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JiaXing Gas Group Co., Ltd.*
嘉興市燃氣集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 9908)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Highlights

- Revenue for the Year was RMB3,420.3 million, representing an increase of 15.69% over last year.
- Profit attributable to the owners of the Company for the Year was RMB187.6 million, representing a decrease of 21.51% over last year.
- Total sales volume of natural gas for the Year was 906 million m^3, representing an increase of 28.69% over last year.
- The Board has proposed a final dividend of RMB0.25 per share (tax inclusive) for the year ended 31 December 2024.

The board (the "**Board**") of directors (the "**Directors**") of JiaXing Gas Group Co., Ltd. (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**" or the "**Year**"), together with comparative figures for the corresponding year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*5*	**3,420,317**	2,956,483
Cost of sales		**(3,065,422)**	(2,690,919)
Gross profit		**354,895**	265,564
Other income and gains	*6*	**21,121**	17,855
Selling and distribution costs		**(26,343)**	(26,314)
Administrative expenses		**(74,177)**	(68,562)
Impairment losses on financial and contract assets, net		**(5,678)**	(36,189)
Other expenses		**(895)**	(13,588)
Finance costs	*8*	**(16,285)**	(12,815)
Share of profits and losses of:			
Joint venture		**35**	147,609
Associates		**9,466**	8,744
PROFIT BEFORE TAX	*7*	**262,139**	282,304
Income tax expense	*9*	**(60,679)**	(31,791)
PROFIT FOR THE YEAR		**201,460**	250,513

	Notes	**2024** *RMB'000*	2023 *RMB'000*
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Fair value reserve of financial assets at fair value through other comprehensive income:			
Initial recognition of bills receivable as settlement of trade receivables		**119**	(29)
Changes in fair value		**(65)**	(26)
Income tax effect		**(13)**	15
Exchange differences on translation of foreign operations		**183**	52
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**224**	12
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**224**	12
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**201,684**	250,525
Profit attributable to:			
Owners of the parent	*11*	**187,623**	239,004
Non-controlling interests		**13,837**	11,509
		201,460	250,513
Total comprehensive income attributable to:			
Owners of the parent		**187,847**	239,016
Non-controlling interests		**13,837**	11,509
		201,684	250,525
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
For profit for the year (RMB)	*11*	**1.36**	1.73

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**670,467**	652,926
Investment properties		**234,329**	198,044
Right-of-use assets		**137,249**	135,818
Other intangible assets		**4,595**	4,320
Investment in a joint venture		**471,070**	471,035
Investments in associates		**177,379**	122,862
Financial assets at fair value through profit or loss		**60,597**	59,147
Deferred tax assets		**124,552**	125,098
Goodwill		**42**	42
Other non-current assets		**1,527**	1,809
Total non-current assets		**1,881,807**	1,771,101
CURRENT ASSETS			
Inventories		**174,095**	17,506
Trade and bills receivables	*12*	**359,193**	236,423
Contract assets		**9,547**	13,483
Prepayments, other receivables and other assets		**166,095**	115,931
Financial assets at fair value through profit or loss		**2,807**	1,287
Financial instruments reported at amortised cost		**2,700**	–
Term deposits and pledged deposits		**90,231**	155,793
Cash and cash equivalents		**297,374**	343,216
Total current assets		**1,102,042**	883,639
CURRENT LIABILITIES			
Trade and bills payables	*13*	**729,375**	494,138
Other payables and accruals		**104,410**	293,376
Contract liabilities		**116,818**	118,673
Interest-bearing bank borrowings	*14*	**212,440**	24,440
Lease liabilities		**18,101**	10,540
Tax payable		**14,702**	3,317
Total current liabilities		**1,195,846**	944,484
NET CURRENT LIABILITIES		**(93,804)**	(60,845)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,788,003**	1,710,256

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Contract liabilities		**320,755**	326,118
Interest-bearing bank borrowings	*14*	**140,460**	164,900
Lease liabilities		**141,173**	150,768
Deferred tax liabilities		**22**	54
Total non-current liabilities		**602,410**	641,840
Net assets		**1,185,593**	1,068,416
EQUITY			
Equity attributable to owners of the parent			
Share capital	*15*	**137,845**	137,845
Reserves		**992,857**	887,717
		1,130,702	1,025,562
Non-controlling interests		**54,891**	42,854
TOTAL EQUITY		**1,185,593**	1,068,416

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION

JiaXing Gas Group Co., Ltd. (the "Company") is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Building 3, Hualong Plaza, 32 Qinyi Road, Jiaxing, China.

The principal business activities of the Group during the year included (i) sale of gas, mainly piped natural gas ("PNG") (under the concessions), liquefied natural gas ("LNG") and liquefied petroleum gas ("LPG") in Jiaxing; (ii) provision of construction and installation services; and (iii) other activities, including provision of natural gas transportation services, sale of vapour and construction materials, and leasing of properties in Chinese Mainland, etc.

On 16 July 2021, the concert parties, namely Zhejiang Taiding Investment Company Limited ("Taiding"), Fengye Holdings Group Company Limited ("Fengye"), Mr. Xu Songqiang (徐松強) and Ms. Xu Hua (徐華), entered into concert party agreements with respect to their interests in the Company. Pursuant to the concert party agreements, Fengye, Mr. Xu Songqiang and Ms. Xu Hua agreed to delegate their voting rights at general meetings of the Company to Taiding from 16 July 2021 to 15 July 2023. Concert parties have interests in each other's interests. As of 15 July 2023, the concert parties held approximately 25.42% equity interest of the Company, while Jiaxing City Investment & Development Group Co., Ltd. held approximately 23.76% equity interest of the Company.

On 16 July 2023, the concert parties, Taiding, Zhuji Yujia New Energy Technology Company Limited ("Zhuji Yujia"), Mr. Xu Songqiang (徐松強) and Ms. Xu Hua (徐華), entered into concert party agreements with respect to their interests in the Company. Pursuant to the concert party agreements, Zhuji Yujia, Mr. Xu Songqiang and Ms. Xu Hua agreed to delegate their voting rights at general meetings of the Company to Taiding from 16 July 2023 to 15 July 2026. Concert parties have interests in each other's interests. As of 31 December 2024, the concert parties held approximately 32.70% equity interest of the Company, while Jiaxing City Investment & Development Group Co., Ltd. held approximately 23.76% equity interest of the Company. Accordingly, there was no controlling shareholder for the Company under IFRS Accounting Standards.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 16 July 2020.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand except when otherwise indicated.

The Group had net current liabilities of RMB93,804,000 (2023: net current liabilities of RMB60,845,000) as at 31 December 2024. The financial information has been prepared under the going concern basis because after taking into account that the forecasted net cash inflow from operating activities in 2024 and the available unutilised banking facilities. The directors of the Company consider that the Group will have sufficient funds to finance its operations and financial obligations as and when they fall within the next 12-month period, and accordingly, are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

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

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

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

4. SEGMENT INFORMATION

The Group has only one reportable operating segment which engages in (i) sales of gas, mainly PNG (under the concessions), LNG and LPG in Jiaxing; (ii) provision of construction installation services; and (iii) others, including provision of natural gas transportation services, sales of vapour and construction materials, and leasing of properties in the year. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Geographical information is not presented since all of the Group's revenue from external customers is generated in Chinese Mainland and all of the non-current assets of the Group are located in Chinese Mainland.

Information about major customers

Revenue from continuing operations of approximately RMB223,685,000 (2023: RMB369,729,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE

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

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of goods	**3,184,033**	2,723,270
Provision of construction services	**108,179**	160,005
Provision of installation and management services	**50,804**	55,807
Provision of commission services	**65,828**	1,256
Provision of gas transportation services	**2,901**	1,920
Others	**6,173**	8,010
	3,417,918	2,950,268
Revenue from other sources		
Gross rental income	**13,760**	14,298
	3,431,678	2,964,566
Less: Government surcharges	**(11,361)**	(8,083)
Total	**3,420,317**	2,956,483

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Sales of PNG	**1,753,477**	1,827,052
Sales of LNG	**1,195,212**	661,415
Sales of LPG	**98,384**	110,722
Sales of other gas	**96,034**	81,807
Sales of vapour	**31,937**	33,934
Sales of construction materials	**7,276**	6,706
Sales of electricity	**1,713**	1,634
Provision of construction services	**108,179**	160,005
Provision of installation and management services	**50,804**	55,807
Provision of commission services	**65,828**	1,256
Provision of gas transportation services	**2,901**	1,920
Others	**6,173**	8,010
Total	**3,417,918**	2,950,268
Timing of revenue recognition		
Goods or services transferred at a point in time	**3,258,935**	2,734,456
Services transferred over time	**158,983**	215,812
Total	**3,417,918**	2,950,268

The following table shows the amounts of revenue recognised in the reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Provision of installation and management services	**42,193**	42,032
Provision of construction services	**25,059**	33,709
Sales of goods	**51,421**	24,387
Total	**118,673**	100,128

There was no revenue recognised from performance obligations satisfied in previous years or not previously recognised due to constraints on variable consideration.

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon delivery of the PNG, LNG, LPG, vapour and construction materials, and payment is generally due within 30 to 180 days from deliver, except for customers who purchased store-value cards.

Provision of construction and installation services and management of gas pipelines services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before or during the rendering of the services.

Provision of gas transportation services

The performance obligation is satisfied upon completion of gas transportation and payment is generally due within 30 days from completion.

Provision of commission services

The performance obligation is satisfied over time as the services are provided till the completion of commission services.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**116,818**	118,673
After one year	**320,755**	326,118
Total	**437,573**	444,791

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year relate to installation and management of gas pipelines, of which the performance obligations are to be satisfied within two to fifteen years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**10,352**	10,173
Government grants	**4,693**	2,819
Others	**1,708**	566
Total other income	**16,753**	13,558
Gains		
Gain on financial assets measured at amortised cost	**2,673**	2,756
Fair value gain on financial assets at fair value through profit or loss	**1,520**	–
Gain on disposal of items of property, plant and equipment	**175**	2
Gain on foreign exchange differences	**–**	417
Gain on deemed disposed of associate	**–**	1,122
Total gains	**4,368**	4,297
Total other income and gains	**21,121**	17,855

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**2,978,858**	2,563,589
Cost of services provided	**86,564**	127,330
Depreciation of property, plant and equipment	**72,391**	58,586
Depreciation of investment properties	**7,966**	7,111
Depreciation of right-of-use assets	**14,356**	12,950
Amortisation of intangible assets	**2,000**	2,212
Lease payments not included in the measurement of lease liabilities	**1,292**	1,320
Auditor's remuneration	**2,600**	2,480
Employee benefit expense (excluding Directors' and chief executive's remuneration *(note 9)*):		
Wages and salaries	**65,839**	60,090
Pension scheme contributions	**5,781**	5,316
Social security contributions and accommodation benefits	**8,582**	7,749
Foreign exchange loss/(gain)	**259**	(417)
Impairment of financial and contract assets, net:		
Impairment of trade receivables, net	**5,153**	20,453
Impairment of financial assets included in prepayments, other receivables and other assets	**525**	(786)
Impairment of debt investment at amortised cost	**–**	16,522
Fair value losses/(gain) on financial assets at fair value through profit or loss	**(1,520)**	3,214
Dividend income from financial assets at fair value through profit or loss	**–**	–
Interest income	**(10,352)**	(10,173)
Loss/(gain) on disposal of items of property, plant and equipment	**(165)**	10,191

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on interest-bearing bank borrowings	**15,183**	12,980
Interest expense on leases liabilities	**8,490**	8,822
Total interest expense on financial liabilities not at fair value through profit or loss	**23,673**	21,802
Less: Interest capitalised	**(7,388)**	(8,987)
Total	**16,285**	12,815

9. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

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, one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. According to the Inland Revenue Department's Departmental Interpretation and Practice Notes (DIPN) No. 34 (Revised) Exemption from Profits Tax (Interest Income) Order 1998, exempted bank interest income should not be taxed. Since the profit before tax of Jiaxing Gas Hong Kong net of exempted bank interest is Nil (2023: Nil), Jiaxing Gas Hong Kong didn't accrued taxes on profits.

The provision for China Mainland current income tax is based on the statutory rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 (the "New Corporate Income Tax Law"), except for a small and micro enterprise of the Group in China Mainland: For a qualified small low-profit enterprise, whose annual taxable income shall be included in the taxable income at 25% of its taxable income, such taxable income is taxed at a preferential rate of 20%.

The major components of income tax expense are as follows:

	2024	2023
	RMB'000	*RMB'000*
Current tax:		
Income tax charge for the year	**60,179**	29,290
Deferred tax	**500**	2,501
Total tax charge for the year	**60,679**	31,791

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country in which the Company and the major operating subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates are as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**262,139**	282,304
Tax at the statutory tax rate	**64,937**	70,151
Lower tax rate for specific provinces or enacted by local authority	**(1,306)**	(1,443)
Adjustments in respect of current tax of previous periods	**(1,237)**	1,438
Expenses not deductible for tax	**425**	49
Income not subject to tax	**(1,220)**	–
Tax losses not recognised	**1,478**	1,024
Profits attributable to a joint venture and associates	**(2,375)**	(39,088)
Others	**(23)**	(340)
Tax charge at the Group's effective rate	**60,679**	31,791

10. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Interim – RMB0.2 (2023: RMB0.2) per ordinary share	**27,569**	27,569
Proposed final dividends – RMB0.25 (2023: RMB0.4) per ordinary share	**34,461**	55,138

The proposed final dividend for the year ended 31 December 2024 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 137,844,500 (2023: 137,844,500) outstanding during the year, as adjusted to reflect the rights issue during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**187,623**	239,004

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	**137,844,500**	137,844,500

12. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**391,944**	239,451
Bills receivables	**2,673**	27,282
	394,617	266,733
Impairment	**(35,424)**	(30,310)
Net carrying amount	**359,193**	236,423

The Group's trading terms with its customers are mainly on credit except for certain new customers where payment in advance is required. The Group's trading terms for the sale of natural gas are paid in advance or due within 30 days from delivery for different customers, while the trading terms for rendering of the construction and connection of gas pipelines services are mainly on credit and the average trade credit period is 180 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly and actively monitored by senior management to minimise credit risk. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade and bills receivables are unsecured and non-interest-bearing.

Bills receivable of RMB2,673,000 (2023: RMB27,282,000) were classified as financial assets at fair value through other comprehensive income under IFRS 9.

An aging analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year	**326,521**	197,156
Over one year	**32,672**	39,267
Total	**359,193**	236,423

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**30,310**	9,857
Impairment losses, net *(note 7)*	**5,153**	20,453
Amount written off as uncollectible	**(39)**	–
At end of year	**35,424**	30,310

An impairment analysis is performed at the end of the year using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of the year about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

		Past due			
	Current	**Less than 6 months**	**6 to 12 months**	**Over 1 year**	**Total**
Expected credit loss rate	**1.51%**	**15.86%**	**37.83%**	**41.45%**	**9.04%**
Gross carrying amount *(RMB'000)*	**306,355**	**16,064**	**15,870**	**53,655**	**391,944**
Expected credit losses *(RMB'000)*	**4,633**	**2,547**	**6,004**	**22,240**	**35,424**

As at 31 December 2023

		Past due			
	Current	Less than 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	1.96%	14.31%	19.89%	79.52%	12.66%
Gross carrying amount *(RMB'000)*	139,075	34,310	50,087	15,979	239,451
Expected credit losses *(RMB'000)*	2,728	4,910	9,964	12,708	30,310

13. TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**374,528**	294,145
Bills payables	**354,847**	199,993
Total	**729,375**	494,138

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**727,413**	487,821
1 to 2 years	**1,269**	5,437
Over 2 years	**693**	880
Total	**729,375**	494,138

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

14. INTEREST-BEARING BANK BORROWINGS

		2024			2023		
		Effective Interest rate (%)	**Maturity**	***RMB'000***	Effective Interest rate (%)	Maturity	*RMB'000*
Current							
Bank-loans							
– credited	(ii)	**LPR+0.05%**	**2025**	**7,260**			
Bank-loans							
– credited	(ii)				LPR+0.05%	2024	7,260
– credited		**LPR-0.13%**	**2025**	**78,000**			
– credited		**2.50%**	**2025**	**110,000**			
– credited		**LPR+0.02%**	**2025**	**17,180**	LPR+0.10%	2024	17,180
Total-current				**212,440**			24,440
Non-Current							
Bank-loans							
– secured	(ii)	**–**	**–**	**–**	LPR+0.05%	2025-2029	39,080
Bank-loans							
– credited	(ii)	**LPR+0.05%**	**2026-2029**	**31,820**			
– credited		**LPR+0.02%**	**2026-2028**	**108,640**	LPR+0.10%	2025-2028	125,820
Total-non-current				**140,460**			164,900
Total				**352,900**			189,340

	2024	2023
	RMB'000	*RMB'000*
Analysed into:		
Bank loans and borrowings repayable:		
Within one year or on demand	**212,440**	24,440
In the second year	**30,140**	24,440
In the third to fifth years, inclusive	**110,320**	132,260
Beyond five years	**–**	8,200
Total	**352,900**	189,340

Notes:

i. All borrowings are in RMB.

ii. In December 2024, the Group entered into a supplemental agreement with the bank in respect of the secured bank loan and the secured terms were changed to unsecured. As of 31 December 2024, the Group's interest-bearing bank borrowings are no longer secured by the pledges of the Group's assets.

iii. The Group's unutilised banking facilities amounted to RMB473,035,000 (2023: RMB1,044,659,764) at the end of the reporting period, are secured by the credits of the Group.

15. SHARE CAPITAL

Shares

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid:		
137,844,500 (2023: 137,844,500) ordinary shares	**137,845**	137,845

	Number of shares	**Nominal value**
		RMB'000
At 31 December 2023	137,844,500	137,845
At 31 December 2024	**137,844,500**	**137,845**

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

In 2024, the People's Republic of China ("**China**") has successfully achieved its gross domestic product (GDP) growth target of 5% by successively introducing a series of stock and incremental policies amidst challenging situation of increasing external pressure and internal difficulties. According to the National Bureau of Statistics, China's apparent natural gas consumption was 426.05 billion m^3, representing a year-on-year increase of 8%, showing a robust growth momentum in natural gas consumption. National economic stimulus policies will help further stabilize and boost economic recovery. The natural gas market features sufficient and stable supply, with the established "X+1+X" oil and gas market structure and diversified natural gas procurement channels, contributing to optimizing pipeline gas pricing; improved gas supply guarantee during the peak consumption period in winter also stimulated users' participation in gas use. Meanwhile, with the accelerated construction of infrastructure, the ongoing advance of market-oriented reforms, the further enhancement of the resilience of the supply chain and industrial chain, and the continuous improvement of the system and mechanism, it is expected that the market demand potential will be better released.

In 2024, the Group lowered the comprehensive procurement cost of piped natural gas ("**PNG**") by further increasing the market-based procurement and optimizing the gas source procurement structure, leading to an increase in the Group's gross profit margin for PNG from 3.93% in 2023 to 5.57% for the Year.

During the Reporting Period, as the international supply and demand tension for natural gas eased, the price fluctuation range shifted downwards compared to 2023. As such, Zhejiang Hangjiaxin Clean Energy Co., Ltd. ("**Hangjiaxin**", a company owned as to 51% by the Company and regarded as a joint venture of the Company under the applicable accounting standards and a subsidiary of the Company pursuant to The Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**")) was unable to benefit from the relatively lower purchase price under the long-term liquefied natural gas ("**LNG**") purchase agreement signed with its suppliers as in 2023 and maintain gross profit at a similar level as the same period of last year, leading to a decrease of RMB147.6 million in the share of its profits attributable to the Group compared with the same period of last year.

Results Review

The Group, the largest city gas operator in Jiaxing, a major prefecture-level city in Zhejiang Province, PRC, is mainly engaged in the sale of PNG (subject to concessions), LNG and liquefied petroleum gas, as well as the provision of construction and installation services. As at the end of the Reporting Period, the Group provided gas supply services for approximately 487,000 residential users and 2,580 industrial and commercial users.

The total sales volume of natural gas of the Group achieved 906 million m^3 during the Year, representing an increase of 28.69% compared with that during the corresponding period in 2023, of which the PNG sales volume increased by 4.76% and the LNG sales volume increased by 91.38%. The Group's LNG business scale was further expanded.

As at the end of the Reporting Period, the Group operated a natural gas pipeline network in its operating area, with a total length of 1,228.6 km (comprising 823.65 km of self-constructed pipeline network and 404.95 km of leased urban pipeline network, and excluding 47.66 km of urban pipeline network under construction, among which 13.76 km was self-constructed).

Development Strategy And Outlook

As a city gas enterprise, the Company will continue to carry out special rectification works to safeguard urban gas safety, strictly investigate potential safety hazards, and comprehensively improve the intrinsic safety level of enterprises. The Company will take advantage of national policy support to accelerate intelligent transformation and adopt smart gas meters with automatic cut-off function to replace traditional mechanical meters, thereby effectively enhancing the safety level of residential gas and residential user experience. In respect of quality resource acquisition capability, the Company leverages the Dushan Port receiving station which has been put into operation, the delivery pipelines connecting to the receiving station, and the fair and open mechanism for natural gas infrastructure to carry out strategies for natural gas optimization as and when appropriate. The Company can also make use of the combination of imported gas with domestic gas, and pipeline gas with LNG to realize maximum optimization with its diversified resource supply, improve its sensitivity to the LNG market, attach importance to the reasonable conclusion of long-term and spot contracts, and dynamically monitor the critical periods so as to facilitate the matching and coordination of storage capacity, further allocate the resources efficiently, optimize resource pools, achieve supply of price-competitive natural gas and enhance its market competitiveness. Meanwhile, the Company will further tap into the new energy business and actively expand new energy projects to achieve its sustainable development.

FINANCIAL OVERVIEW

Revenue

For the Year, the revenue of the Group was RMB3,420.3 million, representing an increase of 15.69% compared with RMB2,956.5 million last year, mainly due to the further expansion of the Group's LNG trading business scale and the increased market demand for LNG during the Year. The LNG sales volume increased by 180 million m^3 during the Year, representing an increase of 91.38% over last year. Correspondingly, the LNG sales revenue increased by RMB533.8 million, representing an increase of 80.71%. The PNG sales volume also increased by 4.76%, but since the upstream purchase price decreased and the selling price to industrial and commercial users was adjusted downwards accordingly, the sales revenue decreased by RMB73.6 million, representing a decrease of 4.03%.

Gross Profit

For the Year, the gross profit of the Group was RMB354.9 million, representing an increase of 33.64% compared with RMB265.6 million last year, which was mainly due to the increase in gross profit of RMB19.7 million arising from the increased LNG sales volume, the increase in gross profit of RMB64.6 million arising from provision of LNG commission services and the decrease in loss arising from the selling price inversion of residential gas compared with the same period of last year due to the lower comprehensive procurement cost as a result of the diversification of gas sources.

Other Income and Gains

For the Year, the other income and gains of the Group were RMB21.1 million, representing an increase of 17.88% compared with RMB17.9 million last year, which was mainly due to the increase in the government subsidy income recognized during the Year by RMB1.9 million over last year, most of which was subsidies received for the upgrades and reconstruction of gas facilities in old communities; and the gains of RMB1.5 million arising from fair value changes of financial assets held for trading.

Other Expenses

For the Year, the other expenses of the Group were RMB0.9 million, representing a decrease of 93.38% compared with RMB13.6 million last year. Other expenses for the Year were mainly exchange loss of RMB0.3 million due to fluctuations in foreign exchange rates and late fees of RMB0.6 million due to supplementary tax payment (mainly stamp duty) after tax self-review. Other expenses recorded in the corresponding period last year were mainly attributable to loss on disposal of fixed assets of RMB10.2 million due to the relocation of gas pipelines and disposal of old pipelines and loss of RMB3.2 million due to the fair value changes of financial assets held for trading.

Finance Costs

For the Year, the finance costs of the Group were RMB16.3 million, representing an increase of 27.34% compared with RMB12.8 million last year. This was mainly because the Group used bank acceptance discounts and short-term borrowings to pay for gas in the natural gas purchasing business as the LNG business scale expanded during the Year, incurring higher interest expense compared with the same period of last year.

Income Tax Expense

For the Year, the income tax expense of the Group increased from RMB31.8 million last year to RMB60.7 million. The effective tax rate for the Year was 24.02%. The increase in profit gave rise to an increase in income tax. Since the recognized share of profit (a joint venture) was higher last year, the overall income tax expense was relatively lower.

Profit Attributable to Owners of the Parent

For the Year, the profit attributable to owners of the parent was RMB187.6 million, representing a decrease of 21.51% compared with RMB239.0 million last year. In particular, other than the share of profits of associates and a joint venture, the profit attributable to the Group during the Year increased by RMB95.5 million over last year, representing an increase of 115.51%, which was mainly due to the lower comprehensive gas source cost of PNG and the higher gross profit of LNG and LNG commission services of the Group. On the other hand, the share of profits of associates and a joint venture attributable to the Group decreased by RMB146.9 million over last year, representing a decrease of 93.92%, which was mainly because Hangjiaxin was unable to benefit from the relatively lower purchase price under the long-term LNG purchase agreement signed with its suppliers as in 2023 and maintain gross profit at a similar level as the same period of last year due to a downward trend for the fluctuation range of international natural gas prices compared with 2023 due to the relaxed supply and demand tension.

Liquidity, Financial Position and Capital Structure

As at 31 December 2024, the current assets of the Group amounted to RMB1,102.0 million (31 December 2023: RMB883.6 million), of which cash and bank balance were equivalent to RMB387.6 million (31 December 2023: RMB499.0 million).

As at 31 December 2024, the current ratio (current assets/current liabilities) of the Group was 0.92 (31 December 2023: 0.94) and the asset-liability ratio (total liabilities/total assets) was 60.27% (31 December 2023: 59.75%). As of 31 December 2024, the utilised bank loans were RMB352.9 million, all of which were denominated in RMB, with the annual interest rate of 2.50%-4.00%, RMB212.4 million of which was wholly repayable within one year or on demand and RMB140.5 million was wholly repayable in the second year, in the third to fifth year, or wholly repayable beyond five years. All the utilised bank loans are floating interest rate loans. As at 31 December 2024, the unutilised bank credit balance was RMB473.0 million. As at 31 December 2024, the Group also had lease liabilities of RMB159.3 million, of which RMB18.1 million is analyzed as current portion, and RMB141.2 million analyzed as non-current portion.

The gearing ratio of the Group was about 9.92% as at 31 December 2024 (as at 31 December 2023: about 5.17%). The ratio was calculated as net debt divided by total capital and net debt of the Group.

Exchange Rate Fluctuation Risk

As the Group operates all its businesses in the PRC, most of its revenues and expenses are denominated in RMB. The Group's foreign exchange exposure was mainly due to LNG trade in US dollars of Hangjiaxin, which affected the profit and loss attributable to the Group as a result of the impact of exchange rate fluctuations on Hangjiaxin's profits. Hangjiaxin has been reselling a certain percentage of purchase under a long-term LNG purchase and sales contract it entered into and under execution to reduce its price risks and exchange rate risks, thereby avoiding the adverse impact on the Group's business operations arising from factors such as international energy price fluctuations and exchange rate changes. The Group will closely monitor the interest rate and exchange rate in the market and take appropriate measures when necessary.

Contingent Liabilities

As at December 2018, Hangjiaxin, a joint venture of the Company, obtained a bank loan for investment in property, plant and equipment used in operation, which was guaranteed by the Group. As at 31 December 2024, Hangjiaxin used its own property, plant and equipment in its operation as guarantee instead, and the Group ceased to provide any guarantee for Hangjiaxin. As at 31 December 2024, the Group had no material contingent liabilities.

Financial Guarantee Obligations

As at 31 December 2024, the Group had no financial guarantee obligations (as at 31 December 2023, the Group had no financial guarantee obligations).

Pledge of Assets

As at 31 December 2024, there were no assets being pledged by the Group (31 December 2023: the Group pledged certain assets to obtain banking facilities granted to the Group). The total carrying amounts of pledged assets of the Group as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024 *(RMB million)* **(Audited)**	31 December 2023 *(RMB million)* (Audited)
Pledge of assets:		
Investment properties	–	36.3
Property, plant and equipment	–	6.9

Significant investments and future plans for material investments or capital assets

Among the investments in a joint venture and associates, the investment in joint venture in relation to Hangjiaxin constituted a significant investment of the Group, with the Company holding a 51% interest in the joint venture. As at 31 December 2024, the Group had paid approximately RMB357.0 million as capital contribution to Hangjiaxin and the carrying amount of the Group's investment as at 31 December 2024 was approximately RMB471.1 million, representing approximately 15.82% of the Group's total assets. Hangjiaxin was established in 2017 for the construction and operation of a LNG storage and transportation station in Dushan Port, which is a coastal area, for the import and storage of LNG for diversification of the source of natural gas of the Group and to meet the demand for natural gas in Jiaxing and neighbouring cities such as Shanghai, Hangzhou and Suzhou in the Yangtze River Delta. During the Reporting Period, Hangjiaxin was in full operation, and the Group recorded an investment gain of approximately RMB35,000 from its investment in Hangjiaxin and did not receive any dividend. The Board is of the view that Hangjiaxin will continue to be an important supplier of LNG to the Group and will continue to bring investment gain to the Group. As such, the Company will continue holding its investment in relation to Hangjiaxin.

Save as disclosed, during the Reporting Period, the Group did not hold any significant investment.

Subsequent to the end of the Reporting Period, on 17 January 2025, the Group acquired 13.5% of the equity interest in Yancheng Xingzhou (as defined below) for a consideration of RMB89.0 million (i.e. the 2025 Acquisition (as defined below)). For details of the 2025 Acquisition, please refer to the section headed "Material Acquisition and Disposal" below.

As at the date of this announcement, the Group does not have any future plans for material investments or capital assets.

Material Acquisition and Disposal

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

References are made to the announcements of the Company dated 17 January 2025 and 23 January 2025.

On 30 November 2024, JiaXing Gas Group (Hong Kong) Holdings Limited (嘉燃集團(香港)控股有限公司), a direct wholly-owned subsidiary of the Company, as purchaser, entered into an equity transfer agreement with Yancheng Xiangyuan Real Estate Co., Ltd.* (鹽城祥源房地產有限公司) ("**Yancheng Xiangyuan**") for the acquisition of 6.5% equity interest in Yancheng Xingzhou Jiayuan Real Estate Development Co., Ltd.* (鹽城星洲佳源房地產開發有限公司) ("**Yancheng Xingzhou**") from Yancheng Xiangyuan for a consideration of US$5,560,652.83 (the "**2024 Acquisition**"). The 2024 Acquisition was completed on 30 November 2024 upon registration with the market supervision and management authority. Since all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the 2024 Acquisition were less than 5%, the 2024 Acquisition did not constitute a notifiable transaction and was not subject to the requirements under Chapter 14 of the Listing Rules.

On 17 January 2025, Jiaxing Jiaran Construction Co., Ltd.* (嘉興市嘉燃建設有限公司) ("**Jiaran Construction**"), a direct wholly-own subsidiary of the Company, entered into an equity transfer agreement with Yancheng Xiangyuan, pursuant to which Jiaran Construction agreed to purchase from Yancheng Xiangyuan 13.5% of the equity interest in Yancheng Xingzhou for a consideration of RMB89.0 million (the "**2025 Acquisition**"). Given that such equity transfer agreement was entered into within the 12-month period from the completion date of the 2024 Acquisition, pursuant to Rule 14.22 of the Listing Rules, the 2024 Acquisition and the 2025 Acquisition should be aggregated and treated as if they were one transaction. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the 2024 Acquisition and the 2025 Acquisition as aggregated exceed(s) 5% but all such ratios fall below 25%, such transactions collectively constituted a discloseable transaction and were subject to the requirements applicable to a discloseable transaction under Chapter 14 of the Listing Rules. For the avoidance of doubt, the 2024 Acquisition and the 2025 Acquisition do not constitute one transaction from the accounting treatment perspective.

Human Resources and Employee Compensation

As at 31 December 2024, the Group had a total of 402 (31 December 2023: 408) employees in the PRC. The total employee costs of the Group for the Year were approximately RMB81.6 million. The Group further strengthens the training of employees to enhance their professional level and overall quality, by providing targeted training courses to the management team, managers at various positions, professional technicians and service employees, and by distributing relevant policies and regulations, industry information and knowledge documents to employees. The Group also provides employees with competitive remuneration packages which are determined with reference to their qualifications and performance to incentivise them for hard work and better customer service.

Material Litigation

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed "Material Acquisition and Disposal" in this announcement, there was no significant event in respect of the Company occurred after the Reporting Period and up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Friday, 6 June 2025. A notice convening the AGM will be issued to the shareholders of the Company (the "**Shareholders**") in accordance with the requirements of the Listing Rules in due course.

FINAL DIVIDEND

The Board resolved to recommend the payment of a final dividend of RMB0.25 (tax inclusive) per share for the Year (the "**2024 Final Dividend**") with an aggregate amount of RMB34,461,125 (tax inclusive) to Shareholders (whether holders of H shares or domestic share of the Company) whose names appear on the Company's register of members as at Tuesday, 17 June 2025, subject to the approval by the Shareholders at the AGM. Subject to the passing of the relevant resolution at the AGM, the 2024 Final Dividend is expected to be paid on Friday, 4 July 2025.

Dividends will be paid in Renminbi for holders of domestic shares of the Company, and dividends for H share shareholders of the Company (the "**H Shareholders**") will be paid in Hong Kong dollars. The relevant exchange rate will be the average of the mid-point rates of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of approval of declaration of dividends at the AGM.

TAX

Under the requirements of the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and the Regulations for the Implementation of the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法實施條例》) implemented in 2008, the Company has the obligation to withhold enterprise income tax at a rate of 10% on dividends when it pays the 2024 Final Dividend to its H Shareholders who are overseas non-resident enterprises (including HKSCC Nominees Limited, other institutional nominees and trustees, or other organizations or groups) listed on the H share register of members of the Company on Tuesday, 17 June 2025.

According to the requirement under Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation (國家稅務總局國稅函[2011]348號規定) and the relevant laws and regulations, for individual H Shareholders who are Hong Kong or Macau residents and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold the individual income tax at the rate of 10%. For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate lower than 10%, the Company will withhold the individual income tax at a tax rate of 10% of dividend. For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate higher than 10% but lower than 20%, the Company will withhold the individual income tax at the effective tax rate under the relevant tax treaty. For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate higher than 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders.

The Company will determine the country of domicile of the individual H Shareholders based on the registered address as recorded in the H share register of members of the Company on Tuesday, 17 June 2025. If the country of domicile of an individual H Shareholders is not the same as the registered address or if the individual H Shareholders would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Shareholders shall notify and provide relevant supporting documents to the Company on or before Thursday, 12 June 2025. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaties notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the H Shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the rights of H Shareholders to attend and vote at the AGM and their entitlements to the 2024 Final Dividend, the register of H Shareholders will be closed, the details of which are set out below:

(1) For determining the rights of H Shareholders to attend and vote at the AGM

Latest time to lodge transfer documents for registration	4:30 p.m. on Monday, 2 June 2025
Closure of register of members (both days inclusive)	Tuesday, 3 June 2025 to Friday, 6 June 2025
Record date	Tuesday, 3 June 2025

(2) For determining the entitlements of H Shareholders to the 2024 Final Dividend

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 12 June 2025
Closure of register of members (both days inclusive)	Friday, 13 June 2025 to Tuesday, 17 June 2025
Record date	Tuesday, 17 June 2025

During the above closure periods, no transfer of H Shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the 2024 Final Dividend, all transfer documents, accompanied by the relevant certificates, must be lodged with the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, by no later than the aforementioned latest times.

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 Company's listed securities during the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of its shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that throughout the Reporting Period, the Company has complied with all the code provisions in Part 2 of the CG Code effective during the Year with the exception of code provisions C.2.1 and F.1.1.

Pursuant to code provision C.2.1. of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. However, the roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Sun Lianqing ("**Mr. Sun**"). Mr. Sun, who has been responsible for overall strategic planning and management of the Group since 1998. The Board meets regularly to consider major matters affecting the operations of the Group, as such, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Pursuant to code provision F.1.1 of the CG Code, the issuer should have a policy on payment of dividends. The Company has not adopted a formal dividend policy. As the Company is still in its development phase and the performance will continue to be impacted by the relevant industry's and economic outlook in the foreseeable future, the Board is of the opinion that it is not appropriate to adopt a dividend policy at this stage. There is no assurance that dividends of any amount will be declared or be distributed in any year. The Board will review the Company's status periodically and consider adopting a dividend policy if and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted its own code of conduct regarding Directors' and the Company's supervisors' ("**Supervisors**") dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors, and all the Directors and Supervisors have confirmed that they have complied with the Code of Conduct throughout the Reporting Period.

The Code of Conduct also applies to employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Code of Conduct by the employees was noted by the Company throughout the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF ANNUAL FINANCIAL STATEMENTS

The audit committee of the Company ("**Audit Committee**") comprising three independent non-executive Directors was established with terms of reference in compliance with the CG Code.

The Audit Committee has reviewed together with the management, the accounting principles and policies adopted by the Group and the audited consolidated annual results of the Group for the Year.

PUBLICATION OF ANNUAL RESULTS AND THE 2024 ANNUAL REPORT

This announcement is published on the websites of the Company (http://www.jxrqgs.com) and the Stock Exchange (http://www.hkexnews.hk). The annual report of the Company for the Year will be published on the websites of the Company and the Stock Exchange in accordance with the requirements to the Listing Rules in due course.

By Order of the Board
JiaXing Gas Group Co., Ltd.*
Sun Lianqing
Chairman and Executive Director

Jiaxing, the PRC
28 March 2025

As at the date of this announcement, the executive Directors are Mr. Sun Lianqing and Mr. Xu Songqiang, the non-executive Directors are Mr. Yu Jianming, Mr. Zheng Huanli, Mr. Fu Songquan and Ms. Ruan Zeyun and the independent non-executive Directors are Mr. Yu Youda, Mr. Cheng Hok Kai Frederick and Mr. Zhou Xinfa.

* *For identification purpose only*