The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JY GAS LIMITED AND CHINA INDUSTRIAL SECURITIES INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of JY GAS LIMITED (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to [I-94], which comprises the consolidated balance sheets as at 31 December 2019, 2020, 2021 and 30 April 2022, the company balance sheets as at 31 December 2021 and 30 April 2022, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2019, 2020, 2021 and for the four months ended 30 April 2022 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to [I-94] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [[REDACTED] date] (the "Document") in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at 31 December 2021 and 30 April 2022 and the consolidated financial position of the Group as at 31 December 2019, 2020, 2021 and 30 April 2022 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2021 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note [29] to the Historical Financial Information which contains information of the dividends paid by the companies now comprising the Group in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand of RMB (RMB'000) except when otherwise indicated.

Consolidated Statements of Comprehensive Income

		Year ended 31 December			Four months ended 30 April	
	Note	**2019**	**2020**	**2021**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Revenue	5(a)	354,231	347,943	440,894	135,962	158,253
Cost of sales	8	(271,495)	(249,912)	(343,677)	(110,494)	(135,485)
Gross profit		82,736	98,031	97,217	25,468	22,768
Administrative expenses	8	(14,915)	(18,051)	(19,161)	(4,968)	(8,447)
Reversal of net impairment losses on financial assets		2,944	1,699	800	1,805	3
Other income	6	229	229	15,396	101	1,193
Other gains/(losses), net	7	1,464	(309)	863	(219)	854
Operating profit		72,458	81,599	95,115	22,187	16,371
Finance income	10	3,625	3,065	512	105	324
Finance costs	10	(25,935)	(16,203)	(4,119)	(1,384)	(838)
Finance costs, net	10	(22,310)	(13,138)	(3,607)	(1,279)	(514)
Profit before income tax		50,148	68,461	91,508	20,908	15,857
Income tax expense	11	(13,122)	(17,439)	(23,134)	(5,295)	(3,999)
Profit and total comprehensive income for the year/ period		37,026	51,022	68,374	15,613	11,858
Profit and total comprehensive income attributable to:						
Owners of the Company		35,223	50,081	67,505	15,253	11,318
Non-controlling interests		1,803	941	869	360	540
		37,026	51,022	68,374	15,613	11,858
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB'000)	12	35.22	50.08	67.51	15.25	11.32

Consolidated Balance Sheets

	Note	As at 31 December 2019	2020	2021	As at 30 April 2022
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property, plant and equipment	13	107,143	109,025	118,179	117,592
Investment properties	14	67,680	68,640	69,720	70,500
Right-of-use assets	15	7,542	7,054	11,358	11,147
Intangible assets	16	4,250	4,245	4,332	4,328
Trade receivables	19	—	—	19,099	19,262
Other non-current assets	18	2,820	4,476	4,027	4,027
		189,435	193,440	226,715	226,856
Current assets					
Inventories	21	10,249	14,933	9,338	10,090
Trade and other receivables	19	476,166	219,945	14,663	14,800
Prepayments and other current assets	20	17,970	16,226	30,129	21,603
Restricted bank deposits	22(a)	204,000	75,100	—	—
Cash and cash equivalents	22(b)	26,281	39,579	37,370	24,393
		734,666	365,783	91,500	70,886
Total assets		924,101	559,223	318,215	297,742
Equity					
Share capital	23(a)	—	—	—*	—*
Share premium	23(b)	—	—	128,002	128,002
Reserves	24	339	57,975	(94,611)	(93,689)
Retained earnings		30,124	73,484	61,026	71,422
Equity attributable to owners of the Company		30,463	131,459	94,417	105,735
Non-controlling interests		14,493	13,934	14,803	15,343
Total equity		44,956	145,393	109,220	121,078

		As at 31 December			As at 30 April
	Note	**2019**	**2020**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities					
Non-current liabilities					
Lease liabilities	27	2,122	2,075	2,340	2,213
Trade payables	25	—	—	7,306	7,373
Deferred income tax liabilities	28	5,278	6,432	7,080	7,477
		7,400	8,507	16,726	17,063
Current liabilities					
Trade and other payables	25	30,005	40,249	47,817	45,546
Contract liabilities	5(b)	87,827	124,249	101,303	85,814
Current income tax liabilities		5,136	12,844	5,639	727
Borrowings	26	748,397	227,800	37,000	27,000
Lease liabilities	27	380	181	510	514
		871,745	405,323	192,269	159,601
Total liabilities		879,145	413,830	208,995	176,664
Total equity and liabilities		924,101	559,223	318,215	297,742

* *The amount is less than RMB1,000.*

Company Balance Sheets

	Note	As at 31 December 2021	As at 30 April 2022
		RMB'000	*RMB'000*
Assets			
Non-current assets			
Investments in subsidiaries		128,002	128,002
Current assets			
Other receivables from the shareholders		—*	—*
Prepayments	20	2,837	4,109
		2,837	4,109
Total assets		130,839	132,111
Equity			
Share capital	23(a)	—*	—*
Share premium	23(b)	128,002	128,002
Total equity		128,002	128,002
Liabilities			
Current liabilities			
Other payables due to a subsidiary		2,837	4,109
Total liabilities		2,837	4,109
Total equity and liabilities		130,839	132,111

* *The amount is less than RMB1,000.*

Consolidated Statements of Changes in Equity

		Attributable to owners of the Company						
	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2019		—	—	(3,029)	(1,731)	(4,760)	15,090	10,330
Comprehensive income								
Profit for the year		—	—	—	35,223	35,223	1,803	37,026
Total comprehensive income		—	—	—	35,223	35,223	1,803	37,026
Transactions with owners in their capacity as owners								
Appropriation to safety fund	24(c)	—	—	3,886	(3,886)	—	—	—
Utilisation of safety fund	24(c)	—	—	(2,989)	2,989	—	—	—
Appropriation to statutory reserve	24(b)	—	—	2,471	(2,471)	—	—	—
Dividend to a non-controlling shareholder of a subsidiary	29	—	—	—	—	—	(2,400)	(2,400)
Total transactions with owners in their capacity as owners		—	—	3,368	(3,368)	—	(2,400)	(2,400)
Balance at 31 December 2019		—	—	339	30,124	30,463	14,493	44,956

		Attributable to owners of the Company						
	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2020		—	—	339	30,124	30,463	14,493	44,956
Comprehensive income								
Profit for the year		—	—	—	50,081	50,081	941	51,022
Total comprehensive income		—	—	—	50,081	50,081	941	51,022
Transactions with owners in their capacity as owners								
Appropriation to safety fund	24(c)	—	—	3,935	(3,935)	—	—	—
Utilisation of safety fund	24(c)	—	—	(2,383)	2,383	—	—	—
Appropriation to statutory reserve	24(b)	—	—	5,169	(5,169)	—	—	—
Deemed contribution	24(d)	—	—	50,915	—	50,915	—	50,915
Dividend to a non-controlling shareholder of a subsidiary	29	—	—	—	—	—	(1,500)	(1,500)
Total transactions with owners in their capacity as owners		—	—	57,636	(6,721)	50,915	(1,500)	49,415
Balance at 31 December 2020		—	—	57,975	73,484	131,459	13,934	145,393

		Attributable to owners of the Company						
	Note	**Share capital**	**Share premium**	**Reserves**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021		—	—	57,975	73,484	131,459	13,934	145,393
Comprehensive income								
Profit for the year		—	—	—	67,505	67,505	869	68,374
Total comprehensive income		—	—	—	67,505	67,505	869	68,374
Transactions with owners in their capacity as owners								
Appropriation to safety fund	24(c)	—	—	3,531	(3,531)	—	—	—
Utilisation of safety fund	24(c)	—	—	(117)	117	—	—	—
Appropriation to statutory reserve	24(b)	—	—	6,549	(6,549)	—	—	—
Dividends to the then shareholders	29	—	—	—	(70,000)	(70,000)	—	(70,000)
Deemed contribution	24(d)	—	—	25,500	—	25,500	—	25,500
Proceeds from QMHC LIMITED		—	—	610	—	610	—	610
Completion of reorganisation		—	128,002	(128,002)	—	—	—	—
Deemed distribution	24(e)	—	—	(60,657)	—	(60,657)	—	(60,657)
Total transactions with owners in their capacity as owners		—	128,002	(152,586)	(79,963)	(104,547)	—	(104,547)
Balance at 31 December 2021		—	128,002	(94,611)	61,026	94,417	14,803	109,220

		Attributable to owners of the Company						
	Note	**Share capital**	**Share premium**	**Reserves**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)								
Balance at 1 January 2021		—	—	57,975	73,484	131,459	13,934	145,393
Comprehensive income								
Profit for the period		—	—	—	15,253	15,253	360	15,613
Total comprehensive income		—	—	—	15,253	15,253	360	15,613
Transactions with owners in their capacity as owners								
Appropriation to safety fund	24(c)	—	—	1,177	(1,177)	—	—	—
Utilisation of safety fund	24(c)	—	—	(110)	110	—	—	—
Dividends to the then shareholders	29	—	—	—	(70,000)	(70,000)	—	(70,000)
Deemed contribution	24(d)	—	—	25,500	—	25,500	—	25,500
Total transactions with owners in their capacity as owners		—	—	26,567	(71,067)	(44,500)	—	(44,500)
Balance at 30 April 2021		—	—	84,542	17,670	102,212	14,294	116,506

		Attributable to owners of the Company						
	Note	**Share capital**	**Share premium**	**Reserves**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022		—	128,002	(94,611)	61,026	94,417	14,803	109,220
Comprehensive income								
Profit for the period		—	—	—	11,318	11,318	540	11,858
Total comprehensive income		—	—	—	11,318	11,318	540	11,858
Transactions with owners in their capacity as owners								
Appropriation to safety fund	24(c)	—	—	1,014	(1,014)	—	—	—
Utilisation of safety fund	24(c)	—	—	(92)	92	—	—	—
Total transactions with owners in their capacity as owners		—	—	922	(922)	—	—	—
Balance at 30 April 2022		—	128,002	(93,689)	71,422	105,735	15,343	121,078

Consolidated Statements of Cash Flows

	Note	Year ended 31 December			Four months ended 30 April	
		2019	**2020**	**2021**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash generated from operations	30(a)	81,081	141,976	69,076	4,831	9,919
Interest received		3,625	3,065	512	105	37
Income tax paid		(7,720)	(8,577)	(29,691)	(4,627)	(8,514)
Net cash from operating activities		76,986	136,464	39,897	309	1,442
Cash flows from investing activities						
Purchases of property, plant and equipment		(14,677)	(12,585)	(18,244)	(846)	(2,474)
Payments for land use right		(440)	(1,656)	(3,620)	—	—
Proceeds from disposal of property, plant and equipment	30(b)	398	135	82	82	—
Advances to related parties	32(g)	(1,252,553)	(1,164,875)	(194,230)	(131,433)	—
Repayments from related parties	32(g)	1,315,077	1,497,874	399,163	169,180	—
Advances to third parties	30(c)	(8,576)	(2,933)	(1,759)	—	—
Repayments from third parties	30(c)	11,824	4,271	4,876	1,550	—
Net cash from/(used in) investing activities		51,053	320,231	186,268	38,533	(2,474)
Cash flows from financing activities						
Proceeds from borrowings	30(f)	615,646	283,098	37,000	—	—
Repayments of borrowings	30(f)	(470,808)	(647,190)	(222,800)	(65,000)	(10,000)
Placement of bank deposits restricted for borrowings		(269,315)	(156,729)	—	—	—
Withdrawal of bank deposits restricted for borrowings		132,950	167,329	70,100	60,000	—
Repayments of asset-backed security	30(f)	(105,000)	(125,000)	—	—	—
Interest paid	30(f)	(25,061)	(15,386)	(3,980)	(1,324)	(673)
Dividends paid to a non-controlling shareholder of a subsidiary		(2,400)	—	(1,500)	(1,500)	—
Dividends paid to the then shareholders		—	—	(70,000)	(70,000)	—
Deemed contribution	24(d)	—	50,915	25,500	25,500	—
Deemed distribution	24(e)	—	—	(60,657)	—	—
Prepayments for [REDACTED] expenses		—	(434)	(2,403)	(1,088)	(1,272)
Principal elements of lease payments	30(f)	—	—	(244)	—	—
Capital injection from a non-controlling shareholder		—	—	610	—	—
Net cash used in financing activities		(123,988)	(443,397)	(228,374)	(53,412)	(11,945)
Net increase/(decrease) in cash and cash equivalents		4,051	13,298	(2,209)	(14,570)	(12,977)
Cash and cash equivalents at beginning of the year/period		22,230	26,281	39,579	39,579	37,370
Cash and cash equivalents at end of the year/period		26,281	39,579	37,370	25,009	24,393

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 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 Company is an investment holding company. The Company and its subsidiaries (together 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 (the "[REDACTED] Business"). The ultimate beneficial owners of the Group are Mr. Luan Xiaolong and Mr. Luan Linjiang (the "Ultimate Beneficial Owners").

1.2 Reorganisation

Prior to the incorporation of the Company and a reorganisation (the "Reorganisation") in preparation for the [REDACTED] of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited as described below, the [REDACTED] Business was operated by Gaomi Jiaoyun Natural Gas Co., Ltd. ("Jiaoyun Gas") and its subsidiary, Gaomi Jiaoyun Shihua Natural Gas Co., Ltd. ("Jiaoyun Shihua"). Jiaoyun Gas and Jiaoyun Shihua are companies incorporated in the People's Republic of China (the "PRC") and beneficially owned by the Ultimate Beneficial Owners.

Prior to the completion of the Reorganisation, Jiaoyun Gas also held interest in certain subsidiaries engaged in other business not relating to the [REDACTED] Business (the "Non-[REDACTED] Business"). The [REDACTED] Business and the Non-[REDACTED] Business are operated independently and managed by different management teams.

The Reorganisation mainly involved the following:

Onshore reorganisation steps

(i) Disposal of subsidiaries engaged in the Non-[REDACTED] Business

In September and October 2020, Jiaoyun Gas entered into two agreements with the entities owned by Mr. Luan Linjiang to dispose of its subsidiaries of Gaomi Jiaoyun Thermal Co., Ltd. (高密交運熱力有限公司) ("Jiaoyun Thermal") and Gaoyun Investment (Shandong) Co., Ltd. (高運投資(山東)有限公司) ("Gaoyun Investment") (former named as Weifang Gaoyun Private Capital Management Co., Ltd. (濰坊市高運民間資本管理有限公司)) respectively, which are engaged in the Non-[REDACTED] Business.

(ii) Deregistration of entity with no operations

On 11 May 2021, Gaomi Jiaoyun Natural Gas Co., Ltd. The Second Gas Station (高密市交運天然氣有限公司第二加氣站), a branch office of Jiaoyun Gas, was deregistered.

(iii) Capital injection into Jiaoyun Gas by QMHC LIMITED

On 28 May 2021, QMHC LIMITED ("QMHC"), a third-party company, injected capital in cash to Jiaoyun Gas for its 1.01% equity interest in Jiaoyun Gas (see step (iv) of the offshore reorganisation steps below for further details). As a result, Jiaoyun Gas became a sino-foreign joint venture enterprise.

(iv) Acquisition of Jiaoyun Gas by Jiaoneng Energy Investment (Shandong) Co., Ltd.

On 23 June 2021, Jiaoneng Energy Investment (Shandong) Co., Ltd. ("JY Gas WFOE") acquired 98.99% of the equity interest in Jiaoyun Gas (see step (v) of the offshore reorganisation steps below for further details). Upon completion of the transaction, Jiaoyun Gas was owned as to approximately 98.99% by JY Gas WFOE and 1.01% by QMHC.

Offshore reorganisation steps

(i) Incorporation of the Company

On 9 March 2021, the Company was incorporated in the Cayman Islands with an authorised capital of US Dollar ("USD") 50,000 divided into 500,000,000 ordinary shares of USD0.0001 each. Upon incorporation, one share of the Company was allotted and issued at par value to an initial subscriber, and was subsequently transferred to LLJ Phoenix Limited ("LLJ Phoenix") controlled by Mr. Luan Linjiang at par value. On the same day, 99 shares, 100 shares and 100 shares of the Company, were allotted and issued at par value to LLJ Phoenix, LXL Phoenix Limited ("LXL Phoenix") controlled by Mr. Luan Xiaolong and SEGM Holding Limited ("SEGM Holding"), respectively. The Company was then equally owned by LLJ Phoenix, LXL Phoenix and SEGM Holding.

(ii) Incorporation of JY GAS HOLDING LIMITED and JY GAS HK Limited

On 23 March 2021, JY GAS HOLDING LIMITED ("JY Gas BVI") was incorporated by the Company in the British Virgin Islands ("BVI"). Upon incorporation, one share, representing the entire issued shares capital of JY Gas BVI, was allotted and issued to the Company.

On 22 April 2021, JY GAS HK Limited ("JY Gas HK") was incorporated in Hong Kong as a direct wholly-owned subsidiary of JY Gas BVI. Upon incorporation, one share, representing the entire issued share capital of JY Gas HK, was allotted and issued to JY Gas BVI.

(iii) Incorporation of JY Gas WFOE

On 28 May 2021, JY Gas WFOE was incorporated in Gaomi City, Shandong Province as a direct wholly-owned subsidiary of JY Gas HK.

(iv) Capital injection into Jiaoyun Gas by QMHC

On 28 May 2021, QMHC, an entity directly and wholly-owned by QMRIG LIMITED (("QMRIG"), which is a subsidiary wholly-owned by QMIG LIMITED ("QMIG")), agreed to inject RMB610,000 to Jiaoyun Gas, in return of 1.01% of its equity interest.

(v) Acquisition of Jiaoyun Gas by JY Gas WFOE

On 23 June 2021, JY Gas WFOE acquired 98.99% equity interest in Jiaoyun Gas at a consideration of RMB60,657,000 from its then shareholders. Upon completion of the transaction, Jiaoyun Gas was 98.99% owned by JY Gas WFOE and 1.01% owned by QMHC.

(vi) Allotment of shares in the Company to LLJ Phoenix and LXL Phoenix

On 24 June 2021, the Company allotted and issued 230 and 460 shares to LLJ Phoenix and LXL Phoenix respectively. Upon the allotment, the Company was owned by LXL Phoenix, LLJ Phoenix and SEGM Holding as to 56.57%, 33.33% and 10.10%, respectively.

(vii) Acquisition of QMRIG by the Company

On 20 July 2021, the Company acquired QMRIG by issuing 1% shares of the Company to QMIG. Upon completion of such equity transfer, QMRIG became a direct wholly-owned subsidiary of the Company and the Company was owned by LXL Phoenix, LLJ Phoenix, SEGM Holding and QMIG as to 56%, 33%, 10% and 1%, respectively.

Upon the completion of the Reorganisation on 20 July 2021 and as of the date of this Historical Financial Information, the Company has direct and indirect interests in the following subsidiaries

			Attributable equity interest						
			As at 31 December			As at 30 April			
Name of subsidiary	**Place and date of incorporation**	**Registered/ issued capital**	**2019**	**2020**	**2021**	**2022**	**As of report date**	**Principal activities**	**Note**
Directly held by the Company:									
JY Gas Holding Limited	BVI, 23 March 2021	USD50,000	NA	NA	100%	100%	100%	Investment holding	(i)
QMRIG LIMITED	BVI, 30 March 2021	USD100	NA	NA	100%	100%	100%	Investment holding	(i)
Indirectly held by the Company:									
JY GAS HK Limited	Hong Kong, 22 April 2021	HKD1	NA	NA	100%	100%	100%	Investment holding	(i)
QMHC LIMITED	Hong Kong, 6 May 2021	HKD100	NA	NA	100%	100%	100%	Investment holding	(i)
Jiaoneng Energy Investment (Shandong) Company Limited (交能能源投資(山東)有限公司)*	The PRC, 28 May 2021	RMB30,000,000	NA	NA	100%	100%	100%	Investment holding	(i)
Gaomi Jiaoyun Natural Gas Co., Ltd (高密市交運天然氣有限公司)*	The PRC, 14 July 2003	RMB60,610,000	100%	100%	100%	100%	100%	Selling the natural gas and gas-burning appliance, providing construction and installation services	(ii)
Gaomi Jiaoyun Shihua Natural Gas Co., Ltd (高密市交運實華天然氣有限公司)*	The PRC, 7 April 2013	RMB35,000,000	70%	70%	70%	70%	70%	Operating the gas station	(iii)

* *The English names of the subsidiaries represents the best effort by the Company's management in translating their Chinese names as they do not have official English names.*

(i) No statutory audited financial statements were issued for these companies as they are either newly incorporated or not required to issue audited financial statements under the statutory requirement of their respective place of incorporation.

(ii) Jiaoyun Gas had prepared statutory audited financial statements in accordance with PRC accounting principles and regulations for the years ended 31 December 2019 which were audited by 中興華會計師事務所(特殊普通合夥) (Zhongxinghua Certified Public Accountants LLP).

(iii) Jiaoyun Shihua had prepared statutory audited financial statements in accordance with PRC accounting principles and regulations for the years ended 31 December 2019, 2020 and 2021 which were audited by 濰坊信達有限責任會計師事務所 (Weifang Xinda Certified Public Accountants).

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the [REDACTED] Business is conducted through Jiaoyun Gas and Jiaoyun Shihua. Upon the completion of the Reorganisation, the [REDACTED] Business is transferred to and controlled by the Company. The Company and those companies newly set up during the Reorganisation have not been involved in any other business prior to the Reorganisation. The Reorganisation is merely a recapitalisation of the [REDACTED] Business with no change in management of such business and the Ultimate Beneficial Owners of the [REDACTED] Business remain the same.

Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the [REDACTED] Business and the Historical Financial Information of the companies now comprising the Group has been prepared on a consolidated basis and presented using the respective carrying value of the [REDACTED] Business for all periods presented.

Due to the different nature of the products and business, the [REDACTED] Business and the Non-[REDACTED] Business have been operated as stand-alone businesses and have separate operation teams. Also, separable accounting records and management accounts were maintained and available to capture the results and performance of each business.

The Historical Financial Information has been prepared by including the historical financial information of the Group as if the current group structure had been in existence throughout the Track Record Period and as if the [REDACTED] Business was transferred to the Group at the beginning of the earliest period presented or when such businesses were established, whichever is the shorter period, but excludes the Non-[REDACTED] Business which is not a part of the Group pursuant to the Reorganisation and have historically been managed separately from the [REDACTED] Business.

Inter-company transactions, balances and unrealised gains/losses on transactions between companies within the Group are eliminated on consolidation.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

As at 30 April 2022, the Group's current liabilities exceeded its current assets by approximately RMB88,715,000. Management has prepared a cash flow projection covering a period of not less than twelve months from 30 April 2022. Based on the projection which has taken into account Group's history of its operating performance, its expected future changes in working capital and the undrawn banking facility available from a bank, the directors of the Group (the "Directors") believe that there are sufficient cash resources available to the Group to meet its liabilities as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Historical Financial Information has been prepared under the historical cost convention except that investment properties are measured at fair value.

The preparation of Historical Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The HKICPA has issued a number of new and revised HKFRS during the Track Record Period. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised HKFRSs including HKFRS 9 Financial Instruments ("HKFRS 9"), HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") and HKFRS 16 Leases ("HKFRS 16") consistently throughout the Track Record Period. New standard and amendments to existing standards that have been issued but are not effective and have not been early adopted by the Group are set out below:

	New standards, amendments and interpretations	Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
HKFRS 17	Insurance contract (new standard and amendments)	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of financial statements -classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
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 new standard and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Principles of consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, statements of changes in equity and balance sheet respectively.

2.2.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to shareholders of the Company.

2.3 Business combinations

The acquisition method of accounting is used to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the :

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM").

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the functional currency and presentation currency of the Company and its subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive income within "finance cost — net". All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income within "Other gains/(losses) — net".

2.7 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

-	Buildings	10 - 20 years
-	Gas pipelines	20 years
-	Machinery and equipment	10 years
-	Motor vehicles, furniture and fittings	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss and presented within 'Other gains/(losses) - net' in the consolidated statements of comprehensive income.

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2.8 Investment properties

Investment properties, principally buildings and land, are held for long-term rental yields and are not occupied by the group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, the Group measure all of its investment property at fair value. A gain or loss arising from a change in the fair value of investment property shall be recognised in profit or loss for the period in which it arises.

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Software licenses

Acquired software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Group amortises software with a limited useful life using the straight-line method over 10 years.

2.10 Impairment of non-financial assets

Goodwill is not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Investments and other financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

As of 31 December 2019, 2020, 2021 and 30 April 2022, the Group only has financial assets in the category of financial assets at amortised cost.

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented within "Other gains/(losses) - net" in the consolidated statements of comprehensive income. Impairment losses are presented as separate line item in the statement of comprehensive income.

2.11.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for details.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts (if applicable). Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in profit or loss in the period in which they are incurred.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investments property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 Employee benefits

(a) Short term obligations

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

If the employees leave the plans prior to vesting fully in such contributions, the Group has no right to utilise such contributions under the post-employment benefit plan to reduce the existing level of contributions.

(c) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practise that has created a constructive obligation.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.23 Revenue recognition

Revenue from contracts with customers

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. In addition, when determining the transaction price, the Group consider factors such as whether there is any financing component. The Group considers whether the payment schedule is commensurate with the Group's performance and whether the delayed payment is for finance purpose.

(a) Sale of goods

Revenue from the sale of gas and gas-burning appliances are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the above goods.

(b) Provision of construction and installation services

Revenue from the installation services of gas pipelines is recognised over time, using an input method to measure progress towards complete satisfaction of the service. The input method recognises revenue on the basis of progress towards complete satisfaction of performance obligation, which is measured based on the Group's effort or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended and cost incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

Upon entering a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the cumulative revenue recognised in profit or loss exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in profit or loss.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of trade receivables. A receivable is recognised when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfied its performance obligation.

2.24 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchases of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders, where appropriate.

2.27 Leases

As lessee

The Group have leases in respect of land use rights and leased office building in the PRC. Land use rights are with lease terms of 10 to 50 years. Office building rental contracts are typically made for a fixed period of 3 years.

Lease is recognised as a right-of-use assets and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. The Group uses the incremental borrowing rate, for the implicit rate cannot be readily determined, which is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

As lessor

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheets based on their nature.

2.28 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

(i) The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;

(ii) By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (if any).

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

(i) The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

(ii) The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed by the Group's financial management policies and practises described below.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions settled in RMB.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at the respective balance sheet dates, monetary assets/liabilities which are denominated in a currency other than RMB are insignificant.

(ii) Cash flow and fair value interest rate risk

The fair value interest rate risk relates primarily to the Group's fixed-rate borrowings and other financial assets at amortised cost. The cash flow interest rate risks of the Group relate primarily to floating-rate bank borrowings. Management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term.

The Group's interest rate profile as monitored by management is set out as below.

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial instruments with floating interest rates				
Bank borrowings	30,000	30,000	—	—
Financial instruments with fixed interest rates				
Other borrowings	400,760	146,800	—	—
Bank borrowings	193,300	51,000	37,000	27,000
Asset-backed security	124,337	—	—	—
	718,397	197,800	37,000	27,000

The Group's sensitivity to interest rate risk is prepared assuming the amount of floating-rate borrowings at the end of each reporting period were outstanding. Bank balances are excluded from sensitivity analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates on borrowings at floating rates had been 50 basis point higher/lower with all other variables held constant, the impact on post-tax profit were as follows:

	Increase/(decrease)				
	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Impact on post-tax profit at 50 basis point higher	(113)	(113)	—	—	—
Impact on post-tax profit at 50 basis point lower	113	113	—	—	—

(iii) Price risk

The Group has no significant commodity price risk.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk mainly arises from cash and cash equivalents, restricted bank deposits and trade and other receivables.

(i) Risk management

Credit risk is managed on group basis, except for credit risk relating to trade receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. The Group's credit sales are only made to customers with appropriate credit history. The Group has no significant concentration of credit risk. The carrying amounts of cash and cash equivalents, restricted bank deposits and trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

The credit risk on Group's cash and cash equivalents and restricted bank deposits is limited because the counterparties are banks with high credit ratings. Management does not expect that there will be any significant losses from non-performance by these counterparties.

For gas sales and gas pipelines installation services, the Group receives the advance payment from most of the customers except for certain arrangements with payment installments. The Directors consider the local governments have high-credit quality and are of opinion that adequate provision for uncollectible receivables has been made.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to impairment assessment under the expected credit loss model as prescribed in HKFRS 9.

- Trade receivables, and
- Other receivables

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are considered to be subjected to higher risk of default and are tested individually.

Measurement of expected credit loss on individual basis

	As at 31 December			**As at 30 April**
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Individually assessed trade receivables	38	38	38	38
Loss allowance	(38)	(38)	(38)	(38)

Measurement of expected credit loss on collective basis

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a specific period before each year end date and the corresponding historical credit losses experienced within the periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The loss allowance in respect of these collectively assessed trade receivables amounted to approximately RMB616,000 and RMB621,000 based on an average expected loss rate of approximately 1.87% and 1.87% as at 31 December 2021 and 30 April 2022. The loss allowance as at 31 December 2019 and 2020 was immaterial.

Other receivables

Other receivables mainly include advances to related parties and third parties. Management of the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences. The Group measures credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

- Other receivables that are not credit-impaired on initial recognition are classified in 'Stage 1' and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

- If a significant increase in credit risk (specifically, when the debtor is more than 1 day past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.

- If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to 'Stage 3'. The expected credit loss is measured on lifetime basis.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

As at 31 December 2019, 2020, 2021 and 30 April 2022, other receivables from related parties are not considered as credit-impaired and are classified in 'Stage 1'. The balances of other receivables from related parties and the loss allowance in respect of these receivables are as follows:

	As at 31 December			**As at 30 April**
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected loss rate (%)	0.49%	0.53%	—	—
Gross carrying amount	466,293	215,627	—	—
Loss allowance provision	2,285	1,143	—	—

As at 31 December 2019, 2020 ,2021 and 30 April 2022, the loss allowance provision for other receivables due from third parties was determined and the expected credit losses below also incorporated forward looking information. Other receivables due from third parties for which are overdue over 3 years are classified in "Stage 3". The related loss allowance provision as of 31 December 2019, 2020, 2021 and 30 April 2022, are determined as follows:

	Within credit period	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables (excluding other receivables from related parties)						
As at 31 December 2019						
Expected loss rate (%)	—	5%	100%	—	100%	76%
Gross carrying amount	9,002	200	200	—	29,107	38,509
Loss allowance provision	—	10	200	—	29,107	29,317
As at 31 December 2020						
Expected loss rate (%)	—	—	50%	100%	100%	93%
Gross carrying amount	5,135	—	200	200	28,346	33,881
Loss allowance provision	—	—	100	200	28,346	28,646
As at 31 December 2021						
Expected loss rate(%)	—	—	50%	—	100%	95%
Gross carrying amount	77	—	2,854	—	26,946	29,877
Loss allowance provision	—	—	1,427	—	26,946	28,373
As at 30 April 2022						
Expected loss rate(%)	—	—	50%	—	100%	95%
Gross carrying amount	99	—	2,839	—	26,946	29,884
Loss allowance provision	—	—	1,419	—	26,946	28,365

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of severe financial difficulty.

Impairment losses on trade and other receivables are separately presented as "Net impairment losses on financial assets" in the consolidated statements of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of borrowing facilities. Due to the dynamic nature of the underlying businesses, the Group maintains a reasonable level of cash and cash equivalents, and further supplements this by keeping committed credit lines available.

The Group's primary cash requirements have been for purchases of materials, machinery and equipment and payment of related debts. The Group finances its working capital requirements through a combination of funds generated from operations, bank borrowings and other means of financing (such as asset-backed security financing management).

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flows.

The table below analyses the undiscounted cash outflows relating to the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2019					
Bank and other borrowings	631,457	—	—	—	631,457
Asset-backed security	129,238	—	—	—	129,238
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	20,600	—	—	—	20,600
Lease liabilities (including interest payments)	400	193	602	3,066	4,261
	781,695	193	602	3,066	785,556
As at 31 December 2020					
Bank and other borrowings	231,832	—	—	—	231,832
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	26,837	—	—	—	26,837
Lease liabilities (including interest payments)	193	197	614	2,858	3,862
	258,862	197	614	2,858	262,531

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2021					
Bank and other borrowings	38,010	—	—	—	38,010
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	33,493	3,944	3,287	657	41,381
Lease liabilities (including interest payments)	535	546	627	2,644	4,352
	72,038	4,490	3,914	3,301	83,743
As at 30 April 2022					
Bank and other borrowings	27,238	—	—	—	27,238
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	35,557	3,944	3,287	657	43,445
Lease liabilities (including interest payments)	538	432	631	2,572	4,173
	63,333	4,376	3,918	3,229	74,856

3.2 Capital management

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheets plus net debt.

As at 31 December 2019, 2020 , 2021 and 30 April 2022, the net debt to total capital ratios were as follows:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings (Note 26)	748,397	227,800	37,000	27,000
Lease liabilities (Note 27)	2,502	2,256	2,850	2,727
Less: cash and cash equivalents (Note 22(b))	(26,281)	(39,579)	(37,370)	(24,393)
Net debt	724,618	190,477	2,480	5,334
Total equity	44,956	145,393	109,220	121,078
Total capital	769,574	335,870	111,700	126,412
Net debt to total capital ratio	94.2%	56.7%	2.2%	4.2%

Due to the increase in the Group's total equity as a result of the Group's profitable operation and the decrease in net debt due to the repayment of borrowings, the Group's total equity increased and net debt decreased, which lead to a significant decrease in the gearing ratio in 2020.

The Group's total equity decreased due to the dividends declared to then shareholders and deemed distribution as a result of the Group's reorganisation, while the Group repaid most of the borrowings, which lead to a further significant decrease in the gearing ratio in 2021.

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The Group analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follow:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments, and

- discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (Level 3)

As at 31 December 2019, 2020, 2021 and 30 April 2022, the Group does not have any financial assets/liabilities which are required to be measured at fair value.

(b) Non-Financial assets and liabilities

(i) Fair value hierarchy

An independent valuation of the Group's investment properties was performed by the independent and professionally qualified valuer, to determine the fair value of the investment properties as at 31 December 2019, 2020, 2021 and 30 April 2022.

As certain of significant inputs used in the determination of fair value of investment properties are arrived at by reference to certain significant unobservable market data, the fair value of investment properties of the Group are included in level 3 of the fair value measurement hierarchy as follows.

	Level 1	**Level 2**	**Level 3**	**Total**
As at 31 December 2019				
— Investment properties	—	—	67,680	67,680
As at 31 December 2020				
— Investment properties	—	—	68,640	68,640
As at 31 December 2021				
— Investment properties	—	—	69,720	69,720
As at 30 April 2022				
— Investment properties	—	—	70,500	70,500

There were no transfers among different categories during the year.

(ii) Valuation techniques used to determine level 2 and level 3 fair values

The Group obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Directors consider information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences

- discounted cash flow projections based on reliable estimates of future cash flows, and

- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The level 3 fair value of investment properties has been derived using the direct comparison approach. The key inputs under this approach are the price per square metre from current year sales of comparable lots of properties in the area (location and size), supplementary land price (i.e. price for renewal of land use rights upon expiring of lease terms) and adjustments ratio for different location, floor and transaction date, etc.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The movements in the level 3 investments properties during the years ended 31 December 2019, 2020, 2021 and the four months ended 30 April 2021 and 2022 are presented in Note 14.

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements (see (ii) above for the valuation techniques adopted):

	Fair value					**Range of inputs**				
	As at 31 December			**As at 30 April**		**As at 31 December**			**As at 30 April**	**Relationship of unobservable inputs**
	2019	**2020**	**2021**	**2022**	**Significant unobservable inputs**	**2019**	**2020**	**2021**	**2022**	**to fair value**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*						
Investment properties	67,680	68,640	69,720	70,500	Supplementary land price (RMB)	141/m^2	151/m^2	155/m^2	158/m^2	The higher supplementary land price, the lower fair value
					Adjustments ratio for difference in					
					- location	14%-19%	14%-19%	23%-38%	23%-40%	The lower adjustments factor, the higher fair value
					- floor	80%-100%	80%-100%	80%-100%	80%-100%	The higher adjustments factor, the higher fair value
					- price after adjustments for transaction date (RMB)	4,952/m^2	5,048/m^2	5,950/m^2	6,394/m^2	The higher adjustments factor, the higher fair value

(v) Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year. As at 31 December 2019, 2020, 2021 and 30 April 2022, the fair values of the investment properties have been determined by APAC Assets Valuation and Consulting Limited, an independent valuer.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimation of the useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature. Management will increase the depreciation charges where useful lives are less than previously estimated lives. Periodic review could result in a change in useful lives and therefore depreciation expense in the future periods.

(b) Deferred income tax

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Significant management judgement is required to determine the amount of deferred income tax assets that can be recognised based upon the likely timing and the level of future taxable profits of the individual entities together with tax planning strategies.

5 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 Historical Financial Information. The Group's total revenues are all from domestic customers in the PRC. Accordingly, no geographical information is presented.

(a) Revenue from external customers

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue recognised at a point in time:					
Revenue from PNG sales	281,783	246,959	305,150	104,820	133,215
Revenue from CNG and LNG sales	35,677	22,726	22,023	7,123	9,013
Revenue from sales of gas-burning appliance	5,392	25,813	52,834	6,089	1,559
	322,852	295,498	380,007	118,032	143,787
Revenue recognised over time:					
Revenue from construction and installation services	31,379	52,445	60,887	17,930	14,466
Total	354,231	347,943	440,894	135,962	158,253

During the years ended 31 December 2019, 2020, 2021 and for the four months ended 30 April 2021 and 2022, no revenue derived from transactions with a single customer represent 10% or more of the Group's total revenue.

(b) Contract liabilities

The Group has recognised the following liabilities related to contract with customers:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PNG sales	58,491	71,724	87,577	78,023
Construction and installation services	27,107	40,114	12,386	6,711
CNG and LNG sales	970	1,387	1,193	1,032
Sales of gas-burning appliance	1,259	11,024	147	48
	87,827	124,249	101,303	85,814

Contract liabilities of the Group mainly represent the payments received in advance from customers while the underlying goods or services are yet to be delivered by the Group.

Revenue recognised in relation to contract liabilities balance at the beginning of the year/period:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
PNG sales	56,164	57,825	71,313	40,517	47,603
Construction and installation services	20,953	27,107	40,114	17,782	6,510
CNG and LNG sales	1,481	970	1,387	1,387	1,088
Sales of gas-burning appliance	165	1,259	11,024	3,553	93
	78,763	87,161	123,838	63,239	55,294

(c) Unsatisfied performance obligations

There is no significant long-term unsatisfied performance obligations in the Track Record Period. For the above contracts with customers, they are rendered in short period of time, which is generally less than one year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

6 Other income

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Rental income from a related party (Note 32(e)(i))	229	229	1,941	101	1,193
Government subsidy (Note a)	—	—	13,455	—	—
	229	229	15,396	101	1,193

Note:

(a) Jiaoyun Gas has received the subsidy of RMB13,455,000 from the local government in June 2021 for the implementation of zero-coal services and there are no unfulfilled conditions or other contingencies attached to these grants.

7 Other gains/(losses), net

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Fair value gain on investment properties (Note 14)	1,980	960	1,080	—	780
Losses on disposal of property, plant and equipment	(399)	(228)	(266)	(266)	—
Donations	—	(1,150)	—	—	—
Others	(117)	109	49	47	74
	1,464	(309)	863	(219)	854

8 Expenses by nature

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

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of natural gas	240,686	201,540	265,800	95,398	123,439
Materials used in construction and installation services	10,610	17,568	23,906	6,260	5,122
Cost of gas-burning appliance sold	4,025	12,068	28,367	2,670	971
Employee benefit expenses (Note 9)	12,158	10,718	9,399	3,195	2,729
Depreciation and amortisation					
- Property, plant and equipment (Note 13)	7,859	8,430	8,742	2,927	3,061
- Right-of-use assets (Note 15)	488	488	608	188	211
- Intangible assets (Note 16)	11	5	6	3	4
Taxes and surcharges	1,198	1,902	2,002	516	501
Repairs and maintenance costs	3,166	2,639	520	137	106
Utility costs	1,239	796	888	302	479
Vehicle costs	882	709	653	123	81
Outsourced construction labor cost	386	3,434	11,591	1,871	1,279
Auditor's remuneration	67	67	—	—	—
[REDACTED] expenses	—	3,974	5,838	1,158	4,192
Other expenses	3,635	3,625	4,518	714	1,757
Total cost of sales and administrative expenses	286,410	267,963	362,838	115,462	143,932

9 Employee benefit expenses

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Wages, salaries, bonuses and allowances	11,623	10,205	7,289	2,666	1,969
Welfare and other expenses	352	280	591	139	163
Social insurance	153	147	1,279	326	499
Housing subsidies	30	86	240	64	98
	12,158	10,718	9,399	3,195	2,729

Note:

The social insurance and housing subsidies of certain seconded employees are undertaken by related parties of the Group.

(a) Five highest paid individuals

None of the Directors are the five individuals whose emoluments were the highest in the Group for the years ended 31 December 2019, 2020, 2021 and the four months ended 30 April 2021 and 2022 and the emoluments of the Directors are reflected in the analysis presented in Note 33. The emoluments paid or payables to the five highest paid individuals during the years ended 31 December 2019, 2020, 2021 and the four months ended 30 April 2021 and 2022 are as follows:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Wages, salaries, bonuses and allowances	466	489	499	138	110
Welfare and other expenses	17	13	13	11	11
Social insurance	—	6	95	27	28
Housing subsidies	—	5	19	5	6
	483	513	626	181	155

The emoluments to the five highest paid non-director individuals fell within the following bands:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
				(Unaudited)	
Emolument bands (in HK dollar)					
Less than HK$1,000,000	5	5	5	5	5

10 Finance income and costs, net

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Interest income:					
- Bank deposits	3,625	3,065	512	105	37
- Other interest income	—	—	—	—	287
Total finance income	3,625	3,065	512	105	324
Interest expense:					
- Bank borrowings	(12,261)	(11,267)	(3,938)	(1,324)	(673)
- Asset-backed security	(13,509)	(4,782)	—	—	—
- Interest expense of lease liabilities	(165)	(154)	(181)	(60)	(55)
- Other interest expense	—	—	—	—	(110)
Total finance costs	(25,935)	(16,203)	(4,119)	(1,384)	(838)
Finance costs, net	(22,310)	(13,138)	(3,607)	(1,279)	(514)

11 Income tax expense

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current income tax:					
- PRC enterprise income tax	11,433	16,285	22,486	4,689	3,602
- Deferred income tax (Note 28)	1,689	1,154	648	606	397
	13,122	17,439	23,134	5,295	3,999

A reconciliation of the tax charge applicable to profit before income tax using the applicable tax rates for relevant tax jurisdictions to the tax expenses is as follows:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit before income tax	50,148	68,461	91,508	20,908	15,857
Tax calculated at applicable tax rates (25%)	12,537	17,115	22,877	5,227	3,964
Expenses not deductible for taxation purposes	585	324	257	68	35
Income tax expense	13,122	17,439	23,134	5,295	3,999

1. Cayman Islands Income Tax

The Company is incorporated under the law of the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to Cayman Islands income tax.

2. British Virgin Islands Income Tax

Under the current laws of the BVI, the BVI subsidiary is not subject to tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the BVI.

3. Hong Kong Profits Tax

No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the Track Record Period.

4. PRC Enterprise Income Tax ("EIT")

The income tax of the Group in respect of its operations in PRC was calculated at the tax rate of 25% on the assessable profits for the Track Record Period.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax ("WHT"). If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

During the Track Record Period, the Group does not have any plan for its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as of the end of each reporting year/period.

12 Earnings per share

Basic earnings per share for the years ended 31 December 2019, 2020, 2021 and the four months ended 30 April 2021 and 2022 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year/period. The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the issue of shares in connection with the Reorganisation completed on 20 July 2021.

	Year ended 31 December			**Four months ended 30 April**	
	2019	**2020**	**2021**	**2021**	**2022**
				(Unaudited)	
Profit attributable to owners of the Company (RMB'000)	35,223	50,081	67,505	15,253	11,318
Weighted average number of ordinary shares in issue	1,000	1,000	1,000	1,000	1,000
Basic earnings per share (expressed in RMB'000 per share)	35.22	50.08	67.51	15.25	11.32

As the Company has no dilutive instruments during the Track Record Period, the Group's diluted earnings per share equals to its basic earnings per share.

13 Property, plant and equipment

	Buildings	Gas pipelines	Machinery and equipment	Motor vehicles, furnitures and fittings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2019						
Cost	18,105	94,691	28,968	2,828	1,709	146,301
Accumulated depreciation	(4,566)	(22,536)	(13,577)	(2,242)	—	(42,921)
Net book amount	13,539	72,155	15,391	586	1,709	103,380
Year ended 31 December 2019						
Opening net book amount	13,539	72,155	15,391	586	1,709	103,380
Additions	—	—	26	112	12,610	12,748
Transfers	77	13,197	—	—	(13,274)	—
Disposals	—	—	(796)	(1)	—	(797)
Depreciation charges	(898)	(4,813)	(2,304)	(173)	—	(8,188)
Closing net book amount	12,718	80,539	12,317	524	1,045	107,143
As at 31 December 2019						
Cost	18,182	107,888	28,048	2,927	1,045	158,090
Accumulated depreciation	(5,464)	(27,349)	(15,731)	(2,403)	—	(50,947)
Net book amount	12,718	80,539	12,317	524	1,045	107,143
Year ended 31 December 2020						
Opening net book amount	12,718	80,539	12,317	524	1,045	107,143
Additions	—	—	113	517	10,199	10,829
Transfers	—	11,244	—	—	(11,244)	—
Disposals	(64)	—	(296)	(3)	—	(363)
Depreciation charges	(904)	(5,341)	(2,191)	(148)	—	(8,584)
Closing net book amount	11,750	86,442	9,943	890	—	109,025
As at 31 December 2020						
Cost	18,099	119,132	27,771	3,393	—	168,395
Accumulated depreciation	(6,349)	(32,690)	(17,828)	(2,503)	—	(59,370)
Net book amount	11,750	86,442	9,943	890	—	109,025
Year ended 31 December 2021						
Opening net book amount	11,750	86,442	9,943	890	—	109,025
Additions	—	—	—	197	18,162	18,359
Transfers	—	18,015	—	—	(18,015)	—
Disposals	—	—	(345)	(3)	—	(348)
Depreciation charges	(902)	(5,785)	(1,954)	(216)	—	(8,857)
Closing net book amount	10,848	98,672	7,644	868	147	118,179
As at 31 December 2021						
Cost	18,099	137,147	26,476	3,532	147	185,401
Accumulated depreciation	(7,251)	(38,475)	(18,832)	(2,664)	—	(67,222)
Net book amount	10,848	98,672	7,644	868	147	118,179

	Buildings	Gas pipelines	Machinery and equipment	Motor vehicles, furnitures and fittings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Four months ended 30 April 2022						
Opening net book amount	10,848	98,672	7,644	868	147	118,179
Additions	—	—	—	32	2,460	2,492
Transfers	—	2,472	—	—	(2,472)	—
Depreciation charges	(269)	(2,404)	(332)	(74)	—	(3,079)
Closing net book amount	10,579	98,740	7,312	826	135	117,592
As at 30 April 2022						
Cost	18,099	139,619	26,476	3,564	135	187,893
Accumulated depreciation	(7,520)	(40,879)	(19,164)	(2,738)	—	(70,301)
Net book amount	10,579	98,740	7,312	826	135	117,592
(Unaudited)						
Four months ended 30 April 2021						
Opening net book amount	11,750	86,442	9,943	890	—	109,025
Additions	—	—	—	44	815	859
Transfers	—	733	—	—	(733)	—
Disposals	—	—	(345)	(3)	—	(348)
Depreciation charges	(301)	(1,900)	(657)	(82)	—	(2,940)
Closing net book amount	11,449	85,275	8,941	849	82	106,596
As at 30 April 2021						
Cost	18,099	119,865	26,476	3,379	82	167,901
Accumulated depreciation	(6,650)	(34,590)	(17,535)	(2,530)	—	(61,305)
Net book amount	11,449	85,275	8,941	849	82	106,596

Depreciation charged to profit or loss and capitalised as construction in progress is analysed as follows:

	Year ended 31 December			**Four months ended 30 April**	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of sales	7,808	8,319	8,629	2,873	3,002
Administrative expenses	51	111	113	54	59
	7,859	8,430	8,742	2,927	3,061
Capitalised as construction in progress	329	154	115	13	18
	8,188	8,584	8,857	2,940	3,079

The Group was in the process of applying the ownership certificates for certain buildings as follows:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net book amount of buildings without ownership certificates	6,406	3,841	2,521	2,479

The Directors are of the view that the Group is entitled to the lawful and valid occupancy and uses of these buildings and the related ownership certificates will be obtained in due course. The Directors are also of the opinion that the uses of these buildings without the ownership certificates for the Group's business operations for the time being will not expose the Group to any significant penalties or unfavourable consequences.

As at 31 December 2019, the Group's certain machinery and equipments with carrying amounts of approximately RMB1,711,000 (cost: RMB13,417,000) and certain gas pipelines, had been pledged as part of collateral for the asset-backed security issued by Jiaoyun Gas (Note 26(a)).

The Directors of the Company considered that the Group is able to control the significant residual interests in its gas pipeline facilities at the expiry of the related concession agreements. As such, the Directors concluded that the gas pipeline facilities and the related concession do not fall within the scope of HK(IFRIC) Interpretation 12 "Service Concession Arrangements".

14 Investment properties

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Opening balance at beginning of the year/period	65,700	67,680	68,640	68,640	69,720
Gains from fair value adjustment	1,980	960	1,080	—	780
Closing balance at end of the year/period	67,680	68,640	69,720	68,640	70,500

During the Track Record Period, rental income arising from leasing of investment properties and other gains from the fair value changes of the investment properties are as follows:

	Year ended 31 December			**Four months ended 30 April**	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Rental income (Notes 6 and 32(e)(i))	229	229	1,941	101	1,193
Fair value gains recognised for the year/period (Note 7)	1,980	960	1,080	—	780

An independent valuation of the investment properties was performed by an independent professionally qualified valuer, APAC Asset Valuation and Consulting Limited, who holds a recognised professional qualification and has experience of the investment properties valued. Investment properties were valued by sale comparison approach where comparison is made based on prices realised or market prices of comparable properties. Comparable properties of similar size, character and location are carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

As at 31 December 2019, 2020, 2021 and 30 April 2022, investment properties with carrying amount of approximately RMB67,680,000, RMB68,640,000, RMB69,720,000 and RMB70,500,000 have been pledged as collateral for bank borrowings of RMB37,000,000, RMB37,000,000, RMB37,000,000 and RMB27,000,000, respectively (Notes 26(b)(ii) and (iii)).

15 Right-of-use assets

	Land use rights	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2019			
Cost	6,081	2,962	9,043
Accumulated amortisation	(670)	(343)	(1,013)
Net book amount	5,411	2,619	8,030
Year ended 31 December 2019			
Opening net book amount	5,411	2,619	8,030
Amortisation charges	(145)	(343)	(488)
Closing net book amount	5,266	2,276	7,542
As at 31 December 2019			
Cost	6,081	2,962	9,043
Accumulated amortisation	(815)	(686)	(1,501)
Net book amount	5,266	2,276	7,542
Year ended 31 December 2020			
Opening net book amount	5,266	2,276	7,542
Amortisation charges	(145)	(343)	(488)
Closing net book amount	5,121	1,933	7,054
As at 31 December 2020			
Cost	6,081	2,275	8,356
Accumulated amortisation	(960)	(342)	(1,302)
Net book amount	5,121	1,933	7,054
Year ended 31 December 2021			
Opening net book amount	5,121	1,933	7,054
Additions	3,976	936	4,912
Amortisation charges	(183)	(425)	(608)
Closing net book amount	8,914	2,444	11,358
As at 31 December 2021			
Cost	10,057	3,211	13,268
Accumulated amortisation	(1,143)	(767)	(1,910)
Net book amount	8,914	2,444	11,358

	Land use rights	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Four months ended 30 April 2022			
Opening net book amount	8,914	2,444	11,358
Amortisation charges	(68)	(143)	(211)
Closing net book amount	8,846	2,301	11,147
As at 30 April 2022			
Cost	10,057	3,211	13,268
Accumulated amortisation	(1,211)	(910)	(2,121)
Net book amount	8,846	2,301	11,147
(Unaudited)			
Four months ended 30 April 2021			
Opening net book amount	5,121	1,933	7,054
Additions	—	936	936
Amortisation charges	(47)	(141)	(188)
Closing net book amount	5,074	2,728	7,802
As at 30 April 2021			
Cost	6,081	3,211	9,292
Accumulated amortisation	(1,007)	(483)	(1,490)
Net book amount	5,074	2,728	7,802

Amortisation of the Group charged to profit or loss is analysed as follows:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of sales	351	351	418	124	147
Administrative expenses	137	137	190	64	64
	488	488	608	188	211

16 Intangible assets

	Goodwill	Software licenses	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2019			
Cost	4,218	110	4,328
Accumulated amortisation	—	(67)	(67)
Net book amount	4,218	43	4,261
Year ended 31 December 2019			
Opening net book amount	4,218	43	4,261
Amortisation charges	—	(11)	(11)
Closing net book amount	4,218	32	4,250
As at 31 December 2019			
Cost	4,218	110	4,328
Accumulated amortisation	—	(78)	(78)
Net book amount	4,218	32	4,250
Year ended 31 December 2020			
Opening net book amount	4,218	32	4,250
Amortisation charges	—	(5)	(5)
Closing net book amount	4,218	27	4,245
As at 31 December 2020			
Cost	4,218	110	4,328
Accumulated amortisation	—	(83)	(83)
Net book amount	4,218	27	4,245
Year ended 31 December 2021			
Opening net book amount	4,218	27	4,245
Additions	—	93	93
Amortisation charges	—	(6)	(6)
Closing net book amount	4,218	114	4,332
As at 31 December 2021			
Cost	4,218	203	4,421
Accumulated amortisation	—	(89)	(89)
Net book amount	4,218	114	4,332

	Goodwill	Software licenses	Total
	RMB'000	*RMB'000*	*RMB'000*
Four months ended 30 April 2022			
Opening net book amount	4,218	114	4,332
Amortisation charges	—	(4)	(4)
Closing net book amount	4,218	110	4,328
As at 30 April 2022			
Cost	4,218	203	4,421
Accumulated amortisation	—	(93)	(93)
Net book amount	4,218	110	4,328
(Unaudited)			
Four months ended 30 April 2021			
Opening net book amount	4,218	27	4,245
Amortisation charges	—	(3)	(3)
Closing net book amount	4,218	24	4,242
As at 30 April 2021			
Cost	4,218	110	4,328
Accumulated amortisation	—	(86)	(86)
Net book amount	4,218	24	4,242

The amortisation of software licenses has been charged to administrative expenses.

(a) Goodwill

The goodwill was arisen from the acquisition of Jiaoyun Shihua and was allocated to the CGU of Jiaoyun Shihua for impairment testing.

Management performed an impairment assessment on the goodwill at the end of each year and concluded that no impairment charge has to be recognised. The recoverable amount of the CGU of Jiaoyun Shihua has been determined based on a value-in-use calculation using cash flow projection based on a financial budget covering a five-year period approved by management. The pre-tax discount rates applied to the cash flow projections for each year are in a range of approximately 10% to 11%.

The following table sets out each key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
Revenue growth rate in perpetual period	2%	2%	2%	2%
Gross margin	17 - 20%	16 - 17%	16 - 17%	16 - 17%
Pre-tax discount rate	11%	10%	11%	11%

Based on the result of the goodwill impairment testing, the estimated recoverable amount of the CGU far exceeded its carrying amount and the headroom was as follows:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Headroom	40,213	39,652	44,959	45,162

The management performed the sensitivity analysis based on the abovementioned key assumptions have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue growth rate in perpetual period decreased by 5%	39,611	39,053	44,328	44,503
Gross margin decreased by 5%	24,141	22,720	26,718	26,715
Pre-tax discount rate increased by 5%	36,077	35,570	40,589	40,744

Management has also concluded that there is no reasonably possible change to a key assumption used in determining recoverable amount that would cause the CGU's carrying amount to exceed its recoverable amount.

17 Financial instruments by category

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortised cost				
Trade and other receivables (Note 19)	476,166	219,945	33,762	34,062
Restricted bank deposits (Note 22(a))	204,000	75,100	—	—
Cash and cash equivalents (Note 22(b))	26,281	39,579	37,370	24,393
	706,447	334,624	71,132	58,455
Liabilities at amortised cost				
Borrowings (Note 26)	748,397	227,800	37,000	27,000
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	20,600	26,837	40,798	42,929
Lease liabilities (Note 27)	2,502	2,256	2,850	2,727
	771,499	256,893	80,648	72,656

18 Other non-current assets

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for land use rights	2,820	4,476	4,027	4,027

19 Trade and other receivables

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Trade receivables (Note a)				
- third parties	—	—	19,469	19,636
Less: provision for impairment of trade receivables	—	—	(370)	(374)
	—	—	19,099	19,262
Current				
Trade receivables (Note a)				
- third parties	3,004	264	13,443	13,566
Less: provision for impairment of trade receivables	(38)	(38)	(284)	(285)
Trade receivables - net	2,966	226	13,159	13,281
Other receivables				
- Amounts due from related parties (Note 32(i))	466,293	215,627	—	—
- Amounts due from third parties	38,509	33,881	29,877	29,884
	504,802	249,508	29,877	29,884
Less: provision for impairment of other receivables	(31,602)	(29,789)	(28,373)	(28,365)
Other receivables - net	473,200	219,719	1,504	1,519
	476,166	219,945	14,663	14,800
Total trade and other receivables , net	476,166	219,945	33,762	34,062

(a) Aging analysis of trade receivables at each balance sheet date based on their recording dates were as follows:

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	2,966	226	32,874	33,164
Over 3 years	38	38	38	38
	3,004	264	32,912	33,202

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

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. Note 3.1 provides for details about the calculation of the allowance.

During the year ended 31 December 2021, the Group has entered into agreements with local governments in the Gaomi City for the sales of certain gas-burning appliance and the provision of certain construction and installation services ("clean energy projects") which are with instalment settlement terms over a period of three years. As at 31 December 2021 and 30 April 2022, trade receivables of the clean energy projects amounted to RMB32,402,000 and RMB32,689,000 respectively. The portion which are not expected to be recovered by the Group within the next twelve months from the balance sheet date has been classified as non-current trade receivables.

(b) Other receivables are unsecured, interest free and repayable on demand.

(c) The carrying amounts of trade and other receivables are all denominated in RMB.

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

	Year ended 31 December			**Four months ended 30 April**	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
At beginning of the year/period	38	38	38	38	654
Provision	—	—	616	—	5
At the end of the year/period	38	38	654	38	659

The carrying amounts of trade receivables approximate their fair values.

(e) *Movement of provision for impairment of other receivables is as follows:*

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
At beginning of the year/period	34,546	31,602	29,789	29,789	28,373
Provision	555	401	1,427	—	—
Reversal	(3,499)	(2,100)	(2,843)	(1,805)	(8)
Written-off	—	(114)	—	—	—
At the end of the year/period	31,602	29,789	28,373	27,984	28,365

The carrying amounts of other receivables approximate their fair values.

20 Prepayments and other current assets

The Group

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for:				
- natural gas and other construction materials	16,002	13,527	24,772	14,687
- [REDACTED] expenses	—	434	2,837	4,109
- other expenses	286	320	344	339
Value-added tax recoverable	1,682	1,945	2,176	2,468
	17,970	16,226	30,129	21,603

The Company

	As at 31 December	As at 30 April
	2021	**2022**
	RMB'000	*RMB'000*
Prepayments for [REDACTED] expenses	2,837	4,109

21 Inventories

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Natural gas and other construction materials	8,507	8,371	6,936	8,156
Gas-burning appliance	1,742	6,562	2,402	1,934
	10,249	14,933	9,338	10,090

The inventories recognised as expenses and included in cost of sales are analysed as follows:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Natural gas	240,686	201,540	265,800	95,398	123,439
Construction materials	10,610	17,568	23,906	6,260	5,122
Gas-burning appliance	4,025	12,068	28,367	2,670	971
	255,321	231,176	318,073	104,328	129,532

22 Cash and bank balances

(a) Restricted bank deposits

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted bank deposits	204,000	75,100	—	—

The analysis of restricted bank deposits of the Group on each balance sheet date is as follows:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Security deposits for borrowings	194,000	75,100	—	—
Security deposits for bank borrowings of a related party	10,000	—	—	—
	204,000	75,100	—	—

(b) Cash and cash equivalents

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	1,504	1,825	1,872	1,310
Cash at bank	24,777	37,754	35,498	23,083
	26,281	39,579	37,370	24,393

Cash and bank deposits (including restricted bank deposits) are all denominated in Renminbi.

The carrying amounts of cash and bank deposits approximates their fair values.

23 Share capital and share premium

(a) Share capital

The Company was incorporated on 9 March 2021 with an authorised capital of USD50,000 divided into 500,000,000 ordinary shares of USD0.0001 each.

As of 31 December 2021 and 30 April 2022, 1,000 shares have been issued by the Company and the nominal value of the Company's issued share capital is USD0.1.

(b) Share premium

Share premium of the Company represent the net asset value of the subsidiaries comprising the Group acquired by the Company in excess of the nominal value of the Company's shares issued for the interests of the subsidiaries pursuant to the Reorganisation.

24 Reserves

	Combined capital	**Merger reserve**	**Statutory reserve**	**Safety fund**	**Other reserve**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2019	60,000	—	—	2,471	(65,500)	(3,029)
Profit appropriation to statutory reserves	—	—	2,471	—	—	2,471
Safety fund						
- appropriation	—	—	—	3,886	—	3,886
- utilisation	—	—	—	(2,989)	—	(2,989)
Balance at 31 December 2019	60,000	—	2,471	3,368	(65,500)	339
Balance at 1 January 2020	60,000	—	2,471	3,368	(65,500)	339
Profit appropriation to statutory reserves	—	—	5,169	—	—	5,169
Safety fund						
- appropriation	—	—	—	3,935	—	3,935
- utilisation	—	—	—	(2,383)	—	(2,383)
Deemed contribution (Note d)	—	—	—	—	50,915	50,915
Balance at 31 December 2020	60,000	—	7,640	4,920	(14,585)	57,975

	Combined capital	Merger reserve	Statutory reserve	Safety fund	Other reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021	60,000	—	7,640	4,920	(14,585)	57,975
Profit appropriation to statutory reserves	—	—	6,549	—	—	6,549
Safety fund						
- appropriation	—	—	—	3,531	—	3,531
- utilisation	—	—	—	(117)	—	(117)
Proceeds from QMHC LIMITED	610	—	—	—	—	610
Completion of reorganisation	(60,610)	(67,392)	—	—	—	(128,002)
Deemed contribution (Note d)	—	—	—	—	25,500	25,500
Deemed distribution (Note e)	—	—	—	—	(60,657)	(60,657)
Balance at 31 December 2021	—	(67,392)	14,189	8,334	(49,742)	(94,611)
Balance at 1 January 2022	—	(67,392)	14,189	8,334	(49,742)	(94,611)
Safety fund						
- appropriation	—	—	—	1,014	—	1,014
- utilisation	—	—	—	(92)	—	(92)
Balance at 30 April 2022	—	(67,392)	14,189	9,256	(49,742)	(93,689)
(Unaudited)						
Balance at 1 January 2021	60,000	—	7,640	4,920	(14,585)	57,975
Safety fund						
- appropriation	—	—	—	1,177	—	1,177
- utilisation	—	—	—	(110)	—	(110)
Deemed contribution (Note d)	—	—	—	—	25,500	25,500
Balance at 30 April 2021	60,000	—	7,640	5,987	10,915	84,542

(a) Combined capital

The Reorganisation was completed in July 2021. Combined capital as at 31 December 2019 and 2020 represented the combined registered capital of the companies now comprising the Group after elimination of inter-company investment.

(b) Statutory reserve

In accordance with the relevant laws and regulations of the PRC, when distributing the net profit of each year, the Company's subsidiaries in the PRC shall set aside 10% of its profit after income tax (based on the PRC statutory financial statements and after offsetting accumulated losses from prior years) for the statutory reserve fund (except where the reserve balance has reached 50% of the paid-in capital).

Statutory reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities.

(c) Safety fund

Entities operating in dangerous goods production and storage industry are required to maintain a reserve of safety fund which are to be appropriated based on entities' actual revenue on natural gas distribution from the previous year in accordance with rules and regulations as established by the Ministry of Finance and Administration of Work Safety. The safety fund should be utilised specifically for the actual expenditure being used to complete and enhance the entities' safety environments. The safety fund is appropriated from retained earnings and is accumulated and credited to other reserves. Upon the Group has actually incurred the qualifying safety expenditure, the expenditure being incurred will be expensed as cost of sales and an equivalent amount will be deducted from other reserves accordingly.

(d) Deemed contribution

As part of the Reorganisation as mentioned in Note 1.2, Jiaoyun Gas has completed the disposal of its equity interests in Jiaoyun Thermal and Gaoyun Investment which are engaged in the Non-[REDACTED] Business. In accordance with the basis of presentation as set out in Note 1.3, the financial results and positions of the Non-[REDACTED] Business have not been included in this Historical Financial Information.

Accordingly, the investment costs, dividend and proceeds from disposal as described below relating to Jiaoyun Thermal and Gaoyun Investment have been excluded from this Historical Financial Information and been accounted for as deemed contributions in respective year/period:

— The investment costs of Jiaoyun Thermal and Gaoyun Investment of RMB40,000,000 and RMB25,500,000, respectively have been excluded as at 1 January 2019, the beginning of the Track Record Period;

— Jiaoyun Gas received a dividend of RMB10,615,000 which was declared by Jiaoyun Thermal in July 2020;

— In September 2020, Jiaoyun Gas disposed of its entire 80% equity interest in Jiaoyun Thermal to Gaomi Jiaoyun Group Co., Ltd. (高密市交運集團有限公司) ("Jiaoyun Group") (former named as Gaomi Jiaoyun Investment Holdings Co., Ltd. (高密市交運控股有限公司)) at a cash consideration of RMB40,300,000; and

— In March 2021, Jiaoyun Gas disposed of its entire 51% equity interest in Gaoyun Investment to Gaomi Jiaoyun Property Co., Ltd. (高密市交運置業有限公司) ("Jiaoyun Property") at a cash consideration of RMB25,500,000.

(e) Deemed distribution

As part of the Reorganisation as mentioned in Note 1.2, JY Gas WFOE acquired 98.99% equity interest in Jiaoyun Gas at a consideration of RMB60,657,000 from its then shareholders. On 29 June 2021, JY Gas has fully settled the consideration by utilising the Group's internal funding. The settlement of the aforesaid purchase consideration has been accounted for as a deemed distribution to the then shareholders.

25 Trade and other payables

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Trade payables (Note a)				
- third parties	—	—	7,306	7,373
Current				
Trade payables (Note a)				
- third parties	13,606	15,248	25,337	22,962
- related parties (Note 32(i))	5,486	5,896	4,093	4,806
	19,092	21,144	29,430	27,768
Other payables				
- Value-added tax payable	7,954	11,622	9,074	8,035
- Other taxes payable	311	502	3,630	236
- Amounts due to related parties (Note 32(i))	1,302	2,652	590	696
- [REDACTED] expenses payable	—	1,660	2,152	5,691
- Salaries and staff welfare payable	1,140	1,288	1,621	1,719
- Others	206	1,381	1,320	1,401
	10,913	19,105	18,387	17,778
	30,005	40,249	47,817	45,546
Total trade and other payables	30,005	40,249	55,123	52,919

(a) *The aging of trade payables is analysed as follows:*

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 1 year	13,612	14,529	34,754	32,789
1 - 2 years	3,937	5,121	1,106	1,451
2 - 3 years	758	521	438	436
Over 3 years	785	973	438	465
	19,092	21,144	36,736	35,141

(b) *The carrying amounts of trade and other payables are all denominated in Renminbi.*

(c) *The carrying amounts of trade and other payables approximate their fair values.*

26 Borrowings

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Asset-backed security (Note a)	124,337	—	—	—
Less: Current portion of asset-backed security	(124,337)	—	—	—
	—	—	—	—
Current				
Bank borrowings (Note b)				
- guaranteed	173,000	44,000	—	—
- secured and guaranteed	37,000	37,000	—	—
- secured	13,300	—	37,000	27,000
	223,300	81,000	37,000	27,000
Other borrowings (Note c)				
- secured	400,760	146,800	—	—
Current portion of asset-backed security (Note a)	124,337	—	—	—
Total	748,397	227,800	37,000	27,000

(a) Asset-backed security ("ABS")

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Asset-backed security	124,337	—	—	—

In September 2015, the Group entered into an asset-backed security agreement with Minsheng Securities Co., Ltd. (民生証券股份有限公司) in the form of asset securitisation. The ABS issued by Minsheng Special Plan are divided into priority level and subprime level with total principal of RMB430,000,000 and RMB45,000,000 respectively which were repayable by installments prior to June 2020. The priority level investors received interest at a fixed nominal rate ranging from 4.7% to 6.8% per annum, and subprime level investors receive residual investment income distribution. The Group purchased all the subprime level of ABS. ABS was consolidated by the Group.

The priority level ABS was collateralised by the future earnings relating the right to sale natural gas within the concession area in Gaomi City, the shares of Jiaoyun Gas as held by Jiaoyun Group, Jiaoyun Property and Mr. Luan Linjiang and the Group's gas pipelines and certain machinery and equipments (Note 13).

The ABS was fully settled in June 2020.

(b) Bank borrowings are analysed as follow:

	As at 31 December			As at 30 April
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guaranteed (i)	173,000	44,000	—	—
Secured by properties and guaranteed by six persons (ii)	37,000	37,000	—	—
Secured by properties (iii)	—	—	37,000	27,000
Secured by bank deposit (iv)	13,300	—	—	—
Total	223,300	81,000	37,000	27,000

(i) The guarantor of bank borrowings are as bellow:

	As at 31 December 2019
	RMB'000
Guarantor:	
Shandong Jinfulong Co., Ltd. (山東金孚隆股份有限公司) ("Shandong Jinfulong", a third party)	35,000
Shandong Jinfulong, Mr. Luan Xiaolong, Mr. Luan Linjiang, Jiaoyun Property	14,000
Jiaoyun Group and Mr. Luan Linjiang	30,000
Shengshi International Road and Bridge Construction Co., Ltd. (盛世國際路橋建設有限公司) ("Shengshi Road and Bridge", a third party), Mr. Luan Linjiang and Mr. Luan Linxin	20,000
Jiaoyun Thermal, Shandong Yasheng Heavy Industry Co., Ltd. (山東亞盛重工股份有限公司) ("Shandong Yasheng", a related company) and Mr. Luan Linjiang	15,000
Shandong Jinfulong, Mr. Luan Xiaolong and Mr. Luan Linjiang	30,000
Weifang Huijin Finance Guarantee Co., Ltd. (濰坊市匯金融資擔保有限公司) (a third party) and Jiaoyun Property	29,000
Total	173,000

	As at 31 December 2020
	RMB'000
Guarantor:	
Jiaoyun Group and Mr. Luan Linjiang	30,000
Jiaoyun Thermal, Shandong Yasheng and Mr. Luan Linjiang	14,000
Total	44,000

(ii) As at 31 December 2019 and 2020, bank borrowings of RMB37,000,000 were guaranteed by Mr. Luan Linjiang, Mr. Luan Linxin, Ms. Cui Shuhua, Ms. Zhang Guozhen, Ms. Guan Lianhua, Mr. Song Xuenong and secured by investment properties of Jiaoyun Gas (Note 14).

(iii) As at 31 December 2021 and 30 April 2022, bank borrowings of RMB37,000,000 and RMB27,000,000, respectively, were secured by investment properties of Jiaoyun Gas (Note 14).

(iv) As at 31 December 2019, bank borrowings of RMB13,300,000 were secured by bank deposit of RMB14,000,000.

During the Track Record Period, the proceeds from certain bank borrowings were not used in accordance with their designated use under the terms of the relevant agreements (the "Relevant Bank Borrowings"), which amounted to approximately RMB152 million, RMB81 million, nil and nil, as at 31 December 2019, 2020, 2021 and 30 April 2022, respectively.

(c) Other borrowings

During the years ended 31 December 2019 and 2020, Jiaoyun Gas has made certain bank acceptance notes financing arrangements in order to obtain funding from banks (the "Bill Financing Arrangements").

Jiaoyun Gas instructed banks to issue bank acceptance notes to Gaomi Yuanhua Trading Co., Ltd. (高密市遠華貿易有限公司) ("Yuanhua Trading"), Jiaoyun Shihua and a third party, the aggregate amount of bank acceptance notes issued was greater than the sum of the actual underlying transactions. Such excess amount of bank acceptance notes (the "Relevant Bills") had been discounted to obtain funding and subsequently advancing such funding to other related companies, or endorsed to other related companies by Yuanhua Trading. Jiaoyun Gas has ceased such Bill Financing Arrangements after 17 June 2020.

Despite the facts of the Bill Financing Arrangements was considered as non-compliance of the terms of the acceptance agreements with the banks and the provisions of the relevant PRC laws and regulations, given the measure taken by the Group and after seeking legal advice, the Directors are of the view that such arrangement will have no material financial impact on the Group and all amounts due to the relevant banks had been fully repaid before 17 June 2021. During the years ended 31 December 2019 and 2020, the total nominal value of the Relevant Bills to Yuanhua Trading and Jiaoyun Shihua were approximately RMB440,760,000 and RMB209,230,000, respectively (Note 32(f)). As at 31 December 2019, 2020, 2021 and 30 April 2022, the balances of the Relevant Bills to Yuanhua Trading and Jiaoyun Shihua were approximately RMB400,760,000, RMB146,800,000, nil and nil, respectively.

Other borrowings are analysed as follow:

	As at 31 December			**As at 30 April**
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Secured by bank deposit of the Group (i)	264,060	80,100	—	—
Secured by bank deposit of a related party (ii)	136,700	66,700	—	—
	400,760	146,800	—	—

(i) As at 31 December 2019 and 2020, other borrowings of RMB264,060,000 and RMB80,100,000 were secured by bank deposit of the Group of RMB180,000,000 and RMB75,100,000, respectively.

(ii) As at 31 December 2019 and 2020, other borrowings of RMB136,700,000 and RMB66,700,000 were secured by bank deposit of Mr. Luan Xiaolong of RMB106,700,000 and RMB36,700,000, respectively.

(d) The Group's borrowings were repayable as follows:

	As at 31 December			**As at 30 April**
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	748,397	227,800	37,000	27,000

(e) The exposure of the Group's bank borrowings and ABS to interest rate changes and the contractual repricing or maturity dates at the end of the year/period are as follows:

	As at 31 December			**As at 30 April**
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less than 6 months	213,337	30,000	37,000	27,000
6 - 12 months	134,300	51,000	—	—
	347,637	81,000	37,000	27,000

(f) The carrying amount of the Group's borrowings are not materially different from their fair value as at each balance sheet date.

(g) The average interest rates applicable to the Group's borrowings are summarised as below.

	Year ended 31 December			**Four months ended 30 April**	
	2019	**2020**	**2021**	**2021**	**2022**
				(Unaudited)	
ABS (including underwriting fee)	7.7%	7.7%	N/A	7.7%	N/A
Bank borrowings	5.6%	5.7%	5.7%	5.7%	5.7%

27 Leases

(a) Amounts recognised in balance sheets in connection with leases

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets (Note 15)				
- Land use rights	5,266	5,121	8,914	8,846
- Leased properties	2,276	1,933	2,444	2,301
	7,542	7,054	11,358	11,147
Lease liabilities				
- Current	380	181	510	514
- Non-current	2,122	2,075	2,340	2,213
	2,502	2,256	2,850	2,727

(b) Amounts recognised in profit or loss in connection with leases

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Depreciation charge (Note 15)					
- Leased properties	343	343	425	141	143
- Land use rights	145	145	183	47	68
	488	488	608	188	211
Interest expenses (Note 10)	165	154	181	60	55

Except that the total cash outflow of financing activities for leases amounted to RMB244,000 during the year ended 31 December 2021, there were no cash outflow during the years ended 31 December 2019, 2020 and the four months ended 30 April 2021 and 2022.

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

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Leases are payable:				
Within 1 year	400	193	535	538
Between 1 and 2 years	193	197	546	432
Between 2 and 5 years	602	614	627	631
Over 5 years	3,066	2,858	2,644	2,572
Minimum lease payments	4,261	3,862	4,352	4,173
Future finance charges	(1,759)	(1,606)	(1,502)	(1,446)
	2,502	2,256	2,850	2,727

28 Deferred income tax

The analysis of deferred income tax assets/(liabilities) is as follows:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income tax assets:				
- be recovered within 12 months	633	298	92	94
- to be recovered more than 12 months	7,902	7,722	8,163	8,085
	8,535	8,020	8,255	8,179
Set-off of deferred income tax liabilities pursuant to set-off provisions	(8,535)	(8,020)	(8,255)	(8,179)
	—	—	—	—
Deferred income tax liabilities:				
- be settled within 12 months	(86)	(28)	(106)	(106)
- to be settled more than 12 months	(13,727)	(14,424)	(15,229)	(15,550)
	(13,813)	(14,452)	(15,335)	(15,656)
Set-off of deferred income tax assets pursuant to set-off provisions	8,535	8,020	8,255	8,179
	(5,278)	(6,432)	(7,080)	(7,477)

The movement of deferred income tax assets and liabilities during the year/period, without taking into consideration the offsetting of the balances within the same tax jurisdiction, is as following:

The gross movement on the deferred income tax assets account is as follows:

	Impairment loss on financial assets	Leased liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2019	8,646	684	—	9,330
Debited to profit or loss	(736)	(59)	—	(795)
As at 31 December 2019	7,910	625	—	8,535
As at 1 January 2020	7,910	625	—	8,535
Debited to profit or loss	(453)	(62)	—	(515)
As at 31 December 2020	7,457	563	—	8,020
As at 1 January 2021	7,457	563	—	8,020
(Debited)/credited to profit or loss	(200)	149	286	235
As at 31 December 2021	7,257	712	286	8,255
As at 1 January 2022	7,257	712	286	8,255
Debited to profit or loss	(1)	(31)	(44)	(76)
As at 30 April 2022	7,256	681	242	8,179
(Unaudited)				
As at 1 January 2021	7,457	563	—	8,020
(Debited)/credited to profit or loss	(451)	206	—	(245)
As at 30 April 2021	7,006	769	—	7,775

The gross movement on the deferred income tax liabilities account is as follows:

	Right-of-use assets	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2019	(655)	(12,264)	(12,919)
Credited/(debited) to profit or loss	86	(980)	(894)
As at 31 December 2019	(569)	(13,244)	(13,813)
As at 1 January 2020	(569)	(13,244)	(13,813)
Credited/(debited) to profit or loss	86	(725)	(639)
As at 31 December 2020	(483)	(13,969)	(14,452)
As at 1 January 2021	(483)	(13,969)	(14,452)
Debited to profit or loss	(128)	(755)	(883)
As at 31 December 2021	(611)	(14,724)	(15,335)
As at 1 January 2022	(611)	(14,724)	(15,335)
Credited/(debited) to profit or loss	36	(357)	(321)
As at 30 April 2022	(575)	(15,081)	(15,656)
(Unaudited)			
As at 1 January 2021	(483)	(13,969)	(14,452)
Debited to profit or loss	(199)	(162)	(361)
As at 30 April 2021	(682)	(14,131)	(14,813)

29 Dividends

In August 2019, Jiaoyun Shihua declared dividends of RMB5,600,000 and RMB2,400,000 to Jiaoyun Gas and Shandong Shihua Natural Gas Company Limited (山東實華天然氣有限公司) ("Shandong Shihua"), respectively. In June 2020, Jiaoyun Shihua declared dividends of RMB3,500,000 and RMB1,500,000 to Jiaoyun Gas and Shandong Shihua, respectively.

In March 2021, Jiaoyun Gas declared dividends of RMB70,000,000 to its shareholders. Mr. Luan Linjiang voluntarily gave up his rights to this dividend distribution and the declared amount becomes wholly entitled by Jiaoyun Group and Jiaoyun Property accordingly.

During the Track Record Period, the above declared dividends had been paid.

No dividends have been paid or declared by the Company since its incorporation.

30 Cash generated from operations

(a) Cash generated from operations

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Profit before income tax	50,148	68,461	91,508	20,908	15,857
Adjustments for:					
- Depreciation of property, plant and equipment (Note 13)	7,859	8,430	8,742	2,927	3,061
- Depreciation of right-of-use asset (Note 15)	488	488	608	188	211
- Amortisation of intangible assets (Note 16)	11	5	6	3	4
- Losses on disposal of property, plant and equipment (Note 7)	399	228	266	266	—
- Reversal of net impairment losses on financial assets	(2,944)	(1,699)	(800)	(1,805)	(3)
- Fair value gain on investment properties (Note 7)	(1,980)	(960)	(1,080)	—	(780)
- Finance costs (Note 10)	25,935	16,203	4,119	1,384	838
- Finance income (Note 10)	(3,625)	(3,065)	(512)	(105)	(324)
	76,291	88,091	102,857	23,766	18,864
Changes in working capital:					
- Inventories	763	(4,684)	5,595	2,193	(752)
- Trade and other receivables	1,269	4,499	(30,337)	(995)	(10)
- Prepayments and other current assets	(5,466)	2,178	(11,500)	1,357	9,796
- Trade and other payables	(536)	15,470	25,407	(119)	(2,490)
- Contract liabilities	8,760	36,422	(22,946)	(21,371)	(15,489)
Cash generated from operations	81,081	141,976	69,076	4,831	9,919

(b) *Proceeds from disposal of property, plant and equipment comprise:*

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net book amount (Note 13)	797	363	348	348	—
Net losses on disposal of property, plant and equipment (Note 7)	(399)	(228)	(266)	(266)	—
Proceeds from disposal of property, plant and equipment	398	135	82	82	—

(c) During the Track Record Period, the Group's cash inflows and outflows with certain third parties of which turnover is quick, amounts are large and maturities are short, are net presented on the consolidated statements of cash flows.

(d) *Major non-cash transactions:*

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Borrowings settled by restricted bank deposits	(118,315)	(118,300)	(5,000)	(5,000)	—
Advances to related parties settled by (Note 32(g)):					
- bank acceptance notes under Bill Financing Arrangement (Note 26(c))	(120,914)	(86,132)	—	—	—
- other bank acceptance notes	(4,149)	(240)	(157)	(30)	—
	(125,063)	(86,372)	(157)	(30)	—
Repayments from related parties through (Note 32(g)):					
- endorsing bank acceptance notes to the Group	920	5,060	9,008	8,658	—
- settle the Group's bank borrowings on behalf of the Group	18,977	—	—	—	—
	19,897	5,060	9,008	8,658	—

(e) Summary of net debt

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	26,281	39,579	37,370	24,393
Borrowings - repayable within 1 year	(748,397)	(227,800)	(37,000)	(27,000)
Lease liabilities - repayable within 1 year	(380)	(181)	(510)	(514)
Lease liabilities - repayable after 1 year	(2,122)	(2,075)	(2,340)	(2,213)
Net debt	(724,618)	(190,477)	(2,480)	(5,334)
Cash and cash equivalents	26,281	39,579	37,370	24,393
Gross debt - fixed interest rates	(720,899)	(200,056)	(39,850)	(29,727)
Gross debt - floating interest rates	(30,000)	(30,000)	—	—
Net debt	(724,618)	(190,477)	(2,480)	(5,334)

(f) Reconciliation for liabilities from financing activities

	Liabilities from financing activities			
	ABS	**Borrowings**	**Lease liabilities**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2019	228,628	495,600	2,737	726,965
Cash flows	(105,000)	144,838	—	39,838
Interest charged	13,509	12,261	165	25,935
Interest paid	(12,800)	(12,261)	—	(25,061)
Other non-cash movements	—	(16,378)	(400)	(16,778)
As at 31 December 2019	124,337	624,060	2,502	750,899
As at 1 January 2020	124,337	624,060	2,502	750,899
Cash flows	(125,000)	(364,092)	—	(489,092)
Interest charged	4,782	11,267	154	16,203
Interest paid	(4,119)	(11,267)	—	(15,386)
Other non-cash movements	—	(32,168)	(400)	(32,568)
As at 31 December 2020	—	227,800	2,256	230,056

	Liabilities from financing activities			
	ABS	**Borrowings**	**Lease liabilities**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2021	—	227,800	2,256	230,056
Cash flows	—	(185,800)	(244)	(186,044)
Interest charged	—	3,938	181	4,119
Interest paid	—	(3,938)	(42)	(3,980)
Lease liabilities recognised	—	—	936	936
Other non-cash movements	—	(5,000)	(237)	(5,237)
As at 31 December 2021	—	37,000	2,850	39,850
As at 1 January 2022	—	37,000	2,850	39,850
Cash flows	—	(10,000)	—	(10,000)
Interest charged	—	673	55	728
Interest paid	—	(673)	—	(673)
Other non-cash movements	—	—	(178)	(178)
As at 30 April 2022	—	27,000	2,727	29,727
(Unaudited)				
As at 1 January 2021	—	227,800	2,256	230,056
Cash flows	—	(65,000)	—	(65,000)
Interest charged	—	1,324	60	1,384
Interest paid	—	(1,324)	—	(1,324)
Lease liabilities recognised	—	—	936	936
Other non-cash movements	—	(5,000)	(173)	(5,173)
As at 30 April 2021	—	157,800	3,079	160,879

31 Contingencies

The Group's guarantees provided for the borrowings of third parties are summarised as follow:

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guarantee:				
Shandong Jinfulong	70,000	80,000	—	—
Shengshi Road and Bridge	15,200	15,200	—	—
Jinggao Garden Engineering Co., Ltd. (京高園林工程有限公司)	12,000	12,000	—	—
Shandong Jinfulong Logistics Co., Ltd. (山東金孚隆物流有限公司)	—	15,000	—	—
Total	97,200	122,200	—	—

The Group's guarantees provided for the borrowings of related parties are disclosed in Note 32(d).

All of the abovementioned guarantees had been terminated prior to 31 December 2021.

The Group has no material contingent liabilities as at 31 December 2021 and 30 April 2022.

32 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under common control or joint control in the shareholder' families. Members of key management and their close family member of the Group are also considered as related parties.

In addition to the related party transactions as disclosed in Note 24, Note 26 and Note 29 in this Historical Financial Information, the following is a summary of the significant transactions took place between the Group and its related parties at terms as mutually agreed among the parties concerned during the Track Record Period.

(a) Names and relationships with related parties

The following companies and individuals are significant related parties of the Group that had significant transactions and/or balances with the Group during the Track Record Period.

Names of the major related parties	**Nature of relationship**
Mr. Luan Xiaolong	Director and one of the Ultimate Beneficial Owners of the Company
Mr. Luan Linjiang	Director and one of the Ultimate Beneficial Owners of the Company, the father of Mr. Luan Xiaolong
Gaomi Jiaoyun Market Co., Ltd. (高密市交運市場有限公司) ("Jiaoyun Market")	Controlled by Mr. Luan Linjiang
Jiaoyun Property	The then shareholder of Jiaoyun Gas and controlled by Mr. Luan Linjiang
Jiaoyun Thermal	Controlled by Mr. Luan Xiaolong
Gaomi Jiaoyun Taxi Co., Ltd. (高密市交運出租車有限公司) ("Jiaoyun Taxi")	Controlled by Mr. Luan Linjiang
Guorui Real Estate	Indirectly controlled by Mr. Luan Xiaolong
Gaomi Jiaoyun Construction Machinery Co., Ltd. (高密交運工程機械有限公司) ("Jiaoyun Construction Machinery")	Controlled by Mr. Luan Linjiang
Yuanhua Trading	Indirectly controlled by Mr. Luan Xiaolong
Shandong Yasheng	Controlled by a close family member of Mr. Luan Xiaolong
Shandong Shihua	Minority shareholder of Jiaoyun Shihua
Mr. Luan Linxin	A close family member of Mr. Luan Linjiang
Shandong Gaomi Traffic Car Transport Co., Ltd. (山東高密市交運汽車運輸有限公司) ("Jiaoyun Car Transport")	Indirectly controlled by Mr. Luan Linjiang

(b) Purchases of goods and services

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB’000	*RMB’000*	*RMB’000*	*RMB’000*	*RMB’000*
				(Unaudited)	
Shandong Shihua	168,609	137,760	177,517	57,378	70,739
Yuanhua Trading	4,417	4,987	989	987	—
Jiaoyun Property	1,365	1,170	6,423	240	2,013
	174,391	143,917	184,929	58,605	72,752

(c) Providing of construction and installation services and sales of goods

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB’000	*RMB’000*	*RMB’000*	*RMB’000*	*RMB’000*
				(Unaudited)	
Jiaoyun Thermal	971	470	—	—	—
Jiaoyun Property	449	883	692	661	—
Jiaoyun Taxi	60	34	101	100	213
Guorui Real Estate	41	472	1,039	854	—
	1,521	1,859	1,832	1,615	213

(d) Provision of guarantees for borrowings of related parties

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB’000	*RMB’000*	*RMB’000*	*RMB’000*	*RMB’000*
				(Unaudited)	
At beginning of the year/period	117,800	99,100	165,000	165,000	—
Provided during the year/period	99,100	165,000	—	—	—
Matured during the year/period	(117,800)	(99,100)	(165,000)	(165,000)	—
At the end of the year/period	99,100	165,000	—	—	—

(e) Property leasing

(i) Rental income

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Jiaoyun Market	229	229	1,941	101	1,193

(ii) Rental expenses

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Mr. Luan Linjiang	229	229	295	98	100
Jiaoyun Car Transport	138	138	186	62	63
	367	367	481	160	163

(f) Amount of bank acceptance notes issued to related parties under the Bill Financing Arrangement (Note 26(c))

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Yuanhua Trading	440,760	205,630	—	—	—
Jiaoyun Shihua	—	3,600	—	—	—
	440,760	209,230	—	—	—

(g) Advances to/ repayments from related parties

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At beginning of the year/period	422,829	465,471	213,784	213,784	—
Advances during the year/period					
- Cash	1,252,553	1,164,875	194,230	131,433	—
- Non-cash (Note 30(d))	125,063	86,372	157	30	—
	1,377,616	1,251,247	194,387	131,463	—
Repayments during the year/period					
- Cash	(1,315,077)	(1,497,874)	(399,163)	(169,180)	—
- Non-cash (Note 30(d))	(19,897)	(5,060)	(9,008)	(8,658)	—
	(1,334,974)	(1,502,934)	(408,171)	(177,838)	—
At end of the year/period (Note 32(i))	465,471	213,784	—	167,409	—

Notes: As mutually agreed with the parties in concern, the Group did not charge any interest on the advances to related parties.

(h) Expenses of seconded employees

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Shandong Shihua	190	240	240	80	80
Jiaoyun Property	10,735	8,063	1,895	1,278	—
	10,925	8,303	2,135	1,358	80

(i) Year-end balances arising from advances to related parties and sales/purchases of goods/services

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables from related parties				
Non-trade in nature				
Advances to related parities				
- Jiaoyun Property	319,460	37,238	—	—
- Guorui Real Estate	107,661	158,196	—	—
- Mr. Luan Xiaolong	38,350	18,350	—	—
	465,471	213,784	—	—
Trade in nature				
Amount due from operating activities				
- Jiaoyun Property	822	1,843	—	—
	466,293	215,627	—	—
Prepayments				
- Shandong Shihua	13,387	12,070	16,882	9,296

All the amount due from operating activities and prepayment balances with related parties are trade in nature. Advances to related parties are non-trade in nature, and the Directors confirmed that these balances have been fully settled up to the date of this Historical Financial Information.

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables to related parties				
Trade payables				
- Yuanhua Trading	5,447	5,857	1,544	1,544
- Jiaoyun Property	—	—	2,510	3,223
- Jiaoyun Construction Machinery	39	39	39	39
	5,486	5,896	4,093	4,806
Other payables				
Trade in nature				
- Jiaoyun Property	1,002	702	572	543
- Mr. Luan Linjiang	300	450	18	84
- Jiaoyun Car Transport	—	—	—	69
Non-trade in nature				
- Shandong Shihua	—	1,500	—	—
	1,302	2,652	590	696

All the trade payable balances with related parties are trade in nature.

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities				
Jiaoyun Property	1,016	1,062	—	—
Guorui Real Estate	—	663	—	—
	1,016	1,725	—	—

	As at 31 December			As at 30 April
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guarantees provided for borrowings of related parties				
Jiaoyun Thermal	70,000	165,000	—	—
Shandong Yasheng	19,700	—	—	—
Yuanhua Trading	9,400	—	—	—
	99,100	165,000	—	—

(j) Key management compensation

Key management includes directors and respective department heads. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December			Four months ended 30 April	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Salaries and other short-term employee benefits					
- Directors	144	137	160	50	56
- Other key management	401	363	422	142	141
	545	500	582	192	197

33 Benefits and interests of directors

Directors’ emoluments

The remuneration of every director is set out below:

For the year ended 31 December 2019:

Name	Salary	Welfare and other expenses	Social benefits	Housing subsidies	Total
	RMB’000	*RMB’000*	*RMB’000*	*RMB’000*	*RMB’000*
Mr. Luan Linjiang*	60	5	—	—	65
Mr. Luan Xiaolong**	56	5	15	3	79
Mr. Luan Linxin***	—	—	—	—	—
Mr. Wei Yi****	—	—	—	—	—
Mr. Tian Qiang****	—	—	—	—	—
Ms. Liu Xiaoye****	—	—	—	—	—
	116	10	15	3	144

For the year ended 31 December 2020:

Name	Salary	Welfare and other expenses	Social benefits	Housing subsidies	Total
	RMB’000	*RMB’000*	*RMB’000*	*RMB’000*	*RMB’000*
Mr. Luan Linjiang*	67	3	—	—	70
Mr. Luan Xiaolong**	56	3	5	3	67
Mr. Luan Linxin***	—	—	—	—	—
Mr. Wei Yi****	—	—	—	—	—
Mr. Tian Qiang****	—	—	—	—	—
Ms. Liu Xiaoye****	—	—	—	—	—
	123	6	5	3	137

For the year ended 31 December 2021:

Name	**Salary**	**Welfare and other expenses**	**Social benefits**	**Housing subsidies**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Mr. Luan Linjiang*	64	4	13	3	84
Mr. Luan Xiaolong**	54	4	15	3	76
Mr. Luan Linxin***	—	—	—	—	—
Mr. Wei Yi****	—	—	—	—	—
Mr. Tian Qiang****	—	—	—	—	—
Ms. Liu Xiaoye****	—	—	—	—	—
	118	8	28	6	160

For the four months ended 30 April 2022:

Name	**Salary**	**Welfare and other expenses**	**Social benefits**	**Housing subsidies**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Mr. Luan Linjiang*	22	2	5	1	30
Mr. Luan Xiaolong**	18	2	5	1	26
Mr. Luan Linxin***	—	—	—	—	—
Mr. Wei Yi****	—	—	—	—	—
Mr. Tian Qiang****	—	—	—	—	—
Ms. Liu Xiaoye****	—	—	—	—	—
	40	4	10	2	56

For the four months ended 30 April 2021 (unaudited):

Name	Salary	Welfare and other expenses	Social benefits	Housing subsidies	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Mr. Luan Linjiang*	21	2	5	1	29
Mr. Luan Xiaolong**	14	2	4	1	21
Mr. Luan Linxin***	—	—	—	—	—
Mr. Wei Yi****	—	—	—	—	—
Mr. Tian Qiang****	—	—	—	—	—
Ms. Liu Xiaoye****	—	—	—	—	—
	35	4	9	2	50

* Luan Linjiang is a seconded employee whose social insurance and housing subsidies is undertaken by related parties of the Group and was elected as the chairman and executive Director from 16 August 2021.

** Luan Xiaolong was elected as the executive director and chief executive officer from 16 August 2021.

*** Luan Linxin was elected as a director from 16 August 2021.

**** Wei Yi, Tian Qiang and Liu Xiaoye was elected as a director from [●].

34 Event after the balance sheet date

According to the notice on adjusting the 2022 selling price of PNG for non-residential usage in Gaomi City issued by the Development and Reform Bureau of Gaomi on 4 July 2022, the selling price of PNG sales for non-residential usage has been adjusted downwards by approximately 6.9% with effect from 1 April 2022. Accordingly, the Company's revenue for the month ended 30 April 2022 has been adjusted retrospectively based on the revised selling price.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 April 2022 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 April 2022.