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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)

**PROFIT WARNING AND
UPDATE ON THE NATURAL GAS EXPLOSION INCIDENT**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

PROFIT WARNING

Based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 and the information currently available to the Company, it is expected that the Group would record a decrease in the net profit for the year ended 31 December 2023, which is anticipated to fall within the range of approximately RMB24 million to RMB28 million, as compared to a net profit of RMB52.0 million for the year ended 31 December 2022.

UPDATE ON THE NATURAL GAS EXPLOSION INCIDENT

Since the announcement of the Company dated 31 October 2023 up to the date of this announcement, the Group was required to bear a direct compensation of approximately RMB4.6 million in aggregate in relation to the Incident (as defined below).

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

1. PROFIT WARNING

This announcement is made by JY GAS LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 and the information currently available to the Company, it is expected that the Group would record a decrease in the net profit for the year ended 31 December 2023, which is expected to fall within the range of approximately RMB24 million to RMB28 million, as compared to the net profit of RMB52.0 million for the year ended 31 December 2022. The decrease was mainly due to the following reasons:

- (i) a decrease in gross profit of within the range of approximately RMB33 million to RMB38 million as a result of (a) lower natural gas usage by industrial PNG end-users due to an economic slowdown coupled with increase in procurement cost of PNG; and (b) a decrease in revenue from our provision of construction and installation services and sale of gas-burning appliances, which was caused by a decrease in property development and construction works as affected by the general properties market downturn in the PRC; and
- (ii) the payment of fines, penalties and compensations in relation to the Incident (as defined below).

The information contained in this announcement is only based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 and the information currently available to the Company and is not based on any figure or information that has been audited by the independent auditor of the Company nor reviewed by the audit committee of the Board. The actual financial results of the Group for the year ended 31 December 2023 may differ from what is disclosed in this announcement. Details of the financial information of the Group will be disclosed in the annual results announcement of the Company for the year ended 31 December 2023, which is expected to be published on by the Company by the end of March 2024.

2. UPDATE ON THE NATURAL GAS EXPLOSION INCIDENT

Reference is made to the announcement of the Company dated 31 October 2023 (“**Previous Announcement**”), which mentioned an incident of natural gas explosion within the Group’s operating area in Gaomi City (the “**Incident**”). Since the Previous Announcement and up to the date of this announcement, no other legal proceedings have been lodged against the Group or directors of the Company in relation to the Incident. Since the Previous Announcement up to the date of this announcement, the Group was required to bear a direct compensation of approximately RMB4.6 million in aggregate in relation to the Incident.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 March 2024

** for identification purpose only*

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