As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000 (Restated)	As at 1 January 2023 RMB'000 (Restated)
	Note			
CURRENT LIABILITIES				
Trade and bills payables	13	107,438	116,263	115,315
Other payables and accruals		320,164	381,253	417,480
Due to joint ventures		–	19,873	56,177
Due to associates		35	2,430	–
Due to a related party		46,626	–	–
Income tax payables		62,792	52,362	54,309
Bank and other borrowings		2,039,511	1,500,610	1,496,248
Convertible bond		291,268	–	–
Lease liabilities		3,697	5,920	5,129
Provision for litigations		–	–	38,709
		<u>2,871,531</u>	<u>2,078,711</u>	<u>2,183,367</u>
Total current liabilities				
		<u>2,871,531</u>	<u>2,078,711</u>	<u>2,183,367</u>
NET CURRENT LIABILITIES				
		<u>(1,974,969)</u>	<u>(933,998)</u>	<u>(996,510)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>1,579,097</u>	<u>2,485,720</u>	<u>2,362,412</u>
NON-CURRENT LIABILITIES				
Other payables and accrued charges		34	–	–
Bank and other borrowings		3,105	712,007	678,053
Convertible bond		–	248,637	207,912
Lease liabilities		10,085	15,240	8,022
Deferred tax liabilities		85,718	90,611	95,120
		<u>98,942</u>	<u>1,066,495</u>	<u>989,107</u>
Total non-current liabilities				
		<u>98,942</u>	<u>1,066,495</u>	<u>989,107</u>
NET ASSETS				
		<u>1,480,155</u>	<u>1,419,225</u>	<u>1,373,305</u>
EQUITY				
Equity attributable to shareholders of the Company				
Issued capital		1,063,051	1,063,051	1,063,051
Reserves		292,737	198,832	101,007
		<u>1,355,788</u>	<u>1,261,883</u>	<u>1,164,058</u>
Non-controlling interests		124,367	157,342	209,247
		<u>1,480,155</u>	<u>1,419,225</u>	<u>1,373,305</u>
TOTAL EQUITY				
		<u>1,480,155</u>	<u>1,419,225</u>	<u>1,373,305</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

Beijing Gas Blue Sky Holdings Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office and the principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 1003-04, 10/F, Tower Two, Lippo Centre, 89 Queensway, Hong Kong, respectively.

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in:

- distribution and sales of natural gas to residential, industrial and commercial users through pipelines, the sale of gas-related equipment and the provision of pipeline construction services, operation of compressed natural gas (“**CNG**”) and liquefied natural gas (“**LNG**”) refueling stations for vehicles and related value-added service such as repair and maintenance services;
- trading and distribution of CNG, LNG, fuel oil and other related oil by-products as a wholesaler to industrial and commercial users, and direct LNG supply to industrial users through direct supply facilities; and
- development and operation of integrated clean energy and new energy business.

At 31 December 2024, the immediate holding company of the Company is Beijing Gas Company Limited (“**Beijing Gas HK**”), which is incorporated in Hong Kong with limited liability and, in the opinion of the directors, the ultimate holding company of the Company is 北京控股集團有限公司 (“**Beijing Enterprises Group**”), which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2.1 BASIS OF PRESENTATION

As at 31 December 2024, the Group had net current liabilities of approximately RMB1.97 billion. In preparing the consolidated financial statements, the Directors of the Company (the “**Directors**”) have given careful consideration of the liquidity requirement for the Group’s operations, the performance of the Group and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group’s cash flow projections prepared by management which covers a period of not less than twelve months from 31 December 2024. In the opinion of the Directors, the Group will have adequate funds available to enable it to operate as a going concern after taking into account, inter alia, the historical operating performance of the Group, good track record and relationship with banks and the following:

- (i) a fellow subsidiary has agreed to provide a revolving loan of HK\$1,000 million to the Group;
- (ii) the Group obtained a preliminary offer from a leading bank for the provision of a syndicated loan of RMB1,000 million in March 2025;
- (iii) the Group received notification from banks in March 2025 for their agreement to extend the maturity dates of revolving loans of HK\$1,000 million in aggregate, with original maturity terms in 2025 and January 2026, for another one year should there be no material adverse event as stipulated in the respective facility agreement;
- (iv) the dividend expected to be distributed by an associate; and
- (v) continuing financial support from the Company’s holding companies including letter of comfort offered by the intermediate company to financial institutions to the extent of HK\$3.3 billion.

Accordingly, these financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

2.2 BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

Change of presentation currency

The Company’s presentation currency for its consolidated financial statements has been changed from Hong Kong Dollar (“HK\$”) to RMB from 1 January 2024. As most of the Group’s transactions are denominated and settled in RMB, the Board considers that RMB is more appropriate to be the presentation currency for the Group’s consolidated financial statements. Further, the Board considers that the change of presentation currency will enable the shareholders and potential investors of the Company to have a clearer picture of the Group’s actual financial performance and financial position. The effects of the change in the presentation currency have been accounted for retrospectively with comparative figures restated. The comparative amounts in the consolidated financial statements are presented as if RMB had always been the presentation currency of the consolidated financial statements. The Group has also presented the consolidated statement of financial position as at 1 January 2023 without related notes.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interests and the exchange fluctuation reserve and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to IAS1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. During the year, the Group commenced the business engaging in development and operation of integrated clean energy and new energy along with the acquisition of the relevant assets of Beiqijia Business Park Energy Center project, and it is considered as a new operating and reportable segment.

Particulars of the Group's reportable operating segments are summarised as follows:

Operating segments have been changed during the year to reflect the Group's realignment of operations. Comparative figures have been restated to conform to current year's presentation:

1. City gas operation segment engages in the distribution and sales of natural gas to residential, industrial and commercial users through pipelines, the sale of gas-related equipment and the provision of pipeline construction services, operation of CNG and LNG refueling stations for vehicles and related value-added service such as repair and maintenance services. Share of results of an associate, which is engaged in provision of port facilities for vessels and re-gasification of LNG is also included in this segment;
2. Trading and distribution of natural gas segment trades and distributes of CNG, LNG, fuel oil and other related oil by-products as a wholesaler to industrial and commercial users, and direct LNG supply to industrial users through direct supply facilities; and
3. Development and operation of integrated clean energy and new energy business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) for the year. The segment profit/(loss) is measured consistently with the Group's profit before tax except that loss on disposal of subsidiaries, reversal of provision for litigations, unallocated other income and gains, finance costs, impairment of unallocated assets, as well as head office and corporate income and expenses are excluded from such measurement.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable operating segment:

Year ended 31 December 2024

	City gas operation RMB'000	Trading and distribution of natural gas RMB'000	Integrated clean energy and new energy business RMB'000	Total RMB'000
External segment revenue	<u>928,085</u>	<u>751,199</u>	<u>9,147</u>	<u>1,688,431</u>
Segment profit	<u>297,450</u>	<u>15,263</u>	<u>7,463</u>	320,176
Unallocated other income and gains, net				20,928
Unallocated corporate expenses				(105,225)
Finance costs				(110,664)
Impairment of unallocated assets, net				(8,941)
Profit before tax				<u>116,274</u>

Year ended 31 December 2023 (Restated)

	City gas operation RMB'000	Trading and distribution of natural gas RMB'000	Integrated clean energy and new energy business RMB'000	Total RMB'000
External segment revenue	915,202	1,020,417	–	1,935,619
Segment profit/(loss)	353,948	(27,420)	–	326,528
Unallocated other income and gains, net				34,907
Unallocated corporate expenses				(87,107)
Finance costs				(173,735)
Impairment of unallocated assets, net				(725)
Profit before tax				99,868

Geographical information

No geographical information is presented as more than 90% of the revenue during each of the years ended 31 December 2024 and 2023 was derived from Mainland China and more than 90% of the non-current assets of the Group (other than financial assets and deferred tax assets) as at 31 December 2024 and 2023 were located in Mainland China.

Information about major customers

During the year ended 31 December 2024, revenue of RMB191,310,000 (FY2023: Nil) was derived from sales to a customer of the city gas and other related products operating segment, which accounted for more than 10% of the Group's total revenue.

Revenue from major customers is set out below:

	2024 RMB'000	2023 RMB'000 (Restated)
Customer 1	191,310	N/A*

* *Less than 10% of the Group's total revenue.*

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
City gas operation	928,085	915,202
Trading and distribution of natural gas	751,199	1,020,417
Integrated clean energy and new energy business	9,147	–
	1,688,431	1,935,619

6. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net for the year is as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Other income		
Bank interest income	2,264	2,927
Rental income	2,331	3,026
Government subsidies and grants [^]	16,564	34,271
Others	33,673	29,538
	<u>54,832</u>	<u>69,762</u>
Gains, net		
Changes in fair value of financial assets at fair value through profit or loss	—	(33)
	<u>—</u>	<u>(33)</u>
Other income and gains, net	<u><u>54,832</u></u>	<u><u>69,729</u></u>

[^] Amounts mainly represented government subsidies received by a subsidiary of the Group, which engaged in city gas operation, during prior and current years from a local government in the PRC to alleviate the negative impact of the increase in gas purchase price on its financial performance and cash flows as a result of the fact that the subsidiary is not able to increase the gas selling price, which is regulated by the local government.

7. FINANCE COSTS

An analysis of finance costs for the year is as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Interest expense on bank borrowings	56,167	75,781
Interest expense on other loans	733	1,474
Interest expense on convertible bond and corporate bonds	36,740	55,461
Interest expense on loans from the holding companies	16,157	40,062
Interest expense on lease liabilities	867	957
	<u><u>110,664</u></u>	<u><u>173,735</u></u>

8. PROFIT BEFORE TAX

The Group's profit before tax for the year was arrived at after charging/(crediting):

	2024 RMB'000	2023 RMB'000 (Restated)
Cost of inventories sold	1,543,307	1,773,749
Cost of services provided	16,070	16,069
Depreciation of property, plant and equipment	50,507	68,841
Depreciation of investment properties	3,241	3,180
Depreciation of right-of-use assets	6,773	7,817
Amortisation of operating rights*	17,529	17,529
Lease payments not included in the measurement of lease liabilities	9,000	1,029
Impairment/(reversal of impairment) of financial assets, net:		
Trade receivables	11,727	(2,115)
Prepayments, deposits and other receivables	25,410	(8,604)
	<u>37,137</u>	<u>(10,719)</u>
Impairment of property, plant and equipment ^{&}	<u>4,865</u>	<u>16,838</u>
Reversal of provision for litigations ^{&}	<u>–</u>	<u>(44,200)</u>

* The amortisation of operating rights for the year is included in “Cost of sales” on the face of the consolidated statement of profit or loss and other comprehensive income.

[&] These items are included in “Other expenses” on the face of the consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX

	2024 RMB'000	2023 RMB'000 (Restated)
Current – Mainland China		
Charge for the year	15,573	11,310
Withholding tax on the distribution of dividend from a PRC subsidiary	20,649	–
Deferred	<u>(4,893)</u>	<u>(3,817)</u>
Total tax expense for the year	<u>31,329</u>	<u>7,493</u>

No provision for Hong Kong profits tax has been made for the year ended 31 December 2024 as the Group did not generate any assessable profits arising in Hong Kong during the year (FY2023: Nil).

The income tax provisions in respect of operations in Mainland China are calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

10. DIVIDEND

The Board of the Company did not recommend the payment of a dividend for the years ended 31 December 2024 and 2023.

11. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to shareholders of the Company of RMB85,066,000 (FY2023: RMB82,161,000), and the weighted average number of ordinary shares of 22,736,114,715 (FY2023: 22,736,114,715) in issue during the Year.

No adjustment has been made to the basic earnings per share amounts presented for each of the years ended 31 December 2024 and 2023 for a dilution as the convertible bond of the Company outstanding during these years had no dilutive effect on the basic earnings per share amounts presented.

12. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000 (Restated)
Trade receivables	203,652	217,983
Impairment	<u>(130,200)</u>	<u>(139,373)</u>
	<u><u>73,452</u></u>	<u><u>78,610</u></u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, was as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Unbilled portion* and billed within 3 months	32,716	30,576
Billed:		
4 to 6 months	3,647	2,127
7 to 12 months	19,591	18,451
Over 1 year	<u>17,498</u>	<u>27,456</u>
	<u><u>73,452</u></u>	<u><u>78,610</u></u>

* *The unbilled balance was attributable to sale of natural gas near the period end date and such sale will be billed in one month after each of the reporting periods.*

13. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, was as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Billed:		
Within 3 months	31,609	27,678
4 to 6 months	11,412	11,670
7 to 12 months	7,255	20,869
Over 1 year	<u>51,952</u>	<u>38,224</u>
	102,228	98,441
Unbilled*	<u>5,210</u>	<u>17,822</u>
	<u><u>107,438</u></u>	<u><u>116,263</u></u>

* *The unbilled balance was attributable to purchase of natural gas near the period end date and such purchase will be billed in one month after each of the reporting periods.*

14. CAPITAL COMMITMENT

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

	2024 RMB'000	2023 RMB'000 (Restated)
Equity interest in an entity	<u><u>25,088</u></u>	<u><u>–</u></u>

15. COMPARATIVE AMOUNTS

As further detailed in note 2.2 to this announcement, the Group changed the presentation currency of the consolidated financial statements from HK\$ to RMB and the effects of which have been accounted for retrospectively with comparative figures restated as if RMB had always been the presentation currency of the consolidated financial statements.

In addition, certain comparative amounts of reportable segments (note 4) and revenue (note 5) have been restated to conform to the current year's presentation. The change in reportable segment reflects the Group's realignment of operation and comparative figures are retrospectively restated.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In 2024, the global natural gas market maintained a slack balance between supply and demand, but still faced uncertainties cast by geopolitical tensions, sanctions and counter-sanctions, and extreme weather events. On the domestic front, China's natural gas demand witnessed rapid growth as the nation's macro economy recovered steadily to the trajectory of positive momentum. Data released by the National Bureau of Statistics showed that 246.4 billion cubic meters (“m³”) of natural gas were produced by industrial enterprises above the designated size in 2024, up by 6.2% year on year; 131.69 million tons of natural gas were imported, up by 9.9% year on year. According to statistics published by the National Development and Reform Commission, the whole nation recorded apparent consumption of natural gas totalling 426.05 billion m³, up by 8% year on year.

In the past year, the Chinese government intensified efforts in macroeconomic management, prioritising reforms, opening-up, domestic demand expansion and economic restructuring, and ensuring stable and progressive economic growth with significant strides made in high-quality development. Guided by the “carbon peaking and carbon neutrality” goals, China accelerated the transformation of energy structure, to consolidate the fundamental industries of the national economy and safeguard the lifeline of national security. As a clean fossil fuel, natural gas plays a pivotal role in the energy landscape. In November 2024, the 12th Session of the Standing Committee of the 14th National People's Congress enacted the Energy Law of the People's Republic of China, explicitly proposing to boost exploration and development of oil and natural gas resources, enhance supply security for domestic oil and natural gas consumption, and actively promote development and utilisation of new energy resources by leveraging strengths of energy consumption scenarios, technological advancements and natural gas resource reserves.

In the realm of new energy, in November 2024, the National Development and Reform Commission and other authorities released the Guiding Opinions on Vigorously Promoting the Renewable Energy Substitution Action Plan (《關於大力實施可再生能源替代行動的指導意見》), demanding all-round improvement in supply security and reliability for renewable energy, coordinating supply and demand, and transitioning energy system in a gradual and structured fashion, and adopting a coordinated approach to balance renewable energy supply and green energy consumption in key areas, accelerate the replacement of incremental energy needs, steadily expand the substitution of existing energy sources and prudently promote the transition from traditional fossil fuels to renewable energy. The Energy Law of the People's Republic of China officially came into effect in January 2025, which, as a fundamental and overarching law in China's energy sector, highlights the strategic direction for accelerating green and low-carbon development, coordinates high-quality growth and high-standard security at the legislation level, and establishes a strong legal framework to support the building of a clean, low-carbon, safe and efficient energy system. Based on such, the keynote of energy work for the future will be advancing energy technology innovation, adjusting the energy structure, fostering energy market development and improving energy efficiency, which will present significant opportunities in the new energy sector.

As a member of the energy system, the Group earnestly shouldered the responsibilities as a critical role of ensuring energy security, consistently bolstered the foundation of resource supply, enhanced the natural gas supply capacity and supported the sound development of natural gas operations. Additionally, the Group intensified efforts to expand clean and low-carbon businesses and actively deployed new energy ventures, contributing significantly to shaping a new energy supply pattern.

BUSINESS REVIEW

In 2024, the Group consolidated the fundamentals of natural gas segment and achieved steady progress in expanding new energy operations by leveraging its comprehensive strengths across the industrial chain and cultivating in-depth insights into customer needs. The Group's total gas sales volume for FY2024 amounted to 546.7 million m³ (FY2023: 733.6 million m³), representing a decrease of 25.5% as compared to last year, which was mainly due to the contraction of overall natural gas demand in 2024.

During the Year, the revenue of the Group was RMB1,688.4 million (FY2023: RMB1,935.6 million), representing a decrease of 12.8% as compared to FY2023, which was primarily due to the decline in revenue from the natural gas trading and distribution business. The total gross profit of the Group was RMB49.7 million (FY2023: RMB58.8 million), representing a decrease of 15.5% as compared to FY2023. The Group's gross profit margin was 2.9% for FY2024 (FY2023: 3.0%), which remained stable as compared to FY2023. For FY2024, the Group's profit was RMB84.9 million (FY2023: RMB92.4 million), representing a decrease of 8.0% as compared to FY2023. Profit attributable to the shareholders of the Company was RMB85.1 million (FY2023: RMB82.2 million), representing an increase of 3.5% as compared to FY2023.

As at 31 December 2024, the Group's natural gas projects mainly covered a total of 10 provinces, municipalities and autonomous regions in the PRC, details of which are set out below:

Location	LNG/ CNG refueling stations Approximate gas sales volume (m ³)	City gas Approximate gas sales volume (m ³)	Direct supply Approximate gas sales volume (m ³)	Trading and distribution Approximate gas sales volume (m ³)	Subtotal Approximate gas sales volume (m ³)	LNG processing volume Approximate processing volume (m ³)	Total Approximate volume (m ³)
Subsidiaries:							
Zhejiang Province	-	-	-	174,382,628	174,382,628	-	174,382,628
Guangxi Zhuang Autonomous Region	-	118,990,000	690,000	-	119,680,000	-	119,680,000
Shanxi Province	634,300	106,045,800	-	-	106,680,100	-	106,680,100
Guangdong Province	-	-	-	81,665,787	81,665,787	-	81,665,787
Jilin Province	588,890	38,346,337	-	-	38,935,227	-	38,935,227
Shanghai Municipality	-	-	-	12,128,704	12,128,704	-	12,128,704
Anhui Province	1,243,620	-	3,111,402	567,722	4,922,744	-	4,922,744
Liaoning Province	-	4,381,000	-	-	4,381,000	-	4,381,000
Hainan Province	2,460,000	-	1,097,516	359,464	3,916,980	-	3,916,980
Subtotal	4,926,810	267,763,137	4,898,918	269,104,305	546,693,170	-	546,693,170
Associate:							
Hebei Province	-	-	-	-	-	6,340,570,000	6,340,570,000
Subtotal	-	-	-	-	-	6,340,570,000	6,340,570,000
Total	4,926,810	267,763,137	4,898,918	269,104,305	546,693,170	6,340,570,000	6,887,263,170

Financial Highlights:

Year ended 31 December	2024 RMB'000	2023 RMB'000 (Restated)	Change %
Revenue	1,688,431	1,935,619	(12.8)
Gross profit	49,706	58,848	(15.5)
Gross profit margin (in percentage)	2.9%	3.0%	Decreased by 0.1 percentage points
Profit for the year	84,945	92,375	(8.0)
Profit attributable to shareholders of the Company	85,066	82,161	3.5
Basic EPS	RMB0.37 cents	RMB0.36 cents	2.8
EBITDA	304,988	370,970	(17.8)
31 December	2024 RMB'000	2023 RMB'000 (Restated)	Change %
Cash and cash equivalents	360,328	363,708	(0.9)
Total assets	4,450,628	4,564,431	(2.5)
Total equity	1,480,155	1,419,225	4.3

Development and Operation of City Gas Business

During FY2024, the Group kept adjusting its strategy and development direction after developing insights in market environment and trends with proactive approaches and according to changes in China's market and global economic developments, and continuously optimised and integrated its city gas business portfolio, aiming to achieve sustainable growth. Currently, the Group has 6 city gas projects which are principally located in Guangxi Zhuang Autonomous Region and Shanxi Province. Details of the operation performance of the Group's development and operation of city gas business during FY2024 are set out below:

	FY2024	FY2023	Change %
Natural gas volume sold (million m³)	267.8	284.8	(6.0)
– Residential users	82.3	76.1	8.1
– Non-residential users	185.5	208.8	(11.2)

The natural gas sold to residential users and non-residential users reached 267.8 million m³ (FY2023: 284.8 million m³), representing a decrease of 6% as compared to FY2023, which was mainly due to the decline in natural gas consumption of non-residential users under the backdrop of industrial users being affected by less-than-expected economic growth. During the Year, the Group connected gas pipelines for 33,084 new users, and the accumulated number of users reached 569,369, of which 32,849 were new residential users, with the accumulated number of residential users reaching 565,467; the Group secured 235 new non-residential users and the accumulated non-residential users reached 3,902. For the LNG and CNG refueling station business, the Group recorded gas sales volume of 4.9 million m³ (FY2023: 9.9 million m³).

The Group recorded a revenue of RMB928.1 million from city gas business during FY2024 (FY2023: RMB915.2 million), representing an increase of 1.4% as compared to FY2023. The income from natural gas sales amounted to RMB842.6 million (FY2023: RMB816.7 million), representing an increase of 3.2% as compared to FY2023. The Group recorded connection fee income of RMB85.5 million (FY2023: RMB98.5 million), representing a decrease of 13.2% as compared to FY2023. The decrease in connection fee income was mainly due to the decrease of connection services provided for industrial users as compared to FY2023.

Trading and Distribution of LNG and CNG Business

During FY2024, the Group recorded a total trading volume of 269.1 million m³ (FY2023: 433.2 million m³), representing a decrease of 37.9% as compared to FY2023, and the Group sold 4.9 million m³ (FY2023: 5.7 million m³) of natural gas to its direct supply industrial users during FY2024.

The sales of trading and distribution of natural gas business amounted to RMB751.2 million (FY2023: RMB1,020.4 million). The decrease of business sales was primarily due to the decrease in the demand for natural gas.

During FY2024, China's LNG market saw a slowdown in demand growth, but maintained a strong resilience. With the increasingly expanding volume of domestically produced LNG, the LNG market witnessed a trend of diversification on the supply side, and the pattern of "slack balance between supply and demand" dominated the whole market. With exquisite market acumen, the Group further adjusted its gas source procurement strategy and fixed high-quality but low-price gas sources with far-sighted vision while deepening cooperation with upstream suppliers and optimising the purchasing mix. In October 2023, the Company entered into the master agreement with Beijing Gas Group (Tianjin) Natural Gas Limited* (北京燃氣集團(天津)天然氣銷售有限公司) ("**BGGT**"), a wholly-owned subsidiary of Beijing Gas Group Co., Ltd.* (北京市燃氣集團有限責任公司) ("**Beijing Gas Group**"), the controlling shareholder of the Group, pursuant to which BGGT (or its designated subsidiaries or associates) agreed to sell and the Company (or its designated subsidiaries) agreed to purchase natural gas for a term commencing from 1 January 2024 to 31 December 2026 (both days inclusive) (the "**Agreement**"). Further details are set out in the Company's circular dated 6 December 2023. The Agreement was approved at the special general meeting in December 2023. Execution of the Agreement demonstrates that the Company is supported by Beijing Gas Group in terms of gas supply, which serves as a strong guarantee for natural gas supply to the Company, thus laying a solid foundation for business expansion.

LNG Receiving Terminal Project

As at 31 December 2024, the Group owned 29% equity interests in PetroChina Jingtang LNG Co., Ltd. (中石油京唐液化天然氣有限公司) ("**PetroChina Jingtang**"). The LNG receiving terminal of PetroChina Jingtang is the main winter peak loading and supply station in the Beijing-Tianjin-Hebei region with the largest storage capacity and the strongest peak loading capacity in China. Facilities such as supporting dedicated dock and export pipelines have been constructed and the storage capacity has reached 1.28 million m³, and can supply about 4 billion m³ of natural gas to the Beijing-Tianjin-Hebei region annually. At peak times, the gas supply by such facilities to Beijing can account for about 40% of the total consumption in Beijing.

During FY2024, the total throughput volume of LNG of PetroChina Jingtang Project amounted to 6,340.6 million m³ (FY2023: 6,906.9 million m³), representing a decrease of 8.2% as compared to FY2023, which was primarily attributable to the decline in peak loading demands amid the higher average temperature of Beijing affected by the warm winter of 2024.

Development and Operation of Integrated Clean Energy and New Energy Business

Amid the global shift toward energy transition, traditional energy companies have developed the consensus that it is imperative to embrace new energy. The Guiding Opinions on Energy Work for 2024 (《2024年能源工作指導意見》) stated that it is necessary to further advance the progress of achieving carbon peaking and carbon neutrality goals, boost the share of non-fossil energy through various measures, and improve policies to facilitate industry development. In line with these trends, the Group actively ventured into new energy sectors, including energy storage, distributed energy and hybrid energy integration, fostering the synergy between its core natural gas business and new energy initiatives, and transforming itself into a pioneering and innovative energy service provider.

During the Year, the Group further advanced new energy business development through acquisitions and partnership and achieved breakthrough progress in this field.

(i) Acquisition of 49% of the equity interests in Beijing United Energy Engineering & Technology Company Limited* (北京優奈特能源工程技術有限公司) (“Beijing United”)

During the Year, the Group completed the acquisition of 49% of the equity interests in Beijing United. Beijing United is an enterprise in the technology space that is principally engaged in the planning, designing and consulting of gas, heat, comprehensive energy utilisation and new energy power generation projects. The acquisition of Beijing United will facilitate the Group’s development of its renewable energy business and expansion of its clean energy sector, thereby bringing new momentum to the business of the Group. Further details are set out in the announcements of the Company dated 19 December 2023, 17 January 2024 and 3 July 2024.

(ii) Acquisition of the relevant assets of the Beiqijia Business Park Energy Center Project (“Beiqijia Assets”)

During the Year, Beijing Beiran Energy Co., Ltd.* (北京北燃能源有限公司), an indirect wholly-owned subsidiary of the Company, completed the acquisition of the Beiqijia Assets at a consideration of RMB33,000,000 (equivalent to approximately HK\$36,444,000). The Beiqijia Assets are principally utilised in the provision of cooling and heating services to occupants in the Beiqijia Business Park Energy Center Project, with cooling and heating areas covering over 131,000 square meters commercial area (non-residential) and over 51,900 square meters residential area (residential); and serving approximately 211 commercial area (non-residential) users and approximately 698 residential area (residential) users, respectively. Further details about the Beiqijia Assets are set out in the announcement of the Company dated 26 April 2024.

During FY2024, the Beiqijia Assets contributed revenue of RMB8.7 million (FY2023: Nil), and segment profit of RMB4.1 million (FY2023: Nil) to the integrated clean energy and new energy business of the Group.

(iii) Energy storage business

Advancement and adoption of energy storage technologies facilitate optimisation and upgrading of the energy structure and drive green transition of the economy and the society. Supported by technological innovation, a robust industrial chain, favourable policies and market mechanism, the application scenarios of energy storage are set to expand further, providing strong support for global energy transition and achievement of the carbon neutrality goal and creating broad market opportunities for the Group to develop the energy storage business. In 2024, the Group prioritised energy storage development in provinces with mature policies, favourable market conditions and competitive electricity pricing environments, focusing particularly on East China and South China for strategic deployment. During the Year, the Group completed the construction of the user-side energy storage system of Yangzhou WuTingQiao Cylinder Liner Co., Ltd.* (揚州五亭橋缸套有限公司) (the “**Yangzhou Project**”) invested by Zhejiang Bo Xin Energy Co., Ltd.* (浙江博信能源有限公司), a subsidiary of the Group, which marked the Group’s breakthrough in the energy storage business from zero to one in revenue generation. Further details about the Yangzhou Project are set out in the announcement of the Company dated 20 June 2024.

During FY2024, the Yangzhou Project contributed revenue of RMB0.4 million (FY2023: Nil), and segment profit of RMB0.3 million (FY2023: Nil) to the integrated clean energy and new energy business of the Group.

FUTURE PROSPECTS

During 2024, the Group received positive feedback on its fulfilment of ESG principles and performance in promoting sustainable development. The Group was awarded the “ESG Environmentally Friendly Excellent Enterprise*” (ESG環境友好卓越企業) in the ESG Jinge Award organised by Gelonghui. The recognition of the Group’s performance in the capital market has also been significantly enhanced. Leveraging on its strong operational strength, the Group was awarded the “Most Potential Listed Company*” (最具潛力上市公司) in the China Financial Awards organised by the renowned financial magazine China Financial Market in conjunction with a number of authoritative organisations in Hong Kong, including the Chinese Securities Association of Hong Kong, Chinese Asset Management Association of Hong Kong, China Merger & Acquisition Association, Hong Kong Investor Relations Association and The Hong Kong Institute of Financial Analysts & Professional Commentators Limited. In December 2024, the Group was awarded the “Annual Transformation Pioneer Enterprise*” (年度轉型先鋒企業) in the Jinge Award organised by Gelonghui for its outstanding transformation and exceptional performance in the new energy sector, demonstrating its leading position and strong strength in the wave of energy transformation.

The integrated clean energy and new energy business of the Group successfully commenced in 2024. Looking forward to 2025, under the main theme of “seeking progress while maintaining stability, promoting stability through progress, adhering to the principles of integrity and innovation, establishing the new before abolishing the old and achieving systematic integration and coordination”, the energy industry will also enter a critical period for comprehensively deepening reforms. The energy sector will focus on key areas such as green and low-carbon transformation, energy security, and innovation-driven technologies, to continuously optimise the energy structure, accelerate industrial upgrading and reconstruction, and vigorously develop renewable energy, thereby laying a solid energy foundation for high-quality economic and social development. Focusing on the core strategy of “carbon peaking and carbon neutrality”, the Group will keep developing its integrated clean energy and new energy business, and enhance the advantages of its natural gas business to accelerate the expansion of new energy business, aiming to build the Group into a future-oriented integrated clean energy service provider.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB1,688.4 million for FY2024 (FY2023: RMB1,935.6 million), representing a decrease of 12.8% as compared to FY2023, mainly due to the decrease in revenue from the trading and distribution of natural gas business.

Gross profit and gross profit margin

The Group recorded gross profit of RMB49.7 million for FY2024, representing a decrease of RMB9.1 million from RMB58.8 million for FY2023 and a decrease of 15.5% as compared to FY2023. In FY2024, the Group’s gross profit margin was 2.9% (FY2023: 3.0%), which remained stable as compared to FY2023.

Earnings before interests, tax, depreciation and amortization

Earnings before interests, tax, depreciation and amortisation amounted to RMB305.0 million for FY2024 (FY2023: RMB371.0 million).

Other income and gains, net

For FY2024, the Group’s other income and gains, net achieved RMB54.8 million (FY2023: RMB69.7 million), which mainly comprised (i) bank interest income of RMB2.3 million (FY2023: RMB2.9 million); (ii) government subsidies and grants of RMB16.6 million (FY2023: RMB34.3 million); and (iii) sundry income of RMB33.7 million (FY2023: RMB29.5 million).

Administrative expenses

In FY2024, administrative expenses amounted to RMB136.3 million, compared to RMB146.8 million for FY2023. During the Year, administrative expenses remained stable as compared to FY2023.

Reversal of impairment/(impairment) of financial assets, net

In FY2024, the Group’s impairment of financial assets, net amounted to RMB37.1 million, such items were one-off items. In FY2023, the Group recognised certain reversals of impairment of financial assets.

Other expenses, net

In FY2024, the Group's other expenses, net amounted to RMB6.4 million (FY2023: RMB21.2 million), representing a decrease of RMB14.8 million as compared to FY2023.

Finance costs

Finance costs decreased by 36.3% from RMB173.7 million for 2023 to RMB110.7 million for 2024, as the Group started to replace HK\$ and USD bank and other borrowings with RMB bank borrowings in 2023 (including a new facility with a principal in an aggregate amount of HK\$700 million equivalent of RMB from Beijing Gas Group during the Year, which was used to replace bank and other borrowings with a principal in an aggregate amount of HK\$700 million equivalent) to take full advantage of the lower-cost financing in RMB.

Income tax

Income tax expenses were calculated at the applicable tax rates on the estimated assessable profits of the Group's subsidiaries in Mainland China and subsidiaries in Hong Kong for FY2023 and FY2024, respectively. Income tax expenses of RMB31.3 million for FY2024 (FY2023: RMB7.5 million) mainly represented: (i) the current taxation arising from its subsidiaries in Mainland China of RMB15.6 million (FY2023: current taxation RMB11.3 million); and (ii) the withholding tax on the dividend distributed from a PRC subsidiary of RMB20.6 million (FY2023: Nil).

Profit attributable to shareholders of the Company

In FY2024, the Group's profit for the year attributable to shareholders of the Company was RMB85.1 million (FY2023: RMB82.2 million), representing an increase of 3.5% as compared to FY2023.

Changes in major items of the consolidated statement of financial position

Non-current assets

Property, plant and equipment mainly represented the carrying amount of city gas projects held by the Group. The decrease in balance of property, plant and equipment of RMB23.5 million as at 31 December 2024 as compared to that at the end of 2023 was mainly due to the net effect of (i) the acquisition of the Beiqijia Assets; and (ii) the depreciation provided for FY2024.

Goodwill arose from the acquisitions of subsidiaries since 2015.

Operating rights mainly represented the operating rights arising from the acquisition of city gas project business with reference to IFRS 3 (Revised) Business Combinations.

The investment in associates was mainly attributable to the Group's 29% equity interests in PetroChina Jingtang, and the increase in net amount as at 31 December 2024 as compared to that as at 31 December 2023 was mainly due to the (i) share of profit from associates for the Year; and (ii) completion of acquisition of 49% of equity interests in Beijing United.

Current assets

The balance of trade receivables decreased by RMB5.2 million as compared to that as at 31 December 2023, which remained stable.

The balance of prepayments, deposits and other receivables decreased by RMB80.2 million as compared to that as at 31 December 2023, which was mainly due to the recognition of one-off items of an impairment of financial assets amounted to RMB25.4 million in 2024.

The balance of cash and cash equivalents amounted to RMB360.3 million, representing a decrease of RMB3.4 million as compared to that as at 31 December 2023.

Non-current liabilities

The decrease in the balance of bank and other borrowings as compared to the balance as at 31 December 2023 was mainly due to the reclassification of a shareholder loan of RMB637,448,000 from Beijing Gas Group to the Company with maturity date of 31 December 2025 to current liabilities.

The decrease in the balance of convertible bond as compared to the balance as at 31 December 2023 was mainly due to the reclassification of the convertible bond in the aggregate principal amount of HK\$300 million issued by the Company to Beijing Gas Company Limited with maturity date of 28 December 2025 to current liabilities.

Current liabilities

The balance of trade and bills payables decreased by RMB8.8 million as compared to the balance as at 31 December 2023, which remained stable.

The balance of other payables and accruals decreased by RMB61.1 million as compared to the balance as at 31 December 2023, which was mainly due to the payment of other payables and accruals by the Group during the Year.

The increase in the balance of bank and other borrowings of RMB538.9 million as compared to the balance as at 31 December 2023 was mainly due to the net effect of (i) the reclassification of a shareholder loan of RMB637,448,000 from Beijing Gas Group to the Company with maturity date of 31 December 2025 to current liabilities; and (ii) the repayment of certain bank and other borrowings.

The convertible bond represented the convertible bond in the aggregate principal amount of HK\$300 million issued by the Company to Beijing Gas Company Limited with maturity date of 28 December 2025.

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group financed its operations with shareholders' equity, bank and other borrowings and convertible bond.

The Group maintained conservative treasury policies and upheld tight control over its cash and risk management. The Group maintained cash and cash equivalents amounting to RMB360.3 million as at 31 December 2024 (31 December 2023: RMB363.7 million), representing a decrease by 0.9% from 31 December 2023. In addition, the Group had restricted cash and pledged deposits of RMB2.4 million as at 31 December 2024 (31 December 2023: RMB8.4 million).

As at 31 December 2024, the Group had net current liabilities of RMB1,975.0 million (31 December 2023: RMB934.0 million). As at 31 December 2024, the Group's current ratio, calculated on the basis of the Group's current assets over current liabilities, was 0.31 (31 December 2023: 0.55).

As at 31 December 2024, total assets of the Group amounted to RMB4,450.6 million (31 December 2023: RMB4,564.4 million) and the Group's debt asset ratio, which is the total liabilities divided by the total assets, was 66.7% (31 December 2023: 68.9%). As at 31 December 2024, the Group had total borrowings of RMB2,333.9 million (31 December 2023: RMB2,461.3 million). The Group's leverage ratio, which is total borrowings divided by the total assets, was 52.4% (31 December 2023: 53.9%).

The Group's net liability ratio (expressed as net borrowings, including the sum of bank and other borrowings and convertible bond less cash and cash equivalents, divided by total equity), was 133.3% as at 31 December 2024 (31 December 2023: 147.8%).

From 2023, the Group's interest on repayment of offshore bank loans also increased significantly as HIBOR remained high. In view of the reversal of interest rate spread between HK\$ bank borrowings and RMB bank borrowings (from relatively low interest costs to high interest costs), the Group started to replace HK\$ and USD bank and other borrowings with RMB bank borrowings in 2023 to take full advantage of the lower-cost financing in RMB. During 2024, the Group continued to obtain lower-interest debt financing, including certain bank loans of RMB200,000,000 (a total of RMB800,000,000). For details, please refer to the announcements of the Company dated 3 January 2024, 23 February 2024, 9 September 2024 and 22 December 2024.

On 14 December 2023, the Company entered into various finance documents with Beijing Gas Group, pursuant to which the Company obtained a new facility with a principal in an aggregate amount of HK\$700 million equivalent of RMB from Beijing Gas Group, the proceeds of which were applied to refinance an existing facility with a principal amount of HK\$700 million from Beijing Gas Company Limited. The said refinancing alleviates the pressure of rising finance costs and mitigates the exchange rate risk on net assets due to exchange rate movements as most of the Group's operations and assets are located in Mainland China .

The entering into of the aforesaid finance documents constituted a connected transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and was approved by the independent shareholders of the Company at the special general meeting held on 24 January 2024. For details, please refer to the circular and poll results announcement of the Company dated 8 January 2024 and 24 January 2024, respectively.

Going forward, the Group will continue to explore the availability of lower-interest debt financing to reduce overall interest costs and expand the financing channels.

During 2024, the Group neither entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks.

USE OF PROCEEDS FROM THE CAPITAL AND ASSET INJECTION PLAN

As at 31 December 2024, the Group had fully utilised the net proceeds raised from the capital and asset injection plan in accordance with the designated uses set out in the circular dated 31 October 2022 (the “Circular”) as follows:

	Net amount designated in the Circular dated 31 October 2022 (HK\$ million)	Amount utilised up to 31 December 2023 (HK\$ million)	Amount utilised from 1 January 2024 to 31 December 2024 (HK\$ million)	Amount unutilised as at 31 December 2024 (HK\$ million)	% utilised as at 31 December 2024
1. Repayment of bank borrowings	1,013.0	1,013.0	–	–	100%
2. Repayment of outstanding amount and interest associated with the corporate bonds issued by the Company and other borrowings of the Group	337.0	337.0	–	–	100%
3. Business development	94.5	–	94.5	–	100%
4. General working capital	50.0	50.0	–	–	100%
Total	<u>1,494.5</u>	<u>1,400.0</u>	<u>94.5</u>	<u>–</u>	<u>100%</u>

EMPLOYEES’ INFORMATION

The Group’s employees are based in Mainland China and Hong Kong. As at 31 December 2024, there were 564 (31 December 2023: 677) employees in the Group. Staff remuneration packages are determined with reference to market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

TAX RELIEF

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

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2024, the Group's assets were secured for bank and other borrowings as follows:

- (i) pledges over certain of the Group's property, plant and equipment;
- (ii) pledges over the Group's equity interests in a subsidiary;
- (iii) pledges over the Group's investment properties; and/or
- (iv) pledges by the right of collection of receivables from the sales of gas of a subsidiary.

Save as disclosed above, the Group did not have any charges on the Group's assets as at 31 December 2024.

EXPOSURE TO FLUCTUATIONS IN EXCHANGES RATES

The Company does not have significant exposure on foreign currency risk as most of the monetary assets and liabilities are denominated in RMB. The Group currently does not have a foreign currency hedging policy. However, the Directors will continue to monitor the related foreign exchange exposure, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

Set out below are details of the significant events after the reporting period:

From time to time, the Group is involved in claims and legal proceedings that arise in the ordinary course of business and other investment activities of the Group. Based on currently available information, the management does not believe that the ultimate outcome of any unresolved matters, individually and in the aggregate, is reasonably possible to have a material adverse effect on the Group's financial position, results of operations or cash flows. Please refer to the announcements of the Company dated 25 July 2024, 20 January 2025 and 20 March 2025 for further details of litigations which the Group is currently involved in. The Board will keep the shareholders and the potential investors of the Company informed of any related progress by way of further announcement(s) as and when appropriate in accordance with relevant requirements.

However, litigation is subject to inherent uncertainties and the Group's view of these matters may change in the future. The Group reviews the need for any such liability on a regular basis.

Save as disclosed in this announcement, there were no other significant events of the Group after the reporting period and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend payment of final dividend for FY2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(i) Acquisition of the Beiqijia Assets

On 26 April 2024, the Group, as purchaser, entered into the acquisition of the Beiqijia Assets. For details of the acquisition of the Beiqijia Assets, please refer to the paragraph headed “Business Review – Development and Operation of Integrated Clean Energy and New Energy Business” in this announcement.

(ii) Acquisition of 49% of the equity interests in Beijing United

In July 2024, the Group, as purchaser, completed the acquisition of the Beijing United project. For details of the acquisition of Beijing United, please refer to the paragraph headed “Business Review – Development and Operation of Integrated Clean Energy and New Energy Business” in this announcement.

All of the above transactions constituted connected transactions of the Company under the Listing Rules. Save as disclosed in this announcement, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during FY2024.

SIGNIFICANT INVESTMENTS AND FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the paragraph headed “Business Review – Development and Operation of Integrated Clean Energy and New Energy Business” in this announcement, the Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this announcement. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders as a whole. The potential investment opportunity will be funded by internal resources.

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

In 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As at 31 December 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Board is committed to maintaining a high standard of corporate governance and has put in place self-regulatory corporate practices for compliance with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) from time to time as set out in Appendix C1 to the Listing Rules. The Group adopted practices which meet the CG Code during FY2024.

Throughout FY2024, the Company has complied with the code provisions set out in the CG Code in force during the year.

COMPLIANCE WITH THE MODEL CODE

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the Model Code throughout FY2024.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 29 May 2025 (the “**AGM**”), the register of members of the Company will be closed from Monday, 26 May 2025 to Thursday, 29 May 2025 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, 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 Friday, 23 May 2025.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Board (the “**Audit Committee**”) currently comprises three members, namely, Mr. Cui Yulei, Ms. Hsu Wai Man Helen (“**Ms. Hsu**”) and Mr. Xu Jianwen, all being independent non-executive Directors, with Ms. Hsu as the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles, accounting policies and standards adopted by the Group, and has discussed and reviewed the risk management and internal control and reporting matters. The annual results have been reviewed and approved by the Audit Committee.

SCOPE OF WORK OF THE COMPANY’S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures in respect 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 Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company’s auditor on the preliminary announcement.

PROPOSED AMENDMENTS TO BYE-LAWS, ANNUAL GENERAL MEETING AND PUBLICATION OF ANNUAL REPORT

The Board of Directors of the Company announces that it has resolved to propose amendments (the “**Proposed Amendments**”) to the existing bye-laws of the Company by way of adoption of a set of amended and restated bye-laws of the Company (the “**New Bye-Laws**”). The Proposed Amendments are to (a) allow the Company to repurchase its own shares and the repurchased shares be held as treasury shares, in accordance with applicable laws of Bermuda and the recent amendments to the Listing Rules relating to treasury shares which became effective on 11 June 2024; and (b) incorporate certain housekeeping amendments.

The Proposed Amendments and the Company’s proposed adoption of the New Bye-Laws are subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of a special resolution at the forthcoming annual general meeting of the Company (the “**AGM**”), and if approved, will become effective upon such approval.

After the Proposed Amendments coming into effect, the full text of the New Bye-laws will be published on the websites of the Stock Exchange and the Company.

A circular containing, among other things, further details of the Proposed Amendments, together with a notice convening the AGM and the related proxy form, will be despatched by the Company to the Shareholders in due course.

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgbluesky.com).

A notice convening the AGM will be despatched to the shareholders of the Company together with the 2024 Annual Report on or before 30 April 2025 and available on the aforesaid websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to our Shareholders and business partners for their continuous support and our staff for their dedication and hard work throughout the reporting period.

By order of the Board
Beijing Gas Blue Sky Holdings Limited
Li Weiqi
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the executive Directors are Mr. Li Weiqi, Mr. Wu Haipeng, Mr. Li Xianning and Mr. Yeung Shek Hin; the non-executive Director is Mr. Gao Ping; and the independent non-executive Directors are Mr. Cui Yulei, Ms. Hsu Wai Man Helen and Mr. Xu Jianwen.

* *for identification purpose only*