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TIAN YUAN GROUP HOLDINGS LIMITED

天源集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6119)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 decreased by approximately 1.9% or approximately RMB5.7 million to approximately RMB297.2 million compared to approximately RMB302.9 million for the year ended 31 December 2023.
- Gross profit for the year ended 31 December 2024 decreased by approximately 3.6% or approximately RMB1.7 million to approximately RMB47.5 million compared to approximately RMB49.2 million for the year ended 31 December 2023.
- Profit attributable to the owners of the Company for the year ended 31 December 2024 increased by approximately 10.1% or approximately RMB1.9 million to approximately RMB21.0 million compared to approximately RMB19.1 million for the year ended 31 December 2023.
- A dividend in respect of the year ended 31 December 2024 of RMB0.05 per ordinary share, amounting to a total dividend of RMB30,000,000, is to be proposed at the forthcoming annual general meeting to be held on 3 June 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Tian Yuan Group Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (together referred to as the “**Group**”) for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Revenue	3	297,235	302,891
Cost of sales		<u>(249,749)</u>	<u>(253,656)</u>
Gross profit		47,486	49,235
Other gains- net	4	5,550	2,685
Selling and administrative expenses		<u>(15,200)</u>	<u>(14,608)</u>
Operating profit		37,836	37,312
Finance (costs)/income – net	5	(7)	1,032
Finance income		105	1,082
Finance costs		(112)	(50)
Share of results of a joint venture		<u>–</u>	<u>293</u>
Profit before income tax		37,829	38,637
Income tax expense	6	<u>(10,274)</u>	<u>(12,784)</u>
Profit for the year		27,555	25,853
Profit attributable to:			
Owners of the Company		21,045	19,112
Non-controlling interests		<u>6,510</u>	<u>6,741</u>
		27,555	25,853
Other comprehensive income		<u>170</u>	<u>(78)</u>
Total comprehensive income for the year		27,725	25,775
Total comprehensive income for the year attributable to:			
Owners of the Company		21,215	19,034
Non-controlling interests		<u>6,510</u>	<u>6,741</u>
		27,725	25,775
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
Basic and diluted	7	<u>0.0351</u>	<u>0.0319</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		135,465	144,571
Right-of-use assets		44,035	44,471
Intangible assets		97	153
Prepayments		–	5
Financial assets at fair value through other comprehensive income		<u>12,543</u>	<u>12,543</u>
		<u>192,140</u>	<u>201,743</u>
Current assets			
Trade and other receivables	8	36,280	28,566
Inventories		140,547	128,157
Prepayments and other assets		673	678
Restricted cash		2	–
Cash and cash equivalents		<u>34,265</u>	<u>26,265</u>
		<u>211,767</u>	<u>183,666</u>
Total assets		<u><u>403,907</u></u>	<u><u>385,409</u></u>

		As at 31 December	
		2024	2023
	<i>Notes</i>	RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,895	4,895
Share premium		139,478	139,478
Other reserves		(4,790)	(10,085)
Retained earnings		174,935	159,015
		314,518	293,303
Non-controlling interests		53,177	52,667
Total equity		367,695	345,970
LIABILITIES			
Non-current liabilities			
Lease liabilities		640	71
Deferred income tax liabilities		1,741	1,448
		2,381	1,519
Current liabilities			
Trade, other payables and accruals	9	9,784	10,319
Contract liabilities		16,221	20,480
Current income tax liabilities		6,841	7,031
Lease liabilities		985	90
		33,831	37,920
Total liabilities		36,212	39,439
Total equity and liabilities		403,907	385,409

NOTES

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 27 July 2015 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company is an investment holding company and its subsidiaries are principally engaged in provision of bulk cargo uploading and unloading services, supply and sales of oil products and related ancillary value-added port services in The People's Republic of China (“**PRC**”). The ultimate holding company of the Company is Sino Ford Enterprises Limited, which was incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Group is Mr. Yang Jinming.

The Company has its shares listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

These consolidated financial statements are presented in Renminbi (“**RMB**”) unless otherwise stated. These financial statements have been approved for issue by the Board on 27 March 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with HKFRSs and the disclosure requirements of HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income which is measured at fair value.

(iii) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting year commencing 1 January 2024:

- Amendments to HKAS 1 Classification of Liabilities as Current or Non-current
- Amendments to HKAS 1 Non-current liabilities with covenants
- Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback
- Hong Kong Interpretation 5 Presentation of Financial Statements – Classification
(Revised) by the Borrower of a Term Loan that Contains a
Repayment on Demand Clause
- Amendments to HKAS 7 and Supplier finance arrangements
HKFRS 7

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards.

The 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.

(iv) New amendments to standards not yet adopted

Certain new amendments to standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

		Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

3 SEGMENT INFORMATION AND REVENUE

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The CODM identified two reportable segments as follows:

- Cargo handling and ancillary services: provision of uploading and unloading services and related ancillary value-added port services;
- Sales of oil products: supply and sales of oil products.

Inter-segment transactions are carried out at arm’s length.

No geographical information is presented as all the revenue and operating profits of the Group are derived in the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risk and returns.

The segment information for the year ended 31 December 2024 and as at 31 December 2024 is listed as follows:

	Year ended 31 December 2024		
	Cargo handling and ancillary services <i>RMB’000</i>	Sales of oil products <i>RMB’000</i>	Total <i>RMB’000</i>
Total segment revenue			
– Revenue from external customers	75,086	222,149	297,235
Segment results – gross profit	38,839	8,647	47,486
Other gains – net			5,550
Selling and administrative expenses			(15,200)
Finance costs – net			(7)
Profit before income tax			37,829
Income tax expenses			(10,274)
Profit for the year			27,555
Other information:			
– Depreciation and amortisation	12,976	295	13,271

The segment information for the year ended 31 December 2024 and as at 31 December 2024 is listed as follows: (Continued)

	As at 31 December 2024		
	Cargo handling and ancillary services <i>RMB'000</i>	Sales of oil products <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	212,896	144,203	357,099
Unallocated assets:			
– Cash and cash equivalents			34,265
– Financial assets at FVOCI			<u>12,543</u>
Total assets			<u><u>403,907</u></u>
Segment liabilities	11,303	16,327	27,630
Unallocated liabilities:			
– Current income tax liabilities			6,841
– Deferred income tax liabilities			<u>1,741</u>
Total liabilities			<u><u>36,212</u></u>

The segment information for the year ended 31 December 2023 and as at 31 December 2023 is listed as follows:

	Year ended 31 December 2023		
	Cargo handling and ancillary services <i>RMB'000</i>	Sales of oil products <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	75,213	227,678	302,891
– Revenue from external customers	<u>75,213</u>	<u>227,678</u>	<u>302,891</u>
Segment results – gross profit	34,867	14,368	49,235
Other gains – net			2,685
Selling and administrative expenses			(14,608)
Finance income – net			1,032
Share of results of a joint venture			<u>293</u>
Profit before income tax			38,637
Income tax expenses			<u>(12,784)</u>
Profit for the year			<u><u>25,853</u></u>
Other information:			
– Depreciation and amortisation	<u>13,275</u>	<u>315</u>	<u>13,590</u>

The segment information for the year ended 31 December 2023 and as at 31 December 2023 is listed as follows: (continued)

	As at 31 December 2023		
	Cargo handling and ancillary services <i>RMB'000</i>	Sales of oil products <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	214,493	132,108	346,601
Unallocated assets:			
– Cash and cash equivalents			26,265
– Financial assets at FVOCI			<u>12,543</u>
Total assets			<u><u>385,409</u></u>
Segment liabilities	10,696	20,264	30,960
Unallocated liabilities:			
– Current income tax liabilities			7,031
– Deferred income tax liabilities			<u>1,448</u>
Total liabilities			<u><u>39,439</u></u>

- (a) The Group derives revenue from the transfer of goods and services at a point in time and over time as follows:

	Year ended 31 December	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from sales of goods	221,666	224,136
Revenue from provision of uploading and unloading services	73,619	73,762
Service income	483	3,542
Rental income	<u>1,467</u>	<u>1,451</u>
	<u><u>297,235</u></u>	<u><u>302,891</u></u>
Revenue recognised under HKFRS 15 – over time	75,086	75,213
Revenue recognised under HKFRS 15 – at a point in time	<u>222,149</u>	<u>227,678</u>
	<u><u>297,235</u></u>	<u><u>302,891</u></u>

Rental income are recognised proportionately over the lease term.

- (b) Revenue from transactions with external customers amounting to 10% or more of the Group's revenue are as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A:	134,544	140,123
Customer B:	<u>87,605</u>	<u>87,555</u>

4 OTHER GAINS – NET

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange losses	(14)	(1,488)
Gain on oil futures contracts <i>(Note(a))</i>	5,628	4,134
Others	<u>(64)</u>	<u>39</u>
	<u>5,550</u>	<u>2,685</u>

- (a) Amounts represented the realised gains from the investments in futures contracts of Brent crude oil traded in Singapore Exchange during the year ended 31 December 2024.

As at 31 December 2024, all positions of futures investment have been closed and the relevant cash deposits held at call with the financial institution was USD1,181,000, equivalent to RMB8,489,000 (2023: USD1,926,000, equivalent to RMB13,644,000).

5 FINANCE (COSTS)/INCOME – NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Finance costs		
– Interest expenses for lease liabilities	(97)	(27)
– Others	(15)	(23)
	<u>(112)</u>	<u>(50)</u>
Finance income		
– Interest income on bank deposits	<u>105</u>	<u>1,082</u>
	<u>105</u>	<u>1,082</u>
Finance (costs)/income – net	<u>(7)</u>	<u>1,032</u>

6 INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the British Virgin Islands was incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, is exempted from British Virgin Islands income tax.

No provision for Hong Kong profits tax was provided as the Company and the Group did not have assessable profits in Hong Kong during the years ended 31 December 2024 (2023: same).

From the year of assessment(YA) 2020 onwards, the tax exemptions for qualifying new start-up companies for their first 3 consecutive Yas are as follows: 75% exemption on the first SGD100,000 of normal chargeable income; and a further 50% exemption on the next SGD100,000 of normal chargeable income. Active companies that have employed at least one local employee in 2024 will receive a minimum benefit of SGD2,000 in the form of a CIT Rebate Cash Grant. The total maximum benefits of CIT Rebate Cash Grant that a company may receive is SGD40,000. The Group's subsidiary in Singapore was registered in 2023 and is subject to the tax exemption of qualifying new start-up companies and CIT Rebate Cash Grant for the year ended 31 December 2024.

The income tax provision of the Group in respect of its operations in mainland China has been calculated at the applicable tax rate of 25% on the estimated assessable profits for the years ended 31 December 2024 and 2023 pursuant to the Corporate Income Tax Law of the PRC (the “CIT Law”) and the Implementation Rules of the CIT Law effective from 1 January 2008.

According to the CIT Law and the Implementation Rules, starting from 1 January 2008, a withholding tax of 10% is levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty arrangements between the relevant authorities of Mainland China and Hong Kong. The applicable withholding income tax rate of the intermediate holding company of the Company's mainland China subsidiaries for the year ended 31 December 2024 was 5% (2023: 5%).

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– Corporate income tax	9,981	11,246
– Withholding income tax	<u>–</u>	<u>1,553</u>
	9,981	<u>12,799</u>
Deferred income tax		
– Corporate income tax	(7)	(15)
– Withholding income tax	<u>300</u>	<u>–</u>
	293	<u>(15)</u>
	10,274	<u>12,784</u>

7 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated on the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2024.

	Year ended 31 December	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	21,045	19,112
Weighted average number of ordinary shares in issue (thousand shares)	<u>600,000</u>	<u>600,000</u>
Basic earnings per share (expressed in RMB)	<u>0.0351</u>	<u>0.0319</u>

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued during the year ended 31 December 2024 (2023: same).

8 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (<i>Note (a)</i>)		
– third parties	14,327	8,496
– related parties	1,249	3,970
Less: allowance for impairment of trade receivables	–	–
Trade receivables – net	15,576	12,466
VAT recoverable	17,905	15,538
Notes receivable – third parties	2,484	317
Other receivables – third parties	315	245
	<u>36,280</u>	<u>28,566</u>

- (a) The credit terms of trade receivables are generally within 30 to 180 days. Ageing analysis of trade receivables based on invoice date at respective balance sheet dates are as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 30 days	10,700	9,145
31 to 60 days	1,911	1,449
61 to 90 days	1,596	1,202
91 to 365 days	1,369	670
	<u>15,576</u>	<u>12,466</u>

- (b) Trade and other receivables were denominated in:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
– RMB	36,280	28,566
	<u>36,280</u>	<u>28,566</u>

- (c) As at 31 December 2024, the Group's maximum exposure to credit risk was the carrying value of each class of trade and other receivables mentioned above. The Group does not hold any collateral as security (2023: same).
- (d) As at 31 December 2024, the fair values of trade and other receivables approximate their carrying amounts due to their short-term maturities (2023: same).

9 TRADE, OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (<i>Note (a)</i>)		
– related parties	258	73
– third parties	33	–
Accrual for staff costs and allowances	4,198	5,436
Other payables and accruals	2,899	2,506
Other tax payables	<u>2,396</u>	<u>2,304</u>
	<u>9,784</u>	<u>10,319</u>

- (a) The ageing analysis of trade payables based on the date when the trade payables being recognised is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 30 days	<u>291</u>	<u>73</u>

- (b) Trade, other payables and accruals were denominated in:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
– RMB	9,693	10,204
– HK\$	<u>91</u>	<u>115</u>
	<u>9,784</u>	<u>10,319</u>

- (c) As at 31 December 2024, the fair values of trade, other payables and accruals approximate their carrying amounts due to their short-term maturities (2023: same).

10 DIVIDENDS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
No final dividend for the year ended 31 December 2023 (2022: RMB0.040 per fully paid ordinary share)	—	24,000
Total dividends provided for or paid	<u>—</u>	<u>24,000</u>

(a) Dividends not recognised at the end of the reporting years

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of RMB0.050 per fully paid ordinary share (2023 : nil). The aggregate amount of the proposed dividend expected to be paid in June 2025 out of share premium at 31 December 2024, but not recognised as a liability at year end, is	<u>30,000</u>	<u>—</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's principal activities include:

- (i) Bulk cargo uploading and unloading services. Our terminals are relatively adaptive and able to handle a variety of non-containerised cargo. For the year ended 31 December 2024 (the “**Reporting Year**”), we mainly handled bulk cargo such as coal, quartz sand, oil products, grains, asphalt and kaolinite as well as a small portion of break bulk cargo and neo-bulk cargo;
- (ii) Related ancillary value-added port services, which mainly include storage services at our oil tanks and grain barns as well as lease of our shovel trucks; and
- (iii) Supply and sales of oil products and trading of oil futures.

Bulk cargo uploading and unloading services and related ancillary value-added port services

During the Reporting Year, the Group recorded a total cargo throughput of approximately 3,589 thousand tonnes, representing an increase of approximately 244 thousand tonnes or approximately 7.3% compared to approximately 3,345 thousand tonnes for the year ended 31 December 2023. The increase in the cargo throughput was attributable to an increase in overall demand. However, due to intensified competition, a decrease in the average selling price of the cargo handling fees of the Group was recorded for the year ended 31 December 2024 compared to that for 2023.

The major types of cargos handled by the Group during the Reporting Year were by and large the same as those for the year ended 31 December 2023. For the Reporting Year, we mainly handled bulk cargo such as coal, quartz sand, oil products, grains, asphalt and kaolinite as well as a small portion of break bulk cargo and neo-bulk cargo.

The scale of ancillary value-added port services including storage services at our oil tanks and grain barns as well as lease of our shovel trucks provided were comparable to 2023.

By offering tailored solutions and exceptional services quality, we strengthened relationships with key customers and the customer base slightly expanded during the Reporting Year.

Supply and sales of oil products and trading of oil futures

During the Reporting Year, the Group recorded a revenue from sales of oil products of approximately RMB221.7 million compared to approximately RMB224.1 million for the year ended 31 December 2023. The Group recorded a decrease in service income for sourcing of oil products during the Reporting Year.

As one of key business activities and a tool mitigate the impact of price fluctuation of cruel oil on its oil products business, the Group carried out certain trading of oil futures during the Reporting Year and recorded a profit on that. Currently, the Group is still in preparation stage for its international import trading business.

To commence new trading business in Indonesia

The Company has established a wholly-owned subsidiary in Indonesia and the Group plans to commence its new business activity with nickel ore trading initially, with an aim to gradually expand to contract mining, mineral rights trading, and the product range will also gradually extend from nickel ore to bauxite, coal, oil, and natural gas, etc..

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the revenue was approximately RMB297.2 million, representing a decrease of approximately 1.9% compared to approximately RMB302.9 million for the year ended 31 December 2023. The decrease in revenue was mainly attributable to a decrease in revenue generated from sales of oil products and service income for the Reporting Year.

	Year ended 31 December			
	2024	2023	Changes	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue from provision of uploading and unloading services	73,619	73,762	(143)	(0.2)
Revenue from sales of oil products	221,666	224,136	(2,470)	(1.1)
Rental income	1,467	1,451	16	1.1
Service income	483	3,542	(3,059)	(86.4)
	<u>297,235</u>	<u>302,891</u>	<u>(5,656)</u>	<u>(1.9)</u>

For the year ended 31 December 2024, our revenue from uploading and unloading services was approximately RMB73.6 million compared to approximately RMB73.8 million for the year ended 31 December 2023. During the Reporting Year, the revenue generated from handling oil products, quartz sand and grains increased, while the revenue generated from handling coal and asphalt decreased.

For the year ended 31 December 2024, the revenue recorded from sales of oil products was approximately RMB221.7 million compared to approximately RMB224.1 million for the year ended 31 December 2023.

For the year ended 31 December 2024, our rental income was comparable to that for the year ended 31 December 2023.

As the demand decreased, the service income for products sourcing for the Reporting Year decreased by approximately 86.4% compared to that for the year ended 31 December 2023 to approximately RMB483,000.

Cost of sales

Cost of sales of approximately RMB249.7 million was recorded for the year ended 31 December 2024 compared to approximately RMB253.7 million for the year ended 31 December 2023.

Gross Profit and Gross Profit Margin

The Group's overall gross profit decreased by approximately 3.6% from approximately RMB49.2 million for the year ended 31 December 2023 to approximately RMB47.5 million for the year ended 31 December 2024.

The decrease in gross profit was attributable to a decrease in gross profit contributed by the sales of oil products.

The overall gross profit margin decreased from approximately 16.3% for the year ended 31 December 2023 to approximately 16.0% for the year ended 31 December 2024.

The gross profit margin of the cargo handling and ancillary services segment was approximately 51.7% for the year ended 31 December 2024 compared to approximately 46.4% for the year ended 31 December 2023.

Due to the services income decreased, the gross profit margin of the sales of oil products segment recorded for the year ended 31 December 2024 was approximately 3.9% compared to approximately 6.3% for the year ended 31 December 2023.

Other Gains – Net

For the year ended 31 December 2024, other gains – net of approximately RMB5.6 million (for the year ended 31 December 2023: approximately RMB2.7 million) consisted mainly of gain on oil futures contracts.

Finance Costs/Income – Net

For the year ended 31 December 2024, due to a decrease in bank interest income, the Group's recorded a net finance costs of approximately RMB7,000 (for the year ended 31 December 2023: net finance income of approximately RMB1.0 million).

Selling and Administrative Expenses

Selling and administrative expenses of approximately RMB15.2 million was recorded for the year ended 31 December 2024 compared to approximately RMB14.6 million for the year ended 31 December 2023.

Income Tax Expense

The Group's income tax expense decreased by approximately 19.6% from approximately RMB12.8 million for the year ended 31 December 2023 to approximately RMB10.3 million for the year ended 31 December 2024. The decrease for the Reporting Year was mainly due to a lower taxable profit recorded for the Reporting Year and a decrease in withholding income tax.

Profit Attributable to Owners of the Company

For the year ended 31 December 2024, the Group's profit attributable to owners of the Company was approximately RMB21.0 million (for the year ended 31 December 2023: approximately RMB19.1 million). The increase of approximately 10.1% for the Reporting Year compared to that for 2023 was mainly due to an increase in other gains – net arising from gain on oil futures contracts and a decrease in income tax expenses as mentioned above.

Liquidity and Financial Resources

Net Current Assets

The Group recorded net current assets of approximately RMB177.9 million as at 31 December 2024, while the net current assets as at 31 December 2023 was approximately RMB145.7 million.

Borrowings and Gearing Ratio

The Group has no interest-bearing borrowings as at 31 December 2024 (as at 31 December 2023: Same). The gearing ratio was approximately 0.4% as at 31 December 2024 (as at 31 December 2023: approximately 0.1%), calculated as total debt (including lease liabilities) divided by total equity.

Treasury Policy

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the businesses of the Group. Funds were primarily denominated in RMB, USD, Singapore dollars (“SGD”) and Hong Kong dollars.

Capital Structure

The capital structure of the Group consists of equity attributable to owners of the Company, which mainly comprises issued share capital, share premium and retained earnings.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There were no other significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group for the year ended 31 December 2024 (for the year ended 31 December 2023: Same).

Pledge of Assets and Contingent Liabilities

As at 31 December 2024, the Group had no pledged assets (as at 31 December 2023: Nil).

Foreign Exchange Risk

The Group’s transactions were mainly conducted in RMB, the functional currency of the Group, and the major receivables and payables were denominated in RMB. The Group’s exposure to foreign currency risk related primarily to certain bank balances and cash and cash equivalents and other payables maintained in USD, SGD and Hong Kong dollars.

The Group did not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business during the Reporting Year (during the year ended 31 December 2023: Same).

Human Resources and Remuneration

As at 31 December 2024, the Group employed 208 employees (as at 31 December 2023: 219 employees) with total staff costs of approximately RMB22.9 million incurred for the year ended 31 December 2024 (for the year ended 31 December 2023: approximately RMB25.2 million). The decrease was mainly due to a decrease in number of headcounts and bonus for the Reporting Year compared to 2023. The Group's remuneration packages are generally structured with reference to market terms and individual merits.

Update on the application process for the state-owned land use right certificate

As disclosed in the Company's interim report for the period ended 30 June 2024, Maoming Tianyuan Terminal Operation Company Limited* (茂名市天源碼頭經營有限公司) (“**Tianyuan**”) is still in the process of applying for the state-owned land use right certificate for a parcel of land with a site area of 2,589.3 sq.m. where Tianyuan has constructed office buildings, an internal warehouse and an entrance guard house thereon. Tianyuan was informed by the relevant authority that the application is still pending for approval and the process takes more time as there is insufficient record of this parcel of land being kept by the authority, and the processing timeline is still uncertain. Despite of the above, it does not have any impact on our business operation as the Company is not using it for its terminal business and the said parcel of land had made no attributable revenue to the Company during the Track Record Period (as defined in the prospectus of the Company dated 18 May 2018) up to the date of this announcement. The Company will make announcement(s) on further progress in connection with the above, as and when appropriate.

Future Plans for Material Investments or Capital Assets

Save for the business plan disclosed in this announcement, there is no other plan for material investments or capital assets as at 31 December 2024.

Capital Commitments

As at 31 December 2024, the Group had capital commitments for construction and acquisition of property, plant and equipment amounting to approximately RMB2.0 million (as at 31 December 2023: approximately RMB2.1 million).

* for identification purpose only

OUTLOOK AND PROSPECTS

Looking forward to 2025, the global economy is likely to remain under pressure from ongoing trade disputes and geopolitical tensions, with external conditions expected to stay complex, severe, and uncertain in the near term. Despite external challenges, the fundamental trajectory of economic recovery and sustained growth remains unchanged. Backed by a suite of policies aimed at stabilizing and revitalizing the economy, China is expected to maintain resilient economic expansion in the year.

The Group will remain committed to consolidating and integrating its core operations to improve operational efficiency and capabilities. For cargo handling and ancillary services, efforts will focus on expanding its customer base, optimizing cost management, and strengthening client relationships. Regarding the oil products sales, the Group will focus on broadening its market reach and allocate additional resources to strengthen and grow this business area.

The Group will remain vigilant and adaptable to emerging business and investment opportunities to further broaden its business diversification.

Corporate Governance

The Board recognizes the importance of good corporate governance standards and internal procedures so as to achieve effective accountability and enhance shareholders' value. The Board is of the opinion that the Company has complied with applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) throughout the Reporting Year, except for Code Provisions C.2.1 and D.2.5.

Code Provision C.2.1 requires the roles of chairman and chief executive to be separate and not to be performed by the same individual. The Board is of the view that there is adequate balance of power and authority in place as all major decisions have been made in discussion among Board members and appropriate Board committees. In addition, there are three independent non-executive Directors on the Board offering their experiences, expertise, independent advice and views to the Board's affairs from different perspectives. Therefore, it is in the best interest of the Company that Mr. Yang Jinming, with his in-depth knowledge in the businesses and extensive experience of the operations of the Group, shall assume his dual capacity as the Chairman and Chief Executive Officer.

Further, Code Provision D.2.5 requires that the issuer should have an internal audit function. The Company does not establish a standalone internal audit department, however, the Board has put in place adequate measures to perform the internal audit function in relation to different aspects including (i) the Board has established formal arrangements to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the Listing Rules and all relevant laws and regulations and (ii) the Company engaged an external consultant to perform an internal review on the scope determined by the audit committee (the “**Audit Committee**”). The Company considers that the existing organisation structure and close supervision by the management and the abovementioned engagement of the external consultant can maintain sufficient risk management and internal control of the Group. The Board will review the need to set up an internal audit function annually and may set up an internal audit team if the need arises.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company throughout the year ended 31 December 2024.

Subsequent Event

On 18 March 2025, the Company entered into the Equity Transfer Agreement with a third party, pursuant to which the Company agreed to sell its investment in Fortune Tian Yuan Petrochemical Limited at a consideration of HK\$19,000,000.

Final Dividend

The Board has proposed a final dividend of RMB0.05 per ordinary share for the year ended 31 December 2024, amounted to RMB30.0 million based on 600,000,000 shares in issue as at 31 December 2024.

The proposed final dividend will be paid to shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Wednesday, 11 June 2025 (the “**Eligible Shareholders**”), if the proposal is approved by the Shareholders at the forthcoming annual general meeting. It is expected that the final dividend will be paid on or about Friday, 27 June 2025.

Annual General Meeting

The annual general meeting (the “**AGM**”) of the Company is scheduled to be held on 3 June 2025 (the “**2025 AGM**”). A notice convening the 2025 AGM will be published on the HKEXnews website and the Company’s website and despatched to the shareholders of the Company in due course.

Closure of Register of Members

In relation to the 2025 AGM

For the purpose of determining the list of Shareholders who are entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 28 May 2025 to Tuesday, 3 June 2025, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify to attend and vote at the 2025 AGM, all completed share transfer instruments accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 27 May 2025.

In relation to the Proposed Final Dividend

For the purpose of determining the list of Shareholders who are entitled to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 10 June 2025 to Wednesday, 11 June 2025, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road Hong Kong for registration no later than 4:30 p.m. on Monday, 9 June 2025.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, each of them confirmed that he/she has complied in full with the Model Code throughout the Reporting Year.

Audit Committee and Review of Annual Results

The Company has an Audit Committee with written terms of reference in compliance with Rule 3.22 of the Listing Rules and Code Provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Pang Hon Chung (as chairman), Professor Wu Jinwen and Mr. Huang Yaohui. The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 December 2024 and is of the view that the preparation of the consolidated financial statements has complied with applicable accounting standards and requirements. The Audit Committee has discussed the internal control and financial reporting process with the management of the Group, the internal control consultant and external auditor.

Scope of Work of Auditor

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

Publication of Annual Results and Annual Report

This annual results announcement is published on the Company's website at www.tianyuangroupholdings.com and the HKEXnews website at www.hkexnews.hk. The 2024 Annual Report will be despatched to the shareholders of the Company in due course and will be available on the above websites.

Appreciation

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as the shareholders of the Company and business partners for their continuous support to the Group throughout the Reporting Year.

By order of the Board
Tian Yuan Group Holdings Limited
Yang Jinming
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the executive Directors are Mr. Yang Jinming, Ms. Tong Wai Man and Mr. Su Baihan, the non-executive Director is Mr. Yang Fan, and the independent non-executive Directors are Mr. Pang Hon Chung, Professor Wu Jinwen and Mr. Huang Yaohui.