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華潤燃氣控股有限公司
China Resources Gas Group Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1193)

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

	<u>2024</u>	<u>2023</u>	<u>Increase/ (Decrease)</u>
Revenue (HK\$ million)	102,676	101,272	1.4%
Core profit* (HK\$ million)	4,148	4,147	0.02%
Profit attributable to owners of the Company (HK\$ million)	4,088	5,224	(21.7)%
Full-year core dividend per share[△] (HK\$)	0.95	0.9185	3.4%
Full-year non-core dividend per share[#] (HK\$)	–	0.2384	N/A
Gross gas sales volume (million m³)	39,907	38,784	2.9%
[*] Profit attributable to owners of the Company excluding gain on deemed disposal of associates and joint ventures and the impact of exchange rate fluctuations for two years.			
[△] Core profit divided by the profit attributable to owners of the Company and then multiplied by the full-year dividend per share.			
[#] Full-year dividend per share minus full-year core dividend per share.			

The board of directors (the “Board”) of China Resources Gas Group Limited (the “Company” or “CR Gas”) is pleased to announce the final results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2024

	NOTES	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	102,675,888	101,271,905
Cost of sales		<u>(84,417,510)</u>	<u>(82,820,234)</u>
Gross profit		18,258,378	18,451,671
Other income	5	1,203,328	2,261,927
Selling and distribution expenses		(7,068,728)	(6,820,385)
Administrative expenses		(4,578,990)	(4,529,012)
Impairment losses on financial and contract assets, net		(75,704)	(158,547)
Finance costs		(740,391)	(940,931)
Share of results of joint ventures		412,002	277,682
Share of results of associates		<u>336,319</u>	<u>366,640</u>
Profit before taxation	6	7,746,214	8,909,045
Income tax	7	<u>(1,997,920)</u>	<u>(1,850,159)</u>
Profit for the year		<u><u>5,748,294</u></u>	<u><u>7,058,886</u></u>
Other comprehensive income for the year			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Exchange differences arising on translation		<u>(1,390,473)</u>	<u>(1,602,022)</u>
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Equity instruments designated at fair value through other comprehensive income:			
Changes in fair value, net of tax		81,378	(19,634)
Remeasurement of defined benefit plan obligations		<u>(28,692)</u>	<u>(8,986)</u>
		<u>52,686</u>	<u>(28,620)</u>
Other comprehensive income for the year, net of tax		<u>(1,337,787)</u>	<u>(1,630,642)</u>
Total comprehensive income for the year		<u><u>4,410,507</u></u>	<u><u>5,428,244</u></u>
Profit for the year attributable to:			
Owners of the Company		4,088,148	5,223,705
Non-controlling interests		<u>1,660,146</u>	<u>1,835,181</u>
		<u><u>5,748,294</u></u>	<u><u>7,058,886</u></u>
Total comprehensive income for the year attributable to:			
Owners of the Company		3,191,736	3,972,715
Non-controlling interests		<u>1,218,771</u>	<u>1,455,529</u>
		<u><u>4,410,507</u></u>	<u><u>5,428,244</u></u>
		<i>HK\$</i>	<i>HK\$</i>
Earnings per share – Basic	9	<u><u>1.80</u></u>	<u><u>2.30</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2024

		31st December, 2024	31st December, 2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		62,932,934	61,198,859
Investment properties		871,432	913,030
Right-of-use assets		4,687,395	4,755,028
Interests in joint ventures		17,264,301	17,655,331
Interests in associates		4,417,166	4,646,000
Equity instruments designated at fair value through other comprehensive income		463,567	382,644
Goodwill		4,775,023	4,911,756
Other intangible assets		4,815,215	5,022,879
Deferred tax assets		568,474	608,779
Loans to a joint venture		1,869,043	1,909,907
Deposits for acquisition of assets		350,287	413,073
		<hr/>	<hr/>
Total non-current assets		103,014,837	102,417,286
Current assets			
Inventories		1,403,794	1,493,608
Trade and other receivables	10	17,673,735	20,896,233
Assets related to contract works		2,720,247	2,727,615
Pledged bank deposits and restricted cash		139,498	357,875
Bank balances and cash		7,530,584	9,978,468
		<hr/>	<hr/>
Total current assets		29,467,858	35,453,799
Current liabilities			
Trade and other payables	11	29,989,960	35,868,589
Contract liabilities		8,844,275	9,569,067
Government grants		38,477	29,628
Bank and other borrowings		13,718,688	4,892,674
Medium-term notes		539,935	–
Lease liabilities		132,771	144,160
Taxation payable		572,884	604,816
		<hr/>	<hr/>
Total current liabilities		53,836,990	51,108,934
Net current liabilities		<hr/> (24,369,132) <hr/>	<hr/> (15,655,135) <hr/>
Total assets less current liabilities		<hr/> 78,645,705 <hr/>	<hr/> 86,762,151 <hr/>

	31st December, 2024 HK\$'000	31st December, 2023 HK\$'000
Equity		
Share capital	231,401	231,401
Reserves	40,940,566	40,540,830
	<hr/>	<hr/>
Equity attributable to owners of the Company	41,171,967	40,772,231
Non-controlling interests	22,799,009	22,611,451
	<hr/>	<hr/>
Total equity	63,970,976	63,383,682
	<hr/>	<hr/>
Non-current liabilities		
Government grants	774,279	819,489
Bank and other borrowings	8,742,236	17,279,384
Lease liabilities	390,749	328,030
Medium-term notes	–	551,740
Other long-term liabilities	1,848,554	1,362,969
Deferred tax liabilities	2,918,911	3,036,857
	<hr/>	<hr/>
Total non-current liabilities	14,674,729	23,378,469
	<hr/>	<hr/>
	78,645,705	86,762,151
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2024

1. GENERAL

The Company is a listed public company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s intermediate parent company is China Resources (Holdings) Company Limited, a company incorporated in Hong Kong, and its ultimate holding company is China Resources Company Limited, a company established in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of the annual report.

The consolidated results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31st December, 2024 but are extracted from those draft consolidated financial statements.

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the Company is a public company with its shares listed on the Stock Exchange in Hong Kong where most of its investors are located, and therefore, the directors of the Company consider that HK\$ is preferable in presenting the operating results and financial position of the Company and its subsidiaries (collectively referred to as the “Group”).

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$24,369,132,000, and the Group had capital commitments of HK\$131,100,000 as at 31st December, 2024. As at 31st December, 2024, the Group had bank and other borrowings and medium-term notes totalling of HK\$23,000,859,000, of which HK\$14,258,623,000 was classified as current liabilities.

The directors of the Company are of the opinion that, taking into account of the unutilised banking facilities of HK\$27,680,818,000 and internally generated funds of the Group, the Group has sufficient working capital for its present requirements for the next twelve months from 31st December, 2024. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amended Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) to these consolidated financial statements for the current accounting period:

Amendments to Hong Kong Accounting Standard (“HKAS”) 1	<i>Presentation of financial statements – Classification of liabilities as current or non-current (“2020 amendments”) and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants (“2022 amendments”)</i>
Amendments to HKAS 16	<i>Leases – Lease liability in a sale and leaseback</i>
Amendments to HKAS 7	<i>Statement of cash flows and HKFRS 7, Financial instruments: disclosures – Supplier finance arrangements</i>

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller – lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: disclosures – Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk.

The above amendments have no material effect on how the Group’s results and financial position for the current and prior years have been prepared and presented in these consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods or services delivered or provided.

The Group's operating segments under HKFRS 8 are as follows:

- (i) Sale and distribution of gas fuel and related products – sale of natural gas and to a much lesser extent, liquefied petroleum gas for residential, commercial and industrial use;
- (ii) Gas connection – construction of gas pipeline networks under gas connection contracts;
- (iii) Comprehensive services – sales of gas appliances, related products and extended services;
- (iv) Design and construction services – design, construction, consultancy and management for gas connection projects;
- (v) Gas stations – sale of gas fuel in natural gas filling stations.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment results represent the profit before taxation earned by each segment, excluding sundry income, interest income, rental income, finance costs, depreciation of investment properties, central administrative costs and directors' salaries. This is the measure reported to the executive directors of the Company for the purpose of revenue allocation and assessment of segment performance.

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

The information of segment revenue, segment results, segment assets and segment liabilities is as follows:

For the year ended 31st December, 2024

Segment revenue and results

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Comprehensive services <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Revenue</i>						
External sales	<u>85,565,630</u>	<u>9,250,793</u>	<u>4,205,793</u>	<u>418,694</u>	<u>3,234,978</u>	<u>102,675,888</u>
<i>Results</i>						
Segment results	<u>7,975,419</u>	<u>2,926,671</u>	<u>1,401,275</u>	<u>71,326</u>	<u>245,640</u>	<u>12,620,331</u>
Share of results of joint ventures						412,002
Share of results of associates						336,319
Finance costs (other than interest on lease liabilities)						(719,344)
Unallocated income						985,242
Unallocated expenses						<u>(5,888,336)</u>
Profit before taxation						<u><u>7,746,214</u></u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2024 – continued

Segment assets and liabilities

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Comprehensive services <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	<u>84,386,892</u>	<u>4,883,311</u>	<u>948,895</u>	<u>810,971</u>	<u>1,588,264</u>	<u>92,618,333</u>
Interests in joint ventures						17,264,301
Interests in associates						4,417,166
Deferred tax assets						568,474
Unallocated corporate assets (<i>Note a</i>)						<u>17,614,421</u>
						<u>132,482,695</u>
LIABILITIES						
Segment liabilities	<u>15,171,877</u>	<u>13,076,154</u>	<u>355,152</u>	<u>2,722,050</u>	<u>131,586</u>	<u>31,456,819</u>
Taxation payable						572,884
Deferred tax liabilities						2,918,911
Unallocated corporate liabilities (<i>Note b</i>)						<u>33,563,105</u>
						<u>68,511,719</u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2024 – continued

Other information

Amounts included in the measure of segment profit and segment assets:

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Comprehensive services <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	7,184,282	-	-	2,651	60,972	8,210	7,256,115
Depreciation and amortisation	3,591,661	-	-	9,129	21,395	32,043	3,654,228
Impairment loss recognised on trade receivables, net	63,578	5,399	2,252	179	1,306	-	72,714
Reversal of impairment loss on other receivables, net	-	-	-	-	-	(6,218)	(6,218)
Impairment loss recognised on contract assets, net	-	9,208	-	-	-	-	9,208
Gain on disposal/write-off of property, plant and equipment	(44,384)	-	-	-	-	-	(44,384)
Gain on disposal of right-of-use assets	<u>(38,212)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,212)</u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2023

Segment revenue and results

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Comprehensive services <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Revenue</i>						
External sales	<u>82,625,103</u>	<u>10,887,718</u>	<u>4,044,968</u>	<u>435,583</u>	<u>3,278,533</u>	<u>101,271,905</u>
<i>Results</i>						
Segment results	<u>7,344,444</u>	<u>4,040,844</u>	<u>1,372,947</u>	<u>64,819</u>	<u>255,965</u>	<u>13,079,019</u>
Share of results of joint ventures						277,682
Share of results of associates						366,640
Finance costs (other than interest on lease liabilities)						(919,010)
Unallocated income						2,032,318
Unallocated expenses						<u>(5,927,604)</u>
Profit before taxation						<u><u>8,909,045</u></u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2023 – continued

Segment assets and liabilities

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Comprehensive services <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	<u>85,649,753</u>	<u>5,342,116</u>	<u>789,748</u>	<u>766,891</u>	<u>1,780,576</u>	<u>94,329,084</u>
Interests in joint ventures						17,655,331
Interests in associates						4,646,000
Deferred tax assets						608,779
Unallocated corporate assets (<i>Note a</i>)						<u>20,631,891</u>
						<u>137,871,085</u>
LIABILITIES						
Segment liabilities	<u>20,429,836</u>	<u>13,692,011</u>	<u>395,132</u>	<u>2,471,982</u>	<u>156,468</u>	<u>37,145,429</u>
Taxation payable						604,816
Deferred tax liabilities						3,036,857
Unallocated corporate liabilities (<i>Note b</i>)						<u>33,700,301</u>
						<u>74,487,403</u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2023 – continued

Other information

Amounts included in the measure of segment profit and segment assets:

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Comprehensive services <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	6,117,561	–	–	3,938	17,843	2,350	6,141,692
Depreciation and amortisation	4,010,021	–	–	2,620	21,425	27,051	4,061,117
Impairment loss recognised on trade receivables, net	120,250	16,010	3,005	150	4,081	–	143,496
Impairment loss recognised on other receivables, net	–	–	–	–	–	21,115	21,115
Reversal of impairment loss on contract assets, net	–	(6,064)	–	–	–	–	(6,064)
Gain on disposal/write-off of property, plant and equipment	(45,929)	–	–	–	–	–	(45,929)
Gain on disposal of right-of-use assets	(29,056)	–	–	–	–	–	(29,056)

Notes:

- Unallocated corporate assets represent goodwill, investment properties, equity instruments designated at fair value through other comprehensive income, loans to a joint venture, certain trade and other receivables, pledged bank deposits and restricted cash and bank balances and cash.
- Unallocated corporate liabilities represent other payables, bank and other borrowings, medium-term notes and certain long-term liabilities.

Geographical information

Information about the Group's non-current assets (excluding financial assets and deferred tax assets) is presented based on the locations of the assets:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PRC	100,105,408	99,508,506
Hong Kong	8,345	7,450
	<u>100,113,753</u>	<u>99,515,956</u>

The Group's revenue was derived in the PRC during both years.

5. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividend income from equity instruments designated at fair value through other comprehensive income	256	9,524
Gain on deemed disposal of associates	–	694,093
Gain on deemed disposal of joint ventures	741	382,127
Gain on disposal of a subsidiary	7,575	–
Gain on disposal/write-off of property, plant and equipment	44,384	45,929
Gain on disposal of right-of-use assets	38,212	29,056
Government grants	218,086	229,609
Integrated energy services	360,151	269,647
Interest income from bank deposits	88,623	62,108
Interest income from other deposits (<i>Note</i>)	96,031	211,032
Interest income from deposits placed with a fellow subsidiary	4,824	26,629
Interest income from associates	2,104	2,366
Interest income from joint ventures	63,067	66,860
Interest income from loans to fellow subsidiaries	53,772	12,024
Rental income from operating leases	48,575	78,259
Others	176,927	142,664
	<u>1,203,328</u>	<u>2,261,927</u>

Note: For the years ended 31st December, 2024 and 2023, interest income from other deposits consisted of interest income from principal protected deposits and bank financing products denominated in Renminbi (“RMB”) issued by banks in the PRC.

6. PROFIT BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs		
Directors' emoluments	10,308	11,756
Other staff		
– Salaries and bonus	4,291,937	4,116,681
– Other benefits	1,242,785	1,165,531
– Retirement benefit scheme contributions	1,097,511	1,044,893
	<hr/>	<hr/>
Total staff costs	6,642,541	6,338,861
	<hr/> <hr/>	<hr/> <hr/>
Auditor's remuneration	16,325	14,236
Depreciation of property, plant and equipment	3,101,647	3,205,192
Depreciation of investment properties	32,043	27,051
Depreciation of right-of-use assets	317,232	423,929
Amortisation of other intangible assets (included in administrative expenses)	203,306	404,945
Impairment of financial and contract assets, net		
– Impairment recognised on trade receivables, net	72,714	143,496
– Impairment (reversed)/recognised on other receivables, net	(6,218)	21,115
– Impairment recognised/(reversed) on contract assets, net	9,208	(6,064)
Lease payments not included in the measurement of lease liabilities	65,750	81,989

7. INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The tax charge comprises:		
Current taxation		
PRC Enterprise Income Tax, withholding tax for distributable profits and intergroup restructuring of investments in the PRC	2,055,797	1,876,618
Under-provision in prior years	19,360	18,330
	<u>2,075,157</u>	<u>1,894,948</u>
Deferred taxation	(77,237)	(44,789)
	<u>1,997,920</u>	<u>1,850,159</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The Company and its subsidiaries operating in Hong Kong did not have assessable profits, accordingly no provision for Hong Kong Profits Tax has been made in the consolidated financial statements for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for certain group entities which are entitled to various concessionary tax rates or tax exemptions and reliefs.

According to a joint circular of the Ministry of Finance and the State Administration of Taxation, Cai Shui 2011 No. 1, only the profits earned by foreign-investment enterprises prior to 1st January, 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Whereas dividend distributed out of the profits generated thereafter, shall be subject to the Enterprise Income Tax at 5% or 10% and withheld by the PRC entities, pursuant to Articles 3 and 27 of the New Law and Article 91 of its Detailed Implementation Rules.

8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2024 interim dividend – 25 HK cents per share (2023: 2023 interim dividend – 15 HK cents per share)	567,054	340,232
2023 final dividend –100.69 HK cents per share (2023: 2022 final dividend – 90 HK cents per share)	2,283,866	2,041,394
	<u>2,850,920</u>	<u>2,381,626</u>

The directors recommend the payment of a final dividend of 70 HK cents (2023: 100.69 HK cents) per share for the year ended 31st December, 2024 in an aggregate amount of HK\$1,587,770,000 (2023: HK\$2,283,866,000).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	<u>4,088,148</u>	<u>5,223,705</u>

	2024	2023
Number of shares:		
Weighted average number of shares in issue less shares held for incentive award scheme for the purpose of basic earnings per share	2,268,243,405	2,268,215,487

No diluted earnings per share is presented as there were no potential ordinary shares in issue for both years.

10. TRADE AND OTHER RECEIVABLES

The Group generally allows credit periods ranging from 30 to 90 days to its customers. The aging analysis of trade receivables, net of loss allowance, is presented based on the invoice dates or the revenue recognition dates as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 90 days	6,151,140	7,599,525
91 to 180 days	257,865	258,442
181 to 365 days	1,378,626	1,436,956
Over 365 days	<u>2,029,517</u>	<u>2,141,004</u>
	<u>9,817,148</u>	<u>11,435,927</u>

11. TRADE AND OTHER PAYABLES

The aging analysis of trade payables is presented based on the invoice date at the end of the reporting period as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 90 days	9,155,151	10,939,344
91 – 180 days	1,147,085	893,948
181 – 365 days	343,421	1,020,617
Over 365 days	<u>1,336,206</u>	<u>1,581,196</u>
	<u>11,981,863</u>	<u>14,435,105</u>

The credit periods on purchases of goods range from 7 to 180 days.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31st December, 2024 have been reviewed by the Audit and Risk Management Committee of the Company, which comprises three Independent Non-executive Directors and two Non-executive Directors, and have been audited by the Company's auditor, KPMG. The Independent Auditor's Report will be included in the Annual Report to the shareholders.

BUSINESS REVIEW

Annual results

In 2024, after experiencing multiple shocks such as geopolitical conflicts, inflation and tightening monetary policy, the global economy has shown a greater resilience, but the overall growth was sluggish and faced with multiple challenges. During the year, China's gross domestic product (GDP) represents a year-on-year increase of 5.0%, indicating a steady economic growth. During the year, the National Energy Administration released the China Natural Gas Development Report (2024) which pointed out that natural gas will play a low-carbon and environmentally friendly advantages in urban development; it will be applied in the traditional industries and emerging industries of industrial fuels fields; and play a multifunctional coordinated advantage in the field of electric power. The State Council released the "Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development" 《(關於加快經濟社會發展全面綠色轉型的意見)》, requiring the steady advancement of green and low-carbon transformation of energy, and emphasizing the role of natural gas in the construction of a new energy system. As an important promoter of global green and low-carbon development, China's trend of low-carbon development will promote the further development of the natural gas industry, and it will usher in a broader development space in the future.

During the year, the Group has continued pursuing excellence and adhered to the enterprising spirit by formulating the annual management theme of "Benchmarking and Innovating for Quality and Efficiency Enhancement". Benchmarked against the leading companies in the industry, the Group efficiently promotes business innovation and continuously improves the operating efficiency in order to constantly consolidate the core advantages of the Group in the city gas market of sophisticated regions and cities. By leveraging excellent operating capabilities, the Group's total natural gas sales volume increased by 2.9% from the same period last year to 39.91 billion cubic meters, the revenue increased by 1.4% from the same period last year to HK\$102.68 billion.

Sale of natural gas

In 2024, the Group took a number of measures to safeguard the supply capacity of natural gas and improve the cost of natural gas procurement, with a total gas volume of approximately 4.00 billion cubic meters and representing a year-on-year increase of 33%, which is expected to save approximately RMB0.01/cubic meter of natural gas procurement cost. The first shipment of 63,000 tons of independent international spot procurement was completed, and the Group has established an international business company in Hong Kong and purchased the first shipment of 64,000 tons of spot gas, with the purchase prices of both shipments were RMB100-200/ton lower than the domestic market price. The establishment of a company about qihewang (氣合網) was completed to build a buyer-demand oriented online procurement and sales mall for the spot natural gas, which currently has more than 370 member enterprises and 570 suppliers registered, with an annual transaction scale of more than 700 million cubic metres and a transaction amount of RMB2.3 billion.

During the year, the Group sold 39.91 billion cubic meters of natural gas, an increase of 2.9%, of which industrial gas sales was 20.42 billion cubic meters, an increase of 1.5%, accounting for 51.2% of the Group's gas sales; commercial gas sales was 8.52 billion cubic meters, an increase of 3.8%, accounting for 21.3% of the Group's gas sales; and residential gas sales increased by 6.3% to 10.04 billion cubic meters, accounting for 25.2% of the Group's gas sales.

Development of new users

Due to the impact of the real estate market, the number of new connected users of the Group has slowed down, but the Group has actively explored the connected market and seized the opportunity of urban transformation, the Group is taking the opportunity of the Nation's "Urban Village Renovation in Super and Mega City" policy, accelerate the development of residential users; categorize potential industrials, design pipeline network in advance to accelerate industrial customer development; enlarge commercial gas usage and promote quick quotation, together with the safe reform approach, promote commercial customers adopting "bottle to gas" by government and gas company.

During the year, the Group had 53,000 new industrial and commercial users; 2.693 million residential users were newly developed, including the connection to 2.117 million new houses users and 0.576 million old houses users. The average gas penetration rate of city gas projects operated by the Group in China increased from 59.3% for the same period of 2023 to 60.4%.

Expansion of new projects

The Group continues to focus on the core business development of city gas by leveraging on its reputable corporate brand image. In 2024, focusing on the integration of “one city, one network (一城一網)”, 7 new projects were signed and 4 projects were registered and the franchised operational region was increased by 2,678 square kilometers, with a potential gas sales of 610 million cubic meters and 98,000 new residential users, the key projects covered one municipality and a number of prefecture-level cities, thus further consolidating the Company’s leading position in the city gas core business.

As of 31st December, 2024, the number of registered city gas projects at the Group level was 276, spanning across 25 provinces, including 15 provincial capital cities, and 76 prefecture-level cities. The ever-expanding operational regions and prime geographic locations of the projects have laid a solid foundation for the sustained and rapid growth of the Group’s core business.

Comprehensive service business

In 2024, the Group further promoted the upgrade of network service model, refined network service standards, with the current user coverage increasing to 37.76 million households. The Group promoted Enterprise WeChat and Gas Butler APP, building a bridge for online communication with users and creating the image of “Customers’ Exclusive Gas Butler (客戶專屬燃氣管家)”, with an accumulative total of 26.02 million users added to Enterprise WeChat. The 95777 national unified service hotline was launched to reinforce its standardized brand image of professionalism and reliability, which now covers 37 million users. Based on the Group’s own brands of “PERCEN (百尊)” and “CR (華潤)”, the Group has deepened its strategic co-operation with other brands to enrich the brands and types of products in the online store of Runran Selection (潤燃臻選), provide users with quality products, increase user stickiness and create an comprehensive service ecosystem.

During the year, the comprehensive service turnover increased by 4.0% from HK\$4.04 billion to HK\$4.21 billion, and the segment profit increased by 2.1% from HK\$1.37 billion to HK\$1.40 billion. The penetration rate of the Group’s comprehensive service business is still at a low level. The Group believes that through continuously vigorous promotion, the comprehensive service business will step into a stage of steady development in the future and become an important part of the Group’s business.

Comprehensive energy business development

In 2024, the Group fully explored the energy demand of large-scale industrial and commercial users in the operational region, made use of the pipeline advantage and land resources advantage of the city gas business, selected the best distributed photovoltaic, distributed energy and transportation charging business. Based on the gas supply, we created opportunities for the integration of green power, cooling and heating, solar energy storage and charging, energy and carbon management and other businesses with the main business, continued to enhance its comprehensive energy solution capability and built a comprehensive energy business with the characteristics of CR Gas.

During the year, the annual energy sales volume of the Group was 3.74 billion kWh, representing a year-on-year increase of 27.2%. The cumulative contracted installed capacity was 4GW, and the cumulative installed capacity of 3.1GW was put into operation, including 2.6GW of distributed energy, 94.7MW of distributed photovoltaic, and 415MW of transportation charging. The Group actively explored the Hong Kong and overseas markets by setting up the Hong Kong and overseas investment platform “Run Supercharge (潤超充)”, and established the joint venture “Charge Wonderful Life (充美好)” with CR Longdation (華潤隆地) to jointly promote business in Hong Kong and overseas. During the year, the supercharging station at China Resources Building and Lantanghui (藍塘匯) in Hong Kong were successfully put into operation, becoming the world’s first two European standard all-liquid-cooled supercharging station in operation. An agreement was signed with All Seasons Property Co., Ltd (泰國長春置地) to carry out supercharging and building energy-saving businesses.

SUSTAINABLE DEVELOPMENT

In the course of its rapid development, the Group proactively facilitated the development of the corporate governance of the Board. It kept enhancing the role of the Board and the management, whereby each had defined terms of reference and responsibilities, executed effective check and balance, and conducted rational decision-making, thus forming a corporate governance structure with high efficiency. The Group has always attached great importance to honesty & integrity management, and complied with laws and regulations, international practice, and business ethics. It has also insisted that the relationship among staff, suppliers, customers, relevant government authorities, partners, competitors, and other stakeholders shall be dealt with on an arm’s length basis and in good faith, so as to gain market share and win respect with integrity and to improve the Company’s inherent qualities and value with compliance management.

The Group also attaches great importance to environmental, social and governance (ESG) management, and has established an ESG working group under the leadership of the Board with the participation of all departments of the Group to promote the full implementation of the ESG sustainable development management system. We also continue to engage consulting firms to provide professional advice on the Group's ESG management system, policies, information disclosure, performance, and practice, and strive to further improve the Group's ESG performance. The Group believes that these measures in place will promote the Group's sustainable development and contribute to the construction of a better ecological environment.

In 2024, the Group organised members of the Board and management to conduct anti-corruption and environmental protection training by carrying out an in-depth study to strengthen the culture of integrity and awareness of environmental protection. During the year, MSCI maintained the Company's ESG rating of A. The Group will obtain recognition and affirmation from all walks of life through pragmatic and accountable ESG quality management measures, integrating the national dual goals of "peak carbon dioxide emissions target by 2030 and reach carbon neutrality by 2060" into daily operational management to achieve substantive business development.

FINANCIAL INFORMATION

The Group achieved a turnover of HK\$102.68 billion in 2024, representing a year-on-year increase of 1.4%. Overall gross profit margin of the Group was 17.8%, representing a decrease of 0.4 PPT as compared with that of last year. The decrease in overall gross profit margin was mainly due to the decrease in the share of revenue from gas connection with a higher gross profit margin from 10.8% the same period last year to 9.0%. The Group believes that revenue structure will continue to be optimised in the future, and the Group is optimistic that it will maintain high quality and sustainable development in the future.

The Group has been adopting prudent financial resources management policies to keep borrowings and capital expenditure at a sound level. In 2024, the Group's operating cash flow achieved HK\$7.0 billion, the Group has sufficient funds and available banking facilities to meet capital expenditures and operating requirements in the future. Given the Group's sustained in performance, Moody's, Standard & Poor's and Fitch maintained the credit rating of the Group at A2, A – and A – during the year. The ratings reflect the Group's development strategy of focusing on its core business comprehensive services and comprehensive energy and its financial performance for current period has been widely recognised by the market, which will further reduce the finance costs to be incurred by the Group in its potential financing activities, and provide sufficient financial resources for the long-term healthy development of the Group.

DEVELOPMENT PROSPECT

In 2024, with China's economy showing signs of a mild recovery, China was further creating a healthy development ecosystem for the green and low-carbon industries, collaborating to promote carbon reduction, pollution reduction and green expansion and growth, and stepping up the overall green transformation of economic and social development. Specifically, natural gas, played a key role in helping to build a multi-energy complementary energy system. In 2025, from the policy perspective, China will continue to promote the battle to fight air, water and soil pollution. From the supply perspective, efforts in oil and gas exploration and development will be fully stepped up, with natural gas production increasing by more than 10 billion cubic meters for eight consecutive years. From the demand perspective, the long-term positive trend of China's economy remains unchanged, with promising future development prospects, whereby the natural gas industry maintains a strong momentum of development.

In 2025, the Group will adhere to the business strategy of "1+2+N". Based on the steady growth of principal business, the Group will follow its country's objective to develop clean energy, enrich the self-controlled natural gas resources, comprehensively enhance the industrial control, promote investment in external high-quality projects, continuously raise the penetration rate of the comprehensive service businesses, upsize the integrated energy, facilitate steady growth in results, constantly improve shareholders' return and realise the sustainable development of the Group.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 70 HK cents per share for the year ended 31st December, 2024 ("2024 Final Dividend"). Together with the interim dividend of 25 HK cents per share paid, total distribution for 2024 would thus be 95 HK cents per share (2023: 115.69 HK cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting, the 2024 Final Dividend will be payable on Friday, 18th July, 2025 to shareholders whose names appear on the register of members of the Company on Wednesday, 4th June, 2025.

SCOPE OF WORK OF AUDITOR

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 23rd May, 2025 to Wednesday, 28th May, 2025, both days inclusive. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Wednesday, 28th May, 2025, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 22nd May, 2025.

Subject to the approval of shareholders at the annual general meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Wednesday, 4th June, 2025 and the register of members of the Company will be closed from Tuesday, 3rd June, 2025 to Wednesday, 4th June, 2025, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be entitled to the proposed final dividend, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2nd June, 2025.

SHAREHOLDERS' OPTION

The 2024 Final Dividend will be payable in cash to each shareholder in Hong Kong Dollars ("HK\$") unless an election is made to receive the same in Renminbi ("RMB"). Shareholders will be given the option to elect to receive all or part of the 2024 Final Dividend in RMB at the exchange rate of HK\$1.0: RMB0.92319, being the average median exchange rate of HK\$ to RMB as published by the People's Bank of China during the five business days immediately before 28th March, 2025 (excludes the date of this announcement). If shareholders elect to receive the 2024 Final Dividend in RMB, such dividend will be paid to shareholders at RMB0.6462358 per share. To make such election, shareholders should complete the dividend currency election form which is expected to be dispatched to shareholders on Wednesday, 11th June, 2025 as soon as practicable after the record date of Wednesday, 4th June, 2025 to determine shareholders' entitlement to the 2024 Final Dividend, and lodge it to branch share registrar of the Company, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 26th June, 2025. Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honored for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on Friday, 18th July, 2025 at the shareholders' own risk.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31st December 2024. The Company does not have any treasury shares (as defined under the Listing Rules) as at 31st December 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the "Code") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own corporate governance code. In line with the Code, the Company adopted a Corporate Governance Handbook (the "Handbook") on 23rd December 2005 and subsequently updated it from time to time. The contents of the Handbook include, among others, directors' duties, model code for securities transactions by directors, model code for securities transactions by relevant employees, the functions and terms of reference of the Audit and Risk Management, Remuneration, Nomination and Environmental, Social and Governance (formerly, Corporate Governance) Committees of the Company, disclosure of information, communication with shareholders, procedures for shareholders to propose a person for election as a director and board diversity policy. For the year ended 31st December 2024, the Company was in compliance with the all applicable code provisions of the Code except for the deviation from code provision C.3.3 and temporary deviation from code provision C.2.1 which are explained as follows:

Under the code provision C.3.3, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Company's Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 16th August 2024, Mr. YANG Ping was re-designated from the position of the Chief Executive Officer to the chairman of the Board, the position of the Chief Executive Officer has become vacant. The Company was deviated from the requirement of code provision C.2.1 temporarily. On 17th December 2024, Ms. QIN Yan was appointed as the Chief Executive Officer. Following such appointment of Ms. QIN Yan, the Company has complied with Code provision C.2.1.

Save as those mentioned above, in the opinion of the Directors, the Company has met all the code provisions set out in the Code for the year ended 31st December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code for the year ended 31st December 2024.

EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred subsequent to the reporting date which had significantly affected, or may significantly affect the Group’s operations, results or state of affairs.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company will be dispatched to shareholders and published on the Stock Exchange’s website (www.hkexnews.hk) and the Company’s website (www.crcgas.com) in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our most sincere appreciation to our business partners, customers and shareholders for their unfailing support as well as all the Group’s employees for their hard work and dedication in carrying out their duties and in achieving the Group’s business goal.

By order of the Board
CHINA RESOURCES GAS GROUP LIMITED
YANG Ping
Chairman

Hong Kong, 28th March, 2025

As at the date of this announcement, the Directors of the Company are Mr. YANG Ping, Ms. QIN Yan and Mr. LI Xiaoshuang, being Executive Directors; Mr. WANG Gaoqiang, Ms. GE Lu, Mr. LI Weiwei, Mr. ZHANG Junzheng and Mr. FANG Xin, being Non-executive Directors; and Mr. WONG Tak Shing, Mr. YU Hon To, David, Mr. YANG Yuchuan and Mr. LI Pok Yan, being Independent Non-executive Directors.