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If you have sold or transferred all your shares in JY GAS LIMITED, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

JY GAS LIMITED
交运燃气有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1407)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO REPURCHASE
SHARES AND ISSUE SHARES;**
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED RE-APPOINTMENT OF AUDITOR;
**(4) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT; AND**
(5) NOTICE OF ANNUAL GENERAL MEETING

A letter from the board of directors of JY GAS LIMITED is set out on pages 3 to 8 of this circular.

A notice convening the annual general meeting of JY GAS LIMITED for the year ended 31 December 2023 to be held at 3/F, Jiaoyun Group Building, No. 2568 Shi'an Road, Gaomi City, Weifang Municipality, Shandong Province, PRC on Friday, 14 June 2024 at 9:00 a.m. is set out on pages 16 to 20 of this circular.

A form of proxy for use at the annual general meeting is enclosed with this circular and is also published on the websites of JY GAS LIMITED and The Stock Exchange of Hong Kong Limited. Whether or not you are able to attend the annual general meeting, please complete the form of proxy in accordance with the instructions printed thereon and return the same to JY GAS LIMITED's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

26 April 2024

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Note: In the event of any discrepancy between the English and Chinese versions of this circular, the English version shall prevail.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

”AGM”	the annual general meeting of the Company to be held at 3/F, Jiaoyun Group Building, No. 2568 Shi’an Road, Gaomi City, Weifang Municipality, Shandong Province, PRC on Friday, 14 June 2024 at 9:00 a.m., or any adjournment thereof to consider and, if thought fit, approve, among other things, the re-election of Directors, the declaration and payment of the Final Dividend out of the Company’s share premium account, the granting of the Issue Mandate (and the extension thereof) and the Repurchase Mandate
“AGM Notice”	the notice of the AGM which is set out on pages 16 to 20 of this circular
“Articles” or “Articles of Association”	the amended and restated articles of association of the Company
“Board”	the board of Directors
“Companies Act”	the Companies Act, Chapter 22 (Act 3 of 1961 as consolidated and revised) of the Cayman Islands
“Company”	JY GAS LIMITED (交运燃气有限公司), an exempted company incorporated on 9 March 2021 under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Final Dividend”	the proposed final dividend of HK\$0.033 per Share for the year ended 31 December 2023 to Shareholders whose names appear on the register of members of the Company on the record date as recommended by the Board
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and otherwise deal with additional Shares with a nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM, as described in the ordinary resolution no. 5(A) in the AGM Notice

DEFINITIONS

“Latest Practicable Date”	17 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Date”	16 November 2022, the date on which the issued Shares were initially listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to empower the Directors to exercise the powers of the Company to repurchase the Shares with a nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM, as described in the ordinary resolution no. 5(B) in the AGM Notice
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD

JY GAS LIMITED
交运燃气有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1407)

Chairman and executive Director:

Mr. Luan Linjiang

Executive Directors:

Mr. Luan Xiaolong

Mr. Luan Linxin

Independent non-executive Directors:

Mr. Wei Yi

Mr. Tian Qiang

Ms. Liu Xiaoye

Registered office:

3-212 Governors Square
23 Lime Tree Bay Avenue
P.O. Box 30746
Seven Mile Beach
Grand Cayman, KY1-1203
Cayman Islands

*Headquarters and principal place
of business in the PRC*

3/F, Jiaoyun Group Building
No. 2568 Shi'an Road
Gaomi City
Weifang Municipality
Shandong Province
PRC

Place of business in Hong Kong:

46/F., Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

26 April 2024

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO REPURCHASE
SHARES AND ISSUE SHARES;**
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED RE-APPOINTMENT OF AUDITOR;
**(4) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT;**
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information reasonably necessary to enable the Shareholders to consider, and if thought fit, approve, among other things, the following resolutions to be proposed at the AGM:

- (a) the granting of the Repurchase Mandate to the Directors for repurchase of the Shares of the Company;
- (b) the granting of the Issue Mandate (and the extension thereof) to the Directors to allot, issue and otherwise deal with additional Shares;
- (c) the re-election of the retiring Directors;
- (d) the re-appointment of the Auditor; and
- (e) the declaration and payment of the Final Dividend out of the Company's share premium account.

REPURCHASE MANDATE

At the annual general meeting of the Company held on 16 June 2023, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase the Shares. Such mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase the Shares not exceeding 10% of the issued share capital of the Company as at the date of passing of such resolution at the AGM. Details of the Repurchase Mandate are set out in the ordinary resolution no. 5(B) in the AGM Notice.

As at the Latest Practicable Date, the issued share capital of the Company comprised 440,000,000 Shares. Assuming that there is no change in the issued share capital of the Company during the period between the Latest Practicable Date and the date of passing of the resolution approving the Repurchase Mandate at the AGM, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 44,000,000 Shares.

An explanatory statement, as required under the Listing Rules to provide the requisite information in connection with the Repurchase Mandate, is set out in Appendix I to this circular. The Repurchase Mandate will continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be convened under the Articles of Association or any applicable law(s); or (iii) the date on which the authority given under the ordinary resolution approving the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders.

LETTER FROM THE BOARD

ISSUE MANDATE

At the annual general meeting of the Company held on 16 June 2023, a general mandate was granted to the Directors to allot, issue and deal with additional Shares. Such mandate will lapse at the conclusion of the AGM. Therefore, two ordinary resolutions will be proposed at the AGM for the Shareholders to consider and, if thought fit, grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of such resolution at the AGM, and an extension of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate. Details of the Issue Mandate and its extension are set out in the ordinary resolution nos. 5(A) and 5(C), respectively, in the AGM Notice.

As at the Latest Practicable Date, the issued share capital of the Company comprised 440,000,000 Shares. Assuming that there is no change in the issued share capital of the Company during the period between the Latest Practicable Date and the date of passing of the resolution approving the Issue Mandate at the AGM, the maximum number of Shares which may be issued pursuant to the Issue Mandate as at the date of passing of the resolution approving the Issue Mandate will be 88,000,000 Shares. The Issue Mandate and its extension will continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be convened under the Articles of Association or any applicable law(s); or (iii) the date on which the authority given under the ordinary resolution approving the Issue Mandate and its extension is revoked or varied by an ordinary resolution of the Shareholders.

FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

As stated in the Company's annual results announcement for the year ended 31 December 2023, the Board has recommended the declaration and payment of a final dividend of HK\$0.033 per Share out of the Company's share premium account for the year ended 31 December 2023, subject to the Shareholders' approval at the AGM. As at the Latest Practicable Date, the Company has 440,000,000 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$14.5 million. Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Final Dividend out of Share Premium Account" below, the Final Dividend is intended to be paid out of the Company's share premium account pursuant to Article 134 of the Articles of Association and in accordance with section 34(2) of the Companies Act.

According to the audited consolidated financial statements of the Company for the year ended 31 December 2023, the amount standing to the credit of the share premium account of the Company as at 31 December 2023 was approximately RMB256.6 million. Upon the payment of such final dividend, the remaining balance of the amount standing to the credit of the share premium account of the Company will be approximately RMB243.4 million.

LETTER FROM THE BOARD

(a) Conditions of the Payment of Final Dividend out of Share Premium Account

The payment of the Final Dividend out of the Company's share premium account is conditional upon the satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders approving the declaration and payment of the Final Dividend out of the Company's share premium account pursuant to Article 134 of the Articles of Association; and
- (ii) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, and immediately following the date on which the Final Dividend is paid, will be unable to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid. Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on Friday, 9 August 2024 to those Shareholders whose names appear on the register of members of the Company at close of business on Tuesday, 25 June 2024.

For the purposes of determining the entitlement of the Shareholders to the Final Dividend, the register of members of the Company will be closed from Friday, 21 June 2024 to Tuesday, 25 June 2024 (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 Thursday, 20 June 2024, for registration.

(b) Reasons for and Effect of the Payment of Final Dividend out of Share Premium Account

The Board considers it appropriate to distribute the Final Dividend in recognition of the profitability of the Group and the strong liquidity position of the Group. After taking into account a number of factors including the financial and cash flow position of the Company, as well as to reward the Shareholders for their continued support during the challenging economic environment brought by the COVID-19 pandemic and enhance investors' confidence in the Company, the Board considers it appropriate and proposes that the Final Dividend be paid out of the Company's share premium account in accordance with Article 134 of the Articles of Association and section 34(2) of the Companies Act.

The Board considers such arrangement to be in the interests of the Company and its Shareholders as a whole. The Board believes that the payment of the Final Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares. Ultimately, the Board considers that the proposed declaration and payment of the Final Dividend out of the Company's share premium account is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Article 84 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment. In accordance with Articles 84(1) and 84(2) of the Articles of Association, Mr. Luan Linxin, being an executive Director, and Mr. Wei Yi, being an independent non-executive Director, will retire from their offices at the AGM, and being eligible, offer themselves for re-election.

The Nomination Committee has also reviewed and considered each retiring Director's respective experience, skills and knowledge, and recommended to the Board that the re-election of all retiring Directors be proposed for Shareholders' approval at the AGM.

Details of the above named Directors who are subject to the re-election at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules. The biography of the retiring Directors set out in Appendix II to this circular indicates the perspectives, skills and experience each individual can bring to the Board and contribute to the diversity of the Board.

RE-APPOINTMENT OF AUDITOR

The Board proposes to re-appoint PricewaterhouseCoopers as the independent auditor of the Company for the year ending 31 December 2024 and to hold the office until the conclusion of the next annual general meeting of the Company. A resolution will also be proposed to authorise the Board to fix the auditor's remuneration for the ensuing year. PricewaterhouseCoopers have indicated their willingness to be re-appointed as auditor of the Company for the said period.

AGM

The AGM Notice is set out on pages 16 to 20 of this circular.

A form of proxy for use at the AGM is enclosed with this circular and is also published on the websites of the Company and the Stock Exchange. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM as at the Latest Practicable Date.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed resolutions for the grant of the Repurchase Mandate and the Issue Mandate (and the extension thereof), the declaration and payment of the Final Dividend out of the Company's share premium account, and the re-election of the retiring Directors, are all in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
JY GAS LIMITED
Luan Linjiang
Chairman of the Board

This Appendix I serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide the requisite information to you to enable you to make an informed decision as to whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the proposed granting of the Repurchase Mandate.

PROVISIONS OF THE LISTING RULES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below.

EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued share capital of the Company was US\$44,000 comprising 440,000,000 Shares. Subject to the passing of the resolution approving the granting of the proposed Repurchase Mandate at the AGM and on the basis that no further Shares are issued and/or repurchased between the Latest Practicable Date and the date of passing of the resolution approving the Repurchase Mandate, exercise in full of the Repurchase Mandate could result in up to 44,000,000 Shares, representing 10% of the issued ordinary share capital of the Company as at the date of passing of such resolution, being repurchased by the Company during the period from the date of passing the resolution granting the Repurchase Mandate until the earlier of (i) the conclusion of the next annual general meeting of the Company unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable Cayman Islands law or the Articles of Association; or (iii) the date on which the authority given under the ordinary resolution approving the Repurchase Mandate is revoked, varied or renewed by an ordinary resolution of the Shareholders.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek the Repurchase Mandate from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/ or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. The timing of such repurchases, the number of Shares to be repurchased, the repurchase price and other terms upon which the Shares are repurchased will be decided by the Directors at the relevant time having regard to the prevailing circumstances.

FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for such purpose and in accordance with the Articles of Association, the applicable laws of the Cayman Islands and the Listing Rules. The Company may not repurchase the Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to

time. Subject to the foregoing, the Company may make repurchases with funds which would otherwise be available for dividend or distribution or out of an issue of new Shares for the purpose of the repurchase or, subject to compliance with the Companies Act (As Revised) of the Cayman Islands, out of capital.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate were to be exercised in full at the current prevailing market value, it might have a material adverse impact on the working capital and gearing position of the Company, as compared with the position disclosed in the audited consolidated financial statements of the Company as at 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. However, the Directors do not propose to exercise the Repurchase Mandate to repurchase Shares to such an extent as would, in the circumstances, result in a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

The Company has confirmed that neither this explanatory statement nor the proposed Repurchase Mandate has any unusual features.

UNDERTAKING

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Articles of Association and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she or it has a present intention to sell his or her or its Shares to the Company, nor has he or she or it undertaken not to do so, in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

EFFECTS OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Company had 440,000,000 Shares in issue. According to the register kept by the Company pursuant to Section 336 of the SFO, Mr. Luan Xiaolong had deemed interests in 217,800,000 Shares, representing approximately 49.50% of the issued share capital of the Company.

On the assumption that the issued share capital of the Company remains the same, in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding of Mr. Luan Xiaolong in the Company would be increased from approximately 49.50% to approximately 55.00% of the issued share capital of the Company. As such, an obligation to make a mandatory offer to the Shareholders under the Takeovers Code may potentially arise. The Directors have no present intention to exercise the Repurchase Mandate to such extent which would otherwise result in takeover obligations or the number of Shares being held by the public falling below the minimum requirement as prescribed by the Stock Exchange, which is currently 25% of the entire issued share capital of the Company.

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the previous 12 months up to the Latest Practicable Date were as follows:

Month	Share Prices (per Share)	
	Highest (HK\$)	Lowest (HK\$)
2023		
April	0.820	0.600
May	0.780	0.600
June	0.750	0.610
July	0.800	0.580
August	0.610	0.560
September	0.610	0.540
October	0.640	0.490
November	0.690	0.540
December	0.650	0.485
2024		
January	0.550	0.430
February	0.540	0.450
March	0.500	0.430
April (up to the Latest Practicable Date)	0.480	0.435

The following sets out the details of the Directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles of Association:

Mr. Luan Linxin (欒林新先生), aged 71, is an executive Director of our Company. He was appointed as our Director on 16 August 2021, and was re-designated as our executive Director on 14 February 2022. Mr. Luan is mainly responsible for the overall direction, management and supervision of our Group. Mr. Luan is the brother of Mr. Luan Linjiang (the chairman and executive Director of the Company), and the uncle of Mr. Luan Xiaolong (an executive Director and chief executive officer of the Company).

Mr. Luan joined our Group in February 2016. Since February 2016, Mr. Luan has been the legal representative, executive director and general manager of Jiaoyun Gas and is mainly responsible for the overall leadership, management and supervision of Jiaoyun Gas.

Mr. Luan has over 18 years of experience in the operation and management of companies. From October 1995 to April 2004, he served as the chief of dispatching section in Shandong Gaomi Intermodal Transport Company* (山東省高密市聯運公司), a company engaging in the provision of road transport services, where he was responsible for vehicle dispatching. From May 2004 to June 2008, he served as the deputy manager in Shandong Baotong Communication Engineering Co., Ltd. Gaomi Branch* (山東寶通通信工程有限公司高密分公司), a company engaging in software and information technology, where he was responsible for the management of the construction of network communication engineering. He then served as the deputy manager in Gaomi Jiaoyun Thermal Co., Ltd.* (高密市交運熱力有限公司, “Jiaoyun Thermal”) from July 2008 to April 2013, and subsequently served as the legal representative, executive director and general manager in the same company since May 2013, primarily responsible for the overall leadership, management and supervision of Jiaoyun Thermal and its related business. From December 2014 to November 2016, Mr. Luan served as the legal representative, executive director and general manager in Jiaoyun Property, where he was mainly responsible for the overall leadership, management and supervision of Jiaoyun Property and its related business. From January 2015 to July 2021, he served as the supervisor in Gaomi Rongtong Private Financing Registration Service Co., Ltd.* (高密市融通民間融資登記服務有限公司), where he was mainly responsible for the supervision of the company and its related business.

As at the Latest Practicable Date, Mr. Luan had no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Luan (i) has no other relationship with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years.

Mr. Luan has entered into a service contract with term of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service agreement). In certain other circumstances, the service contract can be terminated by the Company, including but not limited to certain breaches of Directors' obligations under the contract or certain misconducts. The appointment of executive Director is also subject to the provision of retirement and rotation of Directors under the Articles. The annual salary of Mr. Luan as executive Director is RMB66,000.

Save as disclosed above, Mr. Luan has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Luan's standing for re-election as Director that need to be brought to the attention of the Shareholders.

Mr. Wei Yi (韋禕先生), aged 46, was appointed as our independent non-executive Director on 22 October 2022. Mr. Wei is primarily responsible for providing independent judgment on the strategies, policies, performance, accountability, resources, key appointments and standard of conduct of our Group. Mr. Wei Yi is also a member of the Audit Committee, Remuneration Committee, Risk Management Committee and ESG Committee.

Mr. Wei has over 19 years of experience in the legal industry. From July 2003 to July 2016, he worked successively as a lecturer and an associate professor at the Law School of Tianjin Normal University (天津師範大學) in the PRC, where he was responsible for teaching and research of laws. From 2008 to 2016, he worked as a part-time lawyer at Grandall Law Firm Tianjin Office (國浩律師(天津)事務所), where he has been serving successively as a partner and a managing partner since 2016 and 2019, respectively. His practice areas cover capital markets, banking and finance, investment, mergers and acquisitions. His main expertise includes asset securitisation and structured finance.

Mr. Wei was a supervisor of Tianjin Falian Education Information Consulting Co., Ltd.* (天津法聯教育信息諮詢有限公司), a company established in the PRC and whose business license was revoked on 26 November 2013.

Mr. Wei obtained his bachelor's degree in economic law from Zhongnan Institute of Politics and Law (中南政法學院) (currently known as Zhongnan University of Economics and Law (中南財經政法大學)) in the PRC in June 1999. He later obtained a master's degree and a doctoral degree in civil and commercial law from Zhongnan University of Economics and Law in June 2003 and June 2009, respectively.

Mr. Wei received the PRC Certificate of Lawyer Qualification granted by Tianjin Municipal Bureau of Justice (天津市司法局) in October 2008. He was conferred the title of lecturer by the Faculty Position Review Committee of Tianjin Normal University (天津師範大學教師職務評審委員會) in October 2005, and obtained the Qualification for Intermediate Professional and Technical Positions (中級專業技術職務任職資格) issued by Tianjin Municipal Human Resources Bureau in March 2006. He was then conferred the title of associate professor by the Faculty Senior Position Review Committee of Tianjin Normal University (天津師範大學教師高級職務評審委員會) in

October 2010, and obtained the Qualification Certificate for Senior Professional and Technical Positions (高級專業技術職務資格證書) issued by Tianjin Municipal Human Resources and Social Security Bureau in June 2011. He also obtained the qualification certification of independent directors (獨立董事資格證書) from the Shenzhen Stock Exchange in January 2015. He has been appointed as an arbitrator of Tianjin Arbitration Commission (天津仲裁委員會) since June 2019.

As at the Latest Practicable Date, Mr. Wei had no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wei (i) has no other relationship with any Director, senior management, substantial shareholder or Controlling Shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years.

Mr. Wei has entered into a service contract with term of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service agreement). In certain other circumstances, the service contract can be terminated by the Company, including but not limited to certain breaches of Directors' obligations under the contract or certain misconducts. The appointment of independent non-executive Director is also subject to the provision of retirement and rotation of Directors under the Articles. The annual salary of Mr. Wei as independent non-executive Director is RMB50,000.

Save as disclosed above, Mr. Wei has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr Wei 's standing for re-election as Director that need to be brought to the attention of the Shareholders.

NOMINATION POLICY AND PROCESS FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Nomination Committee and the Board have followed the nomination policy and board diversity policy for the re-appointment of Mr. Wei as an independent non-executive Director. In reviewing the structure of the Board, the Nomination Committee and the Board will consider the Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional and qualifications, skills, knowledge, length of service and industry and regional experience. All Board appointments will be based on meritocracy, and candidates will be considered against criteria including talents, skills and experience as may be necessary for the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

With reference to the past contributions made by Mr. Wei to the Company during his tenure, his qualifications and his experience in the legal industry, the Board is of the view that Mr. Wei can bring sound financial management skill to the Board and make contributions to the Board's diversity.

Mr. Wei being the independent non-executive Director of the Company eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. After considering all the factors for assessing independence as set out in Rule 3.13 of the Listing Rules and the annual confirmation of independence of Mr. Wei, the Company is of the view that Mr. Wei meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

NOTICE OF ANNUAL GENERAL MEETING

JY GAS LIMITED 交运燃气有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1407)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the shareholders of JY GAS LIMITED (the “**Company**”) will be held at 3/F, Jiaoyun Group Building, No. 2568 Shi’an Road, Gaomi City, Weifang Municipality, Shandong Province, PRC on Friday, 14 June 2024 at 9:00 a.m. for the following purposes:

1. To consider and approve the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**” and each a “**Director**”) and the independent auditor for the financial year ended 31 December 2023.
2. To declare and pay a final dividend of HK\$0.033 per share of the Company (“**Share**”) for the year ended 31 December 2023 out of the Company’s share premium account.
3. (A) To re-elect Mr. Luan Linxin as an executive Director.

(B) To re-elect Mr. Wei Yi as an independent non-executive Director.

(C) To authorise the board (the “**Board**”) of Directors to fix the remuneration of the respective Directors.
4. To re-appoint PricewaterhouseCoopers as the Company’s auditor and authorise the Board to fix their remuneration for the year ending 31 December 2024.
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - (A) “THAT:
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time) (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

- (iii) the aggregate nominal amount of share capital allotted or issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined), or (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and Directors of the Company and/ or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire Shares, or (c) an issue of Shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company, or (d) an issue of Shares as scrip dividend or similar arrangement in accordance with the memorandum and Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

- (b) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable Cayman Islands laws to the Articles of Association; or

NOTICE OF ANNUAL GENERAL MEETING

(c) the date on which the authority sets out in this resolution is revoked, varied or renewed by an ordinary resolution of the Company in general meeting. “Rights Issue” means an offer of Shares open for a period fixed by the Directors to shareholders of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong, applicable to the Company).”

(B) “THAT:

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period of all powers of the Company to purchase or otherwise acquire shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognised by the Stock Exchange and the Hong Kong Securities and Futures Commission (the “SFC”) for this purpose, subject to and in accordance with all applicable rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company which are authorised to be purchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) for the purpose of this resolution: “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable Cayman Islands laws or the Articles of Association; or
 - (c) the date on which the authority sets out in this resolution is revoked, varied or renewed by an ordinary resolution of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

(C) “THAT:

conditional upon the passing of the resolutions set out in paragraphs 5(A) and 5(B) of the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 5(A) of the notice convening this meeting be and is hereby extended by the addition thereto an amount of shares representing the aggregate nominal amount of shares of the Company purchased or otherwise acquired by the Company pursuant to the authority granted to the directors of the Company under the resolution set out in paragraph 5(B) above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

Yours faithfully,
By order of the Board
JY GAS LIMITED
Luan Linjiang
Chairman of the Board

Hong Kong, 26 April 2024

Notes:

- (a) At the Meeting, the Chairman of the Meeting will put each of the above resolutions to be voted by way of a poll pursuant to Article 66 of the Articles of Association.
- (b) The register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 (both days inclusive), during which period no transfer of shares in the Company can be registered. In order to qualify for attending the Meeting, 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, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 7 June 2024, for registration.
- (c) Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his or her behalf. Any shareholder of the Company holding two or more Shares entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned meeting.
- (d) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting at the Meeting or any adjournment thereof if he/she so desires and, in such event, the form of proxy shall be deemed to have been revoked.
- (e) Where there are joint registered holders of any Share(s), any one of such persons may vote at the meeting, either through online platform or by proxy, in respect of such Share(s) as if he/she is solely entitled to, but if more than one of such joint holders be present at the meeting through online platform that only one device is allowed per login or by proxy.

NOTICE OF ANNUAL GENERAL MEETING

- (f) The Board has recommended a final dividend of HK\$0.033 per Share for the year ended 31 December 2023. Subject to the Shareholders' approval on the payment of the final dividend at the Meeting, the register of members of the Company will be closed for the purpose of determining the identity of members who are entitled to receive the said final dividend from Friday, 21 June 2024 to Tuesday, 25 June 2024 (both days inclusive) during that day no transfer of Shares will be registered. In order to qualify for the proposed final dividend, 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 20 June 2024.
- (g) In relation to proposed resolutions numbered 3(A) to (C) above, Mr. Luan Linxin and Mr. Wei Yi will retire from their offices as Directors at the Meeting and, being eligible, they will offer themselves for re-election. Particulars of the retiring Directors to be offered for re-election are set out in Appendix II to the circular.
- (h) In relation to proposed resolutions numbered 5(A) and 5(C) above, approval is being sought from the shareholders of the Company for the granting to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Board has no immediate plans to issue any new shares which may fall to be issued any scrip dividend scheme which may be approved by shareholders of the Company.
- (i) In relation to proposed resolution numbered 5(B) above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules are set out in Appendix I to the circular.
- (j) If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time after 6:00 a.m. on the date of the Meeting, then the Meeting will be adjourned in accordance with the articles of association of the Company and the shareholders of the Company will be informed of the date, time and place of the adjourned meeting and, if necessary , be given notice thereof pursuant to the articles of association of the Company.

The Meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.

In the event of any inconsistency, the English version of this notice shall prevail over the Chinese version.

As at the date of this notice, (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.