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**JY GAS LIMITED**  
**交运燃气有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1407)**

**(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR  
ENDED 31 DECEMBER 2024;**

**AND**

**(2) ADOPTION OF REVISED DIVIDEND POLICY**

**(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31  
DECEMBER 2024**

**FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 December 2024 (the “**Year**”) amounted to RMB370.4 million, a decrease of 8.2% as compared to 2023.
- Net profit for the Year amounted to RMB30.2 million, an increase of 19.8% as compared to 2023. The net profit margin for the Year was 8.2%, as compared to 6.3% in 2023.
- Basic earnings per share for the Year amounted to RMB0.07, an increase of RMB0.01 from 2023.
- The Board has recommended a final dividend of HK0.037 per ordinary share for the Year.
- The Board has resolved to revise its dividend policy (the “**Revised Dividend Policy**”) on 27 March 2025 with immediate effect on the same day and announced that the Company will declare and distribute not less than 10% of its net profit for a given year as dividends to the shareholders of the Company.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of JY GAS LIMITED (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the Year with comparative figures for the year ended 31 December 2023 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	370,424	403,488
Cost of sales	4	<u>(312,636)</u>	<u>(338,577)</u>
<b>Gross profit</b>		57,788	64,911
Administrative expenses	4	(22,409)	(26,268)
Provision of net impairment losses on financial assets and contract assets		(42)	(2,886)
Other income	5	6,016	3,904
Other gains/(losses), net	6	<u>1,270</u>	<u>(5,366)</u>
<b>Operating profit</b>		<u>42,623</u>	<u>34,295</u>
Finance income	7	1,951	2,435
Finance costs	7	<u>(3,133)</u>	<u>(603)</u>
Finance income and costs, net	7	<u>(1,182)</u>	<u>1,832</u>
<b>Profit before income tax</b>		41,441	36,127
Income tax expense	8	<u>(11,217)</u>	<u>(10,908)</u>
<b>Profit and total comprehensive income for the year</b>		<u><u>30,224</u></u>	<u><u>25,219</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

		Year ended 31 December	
	Note	2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit and total comprehensive income attributable to:</b>			
Owners of the Company		30,021	24,538
Non-controlling interests		<u>203</u>	<u>681</u>
		<u>30,224</u>	<u>25,219</u>
<b>Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)</b>	10	<u>0.07</u>	<u>0.06</u>

## CONSOLIDATED BALANCE SHEET

	Note	As at 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		149,997	141,247
Investment properties		68,200	69,000
Right-of-use assets		9,696	10,058
Intangible assets		6,380	5,727
Trade receivables	11	10,946	15,280
Other non-current assets		5,536	5,528
		<u>250,755</u>	<u>246,840</u>
<b>Current assets</b>			
Inventories		8,587	10,447
Contract assets		10,546	2,351
Trade and other receivables	11	78,552	126,427
Financial assets at fair value through profit or loss		–	9,445
Prepayments and other current assets		15,983	26,230
Cash and bank balances		224,160	127,547
		<u>337,828</u>	<u>302,447</u>
<b>Total assets</b>		<u><u>588,583</u></u>	<u><u>549,287</u></u>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	As at 31 December	
		2024	2023
		RMB'000	RMB'000
<b>Equity</b>			
Share capital		310	310
Share premium and reserves*		145,344	156,432
Retained earnings*		152,330	124,269
		<u>          </u>	<u>          </u>
Equity attributable to owners of the Company		297,984	281,011
Non-controlling interests		15,962	15,759
		<u>          </u>	<u>          </u>
<b>Total equity</b>		<b><u>          313,946</u></b>	<b><u>          296,770</u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		1,804	1,893
Trade payables	12	13,534	6,576
Deferred income tax liabilities		7,683	7,785
		<u>          </u>	<u>          </u>
		23,021	16,254
		<u>          </u>	<u>          </u>
<b>Current liabilities</b>			
Trade and other payables	12	65,380	61,115
Contract liabilities		121,822	132,814
Current income tax liabilities		4,133	2,096
Borrowings	13	60,072	40,045
Lease liabilities		209	193
		<u>          </u>	<u>          </u>
		251,616	236,263
		<u>          </u>	<u>          </u>
<b>Total liabilities</b>		<b><u>          274,637</u></b>	<b><u>          252,517</u></b>
		<u>          </u>	<u>          </u>
<b>Total equity and liabilities</b>		<b><u>          588,583</u></b>	<b><u>          549,287</u></b>

\* The comparative figures have been reclassified to conform to the current year's presentation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information

JY GAS LIMITED (the “**Company**”) was incorporated in the Cayman Islands on 9 March 2021 as an exempted company with limited liability under the Companies Act (Cap.22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 3-212 Governors Square, 23 Lime Tree Bay Avenue, P. O. Box 30746, Seven Mile Beach, Grand Cayman, KY1-1203, Cayman Islands.

The Group are principally engaged in the sale of natural gas, mainly piped natural gas (“**PNG**”), compressed natural gas (“**CNG**”) and liquefied natural gas (“**LNG**”), the provision of construction and installation services and the sale of gas-burning appliances in Gaomi City, Shandong Province.

These consolidated financial statements are presented in RMB, unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2025.

### 2 Summary of material accounting policy information

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

## 2.1 Basis of preparation

### (a) *Statement of compliance*

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”). The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institution of Certified Public Accountants and the disclosure requirement of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**the Listing Rules**”).

### (b) *Basis of measurement*

The consolidated financial statements have been prepared under the historical cost basis except for the financial assets at fair value through other comprehensive income and investment properties which are measured at fair value.

### (c) *Adoption of new or amendments to HKFRSs – effective 1 January 2024*

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these new or amendments to HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amendments to HKFRSs that is not yet effective for the current accounting period.

**(d) New or amendments to HKFRSs that have been issued but not yet effective**

The following new or amendments to HKFRSs, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective

	<b>New standards, amendments and interpretations</b>	<b>Effective for annual periods beginning on or after</b>
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
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HK Interpretation 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	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

The Group is currently analysing the new requirements and assessing the impact of the amendments towards the Group's financial statements.

### 3 Revenue and segment information

The Company's executive directors are the Group's CODM. The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the sale of piped natural gas, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8 "Operating Segments". No separate segmental analysis is presented in the consolidated financial statements. The Group's total revenues are all from domestic customers in the PRC. Accordingly, no geographical information is presented.

#### *Revenue from external customers*

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
<b>Revenue recognised at a point in time:</b>		
Revenue from PNG sales	307,193	313,669
Revenue from CNG and LNG sales	18,004	26,393
Revenue from sales of gas-burning appliances	15,274	25,244
	<u>340,471</u>	<u>365,306</u>
<b>Revenue recognised over time:</b>		
Revenue from construction and installation services	<u>29,953</u>	<u>38,182</u>
<b>Total</b>	<u><u>370,424</u></u>	<u><u>403,488</u></u>

During the years ended 31 December 2024 and 2023, no revenue derived from transactions with a single customer representing 10% or more of the Group's total revenue.

#### 4 Expenses by nature

Expenses included in cost of sales and administrative expenses are analysed as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of natural gas	268,566	287,048
Materials used in construction and installation services	613	13,386
Cost of gas-burning appliance sold	9,291	14,499
Employee benefit expenses	12,650	9,044
Construction subcontracting fee	13,415	5,110
Depreciation and amortisation		
– Property, plant and equipment	11,806	10,773
– Right-of-use assets	692	649
– Intangible assets	385	342
Professional and consulting fees	2,879	8,092
Repairs and maintenance costs	4,196	4,554
Auditor's remuneration	1,200	1,415
Taxes and surcharges	1,336	1,152
Utility costs	871	1,099
Vehicle costs	780	837
Other expenses ( <i>note</i> )	6,365	6,845
<b>Total cost of sales and administrative expenses</b>	<b>335,045</b>	<b>364,845</b>

*Note:* For the year ended 31 December 2023 and 2024, the other expenses mainly represented gas pipeline checking expenses, entertainment expenses, office expenses, travelling expenses and security services charge.

#### 5 Other income

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Rental income from a related party	3,578	3,578
Government subsidy	8	280
Compensation from insurance institution	1,975	–
Others	455	46
	<b>6,016</b>	<b>3,904</b>

**6 Other gains/(losses), net**

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Direct compensation for safety incident	(170)	(4,610)
Administrative penalty of safety incident	–	(1,163)
Fair value adjustment to investment properties	(800)	(900)
Net fair value gain on financial assets at fair value through profit or loss	–	354
Gain on disposal of financial assets at FVTPL	1,612	–
Foreign exchange gains	525	1,902
Gain on disposal of property, plant and equipment	48	5
Write-off of property, plant and equipment	(194)	–
Others	249	(954)
	<u>1,270</u>	<u>(5,366)</u>

**7 Finance income and costs, net**

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income:		
– Bank deposits	606	1,218
– Loans to a related party	737	478
– Imputed interest income from trade receivables	608	739
	<u>1,951</u>	<u>2,435</u>
<b>Total finance income</b>	<b><u>1,951</u></b>	<b><u>2,435</u></b>
Interest expense:		
– Bank borrowings	(2,986)	(453)
– Interest expense on lease liabilities	(147)	(150)
	<u>(3,133)</u>	<u>(603)</u>
<b>Total finance costs</b>	<b><u>(3,133)</u></b>	<b><u>(603)</u></b>
<b>Net finance (costs)/income</b>	<b><u>(1,182)</u></b>	<b><u>1,832</u></b>

## 8 Income tax expense

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax:		
– PRC enterprise income tax	11,319	10,391
– Deferred income tax	(102)	517
	<u>11,217</u>	<u>10,908</u>

## 9 Dividends

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Dividend recognised as distribution during the year:		
– Final dividend paid RMB0.039 for 2022 (equivalent to HK\$0.044) per share	–	17,651
– Final dividend paid RMB0.031 for 2023 (equivalent to HK\$0.033) per share	13,048	–
	<u>13,048</u>	<u>17,651</u>

The final dividend of HK\$0.037 in respect of the year ended 31 December 2024 (2023: HK\$0.033) has been recommended by the Board and will be subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

For details of the final dividend proposed by the Directors at the meeting held on 27 March 2025, please see the section headed “Final Dividend” in this announcement.

## 10 Earnings per share

Basic earnings per share for the years ended 31 December 2024 and 2023 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to owners of the Company (RMB'000)	30,021	24,538
Weighted average number of issued ordinary shares	440,000,000	440,000,000
<b>Basic earnings per share (expressed in RMB per share)</b>	<b><u>0.07</u></b>	<b><u>0.06</u></b>

As the Company has no dilutive instruments during the years ended 31 December 2024 and 2023, the Group's diluted earnings per share equals to its basic earnings per share.

## 11 Trade and other receivables

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current</b>		
Trade receivables		
– Third parties	11,460	16,186
Less: provision for impairment of trade receivables	<u>(514)</u>	<u>(906)</u>
	<u>10,946</u>	<u>15,280</u>
<b>Current</b>		
Trade receivables		
– Related parties	3,819	3,879
– Third parties	71,112	53,366
Less: provision for impairment of trade receivables	<u>(3,133)</u>	<u>(2,632)</u>
Trade receivables – net	<u>71,798</u>	<u>54,613</u>
Other receivables		
– Related parties	6,500	71,078
– Third parties	<u>25,690</u>	<u>26,522</u>
Less: provision for impairment of other receivables	<u>32,190</u>	<u>97,600</u>
	<u>(25,436)</u>	<u>(25,786)</u>
Other receivables – net	<u>6,754</u>	<u>71,814</u>
	<u>78,552</u>	<u>126,427</u>
<b>Total trade and other receivables, net</b>	<u><u>89,498</u></u>	<u><u>141,707</u></u>

Aging analysis of trade receivables (before impairment) at each balance sheet date based on their initial recognition dates were as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	16,849	17,911
1 – 2 years	17,909	28,993
2 – 3 years	28,986	26,489
Over 3 years	22,647	38
	<u>86,391</u>	<u>73,431</u>

Trade receivables are mainly recorded based on the dates of transaction. The aging of trade receivables based on their initial recognition dates is basically by reference to their respective dates of invoice.

Movements in allowance for impairment of trade receivables is as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
At beginning of the year	3,538	1,161
Provision	109	2,490
Reversal	–	(113)
	<u>3,647</u>	<u>3,538</u>

## 12 Trade and other payables

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current</b>		
Trade payables		
– Third parties	<u>13,534</u>	<u>6,576</u>
<b>Current</b>		
Trade payables		
– Third parties	40,415	40,800
– Related parties	<u>4,141</u>	<u>664</u>
	<u>44,556</u>	<u>41,464</u>
Other payables		
– Value-added tax payable	11,364	11,911
– Other taxes payable	398	760
– Amounts due to related parties	1,817	1,410
– Listing expenses payable	–	550
– Salaries and staff welfare payable	3,072	1,446
– Dividend payable	226	128
– Others	<u>3,947</u>	<u>3,446</u>
	<u>20,824</u>	<u>19,651</u>
	<u>65,380</u>	<u>61,115</u>
<b>Total trade and other payables</b>	<u><u>78,914</u></u>	<u><u>67,691</u></u>

Aging analysis of trade payables at each balance sheet date based on their initial recognition dates were as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Less than 1 year	27,596	13,010
1 – 2 years	20,399	16,576
2 – 3 years	6,812	17,641
Over 3 years	3,283	813
	<u>58,090</u>	<u>48,040</u>

Trade payables are mainly recorded based on the dates of transaction. The aging of trade payables based on their recording dates is basically by reference to their respective dates of invoice.

### 13 Borrowings

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Current</b>		
Bank borrowings		
– Guaranteed by related parties	59,990	40,000
Interest payable	82	45
	<u>60,072</u>	<u>40,045</u>

As at 31 December 2024, bank borrowings of RMB59,990,000 (2023: RMB40,000,000) were guaranteed by certain related parties.

## MANAGEMENT DISCUSSION AND ANALYSIS OPERATION REVIEW

### INDUSTRY OVERVIEW

With the PRC government's continuing commitment to reducing air pollution and greenhouse gas emissions, natural gas is promoted as a cleaner fuel alternative to coal. With the aim of achieving carbon peak and carbon neutrality, the Group believes China will continue to implement policies to encourage the development of low-carbon green energy which will further push forward the growth of natural gas consumption. Favourable government policies continue to be in place to encourage natural gas consumption in Gaomi City, where the Group operates.

Pursuant to the implementation of the local "double carbon" development strategy since the 14th Five-Year Energy Development Plan of Shandong Province (《山東省能源發展「十四五」規劃》), favourable government policies continue to be at play. Furthermore, the Measures for the Administration of Natural Gas Utilization (《天然氣利用管理辦法》) promulgated by the National Development and Reform Commission came into effect on 1 August 2024. It aims to orderly advance the use of natural gas, regulate natural gas usage and boost supply security. It is also designed to help China reach its 2060 carbon-neutral goal.

The Company believes that the government's continuous promotion of the use of natural gas as a safe and efficient green energy greatly favours the development of the natural gas industry. In line with government policies, the Group will continue to follow the government's green and low carbon transformation initiatives, and capture growth opportunities by implementing government subsidised clean energy construction projects to enhance access to natural gas supply of rural residents and enterprises of Gaomi City.

### DEVELOPMENT STRATEGY AND OUTLOOK

As Gaomi City's largest natural gas provider, the Group's business is supported by a strong customer base which grows steadily with the expansion of the Group's pipeline network and increasing completion of clean energy projects in rural areas.

The Group remains committed to improving the safety management of its natural gas operations by prioritising its investment in operational safety management. In addition to carrying out comprehensive safety inspections and strengthening technical capacities, the Group will also continue to promote and provide gas safety training and education to ensure that all personnel of the Group, to ensure safe use of natural gas by its customers.

## BUSINESS REVIEW

The Group is a natural gas operator in Gaomi City, Weifang Municipality of Shandong Province, the PRC. The Group has an exclusive right under its concession agreement with Gaomi City Bureau of Municipal Affairs Administration to operate PNG sales and related businesses within a specified operating area which represents approximately 70% of the total administrative area of Gaomi City (the “**Operating Area**”). The concession has an effective term of 30 years until August 2039.

During the Year, the Group primarily generated revenue from its sale of natural gas in Gaomi City. The sale of PNG is its principal business. As at the end of the Year, the Group’s customers of its sale of PNG business included (a) retail customers which comprised 154,854 active residential PNG end-users, 374 active industrial PNG end-users and 5,131 active commercial PNG end-users, representing an increase of approximately 6.8%, 1.4% and 3.3% from that as at the year end of 2023; and (b) three wholesale customers, which are natural gas suppliers in neighbouring cities or natural gas refuelling station operators in Gaomi City. The Group’s sales volume of PNG was approximately 87.6 million m<sup>3</sup> for the Year, representing a decrease of approximately 2.0% as compared to that for the year ended 31 December 2023. As at the end of the Year, the Group’s urban pipeline network was comprised of approximately 789.0 kilometres of completed mid-pressure pipelines.

While sale of PNG continues to be the Group’s core business, it also engages in the sale of CNG and LNG at its CNG and LNG refuelling stations, the provision of construction and installation services, and the sale of gas-burning appliances.

In 2024, the economy of China experienced challenges due to the complex and volatile international geopolitical landscape. The general economic slowdown resulted in less demand for manufacturing activities, which led to weakened natural gas consumption. This negatively impacted the Group, as the majority of its PNG customers are industrial PNG end-users, many of which operate textile or manufacturing factories.

In addition, as the overall property market in China was on a downward trend in 2024, the Group was affected by the weak property market condition. A reduction in new property development and construction activities in Gaomi City led to decreased demand for construction and installation services and sale of gas-burning appliances, which are business segments with relatively higher profit margins for the Group.

Despite the decline in revenue, the Group nonetheless achieved higher net profit for 2024 as compared to 2023. This was mainly because (i) 2023 was impacted by the one-off imposition of administrative penalties and payments of direct compensation, as well as the incurrence of professional and consulting fees, as a result of the natural gas explosion incident (the “**Incident**”) as disclosed in the Company’s announcements dated 31 October 2023, 19 March 2024 and 25 March 2024, (ii) during 2024, the Group has received compensation from insurance institution in respect of the Incident; (iii) the Group recorded a gain from its sale of shares of Seacon Shipping Group Holdings Limited (02409.HK).

The Group’s average PNG procurement cost was generally in line with changes in the market price of PNG. Since the Group was required to adjust its PNG selling price according to upstream PNG prices pursuant to government pricing policies, the Group’s net profit and profit margin was relatively unaffected by market fluctuations of natural gas prices.

## SEGMENTAL ANALYSIS

### 1. PNG SALES

The Group supplies PNG to retail customers comprising residential, industrial and commercial PNG end-users, as well as wholesale customers. During the Year, the total revenue of the Group generated from its PNG sales business was RMB307.2 million, representing a decrease of 2.1% as compared to RMB313.7 million for the year ended 31 December 2023. The Group’s sales volume of PNG was approximately 87.6 million m<sup>3</sup> for the Year, representing a decrease 2.0% as compared to approximately 89.4 million m<sup>3</sup> for the year ended 31 December 2023. The aforementioned decrease in revenue generated from the Group’s PNG sales was mainly due to the decrease in demand for natural gas by industrial PNG end-users, as the weak general economic environment led to a slowdown of the industrial sector in Gaomi City.

***Sales to retail customers:*** Revenue generated from PNG sales to retail customers was RMB295.5 million for the Year, representing a decrease of 3.1% as compared to RMB305.0 million for the year ended 31 December 2023. During the Year, PNG sales to industrial PNG end-users accounted for the largest portion of the Group’s total PNG sales. During the Year, PNG sales volume to the Group’s industrial, residential and commercial PNG end-users was 52.7 million m<sup>3</sup>, 29.5 million m<sup>3</sup> and 1.1 million m<sup>3</sup>, respectively, accounting for approximately 63.3%, 35.4% and 1.3% of the Group’s total PNG sales volume to retail customers. Comparatively, for the year ended 31 December 2023, PNG sales volume to industrial, residential and commercial PNG end-users was 56.1 million m<sup>3</sup>, 24.6 million m<sup>3</sup> and 5.6 million m<sup>3</sup>, respectively, representing approximately 65.0%, 28.5% and 6.5% of the Group’s total PNG sales volume to retail customers. The maximum non-residential regulatory PNG selling price remained unchanged as stipulated by the government for the 2024-2025 heating season.

***Sales to wholesale customers:*** Revenue generated from PNG sales to wholesale customers was RMB11.7 million for the Year, representing an increase of 34.5% from RMB8.7 million for the year ended 31 December 2023. During the Year, PNG sales volume to wholesale customers was 4.3 million m<sup>3</sup>, representing an increase of 38.7% from 3.1 million m<sup>3</sup> for the year ended 31 December 2023. The aforementioned increase in revenue generated from the Group's PNG sales to wholesale customers was mainly due to the addition of one more wholesale customer in 2024.

## **2. CNG and LNG Sales**

The Group supplies CNG and LNG to vehicle users at its CNG and LNG refuelling stations in Gaomi City. During the Year, revenue of the Group generated from its CNG and LNG sales business was RMB18.0 million, representing a decrease of 31.8% as compared to RMB26.4 million for the year ended 31 December 2023. Such decrease was primarily due to (i) the increasing popularity of electric vehicles as a result of its low charging costs, thereby leading to fewer use of CNG and LNG vehicles as a whole; and (ii) the Group's closure of one of its gas refueling stations in October 2024 due to high procurement and management costs and a low gross profit margin.

## **3. Construction and Installation Services**

The Group provides construction and installation services to property developers, residential PNG end-users and non-residential PNG end-users. During the Year, revenue of the Group generated from its construction and installation services was RMB30.0 million, representing a decrease of 21.5% as compared to RMB38.2 million for the year ended 31 December 2023. Such decrease was primarily attributable to a decline in installation work for the clean energy projects undertaken by the Group in 2024 as compared to that in 2023, as the clean energy projects entered the final stages in 2024.

## **4. Sale of Gas-burning Appliances**

The Group sells gas-burning appliances such as gas stoves, wall-hung gas boilers and water heaters, primarily to property owners and property occupiers. During the Year, revenue of the Group generated from its sale of gas-burning appliances was RMB15.3 million, representing a decrease of 39.3% as compared to RMB25.2 million for the year ended 31 December 2023. Such decrease was primarily attributable to decrease in demand for installation of gas stoves and wall-hung gas boilers as the clean energy projects entered the final stages in 2024.

## **FINANCIAL OVERVIEW**

### **Revenue**

The Group's revenue for the Year was RMB370.4 million, representing a decrease of 8.2% as compared to RMB403.5 million for the year ended 31 December 2023. The decrease in revenue was mainly attributable to the decrease in demand for natural gas by industrial PNG end-users as the weak general economic environment led to a slowdown in industrial and commercial activities in Gaomi City.

### **Gross Profit**

The Group's gross profit for the Year was RMB57.8 million, representing a decrease of 10.9% as compared to RMB64.9 million for the year ended 31 December 2023. The decrease in gross profit was mainly due to a decrease in revenue for the reasons described above. The Group's gross profit margin remained relatively stable at 15.6% and 16.1% for the year ended 31 December 2024 and 2023, respectively.

### **Administrative expenses**

The Group's administrative expenses for the Year was RMB22.4 million, representing a decrease of 14.8% as compared to RMB26.3 million for the year ended 31 December 2023. Such decrease was mainly due to a decrease in profession and consulting fees which were mostly incurred in 2023 in relation to the Incident.

### **Provision of net impairment losses on financial assets and contract assets**

The Group recorded a provision of net impairment losses on financial assets and contract assets of RMB42,000 during the Year, as compared to a provision of net impairment losses on financial assets and contract assets of RMB2.9 million during the year ended 31 December 2023. This was primarily due to the completion of clean energy projects but the corresponding receivables balance have not yet been settled by the government.

### **Other Income**

The Group's other income for the Year was RMB6.0 million, representing an increase of 53.8% as compared to RMB3.9 million for the year ended 31 December 2023. The Group's other income was higher for the year ended 31 December 2024 mainly because the Group has received compensation from insurance institution in respect of the Incident.

## **Other gains/(losses), net**

The Group recorded other net gains for the Year amounting RMB1.3 million, as compared to other net losses of RMB5.4 million for the year ended 31 December 2023. This was primarily because the Group disposed 3,058,000 shares of Seacon Shipping Group Holdings Limited (02409.HK) (“**Seacon**”) on 2 September 2024 for a consideration of approximately RMB11.0 million (equivalent to approximately HK\$12.1 million).

## **Finance Costs**

The Group’s finance costs for the Year were RMB3.1 million, representing an increase of 416.7% as compared to RMB0.6 million for the year ended 31 December 2023. This was primarily due to an increase in interest expense arising from the Group’s increased bank borrowing since the second half of 2023.

## **Income Tax Expense**

The Group’s income tax expense for the Year was RMB11.2 million, remained relatively stable as compared to RMB10.9 million for the year ended 31 December 2023. The effective tax rate for the Year was 27.1% (the effective tax rate for the year ended 31 December 2023 was 30.2%).

## **Profit Attributable to Owners of the Company**

Profit attributable to owners of the Company for the Year was RMB30.0 million, representing an increase of 22.4% as compared to RMB24.5 million for the year ended 31 December 2023, which was mainly due to a decrease in the Group’s administrative expenses, an increase of other income and other net gains recorded. This was mainly because (i) 2023 was impacted by the one-off imposition of administrative penalties and payment of direct compensation, as well as the incurrence of professional and consulting fees, as a result of the Incident; (ii) during 2024, the Group received compensation from insurance institution in respect of the Incident; and (iii) the Group recorded a gain from its sale of shares of Seacon.

## **Trade and Other Receivables**

The Group’s trade and other receivables was RMB89.5 million as at 31 December 2024, representing a decrease of 36.8% as compared to RMB141.7 million as at 31 December 2023. This was primarily because the loan with a principal amount of RMB68.1 million that was advanced by a wholly-owned subsidiary of the Company to a related party of the Company was fully settled during the Year, as disclosed in the announcement of the Company dated 8 March 2024.

## **Trade and Other Payables**

The Group's trade and other payables was RMB78.9 million as at 31 December 2024, representing an increase of 16.5% as compared to RMB67.7 million as at 31 December 2023, which was mainly attributable to its outstanding receivables balance in relation to clean energy projects not having been settled yet by the government and therefore the Group has not yet settled its suppliers' expenses associated with these clean energy projects.

## **Liquidity and Financial Position**

The Group's current assets amounted to RMB337.8 million as at 31 December 2024, representing an increase of 11.7% as compared to RMB302.4 million as at 31 December 2023. As at 31 December 2024, the Group's cash and bank balances amounted to RMB224.2 million.

As at 31 December 2024, the current ratio (current assets/current liabilities) of the Group was 134.3% (128.0% for the year ended 31 December 2023) and the debt ratio of the Group (total liabilities/total assets) was 46.7% (46.0% for the year ended 31 December 2023). As at 31 December 2024, the Group's utilised bank loans amounted to RMB60.0 million, all of which were denominated in RMB, bearing an annual interest rate of 4.5%. As at 31 December 2024, the Group had unutilised bank credit amounting to RMB5.0 million. As at 31 December 2024, the Group had lease liabilities of RMB2.0 million, of which RMB0.2 million is analysed as current portion, and RMB1.8 million is analysed as non-current portion.

The gearing ratio of the Group was 19.8% as at 31 December 2024 (14.2% as at 31 December 2023). The ratio was calculated by dividing total debt (borrowings and lease liabilities) by total equity as at the end of the relevant year. As at 31 December 2024, the Group maintained a net cash position.

## **Exchange Rate Fluctuation Risk**

While the Group's businesses are principally denominated in RMB, it has certain deposits denominated in Hong Kong dollars which expose it to exchange rate fluctuation risk. Currently, the Group does not have any hedging policy on foreign currency. The Group's management will closely monitor the exchange rate fluctuation risk and take appropriate measures such as hedging measures to control the exchange rate fluctuation risk when necessary.

## **Contingent Liabilities**

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

## **Financial Guarantee Obligations**

As at 31 December 2024, the Group had no material financial guarantee obligations.

## **Pledge of Assets**

As at 31 December 2024, none of the assets of the Group were pledged (nil as at 31 December 2023).

## **Significant Investment**

During the Year, the Group did not hold any significant investment.

## **Material Acquisition and Disposal**

During the Year, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

## **Human Resources and Employee Compensation**

As at 31 December 2024, the Group employed a total of 154 employees in the PRC as compared to 136 as at 31 December 2023. During the Year, the total employee costs of the Group were RMB12.7 million. The Group manages its personnel actively, including but not limited to providing training on relevant policies and regulations, safety management and professional knowledge in order to improve management skills, strengthen employees' professional skills and enhance the competitiveness of the Group.

## **EVENTS AFTER THE REPORTING PERIOD**

Saved as disclosed above, there are no events causing material impact on the Group from the end of the Year to the date of this announcement.

## **MATERIAL LITIGATION**

The Company was not involved in any material litigation or arbitration during the Year. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Year and up to the date of this announcement.

## NET PROCEEDS FROM THE GLOBAL OFFERING AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

The Shares were listed on the Main Board of the Stock Exchange (“**Listing**”) on 16 November 2022, with a total of 110,000,000 Shares issued pursuant to the global offering of Shares (“**Global Offering**”). After deducting the underwriting fees and relevant expenses, net proceeds from the Global Offering (the “**Net Proceeds**”) amounted to approximately HK\$111.6 million (equivalent to RMB101.2 million). The Board has resolved to extend the expected timeline for the use of unutilised Net Proceeds for (i) construction of new mid-pressure pipelines; (ii) upgrade of the urban pipeline network; (iii) replacement of existing gas meters; and (iv) working capital and other general corporate purposes. The following table sets out the intended use and actual use of the Net Proceeds as at 31 December 2024 and the extended expected timeline:

Designated use of Net Proceeds	% of Net Proceeds	Allocated amount (RMB million)	Net Proceeds from the Global Offering		Extended timeline for use of the unutilised Net Proceeds
			Utilised as at 31 December 2024 (RMB million)	Unutilised as at 31 December 2024 (RMB million)	
Expanding the sale of PNG business through construction of new mid-pressure pipelines of approximately 101.0 km in the Operating Area	48.5%	49.1	23.7	25.4	By the end of 2026
Upgrading approximately 43.4 km of the urban pipeline network	20.5%	20.7	6.1	14.6	By the end of 2026
Replacing existing gas meters with Gold card Meters for over 19,500 households in the Operating Area	6.9%	7.0	5.3	1.7	By the end of 2025
Construction of an aggregate of approximately 18.0 km PNG end-user pipelines that connect the urban pipeline network for implementing the Clean Energy Projects to serve over 5,500 households in the Operating Area	14.1%	14.3	14.3	-	-
Working capital and other general corporate purposes	10.0%	10.1	4.5	5.6	By the end of 2026

Since the Company received the Net Proceeds from the Global Offering, the Board and the management of the Company have actively put the Net Proceeds to use according to the designated use and actual business needs. The progress for the construction of new mid-pressure pipelines and upgrading of urban pipeline network were slower than originally expected, mainly due to the Incident that happened in 2023 which resulted in the Group prioritizing replacement of the oldest pipelines instead to ensure safety of its natural gas operations. The progress for gas meter replacement work was also delayed as a result of the government's request to prioritize work related to clean energy projects instead. The Company considers that all such work remain beneficial to the growth and development of the Group's business and will continue to be carried out, therefore it decided to extend the expected timeline for utilizing the remaining Net Proceeds. The Board is of the view that the extension of timeline will not have any material adverse impact on the operations of the Company and is in the best interests of the Company and its shareholders as a whole.

As at the date of this announcement, the unutilised Net Proceeds are deposited in an interest-bearing account opened with a licensed bank.

## **CORPORATE GOVERNANCE PRACTICES**

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code ("**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") by conducting its business by reference to the principles of the CG Code and emphasising such principles in the Company's governance framework. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code (as amended from time to time) during the Year, save for the deviation discussed below.

Pursuant to code provision C.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company has not arranged any insurance cover in respect of any potential legal action against the Directors. Given the nature of the Company's business, the Directors believe that the likelihood of legal actions against the Directors is very slight, and the Company can still achieve adequate corporate governance through various management and monitoring mechanisms so as to reduce risk, including periodic reviews on the effectiveness of the Company's internal control system, clear division of duties and training for staff and management. The Board will review, on a regular basis, whether it is necessary to arrange insurance cover in respect of potential legal action against the Directors.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company’s securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code during the Year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The Company established the audit committee with written terms of reference in compliance with the Listing Rules and the CG Code (the “**Audit Committee**”). As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Wei Yi, Mr. Tian Qiang and Ms. Liu Xiaoye. Ms. Liu Xiaoye is the chairlady of the Audit Committee.

The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group and has reviewed the Group’s audited consolidated results for the Year.

## **AUDITOR’S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto in this results announcement of the Group for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an audit, review or other 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 BDO Limited on this results announcement.

## **FINAL DIVIDEND**

The Board has resolved to recommend a final dividend (the “**Final Dividend**”) of HK\$0.037 per ordinary share of the Company for the Year (2023: HK\$0.033), which will be paid out of the Company’s share premium account. The Final Dividend shall be subject to the approval of the shareholders of the Company and such dividend is expected to be paid on or before Friday, 1 August 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 9 July 2025.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**2025 AGM**”) will be held on Wednesday, 18 June 2025. Notice of the 2025 AGM will be published and issued to the shareholders of the Company in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining the eligibility of the Company’s shareholders to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025 (both days inclusive), during which period no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 12 June 2025, for registration.

For the purposes of determining the entitlement of the Company’s shareholders to the proposed Final Dividend, the register of members of the Company will be closed from Monday, 7 July 2025 to Wednesday, 9 July 2025 (both days inclusive), during which no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Friday, 4 July 2025, for registration.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The announcement has been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.gmjytrq.com](http://www.gmjytrq.com)). The annual report for the Year will be published on the aforesaid websites of the Stock Exchange and the Company and will be despatched (if requested) to shareholders of the Company in due course.

## **(2) ADOPTION OF REVISED DIVIDEND POLICY**

The below is made pursuant to Rule 13.09(2) (a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Board would like to announce that on 27 March 2025 it has resolved to revise the dividend policy of the Company (the “**Revised Dividend Policy**”) with immediate effect from 27 March 2025 and which will apply to the proposed final dividend of the Company for the year ended 31 December 2024.

According to the Revised Dividend Policy, the Group intends to declare and distribute not less than 10% of its net profit for a given year as dividends to the shareholders of the Company. Any future determination to declare and pay any dividends would require the approval of the Board and will be at their discretion. The Board will review the dividend policy from time to time and determine whether dividends are to be declared and paid based on future results of operations, capital requirements and surplus, general business and financial conditions and other factors of the Company that the Directors consider relevant. In addition, any final dividend for a financial year will be subject to shareholders’ approval and the relevant laws.

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the articles of association of the Company, all applicable laws and regulations and the Revised Dividend Policy.

The dividend policy will be reviewed by the Board from time to time as appropriate.

By Order of the Board  
**JY GAS LIMITED**  
**Luan Linjiang**  
*Chairman of the Board*

Hong Kong, 27 March 2025

*As at the date of this announcement: (1) the Chairman and executive Director is Mr. Luan Linjiang; (2) the executive Directors are Mr. Luan Xiaolong and Mr. Luan Linxin; and (3) the independent non-executive Directors are Mr. Wei Yi, Mr. Tian Qiang and Ms. Liu Xiaoye.*