中油潔能

SINO GAS HOLDINGS GROUP LIMITED
中油潔能控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1759)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

BUSINESS HIGHLIGHTS

During the year, the sales volume of liquefied petroleum gas increased by approximately 24.8% to approximately 313.0 thousand tonnes (2023: approximately 250.9 thousand tonnes), the sales volume of compressed natural gas decreased by approximately 25.8% to approximately 46.3 million cubic metres (2023: approximately 62.4 million cubic metres) and the sales volume of liquified natural gas increased by approximately 233.3% to approximately 3.0 thousand tonnes (2023: approximately 0.9 thousand tonnes).

During the year, the revenue increased by approximately 16.2% to approximately RMB1,634.1 million (2023: approximately RMB1,406.1 million).

During the year, the gross profit decreased by approximately 37.1% to approximately RMB53.2 million (2023: approximately RMB84.6 million).

During the year, the profit decreased by approximately RMB24.5 million, resulting in a loss of approximately RMB17.8 million (2023: a profit of approximately RMB6.7 million). After deducting non-recurring gains and losses, the net loss for the year was approximately RMB4.7 million.

During the year, the profit attributable to equity shareholders of the Company decreased by approximately RMB21.2 million, resulting in a loss of approximately RMB12.4 million (2023: a profit of approximately RMB8.8 million).

THE FINANCIAL STATEMENTS

The board (the "**Board**") of directors (the "**Directors**") of Sino Gas Holdings Group Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**", "**Our Group**", "**we**" or "**us**") for the year ended 31 December 2024, together with comparative figures for the 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	*4*	**1,634,113**	1,406,112
Cost of sales		**(1,580,943)**	(1,321,483)
Gross profit		**53,170**	84,629
Other income	*5*	**18,396**	23,789
Staff costs		**(29,954)**	(31,123)
Depreciation on property, plant and equipment and right-of-use assets		**(11,595)**	(12,333)
Short-term lease charges		**(623)**	(695)
Other operating expenses		**(31,221)**	(30,184)
Finance costs	*6*	**(10,956)**	(15,158)
Provision for impairment loss on property, plant and equipment		**(164)**	(6,023)
Provision for impairment loss on trade and other receivables		**(1,415)**	(564)
Share of result of an associate		**(1)**	(588)
Share of result of a joint venture		**(1,718)**	(1,707)
(Loss) Profit before taxation	*7*	**(16,081)**	10,043
Income tax expenses	*8*	**(1,703)**	(3,333)
(Loss) Profit for the year		**(17,784)**	6,710

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(CONTINUED)
For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Other comprehensive (loss) income:			
Items that will not be reclassified to profit or loss			
Exchange difference on translation of the Company's financial statements		**3,620**	2,414
Items that are reclassified or may be reclassified subsequently to profit or loss			
Exchange difference on translation of functional currency to presentation currency		**(4,591)**	(862)
Other comprehensive (loss) income for the year		**(971)**	1,552
Total comprehensive (loss) income for the year		**(18,755)**	8,262
(Loss) Profit for the year attributable to:			
Equity holders of the Company		**(12,363)**	8,793
Non-controlling interests		**(5,421)**	(2,083)
(Loss) Profit for the year		**(17,784)**	6,710
Total comprehensive (loss) income for the year attributable to:			
Equity holders of the Company		**(13,334)**	10,345
Non-controlling interests		**(5,421)**	(2,083)
Total comprehensive (loss) income for the year		**(18,755)**	8,262
		RMB cents	*RMB cents*
(Loss) Earnings per share			
Basic and diluted	*9*	**(5.72)**	4.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**84,552**	100,052
Right-of-use assets		**19,941**	22,578
Interest in an associate		**14,925**	17,246
Interest in a joint venture		**8,922**	10,640
Financial assets measured at fair value through profit or loss		**24,301**	25,366
Deferred tax assets		**10,341**	10,909
		162,982	186,791
Current assets			
Inventories		**3,059**	2,577
Trade and other receivables	*11*	**201,530**	219,897
Income tax recoverable		**2,600**	1,255
Pledged and restricted deposits		**615,000**	387,500
Bank balances and cash		**154,440**	157,872
		976,629	769,101
Current liabilities			
Trade and other payables	*12*	**27,381**	36,178
Interest-bearing borrowings	*13*	**720,000**	507,500
Lease liabilities		**877**	1,050
		748,258	544,728
Net current assets		**228,371**	224,373
Total assets less current liabilities		**391,353**	411,164

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**1,405**	2,396
Deferred tax liabilities		**1,671**	1,736
		3,076	4,132
NET ASSETS		**388,277**	407,032
Capital and reserves			
Share capital	*14*	**1,892**	1,892
Reserves		**370,982**	384,316
Equity attributable to equity holders of the Company		**372,874**	386,208
Non-controlling interests		**15,403**	20,824
TOTAL EQUITY		**388,277**	407,032

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE INFORMATION

Sino Gas Holdings Group Limited (the "**Company**") was incorporated in the Cayman Islands on 26 March 2018 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address and the principal place of business of the Company is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 3103, Block A1, Caifu Shiji Square, 13 Haian Road, Tianhe District, Guangzhou, the People's Republic of China (the "**PRC**"), respectively.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 28 December 2018. The immediate parent of the Company is China Full Limited which is incorporated in Hong Kong. In the opinion of the directors, the ultimate controlling party of the Company is Mr. Ji Guang.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in retail and wholesale of liquefied petroleum gas ("**LPG**"), compressed natural gas ("**CNG**") and liquefied natural gas ("**LNG**") in the PRC.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the International Accounting Standards Board (the "**IASB**"), the disclosure requirements of the Companies Ordinance (Cap. 622) (the "**CO**") and the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current year.

Adoption of new/revised IFRS Accounting Standards

The Group has applied, for the first time, the following revised IFRS Accounting Standards that are relevant to the Group:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

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

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial assets measured at fair value through profit or loss ("**FVPL**"), which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, are measured initially either at fair value or at the present ownership instrument's proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRS Accounting Standards.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Impairment of property, plant and equipment and right-of-use assets

If circumstances indicate that the carrying amount of an asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of non-financial assets as described in Note 2 to the consolidated financial statements. These assets are tested for impairment at least annually or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgements relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables, based on the credit risk characteristics of customers and the likelihood of recovery assessed on a combination of collective and individual basis, by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables. If the ECL rates on the trade receivables for the due date between 1 to 6 months had been 1% higher/lower at the end of the reporting period, with other assumptions held constant, the loss allowance on the trade receivables would have been RMB1,154,000 (2023: RMB650,000) higher/lower.

For other receivables, the Group's management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Impairment of investments and receivables

The Group assesses annually if interests in subsidiaries, an associate and a joint venture have suffered any impairment in accordance with IAS 36 and follows the guidance of IFRS 9 in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

Depreciation rate of the property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and residual values, if any, of the property, plant and equipment regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of useful lives and residual values, if any, are based on the historical experience with similar assets and taking into account anticipated changes on how such assets are to be deployed. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Future changes in IFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new/revised IFRS Accounting Standards that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

Amendments to IAS 21	*Lack of Exchangeability*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Annual Improvements to IFRSs	*Volume 11*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 The effective date to be determined

The directors of the Company are in the process of assessing the possible impact on the future adoption of the new/revised IFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the Company's consolidated financial statements.

3. SEGMENT INFORMATION

The Group manages its reporting segments by different business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management and the Board of directors for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Retail: This segment principally generates revenue from the sale of LPG, CNG and LNG to vehicular end-users by operating gas refuelling stations and industrial customers.

- Wholesale: This segment principally generates revenue from the sale of LPG, CNG and LNG to gas merchants.

For the purposes of assessing the performance of operating segments and allocating resources between segments, the Group's most senior executive management and the Board of directors monitor the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other income and expenses, such as staff costs and other operating expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure is presented.

Inter-segment sales are priced at cost plus profit margin.

(a) Segment results

Analysis of the Group's segmental information by business and geographical location during the year is set out below.

	Retail	**Wholesale**	**Unallocated**	**Inter-segment elimination**	**Total**
	2024	**2024**	**2024**	**2024**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue recognised at a point in time before elimination	**131,240**	**3,323,831**	**–**	**(1,820,958)**	**1,634,113**
Inter-segment revenue	**(4,791)**	**(1,816,167)**	**–**	**1,820,958**	**–**
Revenue recognised at a point in time after elimination	**126,449**	**1,507,664**	**–**	**–**	**1,634,113**
Reportable segment gross profit after elimination	**40,080**	**13,090**	**–**	**–**	**53,170**
Other income	**4,644**	**12,821**	**931**	**–**	**18,396**
Depreciation on property, plant and equipment and right-of-use assets	**(6,928)**	**(4,303)**	**(364)**	**–**	**(11,595)**
Short-term lease charges	**(399)**	**(224)**	**–**	**–**	**(623)**
Finance costs	**(626)**	**(10,304)**	**(26)**	**–**	**(10,956)**
Provision for impairment loss on property, plant and equipment	**(164)**	**–**	**–**	**–**	**(164)**
Provision for impairment loss on trade and other receivables	**(1,415)**	**–**	**–**	**–**	**(1,415)**
Share of result of an associate	**–**	**–**	**(1)**	**–**	**(1)**
Share of result of a joint venture	**–**	**–**	**(1,718)**	**–**	**(1,718)**
Loss on disposal of property, plant and equipment, net	**(8,605)**	**–**	**–**	**–**	**(8,605)**
Unallocated staff costs	**–**	**–**	**(29,954)**	**–**	**(29,954)**
Unallocated other operating expenses	**–**	**–**	**(22,616)**	**–**	**(22,616)**
Total consolidated loss before taxation					**(16,081)**

	Retail 2023 *RMB'000*	Wholesale 2023 *RMB'000*	Unallocated 2023 *RMB'000*	Inter-segment elimination 2023 *RMB'000*	Total 2023 *RMB'000*
Revenue recognised at a point in time before elimination	222,674	2,343,026	–	(1,159,588)	1,406,112
Inter-segment revenue	(4,402)	(1,155,186)	–	1,159,588	–
Revenue recognised at a point in time after elimination	218,272	1,187,840	–	–	1,406,112
Reportable segment gross profit after elimination	71,164	13,465	–	–	84,629
Other income	3,675	19,300	814	–	23,789
Depreciation on property, plant and equipment and right-of-use assets	(6,760)	(5,314)	(259)	–	(12,333)
Short-term lease charges	(375)	(320)	–	–	(695)
Finance costs	(543)	(14,597)	(18)	–	(15,158)
Provision for impairment loss on property, plant and equipment	(6,023)	–	–	–	(6,023)
Provision for impairment loss on trade and other receivables	–	(564)	–	–	(564)
Share of result of an associate	–	–	(588)	–	(588)
Share of result of a joint venture	–	–	(1,707)	–	(1,707)
Unallocated staff costs	–	–	(31,123)	–	(31,123)
Unallocated other operating expenses	–	–	(30,184)	–	(30,184)
Total consolidated profit before taxation					10,043

(b) Geographic information

The Group's revenue is substantially generated from the sales of LPG, CNG and LNG in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided for the years ended 31 December 2024 and 2023.

(c) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Customer A	**811,835**	761,808

4. REVENUE

	Retail	2024 Wholesale	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within IFRS 15			
— LPG	**–**	**1,445,692**	**1,445,692**
— CNG	**111,368**	**47,849**	**159,217**
— LNG	**15,081**	**–**	**15,081**
— Others	**–**	**14,123**	**14,123**
	126,449	**1,507,664**	**1,634,113**

	Retail	2023 Wholesale	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within IFRS 15			
— LPG	–	1,147,077	1,147,077
— CNG	214,316	29,686	244,002
— LNG	3,956	337	4,293
— Others	–	10,740	10,740
	218,272	1,187,840	1,406,112

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Interest revenue calculated using the effective interest method	**13,789**	18,807
Lease income under operating leases	**4,670**	3,475
Net fair value (loss) gain of financial assets measured at FVPL	**(1,065)**	999
Government grants *(Note)*	**142**	1,255
Exchange loss, net	**(1,025)**	(1,364)
Sundry income	**1,885**	617
	18,396	23,789

Note: The government grants represented the incentive subsidies received from various PRC government authorities. There are no conditions or future obligations attached to these grants.

6. FINANCE COSTS

	2024 *RMB'000*	2023 *RMB'000*
Interest on bank loans	**10,765**	14,950
Interest on lease liabilities	**191**	208
	10,956	15,158

7. (LOSS) PROFIT BEFORE TAXATION

This is stated after charging:

	2024 *RMB'000*	2023 *RMB'000*
Other items		
Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**26,858**	27,906
Contribution to defined contribution retirement schemes	**3,054**	3,173
Termination benefits	**42**	44
	29,954	31,123
Cost of inventories	**1,569,220**	1,304,747
Auditor's remuneration	**1,155**	1,155
Depreciation		
— Property, plant and equipment	**9,141**	9,927
— Right-of-use assets	**2,454**	2,406
Loss of disposal of property, plant and equipment, net	**8,605**	1,978
Exchange loss, net	**1,025**	1,364

8. TAXATION

	2024 *RMB'000*	2023 *RMB'000*
Current tax		
Current year	**1,219**	1,912
(Over) Under provision in prior year	**(19)**	756
	1,200	2,668
Deferred taxation		
Origination and reversal of temporary difference	**503**	665
Total income tax expense for the year	**1,703**	3,333

(a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Company and the Group's BVI subsidiaries are not subject to income tax in those jurisdictions for the years ended 31 December 2024 and 2023.

(b) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2023: 16.5%). Hong Kong Profits Tax has not been provided as the Group had no assessable profits for the years ended 31 December 2024 and 2023.

(c) The statutory PRC Corporate Income Tax ("**CIT**") for the PRC subsidiaries are 25% (2023: 25%).

In addition, certain PRC subsidiaries of the Group meet the following three conditions and are classified as small low-profit enterprises. These conditions are: (i) annual taxable amount of not more than RMB3,000,000; (ii) number of employees of not more than 300; and (iii) total assets of not exceeding RMB50,000,000.

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Tax Policies for Small Low-profit Enterprises [No. 13, 2022] jointly issued by the Ministry of Finance and the State Taxation Administration, the portion of assessable profits which does not exceed RMB1,000,000 shall be subject to CIT at 20% tax rate after reduction of 87.5% of the assessable profits; and the portion of assessable profits exceeded RMB1,000,000 but not exceeding RMB3,000,000 shall be subject to CIT at 20% tax rate after reduction of 75% of assessable profits.

(d) Dividends receivable by non-PRC resident corporate investors from PRC-residents are subject to withholding tax at 10%. The Group's Hong Kong subsidiaries are subject to PRC dividend withholding tax on dividends receivable from their PRC subsidiaries, an associate and a joint venture.

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share for the year is based on the loss attributable to the ordinary equity shareholders of the Company of approximately RMB12,363,000 (2023: profit of approximately RMB8,793,000) and the weighted average number of 216,000,000 (2023: 216,000,000) shares in issue during the year.

The Company has no dilutive potential ordinary shares in issue during the current and prior years and, therefore, the diluted (loss) earnings per share is the same as basic (loss) earnings per share for the years presented.

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2024 (2023: Nil).

11. TRADE AND OTHER RECEIVABLES

	Note	**2024**	2023
		RMB'000	*RMB'000*
Trade receivables			
From third parties	*11(a)*	**112,301**	154,901
From a joint venture	*11(b)*	**49,587**	24,174
		161,888	179,075
Less: Loss allowance		**(3,825)**	(2,410)
	11(c)	**158,063**	176,665
Other receivables			
Prepayments for purchase of inventories		**19,984**	31,810
Loan to a third party		**4,152**	4,962
Deposits and other receivables		**27,414**	14,543
		51,550	51,315
Less: Loss allowance		**(8,083)**	(8,083)
		43,467	43,232
		201,530	219,897

At 31 December 2024, no trade and other receivables that are expected to be recovered after more than 12 months (2023: Nil).

11(a) The amounts due are unsecured, interest-free and with credit period of 30 to 90 days.

11(b) The amounts due are unsecured, interest-free and repayable on demand.

11(c) The ageing analysis of trade receivables by invoice date and net of loss allowance is summarised as follows:

	2024	2023
	RMB'000	*RMB'000*
		(represent)
Within 1 month	**68,928**	128,010
1 to 3 months	**33,080**	12,838
3 to 6 months	**18,446**	35,784
6 to 12 months	**25,437**	33
Over 12 months	**12,172**	–
	158,063	176,665

The balances are trade receivables from contracts with customers within IFRS 15 for both years. As at 31 December 2024, impairment loss of approximately RMB3,825,000 (2023: approximately RMB2,410,000) is recognised for trade receivables from contracts with customers within IFRS 15.

11(d) Prepayments for purchase of inventories

These prepayments for purchase of inventories to suppliers are unsecured, interest-free and will be used to offset against future purchases from suppliers.

11(e) Loan to a third party

The loan of RMB10,000,000 was guaranteed by a corporate guarantee given by a shareholder of Jiangmen Yinyan Real Estate Development Co., Ltd. ("**JM Yinyan**"). The original expiry date of the loan was due on 30 June 2024 and further extend the loan maturity date to 30 June 2025 (2023: 30 June 2024). At the end of the reporting period, loan principal of RMB1,950,000 (2023: RMB3,100,000) bears interest at effective interest rate of 4.0% (2023: 13.8%) and the remaining balance is interest-free.

The Group has hold collateral of properties amounted to RMB10,000,000 (2023: RMB10,000,000) given by JM Yinyan to indemnify it against any loss that may arise from non-settlement of loan to and interest receivables due from the third party up to an extent of approximately RMB4,152,000 (2023: approximately RMB4,962,000).

12. TRADE AND OTHER PAYABLES

	Note	**2024**	2023
		RMB'000	*RMB'000*
Trade payables			
To third parties	*12(a)*	**7,326**	242
Contract liabilities		**6,688**	14,340
Other payables			
Accrued charges and other payables		**11,177**	18,154
Employee benefits payables		**2,109**	2,281
Other tax payables		**81**	1,161
		13,367	21,596
		27,381	36,178

12(a) The trade payables to third parties are unsecured, interest-free and with credit period of 30 to 90 days.

The ageing analysis of trade payables by invoice date is summarised as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**6,895**	33
1 to 3 months	**221**	24
3 to 6 months	**–**	–
Over 6 months	**210**	185
	7,326	242

13. INTEREST-BEARING BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Bank loans		
Secured	**720,000**	507,500

The maturity of the interest-bearing borrowings and analysis of the amount due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) are as follows:

	2024	2023
	RMB'000	*RMB'000*
Current portion	**720,000**	507,500

The Group's secured bank loans are pledged by following assets:

	2024	2023
	RMB'000	*RMB'000*
Pledged and restricted deposits	**615,000**	387,500

Some banking facilities are subject to the fulfillment of covenants relating to certain financial ratios as are commonly found in lending arrangements with financial institutions. If the Group breached the covenants, the drawn down facilities would become repayable on demand.

The Group regularly monitors its compliance with these covenants and the scheduled repayments of the term loans and does not consider it probable that the relevant banks will exercise its discretion to demand for repayment so long as the Group continues to meet these requirements. Throughout the reporting period, none of the covenants relating to drawn down facilities had been breached (2023: Nil).

The weighted average effective interest rate on the interest-bearing borrowings is 1.78% (2023: 2.95%) per annum.

Secured bank loans are guaranteed by corporate guarantees given by subsidiaries and personal guarantee given by the ultimate controlling party (2023: the subsidiaries and guarantee given by the ultimate controlling party), bear interest at a fixed rate of 0.75% to 1.13% (2023: 1.25% to 2.60%) and mature within 1 year (2023: 1 year).

All the interest-bearing borrowings are denominated in RMB.

14. SHARE CAPITAL

	2024		2023	
	Number of shares	***HK$'000***	Number of shares	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**2,000,000,000**	**20,000**	2,000,000,000	20,000
	Number of shares	***RMB'000***	Number of shares	*RMB'000*
Issued and fully paid:				
At beginning of the year and **at the end of the reporting period**	**216,000,000**	**1,892**	216,000,000	1,892

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2024 (the "**Year**"), with the advancement and implementation of various policies and measures to stabilize the economy, China's economy has shown a general trend of steady progress, and successfully accomplished its major development targets, with gross domestic product reaching 134.9 trillion, representing a year-on-year increase of 5% as compared with 2023 (the "**Previous Year**").

In terms of the liquefied petroleum gas (the "**LPG**"), the price fluctuation of LPG during the Year narrowed and has a limited increase as compared with the Previous Year. The annual price is characterized by a status of "not slow in the off-season and not robust in the peak season". The supply side grew due to the release of production capacity driven by the commissioning of newly-added domestic refining equipment and the import volume also continued to increase. The LPG supply in China is projected to rise over 7% year-on-year in 2024. The demand side has been undergoing structural transformation in recent years, with chemical use still dominating LPG consumption, exceeding 60%. The apparent consumption of LPG in China has a year-on-year increase of over 6% in 2024. The supply and demand are in balance and both are experiencing moderate growth. Policy wise, the State continued to strengthen the safety supervision and market structure optimization of LPG during the Year and accelerate the development of the industry in a standardized manner. LPG still plays an important role in the flexibility of China's energy system and is a vital pillar for energy complementarity and mutual energy security. During the Year, the LPG sales volume of the Group increased by 24.8% year-on-year and sales revenue increased by 26.0% year-on-year. During the Year, we endeavored to broaden and stabilize our gas sourcing channels, optimize our sales strategy by leveraging on our own terminals, logistics and other infrastructures and increase the supply volume of LPG, with a view to provide high-quality and more stable gas supply solutions to our customers. The Group continues to research and develop its own management platform so as to realize standardized, internet-empowered and detail-oriented corporate management, and at the same time, improving the level of its safety management and strengthening its safety control to respond to the requirements of national policies.

In terms of natural gas, the domestic market exhibited an easing trend in the overall supply and demand. China's natural gas production reached 246.37 billion cubic meters throughout 2024, representing a year-on-year increase of 6.2%. The China's apparent consumption of natural gas reached 426.05 billion cubic meters, representing a year-on-year increase of 8%. The consumption of natural gas grew steadily, with a rising proportion of non-fossil energy in total energy consumption. The 2024 Energy Work Guidelines (《2024年能源工作指導意見》) issued by the National Energy Administration in March 2024 and the Measures for the Administration of Natural Gas Utilization (《天然氣利用管理辦法》) issued and implemented by the National

Development and Reform Commission in August 2024 outlined that the objectives are to "regulate the use of natural gas, optimize the consumption structure, improve the efficiency of its use, promote its economic use, and safeguard energy security" and promote the utilization of natural gas which will play a greater role in the construction of a new energy system. Natural gas will continue to contribute to the green and low-carbon transformation of energy and high-quality development, and guide the development of the natural gas market in an effective and regulated manner. During the Year, due to the adjustment of the transportation and energy policy structure, the sales volume of the Group's compressed natural gas ("**CNG**") declined to a certain extent. The Group will also continue to proactively seek the utilization pathway of natural gas, expand its business area, deepen the value of its customers and provide them with premium gas sources.

BUSINESS REVIEW

The Group is an integrated LPG and natural gas supplier in the PRC with a complete industry chain that engages in the sales of LPG and natural gas in Guangdong Province, Henan Province and Hebei Province and the operation of vehicular refuelling stations (車用加氣站) and domestic stations (民用站) in Guangdong Province and Henan Province with over 19 years of proven track records in the industry.

(1) LPG Business

LPG could be commonly used as fuel sources for cooking or heating appliances. As at 31 December 2024, the Group owned an LPG terminal with storage facilities and 3 LPG domestic stations through Jiangmen Xinjiang Gas Company Limited (江門市新江煤氣有限公司) ("**Jiangmen Xinjiang Gas**", a jointly-controlled entity) in Jiangmen, Guangdong Province.

The Group possesses a comprehensive business model in our LPG business. Our upstream procurement of LPG consists of large scale LPG domestic gas suppliers with their own terminal and storage which mainly import LPG from overseas, and domestic petrochemical refineries. With the delivery of our intermediary logistics (including vehicles or gas carrier ships designated for LPG use), the Group is able to provide LPG to our customers including LPG domestic stations and wholesale customers, and our customers mainly consist of wholesale customers.

For the year ended 31 December 2024, the Group has recorded the LPG sales revenue of approximately RMB1,445.7 million, representing an increase of approximately RMB298.6 million as compared to approximately RMB1,147.1 million in 2023. The increase in revenue was mainly due to the increase in sales volume and unit selling price of LPG during the Year.

(2) CNG Business

Compressed natural gas ("**CNG**") is widely used in short-distance vehicles such as local buses and private vehicles. As at 31 December 2024, we had 12 CNG vehicular refuelling stations, 1 liquefied-to-compressed natural gas (the "**L-CNG**") vehicular refuelling station and 3 CNG mother stations in Henan Province.

The CNG business model is well supported by our upstream suppliers primarily consisting of PetroChina Company Limited ("**PetroChina**"), which utilises the West to East Gas Transmission Tunnel (西氣東輸管道) to supply to our CNG mother stations, with our own logistics fleet being the major logistic system for distribution to the location of our CNG vehicular refuelling stations and the locations of our customers while some of our wholesale customers may also arrange for their own logistics arrangement. Our downstream portfolio consists of CNG vehicular refuelling stations and our customers consist of a variety of retail and wholesale customers.

For the year ended 31 December 2024, the Group has recorded the CNG sales revenue of approximately RMB159.2 million, representing a decrease of approximately RMB84.8 million as compared to approximately RMB244.0 million in 2023. The decrease in revenue was mainly due to decrease in sales volume and unit selling price of CNG during the Year.

(3) LNG Business

The liquefied natural gas (the "**LNG**") refuelling market in China is still at an emerging stage due to its relatively high cost to process, liquefy and store compared to CNG. With the support of China government policies, the development and promotion of LNG has developed rapidly, especially with the rising demand for LNG in the industrial and power generation industries, which has laid a solid foundation for the growth of LNG. As at 31 December 2024, we had 1 L-CNG vehicular refuelling station in Henan Province.

For our LNG business model, the Group possesses strong upstream procurement suppliers formed by large-scale LNG terminal companies. As vehicles containing special cryogenic storage facilities and tanks for LNG use are required for transportation of LNG, the Group uses the third party logistics service providers to transport our LNG to our LNG vehicular refuelling stations and to our wholesale customers. Meanwhile, the downstream portfolio consists of the LNG vehicular refuelling stations and our customers consist of retail and wholesale customers.

For the year ended 31 December 2024, the Group has recorded the LNG sales revenue of approximately RMB15.1 million, representing an increase of approximately RMB10.8 million as compared to approximately RMB4.3 million in 2023. The increase in revenue was mainly due to the increase in the sales volume of LNG during the Year.

(4) Overall Business

For the year ended 31 December 2024, the Group has recorded revenue of approximately RMB1,634.1 million, representing an increase of approximately RMB228.0 million as compared to approximately RMB1,406.1 million in 2023. The increase in revenue was mainly due to the increase in sales volume of LPG and LNG and unit selling price of LPG during the Year.

As at 31 December 2024, we operated a total of 19 gas refuelling stations and 3 petroleum refuelling stations, three of which are jointly-controlled gas refuelling stations in Jiangmen, Guangdong Province.

As at 31 December 2024, the number of our gas refuelling stations and petroleum refuelling stations in operation are set out below:

	As at 31 December 2024	As at 31 December 2023
Gas refuelling stations		
LPG station	**3**	3
CNG station	**12**	12
L-CNG station	**1**	1
CNG mother station	**3**	3
Total number of gas refuelling stations	**19**	19
Petroleum refuelling stations		
Petroleum refuelling stations	**3**	3
Total	**22**	22

Meanwhile, as at 31 December 2024, the breakdown of our gas refuelling stations and petroleum refuelling stations in operation by cities and provinces are set out below:

City, Province	LPG refuelling stations	CNG refuelling stations	L-CNG refuelling stations	Petroleum refuelling stations	Total number of stations
Jiangmen, Guangdong Province	3[(1)]	0	0	0	3
Total number of stations in Guangdong Provinces	3	0	0	0	3
Zhengzhou, Henan Province	0	9	0	1	10
Zhumadian, Henan Province	0	3[(2)]	0	2	5
Xinzheng, Henan Province	0	3[(3)]	1	0	4
Total number of stations in Henan Province	0	15	1	3[(4)]	19
Total	3	15	1	3	22

Notes:

1. These three civil refuelling stations are possessed by Jiangmen Xinjiang Gas, a jointly-controlled entity of the Group.

2. It comprises one CNG mother station in Zhumadian City, Henan Province.

3. It comprises two CNG mother stations in Xinzheng City, Henan Province.

4. One of the petroleum refuelling stations is operated by an independent third party.

The revenue by product mix for the years ended 31 December 2024 and 2023 are summarised below:

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Sales volume *(Note)*	**Revenue** *(RMB'000)*	**Percentage of revenue** *(%)*	Sales volume *(Note)*	Revenue *(RMB'000)*	Percentage of revenue *(%)*
Retail						
LPG	**–**	**–**	**0.0%**	–	–	0.0%
CNG	**28.4**	**111,368**	**6.8%**	53.1	214,316	15.2%
LNG	**3,043**	**15,081**	**0.9%**	749	3,956	0.3%
Sub-total		**126,449**	**7.7%**		218,272	15.5%
Wholesale						
LPG	**312,965**	**1,445,692**	**88.5%**	250,860	1,147,077	81.6%
CNG	**17.9**	**47,849**	**2.9%**	9.3	29,686	2.1%
LNG	**–**	**–**	**0.0%**	103	337	0.0%
Others		**14,123**	**0.9%**		10,740	0.8%
Sub-total		**1,507,664**	**92.3%**		1,187,840	84.5%
Total		**1,634,113**	**100.0%**		1,406,112	100.0%

Note: Sales volume for LPG and LNG are measured in tonnes and sales volume for CNG is measured in million cubic metres.

OUTLOOK AND PROSPECTS

Looking forward to 2025, China will continue to make great efforts to boost consumption and expand domestic demand comprehensively, driving further economy recovery, with GDP growth target expected to maintain around 5%. 2025 is the final year of the 14th Five-Year Plan. The energy sector will continue to focus on energy security and the transition towards green and low-carbon energy. LPG and natural gas remain an indispensable part of the national energy transformation.

In terms of LPG, the newly-added production capacity of domestic refineries has slowed down, the refinery maintenance plans have decreased, and the import volume remains at a high level. Domestic production and import volumes are expected to grow at a slow pace in 2025. A series of domestic policies to stabilize economic growth will also drive the growth of LPG consumption in 2025 and chemical demand continues to grow while demand for domestic gas is expected to stabilize. In 2025, the Group will continue to advance its terminal storage infrastructure upgrades, optimize its logistics and transportation system, and strengthen and stabilize its supply capacity. Meanwhile, we will continue to broaden our procurement and sales pipeline, explore new growth areas for our results and business diversification, provide more professional and premium services to our customers and further enhance our brand awareness and reputation. Meanwhile, the Group will continue to strengthen safety management. The Group will continue to explore platform for digitalization technology management to further strengthen the scientific and efficient management mode, enhance safety management standards and improve the quality and efficiency of the enterprise.

In terms of natural gas, with the steady progress of the economy and the acceleration of the promotion of clean and low-carbon energy, the scope of natural gas utilization will continue to expand. It is expected that domestic natural gas consumption will grow in 2025. The 2025 Energy Work Guidelines (《2025年能源工作指導意見》) issued by the National Energy Administration in February 2025 outlined that the total national energy production will steadily rise and natural gas output will maintain a relatively rapid growth. It is expected that the supply and demand sides of natural gas will continue to maintain a medium-to-high growth momentum in 2025. At the same time, energy work in 2025 will focus on three core themes: safety, green and reform. The natural gas industry will accelerate the in-depth integration and reform, and transform towards safety and green practices. In 2025, the Group will continue to grasp the direction of green and low-carbon transformation, optimize and improve its own natural gas industry chain, and ensure the supply of gas sources. In addition, the Group will continue to respond to the requirements of industry safety supervision, comprehensively deploy safety production management work, and enhance employees' safety awareness and emergency response abilities.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group has recorded revenue of approximately RMB1,634.1 million, representing an increase of approximately RMB228.0 million as compared to approximately RMB1,406.1 million in 2023. The increase in revenue was mainly attributable to the increase in sales volume of LPG and LNG and unit selling prices of LPG during the Year.

Revenue from contracts with customers within the scope of IFRS 15	**2024** *RMB'000*	2023 *RMB'000*
LPG	**1,445,692**	1,147,077
CNG	**159,217**	244,002
LNG	**15,081**	4,293
Others	**14,123**	10,740
	1,634,113	1,406,112

Cost of Sales and Gross Profit

The Group's cost of sales primarily consisted of all costs of procuring LPG, CNG and LNG from the Group's suppliers and logistic services providers for transporting gases. The Group's cost of sales increased by approximately RMB259.4 million from approximately RMB1,321.5 million in 2023 to approximately RMB1,580.9 million in 2024, which was mainly due to the increase in sales volume of LPG and LNG during the Year.

For the year ended 31 December 2024, the gross profit of the Group was approximately RMB53.2 million, representing a decrease of approximately RMB31.4 million as compared to approximately RMB84.6 million in 2023. The decrease in gross profit was due to the decrease in sales volume of CNG for vehicles with higher gross profit margin.

Other Income

For the year ended 31 December 2024, the Group's other income amounted to approximately RMB18.4 million, representing a decrease of approximately RMB5.4 million as compared to approximately RMB23.8 million in the corresponding period in 2023. This was mainly due to the decrease in interest income during the Year.

Staff Costs

For the year ended 31 December 2024, the Group's staff costs were approximately RMB30.0 million, representing a decrease of approximately RMB1.1 million as compared to approximately RMB31.1 million in 2023. This was mainly due to the decline in the operating performance of the Group's CNG stations during the Year, which led to a reduction in performance-based payment to employees.

Depreciation

For the year ended 31 December 2024, the depreciation of the Group was approximately RMB11.6 million, representing a decrease of approximately RMB0.7 million as compared to approximately RMB12.3 million in 2023, this was mainly attributable to certain assets having been fully depreciated in the Year.

Short-term Lease Charges

For the year ended 31 December 2024, the short-term lease charges of the Group was approximately RMB0.6 million, representing a decrease of approximately RMB0.1 million in the short-term lease charges of the Group as compared to approximately RMB0.7 million in 2023.

Other Operating Expenses

For the year ended 31 December 2024, the Group's other operating expenses were approximately RMB31.2 million, representing an increase of approximately RMB1.0 million as compared to approximately RMB30.2 million in 2023. This was mainly attributable to the loss of disposal of property, plant and equipment in the Year.

Finance Costs

For the year ended 31 December 2024, the Group's finance costs were approximately RMB11.0 million, representing a decrease of approximately RMB4.2 million as compared to approximately RMB15.2 million in 2023. This was mainly due to the decline in bank borrowing interest rate during the Year.

(Loss) Profit Before Taxation

For the year ended 31 December 2024, the Group's loss before taxation was approximately RMB16.1 million, representing a decrease of approximately RMB26.1 million as compared to the profit before taxation of approximately RMB10.0 million in 2023.

Income Tax Expenses

For the year ended 31 December 2024, the Group's income tax expenses was approximately RMB1.7 million, representing a decrease of approximately RMB1.6 million as compared to approximately RMB3.3 million in 2023.

(Loss) Profit for the Year

On the basis of the aforementioned reasons, for the year ended 31 December 2024, the Group achieved a loss for the year of approximately RMB17.8 million, representing a decrease of approximately RMB24.5 million as compared to the profit for the year of approximately RMB6.7 million in 2023.

FINANCIAL POSITION

Liquidity, Financial Resources and Capital Structure

For the year ended 31 December 2024, the financial position of the Group remained stable. The total value of assets was approximately RMB1,139.6 million, representing an increase of approximately RMB183.7 million as compared to the total value of assets of approximately RMB955.9 million in 2023. The Group's cash was mainly held for working capital, gas facilities and transport equipment needs.

As at 31 December 2024, the Group had approximately RMB154.4 million in cash and bank balances.

Capital Expenditure

The capital expenditure of the Group was mainly related to the payments for purchase of property, plant and equipment amounted to approximately RMB2.7 million for the year ended 31 December 2024.

Interest-bearing Borrowings

The Group's interest-bearing borrowings as at 31 December 2024 and 2023 are summarised below:

	2024	2023
	RMB'000	*RMB'000*
Secured bank loans and other borrowings	**720,000**	507,500

Gearing Ratio

The gearing ratio (calculated on the basis of the Group's total liabilities over total assets) was approximately 65.9% as at 31 December 2024 (31 December 2023: approximately 57.4%). The increase in gearing ratio was mainly attributable to the increase in interest-bearing borrowings.

Final Dividend

The Board has resolved not to declare the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 429 employees (2023: 427), including 89 employees (2023: 86) of our joint venture, Jiangmen Xinjiang Gas. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employees. The remuneration payable to its employees includes salaries and allowances. The Group attaches importance to the creation and devotion of employees, acknowledges the important position of talent resource in the development of business operation and is committed to develop and maintain good relationship with employees. The Group regularly organizes safety and skills training for its employees, and encourages its employees to attend industry-related seminars organized by professional institutions, in order to enhance the safety and technical capability of employees and promote their career growth and development.

USE OF PROCEEDS FROM THE LISTING

After deduction of all related listing expenses and commissions, the net proceeds from the listing of shares on the Main Board of the Hong Kong Stock Exchange on 28 December 2018 (the "**Listing**") amounted to approximately HK$120.3 million. Details of the proposed use of such net proceeds are disclosed in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company for the Listing and subsequently revised in the announcement issued by the Company dated 27 February 2020. As at 31 December 2024, the Group had utilized approximately HK$70.9 million, representing approximately 58.9% of the net proceeds from the Listing as follows:

Intended use of proceeds	**Original allocation** *HK$ million*	**Revised allocation as at 27 February 2020**[3] *HK$ million*	**Utilised amount during the Year** *HK$ million*	**Utilisation as at 31 December 2024** *HK$ million*	**Remaining balance as at 31 December 2024** *HK$ million*	**Expected timeline for full utilisation of the remaining proceeds**[4]
To acquire operating rights of an LPG domestic station[1]	20.5	20.5	0	0	20.5	By the end of 2026[1]
To strengthen our LPG logistics and storage capacity by constructing storage facilities[2]	21.7	21.7	0	0	21.7	By the end of 2026[2]
To complete construction, purchase land, equipment and machineries and installation for the new CNG mother station	27.7	14.5	–	14.5	0	N/A
To construct new refuelling stations, purchase and install their requisite equipment and machineries and perform maintenance of our existing refuelling stations	24.1	16.1	–	16.1	0	N/A
To increase our logistics capacity by purchasing additional vehicle fleets	14.4	14.4	1.4	7.2	7.2	By the end of 2026[6]
To finance the acquisition[3]	–	21.1	–	21.1	0	N/A
General working capital	12.0	12.0	–	12.0	0	N/A
Total	120.3	120.3	1.4	70.9	49.4[5]	

Notes:

1. As the economic situation remains uncertain at present, the Group has not identified appropriate acquisition targets to date. The Group will assess suitable acquisition targets by adopting a prudent strategy, and anticipates utilizing the proceeds by the end of 2026.

2. The Group expects to use the proceeds for the construction of storage facilities by the end of 2026.

3. The Group acquired 50% of the equity interests of Henan Blue Sky Sino Gas Technology Company Limited and fully utilised the redistributed net proceeds at the end of March 2020. For details, please refer to the announcement of the Company dated 27 February 2020.

4. The expected timeline for full utilisation of the remaining proceeds is made based on the best estimation of the Group taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.

5. As at 31 December 2024, the Group expected that, except for those described in the notes above, there will be no change in the planned use and timing of the use of proceeds from the Listing, and the unutilized net proceeds will be deposited into interest-bearing bank accounts.

6. The Group has not yet used up the proceeds and anticipates utilizing the proceeds by the end of 2026.

FOREIGN EXCHANGE EXPOSURE

As all of our operations are located in the PRC, all of the revenue from customers of the Group are derived from activities in the PRC.

The reporting currency of the Group is RMB. The Group has currency risk exposures arising from business operations and financial instruments that are denominated in a foreign currency, and such risk is primarily Hong Kong Dollar. In order to limit this foreign currency risk exposure, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate or entering into appropriate forward contracts when necessary.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position for the year ended 31 December 2024. Our finance department is responsible for treasury management functions, which include, amongst others, researching and sourcing investment options for further consideration by the general manager, financial controller and the Board, and monitoring the investments on a continuous basis.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, the Group held unlisted equity securities of approximately RMB24.3 million, which was a supplemental means to improve utilisation of our cash on hand.

For the year ended 31 December 2024, apart from the plans mentioned in section "Use of Proceeds from the Listing", the Group had no definite future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

For the year ended 31 December 2024, the Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

In 2019, a subsidiary of the Group has been claimed, as one of the co-defendants, to compensate for damages for the purpose of debt disputes between the plaintiff and other third parties. The maximum exposure of the Group under the claims may amount to approximately RMB69,350,000 (the "**Claim I**"). In 2020, a judgement was determined in favour of the subsidiary of the Group without liability. In 2021, the aforementioned judgement was revoked for a re-trial and subsequently was completed and determined that no liability was required for the Group in 2022. After the completion of re-trial, the plaintiff had further submitted an appeal on the judgement. In June 2023, the court determined again that the subsidiary of the Group was not liable. As at the date of this announcement, the High People's Court has rejected the plaintiff's application for a retrial, and the case has been closed. In accordance with the final judgment, the subsidiary will not be found liable to the Claim I.

In 2023, a subsidiary of the Group has also been claimed, as one of the co-defendants, to compensate for damages for the purpose of debt disputes between the plaintiff and other third parties. The maximum exposure of the Group under the claims may amount to approximately RMB14,053,937 (the "**Claim II**"). The case was heard in the first instance in November 2023 and the court ruled that the subsidiary of the Group was not liable in July 2024. As at the date of this announcement, the plaintiff had not appealed the first instance judgment and the statute of limitations for appeal had expired, and the case was closed.

Accordingly, no provision has been made as at 31 December 2024.

PLEDGE OF ASSETS

As at 31 December 2024, RMB615,000,000 (2023: RMB387,500,000) of pledged and restricted deposits was pledged as securities for the Group's bank loans.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's shares.

PRINCIPAL RISKS AND RISK CONTROL MECHANISM

The Group has implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including administration of daily operations, financial reporting and recording, treasury management, compliance with applicable laws and regulations on environmental protection, and operation safety. The Board oversees and manages the overall risks associated with our operations. We have established the audit committee of the Company (the "**Audit Committee**") to review and supervise the financial reporting process and internal control system of the Group. The management team of the Company is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner while the effectiveness of our risk management framework will be evaluated at least once a year, and periodic management meetings are held to update the progress of risk monitoring efforts by the Audit Committee and the Board. The Group monitors material risks and improves ability against risks by building standard norms and effective risk control mechanism.

Principal Risks

For the year ended 31 December 2024, the following principal risks of the Group were identified and classified as follows:

- The business of the Group is subject to the development of the PRC government policies and any future unfavourable policies may materially and adversely affect our business development and performance. We cannot predict future changes in laws and regulations or government policies, which may vary and are beyond the control of the Group;

- The Group is dependent on our major suppliers and any instability in or shortages of supply of LPG and LNG from our major suppliers could significantly and adversely affect our business;

- PetroChina is our ultimate major supplier for CNG in Henan Province and any instability or shortages of supply of natural gas to us from PetroChina could significantly and adversely affect our business;

- The gross profit margin and growth in profit may fluctuate in the future as our purchase price and selling price of our gas products (including LPG, CNG and LNG) are sensitive to factors beyond our control;

- Competition from alternative vehicle fuels is being intensified, particularly with technological advancement of and increasing governmental support for electric vehicles, which may reduce the demand for our gas refuelling business;

- The Group is exposed to credit risk of our customers. If the credit worthiness of our customers deteriorates or if a significant number of our customers fails to settle their trade and bill receivables in full for any reason, we may incur impairment losses and our results of operations and financial position could be materially and adversely affected; and

- The occurrence of force majeure such as the slowdown in macro-economy may affect the operation and performance of the Company.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Wednesday, 25 June 2025 ("**2025 AGM**"). Notice of the 2025 AGM and all other relevant documents will be published and despatched to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are eligible to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Thursday, 19 June 2025 to Wednesday, 25 June 2025, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18 June 2025 for registration.

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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Board believes that good corporate governance standards are essential in maintaining a balanced composition of executive Directors and independent non-executive Directors (the "**INEDs**") for the Board to exercise independent judgment effectively and providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Board is of the view that the Company has complied with the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Securities Dealing Code throughout the year ended 31 December 2024. The Company has also adopted the Securities Dealing Code as the written guidelines (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

REVIEW OF CONSOLIDATED ANNUAL RESULTS BY THE AUDIT COMMITTEE

Pursuant to the requirements of the CG Code and the Listing Rules, the Company has established the Audit Committee comprising of three INEDs, namely Dr. Zheng Jian Peng (Chairman), Mr. Wang Zhonghua and Mr. Sheng Yuhong. The Audit Committee has reviewed with the management the accounting principles and practice adopted by the Group and the consolidated financial statements of the Group for the year ended 31 December 2024. There were no disagreements from the Audit Committee or the external auditors on the accounting policies adopted by the Company.

SCOPE OF WORK OF FORVIS MAZARS

The 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 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited ("**Forvis Mazars**"), Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

SIGNIFICANT EVENT AFTER REPORTING PERIOD

The Group's subsidiary, Zhengzhou Sino Gas Bus Fuel Company Limited (鄭州中油潔能巴士燃氣有限公司) ("**Zhengzhou Sino Gas**"), and Zhengzhou Public Transport Group Company Limited (鄭州市公共交通集團有限公司) ("**Zhengzhou Public Transportation**") entered into a renewed 2025 CNG Supply Agreement on 14 March 2025 in relation to the supply of CNG between the Group and Zhengzhou Public Transportation in order to continue with the transactions under the then existing arrangement after its then expiry on 13 March 2025, for a further term commencing from 14 March 2025 to 13 March 2026. As Zhengzhou Public Transportation is a substantial shareholder of Zhengzhou Sino Gas, a subsidiary of the Company, Zhengzhou Public Transportation is considered a connected person of the Company at the subsidiary level. Therefore, the transactions contemplated under the 2025 CNG Supply Agreement would constitute continuing connected transactions at the subsidiary level under Chapter 14A of the Listing Rules. The Directors (including the independent non-executive Directors) are of the view that the 2025 CNG Supply Agreement was entered into in the ordinary and usual course of business of the Group, on normal commercial terms and on pricing terms no less favourable to the Company than those provided to independent third parties, and the terms and the annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. For further details, please refer to the announcement of the Company dated 14 March 2025.

There has been no other significant event that affected the Group after 31 December 2024 and up to the date of this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinogasholdings.com). The 2024 annual report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company who have elected to receive printed form and made available on the respective website of the Stock Exchange and the Company in due course.

By order of the Board
Sino Gas Holdings Group Limited
Mr. Ji Guang
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the directors of the Company are:

Executive Directors:
Mr. Ji Guang *(Chairman)*
Ms. Ji Ling *(Vice-Chairman and Chief Executive Officer)*
Mr. Zhou Feng

Independent non-executive Directors:
Mr. Sheng Yuhong
Mr. Wang Zhonghua
Dr. Zheng Jian Peng