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JY GAS LIMITED
交运燃气有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1407)

**ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 (the “**Year**”) amounted to RMB334.6 million, a decrease of 9.7% as compared to 2024.
- Net profit for the Year amounted to RMB28.9 million, a decrease of 4.4% as compared to 2024. The net profit margin for the Year was 8.6%, as compared to 8.2% in 2024.
- Basic earnings per share for the Year amounted to RMB0.06, a decrease of RMB0.01 from 2024.
- The Board has recommended a final dividend of HK\$0.011 per ordinary share for the Year.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of JY GAS LIMITED (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the Year with comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	334,586	370,424
Cost of sales	4	(270,356)	(312,636)
Gross profit		64,230	57,788
Administrative expenses	4	(25,163)	(22,409)
Reversal/(provision) of net impairment losses on financial assets and contract assets		2,144	(42)
Other income	5	5,562	6,016
Other (losses)/gains, net	6	(3,438)	1,270
Operating profit		43,335	42,623
Finance income	7	281	2,341
Finance costs	7	(3,497)	(3,523)
Finance income and costs, net	7	(3,216)	(1,182)
Profit before income tax		40,119	41,441
Income tax expense	8	(11,219)	(11,217)
Profit for the year		28,900	30,224

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

		Year ended 31 December	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
Other comprehensive income for the year, net of tax			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Revaluation of property, plant and equipment and right-of-use assets on transfer to investment properties		<u>1,724</u>	<u>–</u>
Other comprehensive income for the year		<u>1,724</u>	<u>–</u>
Total comprehensive income for the year		<u><u>30,624</u></u>	<u><u>30,224</u></u>
Profit for the year attributable to:			
Owner of the Company		28,395	30,021
Non-controlling interests		<u>505</u>	<u>203</u>
		<u>28,900</u>	<u>30,224</u>
Profit and total comprehensive income attributable to:			
Owners of the Company		29,602	30,021
Non-controlling interests		<u>1,022</u>	<u>203</u>
		<u>30,624</u>	<u>30,224</u>
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	10	<u><u>0.06</u></u>	<u><u>0.07</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets			
Non-current assets			
Property, plant and equipment		145,048	149,997
Investment properties		72,131	68,200
Right-of-use assets		6,333	9,696
Intangible assets		5,910	6,380
Trade receivables	11	6,492	10,946
Other non-current assets		4,370	5,536
		<u>240,284</u>	<u>250,755</u>
Current assets			
Inventories		8,021	8,587
Contract assets		3,543	10,546
Trade and other receivables	11	86,570	78,552
Prepayments and other current assets		18,253	15,983
Cash and bank balances		221,396	224,160
		<u>337,783</u>	<u>337,828</u>
Total assets		<u>578,067</u>	<u>588,583</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity			
Share capital		310	310
Share premium and reserves		134,541	145,344
Retained earnings		177,505	152,330
		<hr/>	<hr/>
Equity attributable to owners of the Company		312,356	297,984
Non-controlling interests		16,984	15,962
		<hr/>	<hr/>
Total equity		329,340	313,946
		<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Non-current liabilities			
Lease liabilities		1,731	1,804
Trade payables	12	2,973	13,534
Borrowings	13	9,010	–
Deferred income tax liabilities		8,054	7,683
		<hr/>	<hr/>
		21,768	23,021
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	12	61,428	65,380
Contract liabilities		95,772	121,822
Current income tax liabilities		10,279	4,133
Borrowings	13	59,280	60,072
Lease liabilities		200	209
		<hr/>	<hr/>
		226,959	251,616
		<hr/>	<hr/>
Total liabilities		248,727	274,637
		<hr/> <hr/>	<hr/> <hr/>
Total equity and liabilities		578,067	588,583
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

JY GAS LIMITED (the “**Company**”) was incorporated in the Cayman Islands on 9 March 2021 as an exempted company with limited liability under the Companies Act (Cap.22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Palm Grove Unit 4, 265 Smith Road, George Town, P. O. Box 52A Edgewater Way, #1653, Grand Cayman KY1-9006, Cayman Islands.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 16 November 2022.

The Group are principally engaged in the sale of natural gas, mainly piped natural gas (“**PNG**”), compressed natural gas (“**CNG**”) and liquefied natural gas (“**LNG**”), the provision of construction and installation services and the sale of gas-burning appliances in Gaomi City, Shandong Province.

These consolidated financial statements are presented in RMB, unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 26 March 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) *Statement of compliance*

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (“**HKFRS**”) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”). The consolidated financial statements have been prepared in accordance with all applicable HKFRS, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institution of Certified Public Accountants and the disclosure requirement of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the investment properties, which are measured at fair value as explained in the accounting policies set out below.

(c) Adoption of new or amendments to HKFRSs – effective 1 January 2025

HKAS 21 and HKFRS 1 Lack of Exchangeability (amendments)

None of these new or amendments to HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amendments to HKFRSs that is not yet effective for the current accounting period.

(d) New or amendments to HKFRSs that have been issued but not yet effective

The following new or amendments to HKFRSs, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments) ¹
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments) ¹
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard) ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard) ²
HKFRS 19	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures ²
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments) ²
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) ³

1 Effective for annual periods beginning on or after 1 January 2026.

2 Effective for annual periods beginning on or after 1 January 2027.

3 Effective date to be determined.

3 REVENUE AND SEGMENT INFORMATION

The Company's executive directors are the Group's chief operating decision maker ("CODM"). The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the sale of piped natural gas, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8 "Operating Segments". No separate segmental analysis is presented in the consolidated financial statements. The Group's total revenues are all from domestic customers in the People's Republic of China (the "PRC"). Accordingly, no geographical information is presented.

Revenue from external customers

	<i>Year ended 31 December</i>	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised at a point in time:		
Revenue from PNG sales	298,050	307,193
Revenue from CNG and LNG sales	13,317	18,004
Revenue from sales of gas-burning appliances	3,355	15,274
	314,722	340,471
Revenue recognised over time:		
Revenue from construction and installation services	19,864	29,953
Total	334,586	370,424

During the years ended 31 December 2025 and 2024, no revenue derived from transactions with a single customer representing 10% or more of the Group's total revenue.

4 EXPENSES BY NATURE

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of natural gas	243,238	268,566
Materials used in construction and installation services	188	613
Cost of gas-burning appliance sold	789	9,291
Employee benefit expenses	14,123	12,650
Construction subcontracting fee	7,450	13,415
Depreciation and amortisation		
– Property, plant and equipment	11,611	11,806
– Right-of-use assets	593	692
– Intangible assets	470	385
Professional and consulting fees	5,722	2,879
Repairs and maintenance costs	3,919	4,196
Auditor's remuneration	1,200	1,200
Taxes and surcharges	902	1,336
Utility costs	741	871
Vehicle costs	391	780
Other expenses	4,182	6,365
	<hr/>	<hr/>
Total cost of sales and administrative expenses	295,519	335,045
	<hr/> <hr/>	<hr/> <hr/>

5 OTHER INCOME

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Rental income from		
– a related party	3,578	3,578
– non-related parties	428	–
Government subsidy	–	8
Compensation from insurance institution	1,085	1,975
Others	471	455
	<hr/>	<hr/>
	5,562	6,016
	<hr/> <hr/>	<hr/> <hr/>

6 OTHER (LOSSES)/GAINS, NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Direct compensation for safety incident	–	(170)
Fair value adjustment to investment properties	(3,213)	(800)
Gain on disposal of financial assets at FVTPL	–	1,612
Foreign exchange (losses)/gains	(13)	525
Gain on disposal of property, plant and equipment	–	48
Write off of property, plant and equipment	(43)	(194)
Others	(169)	249
	(3,438)	1,270

7 FINANCE INCOME AND COSTS, NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income:		
– Bank deposits	253	606
– Loans to a related party	–	737
– Imputed interest income on trade receivables	28	998
Total finance income	281	2,341
Interest expense:		
– Bank borrowings	(3,195)	(2,986)
– Interest expense of lease liabilities	(143)	(147)
– Imputed interest expense on trade payables	(159)	(390)
Total finance costs	(3,497)	(3,523)
Net finance costs	(3,216)	(1,182)

8 INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax:		
– PRC enterprise income tax	11,423	11,319
– Deferred income tax	(204)	(102)
	<u>11,219</u>	<u>11,217</u>

9 DIVIDENDS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Dividend recognised as distribution during the year:		
– Final dividend paid of RMB0.031 (equivalent to HKD0.033) per share for 2023	–	13,048
– Final dividend paid of RMB0.035 (equivalent to HKD0.037) per share for 2024	15,230	–
	<u>15,230</u>	<u>13,048</u>

The final dividend of HK\$0.011 in respect of the year ended 31 December 2025 (2024: HK\$0.037) has been recommended by the Board and will be subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

For details of the final dividend proposed by the Directors at the meeting held on 26 March 2026, please see the section headed “Final Dividend” in this announcement.

10 EARNINGS PER SHARE

Basic earnings per share for the years ended 31 December 2025 and 2024 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	Year ended 31 December	
	2025	2024
Profit attributable to owners of the Company (<i>RMB'000</i>)	28,395	30,021
Weighted average number of issued ordinary shares	440,000,000	440,000,000
Basic earnings per share (<i>expressed in RMB per share</i>)	0.06	0.07

As the Company has no dilutive instruments during the year ended 31 December 2025 and 2024, the Group's diluted earnings per share equals to its basic earnings per share.

11 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Trade receivables		
– Third parties	6,694	11,460
Less: provision for impairment of trade receivables	(202)	(514)
	6,492	10,946
Current		
Trade receivables		
– Related parties	5,217	3,819
– Third parties	72,141	71,112
Less: provision for impairment of trade receivables	(1,510)	(3,133)
Trade receivables – net	75,848	71,798
Other receivables		
– Related parties	10,400	6,500
– Third parties	25,954	25,690
	36,354	32,190
Less: provision for impairment of other receivables	(25,632)	(25,436)
Other receivables – net	10,722	6,754
	86,570	78,552
Total trade and other receivables, net	93,062	89,498

Aging analysis of trade receivables (before impairment) at each balance sheet date based on their initial recognition dates were as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	9,867	16,849
1 – 2 years	16,512	17,909
2 – 3 years	12,813	28,986
Over 3 years	44,860	22,647
	84,052	86,391

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

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year	3,647	3,538
Provision	–	109
Reversal	(1,935)	–
At the end of the year	1,712	3,647

12 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Trade payables		
– Third parties	<u>2,973</u>	<u>13,534</u>
Current		
Trade payables		
– Third parties	38,788	40,415
– Related parties	<u>5,077</u>	<u>4,141</u>
	<u>43,865</u>	<u>44,556</u>
Other payables		
– Value-added tax payable	10,360	11,364
– Other taxes payable	377	398
– Amounts due to related parties	2,279	1,817
– Listing expenses payable	61	–
– Salaries and staff welfare payable	1,619	3,072
– Dividend payable	338	226
– Others	<u>2,529</u>	<u>3,947</u>
	<u>17,563</u>	<u>20,824</u>
	<u>61,428</u>	<u>65,380</u>
Total trade and other payables	<u>64,401</u>	<u>78,914</u>

Aging analysis of trade payables at each balance sheet date based on their initial recognition dates were as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	8,251	27,596
1 – 2 years	15,784	20,399
2 – 3 years	14,069	6,812
Over 3 years	<u>8,734</u>	<u>3,283</u>
	<u>46,838</u>	<u>58,090</u>

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

13 BORROWINGS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Bank borrowings		
– Guaranteed by related parties	59,200	59,990
Interest payable	80	82
	<u>59,280</u>	<u>60,072</u>
Non-Current		
Bank borrowings		
– Guaranteed by related parties	9,000	–
Interest payable	10	–
	<u>9,010</u>	<u>–</u>
	<u>68,290</u>	<u>60,072</u>

As at 31 December 2025, bank borrowings of RMB68,200,000 (2024: RMB59,990,000) were guaranteed by certain related parties.

MANAGEMENT DISCUSSION AND ANALYSIS OPERATION REVIEW

INDUSTRY OVERVIEW

The PRC government continues to advance its national strategy of reducing air pollution and greenhouse gas emissions, with natural gas positioned as an important transitional fuel in the country's low carbon energy transformation. In line with China's dual carbon objectives of achieving carbon peaking and carbon neutrality, the Group expects national and provincial authorities to further strengthen policy support for low carbon and clean energy development. These measures are anticipated to sustain long term growth in natural gas consumption.

The implementation of the provincial 14th Five-Year Energy Development Plan of Shandong Province (《山東省能源發展“十四五”規劃》) has accelerated the transition toward a cleaner and more diversified energy structure. Shandong Province continues to promote clean energy substitution, enhance energy supply security, and expand natural gas usage across residential and industrial sectors. Such policies are supportive of the orderly development of the natural gas market in Gaomi City, where the Group operates.

The Energy Law of the People's Republic of China(《中華人民共和國能源法》), which came into effect on 1 January 2025, quickened the pace of market-oriented reforms in the power sector, accelerated low carbon transition, and provided clearer rules and expectations for energy distributors, including natural gas market participants.

Guided by national and provincial policy directions, the Group will continue to strengthen its natural gas supply network and act as a reliable source of energy in Gaomi City, while contributing to the sustainable development of the Group's business.

DEVELOPMENT STRATEGY AND OUTLOOK

As Gaomi City's largest natural gas provider, the Group's business is supported by a strong customer base which grows steadily with the expansion of the Group's pipeline network and completion of clean energy projects in rural areas.

The Group remains committed to improving the safety management of its natural gas operations by prioritising its investment in operational safety management. In addition to carrying out comprehensive safety inspections and strengthening technical capacities, the Group will also continue to promote and provide gas safety training and education to ensure that all personnel of the Group, to ensure safe use of natural gas by its customers.

BUSINESS REVIEW

The Group is a natural gas operator in Gaomi City, Weifang Municipality of Shandong Province, the PRC. The Group has an exclusive right under its concession agreement with Gaomi City Bureau of Municipal Affairs Administration to operate PNG sales and related businesses within a specified operating area which represents approximately 70% of the total administrative area of Gaomi City (the “**Operating Area**”). The concession has an effective term of 30 years until August 2039.

During the Year, the Group primarily generated revenue from its sale of natural gas in Gaomi City. The sale of PNG is its principal business. As at the end of the Year, the Group’s customers of its sale of PNG business included (a) retail customers which comprised 160,592 active residential PNG end-users, 391 active industrial PNG end-users and 5,244 active commercial PNG end-users, representing an increase of approximately 3.7%, 4.5%, and 2.2% from that as at the year end of 2024; and (b) three wholesale customers, which are natural gas suppliers in neighbouring cities or natural gas refuelling station operators in Gaomi City. The Group’s sales volume of PNG was approximately 82.5 million m³ for the Year, representing a decrease of approximately 5.8% as compared to that for the year ended 31 December 2024. As at the end of the Year, the Group’s urban pipeline network was comprised of approximately 789.5 kilometres of completed mid-pressure pipelines.

While sale of PNG continues to be the Group’s core business, it also engages in the sale of CNG and LNG at its CNG and LNG refuelling stations, the provision of construction and installation services, and the sale of gas-burning appliances.

In 2025, the economy of China experienced challenges due to the complex and volatile international geopolitical landscape. The general economic slowdown resulted in less demand for manufacturing activities, which led to weakened natural gas consumption. This negatively impacted the Group, as the majority of its PNG customers are industrial PNG end-users, many of which operate textile or manufacturing factories.

In addition, as the overall property market in China was on a downward trend in 2025, the Group was affected by the weak property market condition. A reduction in new property development and construction activities in Gaomi City led to decreased demand for construction and installation services and sale of gas-burning appliances, which are business segments with relatively higher profit margins for the Group.

Despite the decline in revenue, the Group nonetheless achieved higher operating profit for 2025 as compared to 2024, due to the overall lower cost of sales, which mainly comprised PNG procurement. The market price of PNG from upstream suppliers in the PRC was generally lower in 2025 as compared to 2024, as a result of abundant supply and reduced demand. In accordance with government pricing policies, the Group's PNG selling price to residential PNG end-users remain unchanged, while the PNG selling price to industrial and commercial PNG end-users was lowered to a slighter degree.

However, the Group's net profit declined for 2025 as compared to 2024. This was mainly because of a larger net loss resulting from fair value adjustment to investment properties.

SEGMENTAL ANALYSIS

1. PNG SALES

The Group supplies PNG to retail customers comprising residential, industrial and commercial PNG end-users, as well as wholesale customers. During the Year, the total revenue of the Group generated from its PNG sales business was RMB298.1 million, representing a decrease of 3.0% as compared to RMB307.2 million for the year ended 31 December 2024. The Group's sales volume of PNG was approximately 82.5 million m³ for the Year, representing a decrease of 5.8% as compared to approximately 87.6 million m³ for the year ended 31 December 2024.

Sales to retail customers: Revenue generated from PNG sales to retail customers was RMB287.5 million for the Year remained relatively stable as compared to RMB295.5 million for the year ended 31 December 2024. During the Year, PNG sales to industrial PNG end-users accounted for the largest portion of the Group's total PNG sales. During the Year, PNG sales volume to the Group's industrial, residential and commercial PNG end-users was 45.2 million m³, 31.5 million m³, and 1.7 million m³, respectively, accounting for approximately 57.7%, 40.1% and 2.2% of the Group's total PNG sales volume to retail customers. Comparatively, for the year ended 31 December 2024, PNG sales volume to industrial, residential and commercial PNG end-users was 52.7 million m³, 29.5 million m³ and 1.1 million m³, respectively, accounting for approximately 63.3%, 35.4% and 1.3% of the Group's total PNG sales volume to retail customers.

Although there has been a slight increase in sale of PNG to residential and commercial PNG end-users, it was unable to offset the decrease in sales to industrial PNG end-users, which was mainly due to reduced demand for natural gas, as the weak global economy and uncertainty stemming from the complex geopolitical environment led to a slowdown of the industrial sector in Gaomi City.

Sales to our wholesale customers: Revenue generated from PNG sales to our wholesale customers was RMB10.5 million for the Year, representing a decrease of 10.3% from RMB11.7 million for the year ended 31 December 2024. During the Year, PNG sales volume to our wholesale customers was 4.1 million m³, remained relatively stable as compared to 4.3 million m³ for the year ended 31 December 2024. Such decrease was mainly due to lower demand for natural gas by one of our wholesale customers that operate a natural gas refuelling station in Gaomi City.

2. CNG AND LNG SALES

The Group supplies CNG and LNG to vehicle users at its CNG and LNG refuelling stations in Gaomi City. During the Year, revenue of the Group generated from its CNG and LNG sales business was RMB13.3 million, representing a decrease of 26.0% as compared to RMB18.0 million for the year ended 31 December 2024. Such decrease was primarily due to (i) the increasing popularity of electric vehicles as a result of its low charging costs, thereby leading to fewer use of CNG and LNG vehicles as a whole; and (ii) the Group's closure of another one of its gas refuelling stations in September 2025 due to high procurement and management costs and a low gross profit margin.

3. CONSTRUCTION AND INSTALLATION SERVICES

The Group provides construction and installation services to property developers, residential PNG end-users and non-residential PNG end-users. During the Year, revenue of the Group generated from its construction and installation services was RMB19.9 million, representing a decrease of 33.7% as compared to RMB30.0 million for the year ended 31 December 2024. Such decrease was primarily attributable to (i) minimal installation work carried out for clean energy projects during 2025, as the contracted project draws to an end in 2025; and (ii) less construction and delivery of new properties as a result of the weak property market in Gaomi City.

4. SALE OF GAS-BURNING APPLIANCES

The Group sells gas-burning appliances such as gas stoves, wall-hung gas boilers and water heaters, primarily to property owners and property occupiers. During the Year, revenue of the Group generated from its sale of gas-burning appliances was RMB3.4 million, representing a decrease of 77.8% as compared to RMB15.3 million for the year ended 31 December 2024. Such decrease was primarily attributable to decrease in demand for installation of gas stoves and wall-hung gas boilers as (i) the clean energy projects all completed in 2025; and (ii) less delivery of new properties as a result of the weak property market in Gaomi City.

FINANCIAL OVERVIEW

Revenue

The Group's revenue for the Year was RMB334.6 million, representing a decrease of 9.7% as compared to RMB370.4 million for the year ended 31 December 2024. The decrease in revenue was mainly attributable to (i) the decrease in demand for natural gas by industrial PNG end-users as the weak global economy and uncertainty stemming from the complex geopolitical environment led to a slowdown of the industrial sector in Gaomi City; and (ii) the drop in construction and installation work carried out as well as sale of gas-burning appliances.

Gross Profit

The Group's gross profit for the Year was RMB64.2 million, representing an increase of 11.1% as compared to RMB57.8 million for the year ended 31 December 2024. The increase in gross profit was mainly due to relatively stable PNG selling prices coupled with lower procurement costs, in respect of sales of PNG. The Group's gross profit margin remained relatively stable at 19.2% and 15.6% for the year ended 31 December 2025 and 2024, respectively.

Administrative expenses

The Group's administrative expenses for the Year was RMB25.2 million, representing an increase of 12.3% as compared to RMB22.4 million for the year ended 31 December 2024. Such increase was mainly due to increase in staff costs, in light of the high turnover rate, hence there was a need to increase employee wages to retain talent. Furthermore, professional fees increased to facilitate the Group's development.

Reversal of net impairment losses on financial assets and contract assets

The Group recorded a reversal of net impairment losses on financial assets and contract assets of RMB2.1 million during the Year, as compared to a provision of net impairment losses on financial assets and contract assets of RMB42,000 during the year ended 31 December 2024. This was primarily due to lowered credit risk of payables from Gaomi City government in relation to the clean energy projects, as re-assessed by the Company based on the prevailing credit risk estimation.

Other Income

The Group's other income for the Year was RMB5.6 million, representing a decrease of 7.5% as compared to RMB6.0 million for the year ended 31 December 2024. The Group's other income was lower for the year ended 31 December 2025 mainly because the Group has received a lower amount of compensation from insurance institution during the Year.

Other losses/gains, net

The Group recorded other net losses for the Year amounting RMB3.4 million, as compared to other net gains of RMB1.3 million for the year ended 31 December 2024. This was primarily because of a larger net loss resulting from fair value adjustment to investment properties.

Finance income and costs, net

The Group's finance income for the Year was RMB0.3 million, representing a decrease of 88.0% as compared to RMB2.3 million for the year ended 31 December 2024, which was mainly due to lower interest income from bank deposits and imputed interest income on trade receivables as a result of generally lower applicable interest rates. The Group's finance costs for the Year were RMB3.5 million, which remained relatively stable as compared to RMB3.5 million for the year ended 31 December 2024.

Income Tax Expense

The Group's income tax expense for the Year was RMB11.2 million, remained relatively stable as compared to RMB11.2 million for the year ended 31 December 2024. The effective tax rate for the Year was 27.96% (the effective tax rate for the year ended 31 December 2024 was 27.1%).

Profit and Total Comprehensive Income Attributable to Owners of the Company

Profit and total comprehensive income attributable to owners of the Company for the Year was RMB29.6 million, representing a decrease of 1.4% as compared to RMB30.0 million for the year ended 31 December 2024, which was mainly due to an increase of other net losses, the reversal of net impairment losses on financial assets and contract assets, and a decrease in finance income.

Trade and Other Receivables

The Group's trade and other receivables was RMB93.1 million as at 31 December 2025, representing an increase of 4.0% as compared to RMB89.5 million as at 31 December 2024. This was because of the net effect of the decrease in trade receivables and the increase in other receivables. The decrease in trade receivables was mainly due to the settlement of some trade receivables by Gaomi City government in respect of clean energy projects. The increase of other receivables was mainly due to the late payment of rent of the Jiaoyun Market by a related party.

Trade and Other Payables

The Group's trade and other payables was RMB64.4 million as at 31 December 2025, representing a decrease of 18.4% as compared to RMB78.9 million as at 31 December 2024, which was mainly attributable to the settlement of some trade payables to its suppliers in respect of clean energy projects.

Liquidity and Financial Position

The Group's current assets amounted to RMB337.8 million as at 31 December 2025, remained relatively stable as compared to RMB337.8 million as at 31 December 2024. As at 31 December 2025, the Group's cash and bank balances amounted to RMB221.4 million.

As at 31 December 2025, the current ratio (current assets/current liabilities) of the Group was 148.8% (134.3% for the year ended 31 December 2024) and the debt ratio of the Group (total liabilities/total assets) was 43.0% (46.7% for the year ended 31 December 2024). As at 31 December 2025, the Group's utilised bank loans amounted to RMB68.2 million, all of which were denominated in RMB, bearing an annual interest rate of 4.3%. As at 31 December 2025, the Group had unutilised bank credit amounting to RMB1 million. As at 31 December 2025, the Group had lease liabilities of RMB1.9 million, of which RMB0.2 million is analysed as current portion, and RMB1.7 million is analysed as non-current portion.

The gearing ratio of the Group was 21.3% as at 31 December 2025 (19.8% as at 31 December 2024). The ratio was calculated by dividing total debt (borrowings and lease liabilities) by total equity as at the end of the relevant year. As at 31 December 2025, the Group maintained a net cash position.

Exchange Rate Fluctuation Risk

While Group's businesses are principally denominated in RMB, it has certain deposits denominated in Hong Kong dollars which expose it to exchange rate fluctuation risk. Currently, the Group does not have any hedging policy on foreign currency. The Group's management will closely monitor the exchange rate fluctuation risk and take appropriate measures such as hedging measures to control the exchange rate fluctuation risk when necessary.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Financial Guarantee Obligations

As at 31 December 2025, the Group had no material financial guarantee obligations.

Pledge of Assets

As at 31 December 2025, none of the assets of the Group were pledged (nil as at 31 December 2024).

Significant Investment

During the Year, the Group did not hold any significant investment. As of 31 December 2025, the Group did not have future plans for material investments and investment in capital assets.

Material Acquisition and Disposal

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

Human Resources and Employee Compensation

As at 31 December 2025, the Group employed a total of 151 employees in the PRC as compared to 154 as at 31 December 2024. During the Year, the total employee costs of the Group were RMB14.1 million. The Group manages its personnel actively, including but not limited to providing training on relevant policies and regulations, safety management and professional knowledge in order to improve management skills, strengthen employees' professional skills and enhance the competitiveness of the Group.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no events causing material impact on the Group from the end of the Year to the date of this announcement.

MATERIAL LITIGATION

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

NO MATERIAL CHANGES

Save as disclosed in this announcement, during the Year, there were no material changes affecting the Group's performance that needs to be disclosed under the Listing Rules.

NET PROCEEDS FROM THE GLOBAL OFFERING AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

The Shares were listed on the Main Board of the Stock Exchange (“**Listing**”) on 16 November 2022, with a total of 110,000,000 Shares issued pursuant to the global offering of Shares (“**Global Offering**”). After deducting the underwriting fees and relevant expenses, net proceeds from the Global Offering (the “**Net Proceeds**”) amounted to approximately HK\$111.6 million (equivalent to RMB101.2 million). The following table sets out the intended use and actual use of the Net Proceeds as at 31 December 2025:

Designated use of Net Proceeds	% of Net Proceeds	Allocated amount (RMB million)	Utilised as at 31 December 2025 (RMB million)	Unutilised as at 31 December 2025 (RMB million)	Expected to be utilised prior to the following date
Expanding the sale of PNG business through construction of new mid-pressure pipelines of approximately 101.0 km in the Operating Area	48.5%	49.1	42.7	6.4	By the end of 2026
Upgrading approximately 43.4 km of the urban pipeline network	20.5%	20.7	17.4	3.3	By the end of 2026
Replacing existing gas meters with Goldcard Meters for over 19,500 households in the Operating Area	6.9%	7.0	7.0	–	–
Construction of an aggregate of approximately 18.0 km PNG end-user pipelines that connect the urban pipeline network for implementing the Clean Energy Projects to serve over 5,500 households in the Operating Area	14.1%	14.3	14.3	–	–
Working capital and other general corporate purposes	10.0%	10.1	9.2	0.9	By the end of 2026

As at the date of this announcement, the unutilised Net Proceeds are deposited in an interest-bearing account opened with a licensed bank.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code (“**CG Code**”) in Appendix C1 to the Listing Rules by conducting its business by reference to the principles of the CG Code and emphasising such principles in the Company’s governance framework. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code (as amended from time to time) during the Year, save for the deviations from Code Provisions C.1.7, C.2.1 and C.5.1 discussed below.

Pursuant to Code Provision C.1.7 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company has not arranged any insurance cover in respect of any potential legal action against the Directors. Given the nature of the Company’s business, the Directors believe that the likelihood of legal actions against the Directors is very slight, and the Company can still achieve adequate corporate governance through various management and monitoring mechanisms so as to reduce risk, including periodic reviews on the effectiveness of the Company’s internal control system, clear division of duties and training for staff and management. The Board will review, on a regular basis, whether it is necessary to arrange insurance cover in respect of potential legal action against the Directors.

Pursuant to Code Provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company do not have a separate chairman and chief executive officer and Mr. Luan Xiaolong currently assumed both roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and the three independent non-executive Directors. The Board will continue to review the effectiveness of the corporate governance structure of the Group and consider segregating the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Pursuant to Code Provision C.5.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly intervals. During the Year, the Company convened only two regular Board meetings. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings necessary. The significant matters related to the Group's business activities and operations had been appropriately addressed through due reporting from and discussions with the management of the Company, and written resolutions by the Board, or other communications with the Board members to facilitate prompt decision-making for commercial purposes.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as the code of conduct for the Directors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code during the Year. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules) during the Year. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in compliance with the Listing Rules and the CG Code (the “**Audit Committee**”). As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Ms. Liu Xiaoye, Mr. Wei Yi and Mr. Tian Qiang. Ms. Liu Xiaoye is the chairlady of the Audit Committee.

The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group and has reviewed the Group's audited consolidated results for the Year.

AUDITOR’S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto in this results announcement of the Group for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this results announcement.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend (the “**Final Dividend**”) of HK\$0.011 per ordinary share of the Company for the Year (2024: HK\$0.037), which will be paid out of the Company’s share premium account. The Final Dividend shall be subject to the approval of the shareholders of the Company at AGM in 2026 and such dividend is expected to be paid on or before 5 August 2026 to the shareholders of the Company whose names appear on the register of members of the Company on 14 July 2026.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**2026 AGM**”) will be held on 17 June 2026. Notice of the 2026 AGM will be published and issued (if requested) to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the Company’s shareholders to attend and vote at the 2026 AGM, the register of members of the Company will be closed from 12 June 2026 to 17 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on 11 June 2026, for registration. The record date for determining the eligibility of Shareholders who are entitled to attend and vote at the 2026 AGM is 17 June 2026.

For the purposes of determining the entitlement of the Company's shareholders to the proposed Final Dividend, the register of members of the Company will be closed from 10 July 2026 to 14 July 2026 (both days inclusive), during which no transfer of Shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on 9 July 2026, for registration. The record date for determining the entitlement to the proposed final dividend is 14 July 2026.

APPRECIATION

The chairman of the Group would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each and every one of the staff of the Group for their hard work and loyalty to the Group.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gmjytrq.com). The annual report for the Year will be published on the aforesaid websites of the Stock Exchange and the Company and will be despatched (if requested) to shareholders of the Company in due course.

By Order of the Board
JY GAS LIMITED
Luan Xiaolong
Chairman of the Board

Hong Kong, 26 March 2026

As at the date of this announcement: (1) the Chairman and executive Director is Mr. Luan Xiaolong; (2) the executive Directors are Mr. Luan Linxin and Ms. Xu Huanxia; (3) the non-executive Director is Mr. Lui Chun Pong; and (4) the independent non-executive Directors are Mr. Wei Yi, Mr. Tian Qiang and Ms. Liu Xiaoye.