



JIAXING GAS
GROUP CO., LTD.*

嘉興市燃氣集團股份有限公司

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

Stock code : 9908

2025

INTERIM REPORT

** For identification purposes only*



CONTENTS

- 2** CORPORATE INFORMATION
- 3** DEFINITIONS
- 6** MANAGEMENT DISCUSSION AND ANALYSIS
- 12** CORPORATE GOVERNANCE AND OTHER INFORMATION
- 22** INDEPENDENT REVIEW REPORT
- 23** INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- 25** INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- 27** INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- 29** INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- 31** NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sun Lianqing (*Chairman and chief executive officer*)
Mr. Xu Songqiang

Non-executive Directors

Mr. Yu Jianming
Mr. Zheng Huanli
Mr. Fu Songquan
Ms. Ruan Zeyun

Independent Non-executive Directors

Mr. Yu Youda
Mr. Cheng Hok Kai Frederick
Mr. Zhou Xinfu

SUPERVISORS

Ms. Liu Wen (*Chairwoman*)
Ms. Mu Nini
Ms. He Haiyan

AUDIT COMMITTEE

Mr. Cheng Hok Kai Frederick (*Chairman*)
Mr. Yu Youda
Mr. Zhou Xinfu

NOMINATION COMMITTEE

Mr. Sun Lianqing (*Chairman*)
Mr. Yu Youda
Mr. Zhou Xinfu

REMUNERATION COMMITTEE

Mr. Yu Youda (*Chairman*)
Mr. Yu Jianming
Mr. Cheng Hok Kai Frederick

JOINT COMPANY SECRETARIES

Ms. Wang Shuiming
Ms. Pun Ka Ying (ACS, ACG)

AUTHORIZED REPRESENTATIVES

Mr. Sun Lianqing
Ms. Pun Ka Ying

REGISTERED OFFICE AND HEADQUARTER IN THE PRC

5th Floor, Building 3
Hualong Plaza
Economic and Technological Development Zone
Jiaxing
Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1920, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

HONG KONG H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISORS

As to Hong Kong Law
Chiu & Partners
40/F, Jardine House
1 Connaught Place
Central
Hong Kong

As to PRC Law
Jia Yuan Law Offices
F408, Ocean Plaza
158 Fuxing Men Nei Street
Xicheng District
Beijing 100031
China

PRINCIPAL BANKERS

Bank of Communications Co., Ltd. (Jiaxing Branch)
No. 1086, Zhongshan East Road
Jiaxing
Zhejiang Province
PRC

Bank of Jiaxing Co., Ltd
No. 1001, Changsheng South Road
Jiaxing
Zhejiang Province
PRC

STOCK CODE

9908

COMPANY WEBSITE

<http://www.jxrgqs.com/>

“1H2024”	the six months ended 30 June 2024
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules applicable for the Reporting Period
“City Development”	Jiaxing City Investment & Development Group Co., Ltd. (嘉興市城市投資發展集團有限公司), a state-owned enterprise established under the laws of the PRC on 21 December 2009 and solely owned by Zhejiang Jiaxing State-owned Capital Investment Management Company Limited* (浙江嘉興國有資本投資運營有限公司) and is indirectly owned as to 95.4827% by State-owned Assets Supervision and Administration Commission of Jiaxing Municipal People’s Government* (嘉興市人民政府國有資產監督管理委員會) and as to 4.5173% by Zhejiang Caikai Group Co., Ltd.* (浙江省財開集團有限公司), a wholly-owned entity under Zhejiang Provincial Department of Finance* (浙江省財政廳)
“Company”	JiaXing Gas Group Co., Ltd.* (嘉興市燃氣集團股份有限公司), a joint stock limited liability company established under the laws of the PRC on 15 March 1998
“Concert parties”	Taiding, Zhuji Yujia, Mr. Xu Songqiang and Ms. Xu Hua, parties acting in concert pursuant to the acting in concert agreement dated 16 July 2023
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
“Equity Transfer Agreement”	the equity transfer agreement entered into between Jiaran Construction and Yancheng Xiangyuan dated 17 January 2025
“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange

DEFINITIONS

“Hangjiaxin”	Zhejiang Hangjiaxin Clean Energy Company Limited* (浙江杭嘉鑫清潔能源有限公司), a limited liability company established under the laws of the PRC on 24 July 2017 and owned as to 51% by the Company and regarded as a joint venture of the Company under the applicable accounting standards and a subsidiary of the Company pursuant to the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jiaran Construction”	Jiaxing Jiaran Construction Co., Ltd.* (嘉興市嘉燃建設有限公司), a direct wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“LNG”	liquefied natural gas
“LPG”	liquefied petroleum gas
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PRC” or “China”	the People’s Republic of China, excluding for the purposes of this interim report, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus dated 30 June 2020 issued by the Company
“Qianyu”	Qianyu Group Company Limited* (乾宇集團有限公司), a limited liability company established under the laws of the PRC on 14 July 2009 and an associate of Mr. Fu Songquan (傅松權), the non-executive Director
“Reporting Period” or “Period”	the six months ended 30 June 2025
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including both the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Taiding”	Zhejiang Taiding Investment Company Limited* (浙江泰鼎投資有限公司), a limited liability company established under the laws of the PRC on 26 January 2011 and owned as to 65% by Mr. Sun Lianqing and 35% by Ms. Xu Lili, the spouse of Mr. Sun Lianqing
“Xingzhou Jiayuan”	Yancheng Xingzhou Jiayuan Real Estate Development Co., Ltd.* (鹽城星洲佳源房地產開發有限公司), a company established under the laws of the PRC on 19 November 2019
“Yancheng Xiangyuan”	Yancheng Xiangyuan Real Estate Co., Ltd.* (鹽城祥源房地產有限公司), a company established under the laws of the PRC on 20 December 2019
“Zhuji Yujia”	Zhuji Yujia New Energy Technology Company Limited* (諸暨宇嘉新能源科技有限公司), a limited liability company established under the laws of the PRC on 13 December 2018, a wholly-owned subsidiary of Qianyu and an associate of Mr. Fu Songquan (傅松權), the non-executive Director

In this interim report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language are marked with “” and are provided for identification purposes only.*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the first half of 2025, despite complex and volatile international landscape with rising uncertainties, China's economy demonstrated robust resilience and endogenous growth momentum. According to data from the National Bureau of Statistics, gross domestic product (GDP) grew by 5.3% year-on-year, maintaining stable performance. However, geopolitical risks and regional conflicts significantly impacted the energy markets, driving up international gas prices. Coupled with warmer temperatures, ongoing adjustments in the real estate market, and improved energy efficiency in the industrial sector, China's apparent natural gas consumption reached 211.97 billion m³ in the first half of 2025, representing a 0.9% decrease year-on-year.

In terms of policy, the Energy Law of the People's Republic of China ("**Energy Law**") came into effect on 1 January 2025, establishing a legal foundation and safeguard for the development of the urban gas sector. The Energy Law mandates gas enterprises to ensure safe, continuous, and reliable supply services, fulfill information disclosure obligations, comply with energy planning, participate in technological innovation, and implement energy reserves and emergency response requirements. In February, the National Development and Reform Commission (NDRC) released the Measures for Planning, Construction, and Operation Management of Oil and Gas Infrastructure (Draft for Public Comment) (《石油天然氣基礎設施規劃建設與運營管理辦法(徵求意見稿)》), requiring urban gas operators to maintain gas storage capacity equivalent to no less than 5% of their annual consumption volume. In April, the Measures for Regulation of Fair and Open Access to Oil and Gas Pipeline Networks (Draft for Public Comment) (《油氣管網設施公平開放監管辦法(徵求意見稿)》) proposed measures including advancing independent operation of oil and gas pipeline networks, ensuring fair access, standardizing services, and refining pricing mechanisms. In August, the Guiding Opinions on Improving the Price Mechanism for Natural Gas Pipeline Transport within Provinces to Promote High-quality Industry Development (《關於完善省內天然氣管道運輸價格機制促使行業高質量發展的指導意見》) stipulated that the prices of intra-provincial natural gas pipeline transport shall be set by provincial authorities with pricing authority no longer delegated. For inter-provincial natural gas pipeline systems and their supporting branches that have been included in the national unified pricing system, provincial development and reform departments will no longer be duplicating the pricing. Intra-provincial pipeline transport costs shall be reduced by minimizing intermediate markups. The prices of intra-provincial natural gas pipeline transport should adopt a unified pricing model, effectively connecting with the pricing mechanism of inter-provincial natural gas pipeline transport, and facilitating the creation of a "national network". The issuance and implementation of this series of laws and normative documents contribute to promoting the standardization and sustainable development of the industry.

RESULTS REVIEW

The Group, being the largest city gas operator in Jiaxing, a major prefecture-level city in Zhejiang Province, PRC, is mainly engaged in the sale of PNG (subject to concessions), LNG and LPG, as well as the provision of construction and installation services. As at the end of the Period, the Group provided gas supply services for approximately 502,000 residential users and 2,623 industrial and commercial users.

During the Period, the Group's total gas sales volume was 392 million m³, representing a decrease of 3.45% as compared with 1H2024. This was primarily attributable to the reduced user demand resulting from production capacity adjustments by major users. Despite the decline in gas sales volume year-on-year, the Company maintained robust growth in newly acquired industrial and commercial users, continuously accumulating momentum for the Group's future development.

As at the end of the Period, the Group operated a natural gas pipeline network in its operating area, with a total length of 1,746.22 km (comprising 1,329.03 km of self-constructed pipeline network and 417.19 km of leased urban pipeline network, and excluding 26.40 km of urban pipeline network under construction, among which 13 km was self-constructed).

During the Period, due to the fluctuations in international LNG sale price, Hangjiaxin was unable to maintain a similar level of gross profit as that in the 1H2024 when it was able to benefit from the relatively lower purchase price under its long-term LNG purchase agreement with its suppliers.

DEVELOPMENT STRATEGY AND OUTLOOK

Despite the complex and increasingly uncertain global and domestic economic environment, along with challenges such as natural gas source price volatility and market competition, the demand for natural gas is expected to sustain continued growth, as supported by favorable energy policies, the improvement of pipeline network infrastructure, the rationalization of pricing mechanisms, and the advancement of green and low-carbon transition initiatives aimed at building a new energy system. The Group is proactively adapting to market conditions by strengthening reform and innovation, optimizing resource allocation, and diligently assessing and identifying the equilibrium points between market demand and pricing, as well as between resources and market dynamics to ensure effective coordination and matching of overall resources.

Concurrently, guided by the objectives of energy structure adjustment, the Group will actively promote the efficient utilization of natural gas in the industrial sector for green and low-carbon transition, as well as in the transportation sector. By targeting high-growth segments, the Group aims to achieve sustainable development.

SEGMENTAL ANALYSIS

1. PNG Sales Business

The Group sells PNG to users, including residential users and industrial and commercial users, through the gas pipeline network. During the Reporting Period, the total revenue of the Group from the PNG sales business was RMB817.9 million, representing a decrease of 7.46% compared with RMB883.8 million in 1H2024. The decrease in revenue was mainly due to a slight decrease and reduction in both the volume and price of gas sales to industrial and commercial users, influenced by the overall macroeconomic environment.

During the Reporting Period, the total gas supply volume from the Group was 251.2 million m³, representing a decrease of 4.60% compared with 263.3 million m³ in the same period in 2024. Such decrease was mainly due to the decrease in the total gas consumption during the Reporting Period as compared to 1H2024. During the Reporting Period, the residential gas consumption was 44.5 million m³, accounting for 17.71% of the total gas consumption, and the industrial and commercial gas consumption was 206.7 million m³, accounting for 82.29% of the total gas consumption. In 1H2024, the residential gas consumption was 46.1 million m³, accounting for 17.51% of the total gas consumption, and the industrial and commercial gas consumption was 217.2 million m³, accounting for 82.49% of the total gas consumption.

MANAGEMENT DISCUSSION AND ANALYSIS

2. LNG Sales Business

The Group supplies LNG to industrial users in certain areas of Jiaxing, PRC by retail. During the Reporting Period, the total revenue of the Group from the LNG sales business was RMB418.8 million, representing a decrease of 4.93% compared with RMB440.5 million in 1H2024. During the Reporting Period, the sales volume of LNG was 140,623,000 m³, representing a decrease of 1.72% compared with 143,089,000 m³ in 1H2024. The decrease in revenue was primarily due to the lower sales volume, as well as a lower average selling price compared to 1H2024 during the Reporting Period.

3. LPG Sales Business

The Group sells bottled LPG to residential users and industrial and commercial users by retail. During the Reporting Period, the total revenue of the Group from the LPG sales business was RMB38.5 million, representing a decrease of 5.17% compared with RMB40.6 million in 1H2024, mainly due to a decrease in sales volume of the LPG wholesale business, leading to a decrease in revenue.

4. Natural Gas Pipeline Construction and Installation Business

The construction and installation business of the Group focuses on the construction and installation of end-user pipeline network and gas facilities as required by customers. During the Reporting Period, the revenue of the Group from the natural gas pipeline construction and installation business was RMB51.9 million, representing an increase of 5.27% compared with RMB49.3 million in 1H2024, mainly due to the increase in number of completed projects compared to 1H2024.

5. Vapour Sales Business

The Group produces vapour by boiling water with natural gas and supplies it through vapour pipelines. During the Reporting Period, the total revenue of the Group from the vapour sales business was RMB15.1 million, representing a decrease of 8.48% compared with RMB16.5 million in 1H2024, mainly due to the decrease of the price of natural gas and the end sales price of vapour.

FINANCIAL OVERVIEW

Revenue

For the Period, the revenue of the Group was RMB1,461.5 million, representing a decrease of 3.63% compared with RMB1,516.5 million in 1H2024, mainly due to the reduction in gas demand resulting from production capacity adjustments by major users, coupled with a slight decrease in the sales price of natural gas.

Gross Profit

For the Period, the gross profit of the Group was RMB118.1 million, representing a decrease of 4.99% compared with RMB124.3 million in 1H2024, mainly due to the slight decrease both in natural gas sales volume and sales price compared with 1H2024.

Other Income and Gains

For the Period, the other income and gains of the Group were RMB11.8 million, representing an increase of 38.82% compared with RMB8.5 million in 1H2024, due to an increase of RMB3.5 million in the amortised recognition of the subsidies for the upgrades and reconstruction of gas facilities in old communities and the amortised recognition of the subsidies obtained for reconstruction of gas pipeline network and gas facilities for the Period compared with 1H2024.

Finance Costs

For the Period, the finance costs of the Group were RMB7.7 million, representing an increase of 20.31% compared with RMB6.4 million in 1H2024, mainly due to the increase in interest expense on borrowings compared with 1H2024.

Income Tax Expense

For the Period, the income tax expense of the Group increased from RMB13.1 million in 1H2024 to RMB20.3 million. The effective tax rate for the Period was 23.79%.

Profit Attributable to Owners of the Parent

For the Period, the profit attributable to owners of the parent was RMB75.3 million, representing a decrease of 15.49% compared with RMB89.1 million in 1H2024, mainly due to the decrease of RMB 31.6 million or 65.15% in share of profits of associates and joint ventures compared with 1H2024, which was mainly because Hangjiaxin was unable to maintain a similar level of gross profit as that in the 1H2024 when it was able to benefit from the relatively lower purchase price under its long-term LNG purchase agreement signed with its suppliers during the Period due to a downward trend for the fluctuation range of international natural gas prices resulting from the relaxed supply and demand tension.

Liquidity, Financial Position and Capital Structure

As at 30 June 2025, the liquidity of the Group amounted to RMB1,038.5 million (31 December 2024: RMB1,102.0 million), of which cash and bank balance were equivalent to RMB404.8 million.

As at 30 June 2025, the current ratio (current assets/current liabilities) of the Group was 1.22 (31 December 2024: 0.92) and the asset-liability ratio (total liabilities/total assets) was 60.76% (31 December 2024: 60.27%). As at 30 June 2025, the utilised bank loans were RMB603.7 million, all of which were denominated in RMB, with the annual interest rate of 2.88%-3.62%, of which RMB27.3 million was wholly repayable within one year or on demand and RMB576.4 million was wholly repayable in the second year, in the third to fifth year, or wholly repayable beyond five years. All the utilised bank loans were floating interest rate loans. As at 30 June 2025, the unutilised bank credit balance was RMB949.9 million. As at 30 June 2025, the Group also had lease liabilities of RMB164.6 million, of which RMB20.0 million was analyzed as current portion, and RMB144.6 million analyzed as non-current portion.

The gearing ratio of the Group was approximately 21.10% as at 30 June 2025 (as at 31 December 2024: approximately 9.92%). The ratio was calculated as net debt divided by equity attributable to owners of the parent plus net debt, and net debt represents bank borrowings and lease liabilities net of cash and cash equivalents.

MANAGEMENT DISCUSSION AND ANALYSIS

Exchange Rate Fluctuation Risk

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

Contingent Liabilities

In December 2018, the Group's joint venture, Hangjiaxin obtained a bank loan for investment in property, plant and equipment used in operation, which was guaranteed by the Group. Since June 2023, the Group has ceased to provide any guarantee for Hangjiaxin, and Hangjiaxin has been using its own property, plant and equipment in its operation as guarantee instead.

As at 30 June 2025, the Group had no material contingent liabilities.

Financial Guarantee Obligations

As at 30 June 2025, the Group had no financial guarantee obligations (31 December 2024: nil).

Pledge of Assets

As at 30 June 2025, the Group did not have any pledged assets (31 December 2024: nil).

Material Acquisition and Disposal

On 17 January 2025, Jiaran Construction, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Yancheng Xiangyuan, pursuant to which Jiaran Construction purchased from Yancheng Xiangyuan 13.5% of the equity interest in Xingzhou Jiayuan for a consideration of RMB89.0 million (the **"2025 Acquisition"**). Given that the Equity Transfer Agreement was entered into within the 12-month period from the completion of acquisition of 6.5% of the equity interest in Xingzhou Jiayuan by the Group from Yancheng Xiangyuan which took place on 30 November 2024 (the **"2024 Acquisition"**), pursuant to Rule 14.22 of the Listing Rules, the 2024 Acquisition and the 2025 Acquisition should be aggregated and treated as if they were one transaction. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the 2024 Acquisition and the 2025 Acquisition as aggregated exceeded 5% but all such ratios fell below 25%, such transactions collectively constituted a discloseable transaction and were subject to the requirements applicable to a discloseable transaction under Chapter 14 of the Listing Rules. For the avoidance of doubt, the 2024 Acquisition and the 2025 Acquisition did not constitute one transaction from the accounting treatment perspective. The 2025 Acquisition was completed on 24 February 2025.

Human Resources and Employee Compensation

As at 30 June 2025, the Group had a total of 397 (30 June 2024: 399) employees in the PRC.

During the Period, the total employee costs of the Group were approximately RMB30.1 million (six months ended 30 June 2024: RMB34.4 million). The Group further strengthens the training of employees to enhance their professional level and overall quality, by providing targeted training courses to the management, managers at various positions, professional technicians and service employees, and by distributing relevant policies and regulations, industry information and knowledge documents to employees. The Group also provides employees with competitive remuneration packages which are determined with reference to their qualifications and performance to incentivise them for hard work and better customer service.

EVENTS AFTER THE PERIOD

There have been no significant events since the end of the Period and up to the date of this report.

MATERIAL LITIGATION

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 June 2025, so far as known to the Directors of the Company, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) (a) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code (including those they are taken or deemed to have under such provisions of the SFO) are as follows:

Long Positions in the Shares of the Company:

Name	Class of Shares	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding in the relevant class of Shares (Note 2)	Total approximate percentage of shareholding in the total share capital of the Company (Note 3)
Sun Lianqing (Note 4)	Domestic Shares	Interest in a controlled corporation	44,939,477 (L)	44.94%	32.60%
	H Shares	Beneficial owner	2,571,500 (L)	6.79%	1.87%
	H Shares	Interest in a controlled corporation	158,500 (L)	0.42%	0.11%
Xu Songqiang (Note 4)	Domestic Shares	Beneficial owner	3,069,891 (L)	3.07%	2.23%
	Domestic Shares	Deemed interest pursuant to Section 317 of the SFO	41,869,586 (L)	41.87%	30.37%
	H Shares	Beneficial owner	75,000 (L)	0.20%	0.05%
	H Shares	Deemed interest pursuant to section 317 of the SFO	83,500 (L)	0.22%	0.06%

Notes:

- (1) The letter "L" denotes the long position in the Shares and underlying shares of the Company.
- (2) The calculation is based on the total number of 100,000,000 Domestic Shares in issue or 37,844,500 H Shares in issue.
- (3) The calculation is based on the total number of 137,844,500 Shares in issue.
- (4) Taiding, Zhuji Yujia, Mr. Xu Songqiang and Ms. Xu Hua are parties acting in concert pursuant to the acting in concert agreement dated 16 July 2023. Under the SFO, each member of the Concert parties is deemed to be interested in the Shares beneficially owned by the other members of the Concert parties. Mr. Sun Lianqing is interested in 65% of the equity interest in Taiding and is therefore deemed to be interested in the same number of Shares in which Taiding is interested under the SFO. Mr. Sun Lianqing is also the sole Director of Taiding.

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors or chief executives of the Company had an interest and short position in the Shares, underlying shares or debentures of the Company or its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as is known to the Directors, the interests or short positions of the persons (other than the Directors, Supervisors or chief executives of the Company) in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO are as follows:

Long Positions in the Shares of the Company:

Name	Class of Shares	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding in the relevant class of Shares (Note 2)	Total approximate percentage of shareholding in the total share capital of the Company (Note 3)
Taiding (Note 4)	Domestic Shares	Beneficial owner	29,789,013 (L)	44.94%	32.60%
		Deemed interest pursuant to Section 317 of the SFO	15,150,464 (L)		
Xu Lili (徐麗麗) (Note 5)	Domestic Shares	Interest in a controlled corporation	44,939,477 (L)	44.94%	32.60%
Chen Ying (陳瑛) (Note 6)	Domestic Shares	Interest of spouse	44,939,477 (L)	44.94%	32.60%
Xu Hua (徐華) (Note 4)	Domestic Shares	Beneficial owner	186,199 (L)	44.94%	32.60%
		Deemed interest pursuant to Section 317 of the SFO	44,753,278 (L)		
Zhuji Yujia (Note 4 & 8)	Domestic Shares	Beneficial owner	11,894,374 (L)	44.94%	32.60%
		Deemed interest pursuant to Section 317 of the SFO	33,045,103 (L)		
Qianyu (Note 4, 8 & 9)	Domestic Shares	Interest in a controlled corporation	44,939,477 (L)	44.94%	32.60%
Tang Shiyao (湯仕堯) (Note 4 & 8)	Domestic Shares	Interest in a controlled corporation	44,939,477 (L)	44.94%	32.60%
Fu Fangying (傅芳英) (Note 4 & 9)	Domestic Shares	Interest in a controlled corporation	44,939,477 (L)	44.94%	32.60%
City Development (Note 7)	Domestic Shares	Beneficial owner	32,757,502 (L)	32.76%	23.76%
Zhejiang Jiaying State-owned Capital Investment Management Company Limited (浙江嘉興國有資本投資運營有限公司) (Note 7)	Domestic Shares	Interest in a controlled corporation	32,757,502 (L)	32.76%	23.76%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Class of Shares	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding in the relevant class of Shares (Note 2)	Total approximate percentage of shareholding in the total share capital of the Company (Note 3)
State-owned Assets Supervision and Administration Commission of Jiaxing Municipal People's Government (嘉興市人民政府國有資產監督管理委員會) (Note 7)	Domestic Shares	Interest in a controlled corporation	32,757,502 (L)	32.76%	23.76%
Xiniao Gas Development Company Limited* (新奧燃氣發展有限公司) (Note 10 & 11)	Domestic Shares	Beneficial owner	7,155,049 (L)	7.16%	5.19%
Xiniao (China) Gas Investment Company Limited* (新奧(中國)燃氣投資有限公司) (Note 10 & 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
ENN Energy Holdings Limited (新奧能源控股有限公司) (Note 10 & 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
Xinneng (Hong Kong) Energy Investment Limited (新能(香港)能源投資有限公司) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
ENN Natural Gas Co., Ltd. (新奧天然氣股份有限公司) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
ENN Group International Investment Limited (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
ENN Investment Holdings Company Limited (新奧控股投資股份有限公司) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Class of Shares	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding in the relevant class of Shares (Note 2)	Total approximate percentage of shareholding in the total share capital of the Company (Note 3)
ENN Capital Management Co., Ltd. (新奧資本管理有限公司) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
Langfang City Natural Gas Company Limited (廊坊市天然氣有限公司) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
ENN Yingchuang Technology Co., Ltd. (新奧贏創科技有限公司) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
Wang Yusuo (王玉鎖) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
Zhao Baoju (趙寶菊) (Note 11)	Domestic Shares	Interest in a controlled corporation	7,155,049 (L)	7.16%	5.19%
Flat (Hong Kong) Co., Limited (福萊特(香港)有限公司) (Note 13)	H Shares	Beneficial owner	6,250,000 (L)	16.51%	4.53%
Flat Glass Group Co., Ltd. (福萊特玻璃集團股份有限公司) (Note 13)	H Shares	Interest in a controlled corporation	6,250,000 (L)	16.51%	4.53%
Hong Sung Timber Trading Co., Limited (香港泓盛木業貿易有限公司) (Note 14)	H Shares	Beneficial owner	5,700,000 (L)	15.06%	4.14%
Jiaxing Jinyuan Investment Co., Ltd.* (嘉興金源投資有限公司) (Note 14)	H Shares	Interest in a controlled corporation	5,700,000 (L)	15.06%	4.14%
Shen Xiaohong (沈小紅) (Note 14)	H Shares	Interest in a controlled corporation	5,700,000 (L)	15.06%	4.14%
Mingyuan Group Investment Limited (Note 15)	H Shares	Beneficial owner	5,300,000 (L)	14.00%	3.84%
Shum Tin Ching (沈天晴) (Note 15)	H Shares	Interest in a controlled corporation	5,300,000 (L)	14.00%	3.84%
Wang Xinmei (王新妹) (Note 16)	H Shares	Interest of spouse	5,300,000 (L)	14.00%	3.84%
ENN Energy China Investment Limited (Note 11 & 12)	H Shares	Beneficial owner	4,355,500 (L)	11.51%	3.16%
ENN Energy Holdings Limited (新奧能源控股有限公司) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Class of Shares	Capacity	Number of Shares (Note 1)	Approximate percentage of shareholding in the relevant class of Shares (Note 2)	Total approximate percentage of shareholding in the total share capital of the Company (Note 3)
Xinneng (Hong Kong) Energy Investment Limited (新能(香港)能源投資有限公司) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
ENN Natural Gas Co., Ltd. (新奧天然氣股份有限公司) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
ENN Group International Investment Limited (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
ENN Investment Holdings Company Limited (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
ENN Capital Management Co., Ltd. (新奧資本管理有限公司) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
Langfang City Natural Gas Company Limited (廊坊市天然氣有限公司) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
ENN Yingchuang Technology Co., Ltd. (新奧贏創科技有限公司) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
Wang Yusuo (王玉鎖) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
Zhao Baoju (趙寶菊) (Note 11 & 12)	H Shares	Interest in a controlled corporation	4,355,500 (L)	11.51%	3.16%
Fashion Home International Trading Co., Limited (香港美時居國際貿易有限公司) (Note 17)	H Shares	Beneficial owner	3,029,500 (L)	8.01%	2.20%
Liu Zhenjiang (劉振江) (Note 17)	H Shares	Interest in a controlled corporation	3,029,500 (L)	8.01%	2.20%
Dan Hongying (但紅英) (Note 18)	H Shares	Interest of spouse	3,029,500 (L)	8.01%	2.20%
Zhao Min (趙敏)	H Shares	Beneficial owner	1,985,000 (L)	5.25%	1.44%
CHCC RTT Investment (HK) Limited (仁和智本風險交易策略投資(香港)有限公司) (Note 19)	H Shares	Beneficial owner	1,918,000 (L)	5.07%	1.39%
Zheng Yifang (鄭義芳) (Note 19)	H Shares	Interest in a controlled corporation	1,918,000 (L)	5.07%	1.39%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the shareholder’s long position in the Shares and underlying shares of the Company. The letter “S” denotes the shareholder’s short position in the Shares and underlying shares of the Company.
- (2) The calculation is based on the total number of 100,000,000 Domestic Shares in issue or 37,844,500 H Shares in issue.
- (3) The calculation is based on the total number of 137,844,500 Shares in issue.
- (4) Taiding, Zhuji Yujia, Mr. Xu Songqiang and Ms. Xu Hua are parties acting in concert pursuant to the acting in concert agreement dated 16 July 2023. Under the SFO, each member of the Concert parties is deemed to be interested in the Shares beneficially owned by the other members of the Concert parties.
- (5) Ms. Xu Lili is interested in 35% of the equity interest in Taiding and is therefore deemed to be interested in the same number of Shares in which Taiding is interested under the SFO.
- (6) Ms. Chen Ying is the spouse of Mr. Xu Songqiang. Under the SFO, Ms. Chen Ying is deemed to be interested in the same number of Shares in which Mr. Xu Songqiang is interested.
- (7) City Development was wholly-owned by Zhejiang Jiaxing State-owned Capital Investment Management Company Limited* (浙江嘉興國有資本投資運營有限公司), which was owned as to 95.4827% by State-owned Assets Supervision and Administration Commission of Jiaxing Municipal People’s Government* (嘉興市人民政府國有資產監督管理委員會) and as to 4.5173% by Zhejiang Caikai Group Co., Ltd.* (浙江省財開集團有限公司), a wholly-owned entity under Zhejiang Provincial Department of Finance* (浙江省財政廳), respectively. Under the SFO, each of Zhejiang Jiaxing State-owned Capital Investment Management Company Limited* and Jiaxing State-owned Assets Supervision and Administration Commission is deemed to be interested in the same number of Shares in which City Development is interested. Mr. Yu Jianming, the non-executive Director, serves as the deputy secretary of the party committee of City Development. Mr. Zheng Huanli, the non-executive Director, serves as the manager of enterprise management department of City Development.
- (8) Zhuji Yujia is wholly-owned by Qianyu, which is 40%-owned by Mr. Tang Shiyao. Under the SFO, each of Mr. Tang Shiyao and Qianyu is deemed to be interested in the same number of Shares in which Zhuji Yujia is interested. Mr. Fu Songquan, the non-executive Director, serves as the Director and general manager of Qianyu, and he is the sole Director, legal representative and general manager of Zhuji Yujia.
- (9) Zhuji Yujia is wholly-owned by Qianyu, which is 60%-owned by Ms. Fu Fangying. Under the SFO, each of Ms. Fu Fangying and Qianyu is deemed to be interested in the same number of Shares in which Zhuji Yujia is interested.
- (10) Xinao Gas Development Company Limited* (新奧燃氣發展有限公司) is a wholly-owned subsidiary of Xinao (China) Gas Investment Company Limited* (新奧(中國)燃氣投資有限公司), which is in turn a wholly-owned subsidiary of ENN Energy Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2688). Under the SFO, each of Xinao (China) Gas Investment Company Limited* and ENN Energy Holdings Limited is deemed to be interested in the same number of Shares in which Xinao Gas Development Company Limited* is interested.
- (11) ENN Energy Holdings Limited is indirectly controlled as to 33.30% by Mr. Wang Yusuo (“Mr. Wang”) and Ms. Zhao Baoju (“Ms. Zhao”), the spouse of Mr. Wang, through their controlled corporations, including ENN Yingchuang Technology Co., Ltd. (“EYCT”), Langfang City Natural Gas Company Limited (“LCNG”), ENN Capital Management Co., Ltd. (“ECM”), ENN Investment Holdings Company Limited (“EIH”), ENN Group International Investment Limited (“EGII”), ENN Natural Gas Co., Ltd. (“ENN-NG”) and Xinneng (Hong Kong) Energy Investment Limited (“Xinneng HK”). Under the SFO, each of Mr. Wang, Ms. Zhao, EYCT, LCNG, ECM, EIH, EGII, ENN-NG and Xinneng HK is deemed to be interested in the same number of Shares in which ENN Energy Holdings Limited, Xinao (China) Gas Investment Company Limited* and Xinao Gas Development Company Limited* are interested.
- (12) The Shares are held by ENN Energy China Investment Limited, a wholly-owned subsidiary of ENN Energy Holdings Limited (新奧能源控股有限公司). Under the SFO, ENN Energy Holdings Limited is deemed to be interested in the same number of Shares in which ENN Energy China Investment Limited is interested.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (13) Flat (Hong Kong) Co., Limited (福萊特(香港)有限公司) is a wholly-owned subsidiary of Flat Glass Group Co., Ltd., the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 6865) and the Shanghai Stock Exchange (Stock code: 601865). Under the SFO, Flat Glass Group Co., Ltd. is deemed to be interested in the same number of Shares in which Flat (Hong Kong) Co., Limited is interested. Ms. Ruan Zeyun, the non-executive Director, serves as the executive Director, the president and company secretary of Flat Glass Group Co., Ltd.
- (14) Hong Sung Timber Trading Co., Limited (香港泓盛木業貿易有限公司) is a wholly-owned subsidiary of Jiaxing Jinyuan Investment Co., Ltd.* (嘉興金源投資有限公司), which is in turn owned as to 75% by Mr. Shen Xiaohong. Under the SFO, each of Jiaxing Jinyuan Investment Co., Ltd.* and Mr. Shen Xiaohong is deemed to be interested in the same number of Shares in which Hong Sung Timber Trading Co., Limited is interested.
- (15) Mingyuan Group Investment Limited is wholly-owned by Mr. Shum Tin Ching. Under the SFO, Mr. Shum Tin Ching is deemed to be interested in the same number of Shares in which Mingyuan Group Investment Limited is interested.
- (16) Ms. Wang Xinmei is the spouse of Mr. Shum Tin Ching. Under the SFO, Ms. Wang Xinmei is deemed to be interested in the same number of Shares in which Mr. Shum Tin Ching is interested.
- (17) Fashion Home International Trading Co., Limited (香港美時居國際貿易有限公司) is wholly-owned by Mr. Liu Zhenjiang. Under the SFO, Mr. Liu Zhenjiang is deemed to be interested in the same number of Shares in which Fashion Home International Trading Co., Limited is interested.
- (18) Ms. Dan Hongying (但紅英) is the spouse of Mr. Liu Zhenjiang (劉振江). Under the SFO, Ms. Dan Hongying is deemed to be interested in the same number of Shares in which Mr. Liu Zhenjiang is interested.
- (19) CHCC RTT Investment (HK) Limited (仁和智本風險交易策略投資(香港)有限公司) is wholly-owned by Ms. Zheng Yifang (鄭義芳). Under the SFO, Ms. Zheng Yifang is deemed to be interested in the same number of Shares in which CHCC RTT Investment (HK) Limited is interested.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other person (other than the Directors, Supervisors or chief executives of the Company) who had an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

CORPORATE GOVERNANCE HIGHLIGHTS

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

The Company has adopted the principles and code provisions of the CG Code* as set out in Part 2 of Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practices. In the opinion of the Directors, the Company has complied with all the code provisions as set out in Part 2 of the CG Code during the Period, except for the deviation from code provisions C.2.1 and F.1.1.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. However, the roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr.

* The amendments to the CG Code effective on 1 July 2025 will apply to the corporate governance report and annual reports for financial years commencing on or after 1 July 2025. For this report, the Company shall refer to the then effective CG Code.

Sun Lianqing (“**Mr. Sun**”). Mr. Sun, who has been responsible for overall strategic planning and management of the Group since 1998. The Board meets regularly to consider major matters affecting the operations of the Group, as such, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

For the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

SIGNIFICANT INVESTMENTS

Among the investments in joint ventures and associates, the investment in joint venture in relation to Hangjiaxin constituted a significant investment of the Group, with the Company holding a 51% interest in the joint venture. As at 30 June 2025, the Group had paid approximately RMB357.0 million as capital contribution to Hangjiaxin and the carrying amount of the Group’s investment was approximately RMB485.9 million (unaudited), representing approximately 15.53% (unaudited) of the Group’s total assets. Hangjiaxin was established in 2017 for the construction and operation of a LNG storage and transportation station in Dushan Port, a coastal area, for the import and storage of LNG for diversification of the sources of natural gas of the Group and to meet the demand for natural gas in Jiaxing and neighbouring cities such as Shanghai, Hangzhou and Suzhou in the Yangtze River Delta. During the Reporting Period, Hangjiaxin commenced full operation, and the Group recorded an investment gain of approximately RMB14.9 million (unaudited) from its investment in Hangjiaxin and did not receive any dividend. The Board is of the view that Hangjiaxin will continue to be an important supplier of LNG to the Group and will continue to bring investment gain to the Group.

Moreover, during the Reporting Period, the Group completed the acquisition of 13.5% of the equity interest in Xingzhou Jiayuan (i.e. the 2025 Acquisition). For further details of 2025 Acquisition, please refer to the paragraph headed “Material Acquisition and Disposal” under the section headed “Management Discussion and Analysis” in this interim report. As at 30 June 2025, the Group held 40% equity interest in Xingzhou Jiayuan, and had paid approximately RMB232.7 million as capital contribution. The carrying amount of the Group’s investment in Xingzhou Jiayuan as at 30 June 2025 was approximately RMB233.0 million (unaudited), representing approximate 7.45% (unaudited) of the Group’s total assets. Xingzhou Jiayuan is principally engaged in property development, property management and carpark management. During the Reporting Period, the Group recorded an investment gain of approximately RMB5,000 (unaudited) from its investment in Xingzhou Jiayuan and did not receive any dividend. The Board is of the view that Xingzhou Jiayuan will continue to generate synergistic benefits between its property development operations and the Group’s landscape construction business.

Save as disclosed, during the Reporting Period, the Group did not hold any other significant investment, and the Group does not have any future plans for material investments or capital assets as at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted its own code of conduct (the “**Code of Conduct**”) regarding dealings in the Company’s securities by Directors and Supervisors on terms no less exacting than the Model Code.

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

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

INTERIM DIVIDEND

As authorised by the shareholders of the Company at the Company’s annual general meeting (“**AGM**”) on 6 June 2025, on 28 August 2025, the Board has approved the declaration and payment of an interim dividend of RMB0.15 (tax inclusive) per Share for the six months ended 30 June 2025 (the “**2025 Interim Dividend**”) with an aggregate amount of approximately RMB20,676,675 (tax inclusive) to Shareholders whose names appear on the Company’s register of members on Wednesday, 24 September 2025. The 2025 Interim Dividend is expected to be paid on Friday, 10 October 2025.

Dividends will be paid in Renminbi for holders of domestic shares of the Company, and dividends for H share shareholders (“**H Shareholders**”) of the Company will be paid in Hong Kong dollars. The relevant exchange rate is HK\$:RMB = 1:0.912136, (or RMB:HK\$ = 1:1.096328) i.e. the average of the mid-point rates of Renminbi to Hong Kong dollars as announced by the People’s Bank of China for the week prior to 28 August 2025 (i.e. the date of approval of declaration of dividends by the Board as authorised by the Shareholders at the AGM). The 2025 Interim Dividend of RMB0.15 (tax inclusive) per Share is therefore equal to HK\$0.1644 (tax inclusive) per Share.

Under the requirements of the Law of the People’s Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and the Regulations for the Implementation of the Law of the People’s Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法實施條例》) implemented in 2008, the Company has the obligation to withhold enterprise income tax at a rate of 10% when it will pay the 2025 Interim Dividend to its H Shareholders who are overseas non-resident enterprises (including HKSCC Nominees Limited, other institutional nominees or trustees, or other organisations or groups) listed on the H share register of members on Wednesday, 24 September 2025.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company will determine the country of domicile of the individual H Shareholders based on the registered address as recorded in the H share register of members of the Company on Wednesday, 24 September 2025. If the country of domicile of an individual H Shareholder is not the same as the registered address or if the individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Shareholder shall notify and provide relevant supporting documents to the Company on or before Thursday, 18 September 2025. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaties notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

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

Shareholders are recommended to consult their tax advisers regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the rights of H Shareholders to the 2025 Interim Dividend, the H share register of members of the Company will be closed, the details of which are set out below:

For determining the entitlements of H Shareholders to the 2025 Interim Dividend

Latest time to lodge transfer documents for registration 4:30 p.m. on Thursday, 18 September 2025

Closure of register of members (both days inclusive) Friday, 19 September 2025 to
Wednesday, 24 September 2025

Record date Wednesday, 24 September 2025

During the above closure period, no transfer of H shares of the Company will be registered. To be eligible to qualify for the 2025 Interim Dividend, all transfer documents, accompanied by the relevant certificates, must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, by no later than the aforementioned latest times.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee comprising three independent non-executive Directors was established with terms of reference in compliance with the CG Code.

The Audit Committee has reviewed together with the Company's management and external auditors, Messrs. Ernst & Young, the accounting principles and policies adopted by the Group and the unaudited interim results for the Period and was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made and has no disagreement with the accounting treatment adopted.

INDEPENDENT REVIEW REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Independent review report

To the board of directors of JiaXing Gas Group Co., Ltd.

(Established in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 52, which comprises the condensed consolidated statement of financial position of JiaXing Gas Group Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants
Hong Kong
28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue	4	1,461,481	1,516,524
Cost of sales		(1,343,411)	(1,392,191)
Gross profit		118,070	124,333
Other income and gains		11,831	8,470
Selling and distribution costs		(12,299)	(14,069)
Administrative expenses		(37,054)	(35,226)
Impairment losses on financial and contract assets, net		12,546	(15,345)
Other expenses		(90)	(465)
Finance costs		(7,700)	(6,405)
Share of profits and losses of:			
Joint ventures		14,868	41,761
Associates		2,006	6,714
PROFIT BEFORE TAX	5	102,178	109,768
Income tax expense	6	(20,291)	(13,054)
PROFIT FOR THE PERIOD		81,887	96,714
Profit attributable to:			
Owners of the parent		75,284	89,146
Non-controlling interests		6,603	7,568
		81,887	96,714
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period (RMB)	8	0.55	0.65

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Fair value reserve of financial assets at fair value through other comprehensive income:		
Initial recognition of bills receivable as settlement of trade receivables	(310)	338
Changes in fair value	156	(156)
Income tax effect	38	(46)
Exchange differences on translation of foreign operations	94	63
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(22)	199
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(22)	199
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	81,865	96,913
Total comprehensive income attributable to:		
Owners of the parent	75,283	89,345
Non-controlling interests	6,582	7,568
	81,865	96,913

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	775,216	670,467
Investment properties		228,846	234,329
Right-of-use assets		141,247	137,249
Other intangible assets		4,458	4,595
Investments in joint ventures		485,938	471,070
Investments in associates		268,385	177,379
Financial assets at fair value through profit or loss		61,597	60,597
Deferred tax assets		122,968	124,552
Goodwill		42	42
Other non-current assets		1,062	1,527
Total non-current assets		2,089,759	1,881,807
CURRENT ASSETS			
Inventories		145,993	174,095
Trade and bills receivables	10	198,373	359,193
Contract assets		6,053	9,547
Prepayments, other receivables and other assets		180,958	166,095
Financial assets at fair value through profit or loss		2,452	2,807
Financial instruments reported at amortised cost		49,700	2,700
Term deposits and pledged deposits		50,189	90,231
Cash and cash equivalents		404,805	297,374
Total current assets		1,038,523	1,102,042

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	11	644,036	729,375
Other payables and accruals		39,771	104,410
Contract liabilities		113,997	116,818
Interest-bearing bank borrowings	12	27,290	212,440
Lease liabilities		20,010	18,101
Tax payable		6,740	14,702
Total current liabilities		851,844	1,195,846
NET CURRENT ASSETS/(LIABILITIES)		186,679	(93,804)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,276,438	1,788,003
NON-CURRENT LIABILITIES			
Contract liabilities		313,992	320,755
Interest-bearing bank borrowings	12	576,390	140,460
Lease liabilities		144,619	141,173
Deferred tax liabilities		13,830	22
Total non-current liabilities		1,048,831	602,410
Net assets		1,227,607	1,185,593
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	137,845	137,845
Reserves		1,033,679	992,857
		1,171,524	1,130,702
Non-controlling interests		56,083	54,891
TOTAL EQUITY		1,227,607	1,185,593

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Special reserve-safety fund RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2023 (audited)	137,845	271,226*	85,781*	17,710*	(167)*	52*	513,115*	1,025,562	42,854	1,068,416
Profit for the period	-	-	-	-	-	-	89,146	89,146	7,568	96,714
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	63	-	63	-	63
Fair value reserve of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	136	-	-	136	-	136
Total comprehensive income for the period	-	-	-	-	136	63	89,146	89,345	7,568	96,913
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	5,200	5,200
Final 2023 dividend declared and paid	-	-	-	-	-	-	(55,138)	(55,138)	-	(55,138)
Distribution of dividends or profit to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	(5,950)	(5,950)
Special reserve – safety fund	-	-	-	408	-	-	(408)	-	-	-
At 30 June 2024 (unaudited)	137,845	271,226*	85,781*	18,118*	(31)*	115*	546,715*	1,059,769	49,672	1,109,441

* These reserve accounts comprise the consolidated reserves of RMB921,924,000 in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Special reserve-safety fund RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	137,845	271,226	99,212	19,430	(126)	235	602,880	1,130,702	54,891	1,185,593
Profit for the period	-	-	-	-	-	-	75,284	75,284	6,603	81,887
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	94	-	94	-	94
Fair value reserve of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	(95)	-	-	(95)	(21)	(116)
Total comprehensive income for the period	-	-	-	-	(95)	94	75,284	75,283	6,582	81,865
Final 2024 dividend declared and paid	-	-	-	-	-	-	(34,461)	(34,461)	-	(34,461)
Distribution of dividends or profit to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	(5,390)	(5,390)
Special reserve – safety fund	-	-	-	1,887	-	-	(1,887)	-	-	-
At 30 June 2025 (unaudited)	137,845	271,226*	99,212*	21,317*	(221)*	329*	641,816*	1,171,524	56,083	1,227,607

* These reserve accounts comprise the consolidated reserves of RMB1,033,679,000 in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		102,178	109,768
Adjustments for:			
Share of profits and losses of associates		(2,006)	(6,714)
Share of profits and losses of joint ventures		(14,868)	(41,761)
Finance costs		7,700	6,405
Depreciation of property, plant and equipment	10	34,162	36,554
Depreciation of right-of-use assets		7,690	6,508
Depreciation of investment properties		5,483	3,573
Amortisation of other intangible assets		921	1,014
Impairment of financial and contract assets	6	(12,546)	15,345
Fair value loss on financial assets at fair value through profit or loss	6	355	112
Gain on disposal of items of property, plant and equipment	6	(52)	(138)
Interest income		(6,451)	(7,447)
		122,566	123,219
Increase in trade and bills receivables		173,345	(14,980)
Increase in contract assets		3,494	(396)
Decrease/(increase) in pledged time deposits		40,042	68,325
Decrease/(increase) in prepayments, other receivables and other assets		(14,413)	37,191
Increase/(decrease) in inventories		28,102	(172,870)
(Decrease)/increase in trade and bills payables		(85,339)	(37,017)
(Decrease)/increase in other payables and accruals		(65,884)	(23,271)
(Decrease)/increase in contract liabilities		(9,584)	(13,308)
Cash generated from operations		192,329	(33,107)
Interest received		6,451	7,447
Tax paid		(12,847)	(28,330)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		185,933	(53,990)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant, and equipment		(138,444)	(51,760)
Additions to other intangible assets		(784)	(1,061)
Investment in an associate		(89,000)	(5,383)
Dividend received from an associate		–	7,872
Purchase of financial instruments reported at amortised cost		(47,000)	(17,700)
Purchase of financial assets at fair value through profit or loss		(1,000)	–
Proceeds from disposal of fixed assets		4,886	782
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(271,342)	(67,250)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(34,461)	(55,138)
Dividends paid to non-controlling shareholders		(5,390)	(5,950)
Interest paid		(7,235)	(6,177)
New bank loans		451,000	336,140
Repayment of interest-bearing bank borrowings		(200,220)	(132,220)
Payment of lease liabilities		(10,354)	(12,649)
Repayment of collection on behalf of the joint venture		–	(204,322)
Capital injection by non-controlling shareholders		–	5,200
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		193,340	(75,116)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		107,931	(196,356)
Cash and cash equivalents at beginning of period		297,374	343,216
Effect of exchange rate changes, net		(500)	638
CASH AND CASH EQUIVALENTS AT END OF PERIOD		404,805	147,498
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in the interim condensed consolidated statement of financial position		454,994	234,966
Term deposits and pledged deposits		(50,189)	(87,468)
CASH AND CASH EQUIVALENTS AS STATED IN THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		404,805	147,498

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

JiaXing Gas Group Co., Ltd. (the “Company”) is a joint stock company with limited liability established in the People’s Republic of China (“PRC”). The registered office of the Company is located at 5th Floor, Building 3, Hualong Plaza, Economic and Technological Development Zone, Jiaxing, PRC.

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

On 16 July 2023, the concert parties, Taiding, Zhuji Yujia, Mr. Xu Songqiang (徐松強) and Ms. Xu Hua (徐華), entered into concert party agreements with respect to their interests in the Company. Pursuant to the concert party agreements, Zhuji Yujia, Mr. Xu Songqiang and Ms. Xu Hua agreed to delegate their voting rights at general meetings of the Company to Taiding from 16 July 2023 to 15 July 2026. Concert parties have interests in each other’s interests. As of 30 June 2025, the concert parties held an approximately 32.72% equity interest in the Company, while Jiaxing City Investment & Development Group Co., Ltd. held an approximately 23.76% equity interest in the Company. Accordingly, there was no controlling shareholder for the Company under IFRS Accounting Standards.

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

2. BASIS OF PREPARATION AND CHANGES IN THE GROUP’S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

2. BASIS OF PREPARATION AND CHANGES IN THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

- (a) Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chinese Mainland	1,461,481	1,516,524

The geographical revenue information above is based on the locations of customers.

Seasonality of operations

The principal business activities of the Group included the distribution and sale of PNG, LNG, LPG and vapour, the provision of construction services, installation and management services as the main contractor of construction, and gas transportation services, commission services and labour services. Historically, higher sales revenue is usually expected during the winter months due to higher gas consumption for heating. This information is provided only to allow for a better understanding of the results. Management has concluded that the Group's business is not "highly seasonal" in accordance with IAS 34.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of goods	1,343,817	1,434,300
Provision of construction services	51,934	49,303
Provision of installation and management services	20,302	23,463
Provision of gas transportation services	4,776	1,016
Provision of commission services	27,889	1,115
Provision of labour services	6,129	–
Others	5,027	3,369
<i>Revenue from other sources</i>		
Gross rental income	6,389	6,921
	1,466,263	1,519,487
Less: Government surcharges	(4,782)	(2,963)
Total	1,461,481	1,516,524
<i>Revenue from contracts with customers</i>		
Types of goods or services		
Sale of PNG	817,850	883,821
Sale of LNG	418,763	440,526
Sale of LPG	38,545	40,558
Sale of vapour	15,059	16,488
Sale of electricity	888	1,166
Sale of other gas	46,058	47,993
Sale of construction materials	6,654	3,748
Provision of construction services	51,934	49,303
Provision of installation and management services	20,302	23,463
Provision of commission services	27,889	1,115
Provision of labour services	6,129	–
Provision of gas transportation services	4,776	1,016
Others	5,027	3,369
Total	1,459,874	1,512,566
Timing of revenue recognition		
Goods or services transferred at a point in time	1,387,638	1,439,800
Services transferred over time	72,236	72,766
Total	1,459,874	1,512,566

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	6,451	7,447
Government grants	3,581	38
Others	357	840
Total other income	10,389	8,325
Gains		
Gain on foreign exchange differences	39	–
Gain on disposal of items of property, plant and equipment	88	145
Gain on financial assets measured at amortised cost	1,315	–
Total gains	1,442	145
Total other income and gains	11,831	8,470

6. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	1,286,230	1,348,174
Cost of services provided	57,181	44,017
Depreciation of property, plant and equipment	34,162	36,554
Depreciation of right-of-use assets	7,690	6,508
(Gain)/loss on disposal of items of property, plant and equipment	(52)	(138)
Impairment of financial and contract assets, net:		
Impairment of trade receivables	(12,546)	15,227
Impairment of financial assets included in prepayments, other receivables and other assets	–	118
Impairment of financial instruments reported at amortised cost	–	–
Financial assets at fair value through profit or loss	355	112

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

7. INCOME TAX

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

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. According to the Inland Revenue Department's Departmental Interpretation and Practice Notes (DIPN) No. 34 (Revised) Exemption from Profits Tax (Interest Income) Order 1998, exempted bank interest income should not be taxed. Since the profit before tax of Jiaxing Gas Hong Kong net of exempted bank interest is Nil (2024: Nil), Jiaxing Gas Hong Kong didn't accrued taxes on profits.

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

The major components of income tax expense are as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
Income tax in the PRC for the period	6,965	15,500
Deferred tax	13,326	(2,446)
Total tax charge for the period	20,291	13,054

8. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final dividend declared and paid – RMB0.25 (2024: RMB0.40) per ordinary share	34,461	55,138
Proposed interim dividend	20,677	27,569

On 28 August 2025, the board of directors (as authorised by the shareholders of the Company (the "Shareholders") at the annual general meeting of the Company (the "AGM") on 6 June 2025) declared an interim dividend of RMB0.15 (six months ended 30 June 2024: RMB0.2) per ordinary share, amounting to a total of approximately RMB20,677,000 (six months ended 30 June 2024: RMB27,568,900).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 137,844,500 (six months ended 30 June 2024: 137,844,500) outstanding during the period.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)

Earnings

Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	75,284	89,146
---	--------	--------

	Number of shares For the six months ended 30 June	
	2025	2024

Shares

Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	137,844,500	137,844,500
---	-------------	-------------

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying value at beginning of the period	670,467	652,926
Additions	143,745	135,043
Depreciation charge for the period	(34,162)	(72,391)
Transferred to investment properties	–	(44,251)
Disposals	(4,834)	(860)
Carrying value at the end of the period	775,216	670,467

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	215,716	391,944
Bills receivable	5,535	2,673
	221,251	394,617
Impairment	(22,878)	(35,424)
Total	198,373	359,193

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	171,132	326,521
Over one year	27,241	32,672
Total	198,373	359,193

12. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	314,416	374,528
Bills payable	329,620	354,847
Total	644,036	729,375

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	642,167	727,413
One to two years	1,095	1,269
Over two years	774	693
Total	644,036	729,375

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. INTEREST-BEARING BANK BORROWINGS

30 June 2025 (unaudited)				31 December 2024 (audited)		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans – credited	LPR*	2025-2026	7,260	LPR+0.05%*	2024	7,260
	LPR+0.02%	2025-2026	20,030	LPR+0.02%	2024	17,180
	LPR-0.13%	2025	–	LPR-0.13%	2024	78,000
	2.50%	2025	–	2.50%	2024	110,000
Total current			27,290			212,440
Non-current						
Bank loans – credited note	LPR*	2026-2029	28,190	LPR+0.05%*	2026-2029	31,820
	LPR+0.02%	2026-2028	97,200	LPR+0.02%	2026-2028	108,640
	LPR-0.52%	2028-2042	120,000			–
	LPR-0.62%	2030-2045	50,000			–
	LPR-0.62%	2030-2046	50,000			–
	LPR-0.58%	2030-2045	20,000			–
	LPR-0.52%	2031-2051	200,000			–
	LPR-0.62%	2026-2035	11,000			–
Total non-current			576,390			140,460
Total			603,680			352,900

* A supplementary agreement was signed on the loan in April 2025 to modify the borrowing interest rate from LPR+0.05% to LPR.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
--	--	--

Analysed into:

Bank loans and borrowings repayable:

Within one year or on demand	27,290	212,440
In the second year	33,140	30,140
In the third to fifth years, inclusive	119,810	110,320
Beyond five years	423,440	–
Total	603,680	352,900

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. SHARE CAPITAL

	Number of shares	Nominal value RMB'000
Ordinary shares as at 31 December 2024 (audited) and 30 June 2025 (unaudited)	137,844,500	137,845

15. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for: – Property, plant and equipment	2,302	2,235

16. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Group
Hangjiaxin	Joint venture
Zhejiang Xinye Energy Co., Ltd. ("Xinye") (浙江鑫液能源有限公司)	Second-tier subsidiary of a joint venture
Pinghu Natural Gas Co., Ltd. ("Pinghu Natural Gas") (平湖市天然氣有限公司)	Associate
Jiaxing Jiatong New Energy Co., Ltd. ("Jiatong New Energy") (嘉興市嘉通新能源股份有限公司)	Associate
Xingzhou Jiayuan	Associate
Jiaxing Jiaran Ganghua Transportation Technology Co., Ltd. ("Ganghua Transportation") (嘉興市嘉燃港華交通科技有限公司)	Associate
Zhejiang Anke Logistics Co. Ltd. ("Zhejiang Anke") (浙江安可物流有限責任公司)	Associate

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Anji Xinan Tea Industry Co., Ltd. ("Anji Xinan Tea") (安吉溪南茶業有限公司)	Associate
Jiaxing Pipeline Company Network Management Co., Ltd. ("Jiaxing Pipeline Company") (嘉興市天然氣管網經營有限公司)	Company controlled by shareholders of the Company
Jiaxing Jiacheng New Energy Co., Ltd. ("Jiacheng New Energy") (嘉興市嘉城新能源有限公司)	Company controlled by shareholders of the Company
Jiaxing Qingyuan Ecological Farm Co., Ltd. ("Ecological Farm") (嘉興市清園生態農莊有限公司)	Company controlled by shareholders of the Company
Jiaxing Qingchi Hot Spring Tourism Development Co., Ltd. ("Qingchi Hot Spring") (嘉興市清池溫泉旅遊開發有限公司)	Company controlled by shareholders of the Company
Jiaxing Qingyuan Hot Spring Management Co., Ltd. ("Qingyuan Hot Spring") (嘉興市清源溫泉管理有限公司)	Company controlled by shareholders of the Company
Jiaxing Qingchi Cultural Industry Development Co., Ltd. ("Qingchi Cultural Industry") (嘉興清池文化產業發展有限公司)	Company controlled by shareholders of the Company
Jiaxing Songjia Trading Co., Ltd. ("Songjia Trading") (嘉興市宋嘉貿易有限公司)	Company controlled by shareholders of the Company
Jiaxing Yunhe Hotel Co., Ltd. ("Yunhe Hotel") (嘉興市運河酒店有限公司)	Company controlled by shareholders of the Company
Jiaxing Salon International Hotel Co., Ltd. ("Salon International Hotel") (嘉興市沙龍國際賓館有限公司)	Company controlled by shareholders of the Company
Jiaxing Yuehe Inn Co., Ltd. ("Yuehe Inn") (嘉興市月河客棧有限公司)	Company controlled by shareholders of the Company
Flat Glass Group Co., Ltd. ("Flat Group") (福萊特玻璃集團股份有限公司)	Company controlled by a director of the Company

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Zhejiang Jinfeng Pipeline Co., Ltd. ("Zhejiang Jinfeng") (浙江錦楓管業有限公司)	Company controlled by a director of the Company
Zhejiang Jinyu Maple Leaf Pipe Industry Co., Ltd. ("Zhejiang Jinyu") (浙江錦宇楓葉管業有限公司)	Company controlled by a director of the Company
Jiaxing Yintai Properties Co., Ltd. ("Jiaxing Yintai") (嘉興胤泰置業有限公司)	Company controlled by a director of the Company
Jiaxing Yinda Properties Co., Ltd. ("Jiaxing Yinda") (嘉興胤達置業有限公司)	Company controlled by a director of the Company
Zhejiang Taiding Investment Co., Ltd. ("Zhejiang Taiding") (浙江泰鼎投資有限公司)	Company controlled by a director of the Company
Zhejiang Qingyuan Tourism Development Group Co., Ltd. ("Qingyuan Tourism") (浙江清園旅遊發展集團有限公司)	Company controlled by a director of the Company
Jiaxing Nanhu Hetai Finance Co., Ltd. ("Nanhu Hetai") (嘉興市南湖禾泰小額貸款有限公司)	Company significantly influenced by shareholders of the Company
Gu Bin ("Gu Bin") (顧斌)	Vice general manager

Note: Jiaxing Qingyuan Hotel Management Co., Ltd. (嘉興市清園酒店管理有限公司) ("Qingyuan Hotel") ceased to be a related party of the Company on 12 June 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

- (b) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following transactions with related parties during the period:

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Joint ventures:			
<u>Sales of PNG to</u>			
Hangjiaxin	(i)	–	8
<u>Sales of LNG to</u>			
Hangjiaxin	(i)	155,593	–
Xinye	(i)	–	150,760
<u>Provision of construction services to</u>			
Hangjiaxin	(ii)	–	248
<u>Rental income from</u>			
Hangjiaxin	(iii)	423	373
<u>Commission fee received from</u>			
Hangjiaxin	(ii)	27,877	2,790
<u>Purchase of warehousing services from</u>			
Xinye	(iv)	708	–
Hangjiaxin	(iv)	3,285	9,869
<u>Purchase of LNG from</u>			
Xinye	(iv)	618	–
<u>Purchase of PNG from</u>			
Xinye	(iv)	1,575	–
<u>Provision of transportation service to</u>			
Xinye	(ii)	3,820	–
<u>Provision of labor service to</u>			
Hangjiaxin	(ii)	6,129	–

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

- (b) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following transactions with related parties during the period: (continued)

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Associates:			
<u>Sale of LNG to</u>			
Pinghu Natural Gas	(i)	12	8
<u>Sale of PNG to</u>			
Pinghu Natural Gas	(i)	825	550
<u>Provision of services to</u>			
Ganghua Transportation	(ii)	–	280
<u>Provision of construction services to</u>			
Xingzhou Jiayuan	(ii)	–	1,374
<u>Rental income from</u>			
Ganghua Transportation	(iii)	29	53
<u>Receipt of transportation service from</u>			
Zhejiang Anke	(iv)	696	1,345
<u>Purchase of LNG from</u>			
Jiatong New Energy	(v)	–	2
<u>Sales of electricity to</u>			
Ganghua Transportation	(v)	50	–

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

- (b) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following transactions with related parties during the period: (continued)

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Others:			
<u>Sales of natural gas to</u>			
Flat Group	(i)	45,302	117,495
Qingchi Cultural Industry	(i)	992	1,313
Salon International Hotel	(i)	792	869
Yuehe Inn	(i)	610	794
Yunhe Hotel	(i)	60	55
Total		47,756	120,526
<u>Sales of LPG to</u>			
Ecological Farm	(i)	25	23
<u>Sale of LNG to</u>			
Jiacheng New Energy	(i)	141,184	–
Jiaxing Pipeline Company	(i)	–	24,560
Total		141,184	24,560
<u>Provision of construction services to</u>			
Yuehe Inn	(ii)	11	9
Jiaxing Pipeline Company	(ii)	–	2,173
Salon International Hotel	(ii)	–	98
Qingchi Cultural Industry	(ii)	–	23
Total		11	2,303
<u>Provision of pipeline transportation services to</u>			
Flat Group	(ii)	619	536
<u>Rental income from</u>			
Qingyuan Hotel	(iii)	–	2,637
Nanhu Hetai	(iii)	–	12

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

- (b) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following transactions with related parties during the period: (continued)

		For the six months ended 30 June 2025		2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)	
Others (continued):				
<u>Purchase of natural gas from</u>				
Jiaxing Pipeline Company	(v)	224,960		264,533
<u>Purchase of construction materials from</u>				
Zhejiang Jinfeng	(v)	5,539		1,795
<u>Purchase of other products from</u>				
Ecological Farm	(v)	1,327		1,585
Songjia Trading	(v)	12		9
Total		1,339		1,594
<u>Receipt of services from</u>				
Qingchi Cultural Industry	(iv)	62		965
Yunhe Hotel	(iv)	18		35
Qingyuan Hotel	(iv)	–		764
Total		80		1,764
<u>Purchase of rental services from</u>				
Zhejiang Taiding	(iv)	31		–
Gu Bin	(iv)	60		–
Total		91		–
<u>Rental of assets and recognition of right-of-use assets</u>				
Jiaxing Pipeline Company	(vi)	10,726		4,996
Jiaxing Yintai	(vi)	704		704
Total		11,430		5,700

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

- (b) In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following transactions with related parties during the period: (continued)

Notes:

- (i) The sales to related parties were determined based on the market prices of their independent third-party customers.
- (ii) The prices of services provided to the related parties were determined based on the prices and conditions offered to the independent third-party customers of the Group.
- (iii) The rental income represents rentals of investment properties leased to the Group's related parties. The annual rentals were determined by agreement of the parties with reference to the market prices of similar properties.
- (iv) The purchases of services from related parties were made according to the published prices and conditions offered by the related parties to their independent third parties.
- (v) The purchases from related parties were made according to the published prices and conditions offered by the related parties to their independent third parties.
- (vi) Part of the purchase of right-of-use assets resulted from rentals of gas pipelines and properties from Jiaxing Pipeline Company, and other purchases of right-of-use assets were resulted from office rentals from Jiaxing Yintai. The rental prices of office rentals were determined based on market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances before expected credit losses with related parties:

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Notes		
<u>Amounts due from related parties before provision</u>			
Jiaxing Pipeline Company	(i)	9,549	22,537
Qingyuan Hot Spring	(i)	9,268	9,268
Qingchi Cultural Industry	(i)	7,437	8,987
Hangjiaxin	(i)	2,492	2,483
Xingzhou Jiayuan	(i)	48,996	16,204
Anji Xinan Tea	(i)	1,670	2,750
Qingchi Hot Spring	(i)	813	813
Ecological Farm	(i)	161	4
Salon International Hotel	(i)	120	248
Xinye	(i)	37	79
Ganghua Transportation	(i)	19	29
Yuehe Inn	(i)	13	128
Yunhe Hotel	(i)	9	4
Jiaxing Yintai	(i)	5	5
Pinghu Natural Gas	(i)	4	2
Total		80,593	63,541
<u>Amounts due to related parties</u>			
Jiaxing Pipeline Company	(ii)	158,527	152,824
Xinye	(iii)	2,950	84,175
Flat Group	(iii)	1,690	1,473
Zhejiang Jinfeng	(iii)	1,127	2,263
Pinghu Natural Gas	(iii)	200	200
Jiaxing Yintai	(iii)	28	–
Hangjiaxin	(iii)	14	3
Yuehe Inn	(iii)	12	12
Qingchi Cultural Industry	(iii)	–	272
Yunhe Hotel	(iii)	–	2
Total		164,548	241,224

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances before expected credit losses with related parties: (continued)

Notes:

- (i) The amounts due from related parties of RMB80,593,000 in total as at 30 June 2025 (31 December 2024: RMB63,541,000) are trade in nature, unsecured, interest-free and repayable within 180 days.
- (ii) The Company rented gas pipelines and properties from Jiaxing Pipeline Company and recognised the corresponding lease liabilities. The maturity profile of the lease liabilities due to Jiaxing Pipeline Company as at the end of the period is as follows:

	Within 1 year RMB'000	Within 2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2025	18,210	81,701	58,270	158,181
At 31 December 2024	17,271	75,655	59,836	152,762

The remaining balance of the amount due to Jiaxing Pipeline Company was RMB346,000 (2024: RMB62,000) as at the end of the reporting period, which was originally trade in nature, interest-free and repayable within 30 days.

- (iii) The amounts due to related parties of RMB6,021,000 in total as at 30 June 2025 (31 December 2024: RMB88,400,000) were trade in nature, unsecured, interest-free and repayable within 180 days.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term employee benefits	2,278	2,961
Post-employment benefits	429	401
Total compensation paid to key management personnel	2,707	3,362

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Carrying amounts		Fair values	
30 June 2025	31 December 2024	30 June 2025	31 December 2024
RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Unaudited)	RMB'000 (Audited)

Financial assets

Financial assets at fair value
through profit or loss

64,049	63,404	64,049	63,404
--------	--------	--------	--------

Financial liabilities

Interest-bearing bank borrowings
(non-current portion)

576,390	140,460	561,683	139,959
---------	---------	---------	---------

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the board of directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2025 were assessed to be insignificant.

The fair value of listed equity investment is based on quoted market prices. The fair value of unlisted equity investment at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors of the Company to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, for example price to book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a net assets measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding book value measure of the unlisted equity investment to measure the fair value. The directors of the Company believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at 30 June 2025.

The Group invests in unlisted investments, which mainly represent wealth management products at fair value. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2024 and 30 June 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investment	Valuation multiples	Average P/B multiple of peers	1.55 to 2.68 (2024: 1.55 to 2.68)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB1,948,000 (2024: RMB1,948,000)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Bills receivable	–	5,535	–	5,535
Financial assets at fair value through profit or loss	2,452	–	61,597	64,049

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Bills receivable	–	2,673	–	2,673
Financial assets at fair value through profit or loss	2,807	–	60,597	63,404

The movements in fair value measurements within Level 3 during the period are as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Equity investments at fair value through profit or loss – unlisted:		
At 1 January	60,597	59,147
Purchases	1,000	1,450
At 30 June	61,597	60,597

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value at the end of the period (2024: Nil).

Assets for which fair values are disclosed:

The Group did not have any financial assets for which fair values are disclosed at the end of the period (2024: Nil).

Liabilities for which fair values are disclosed:

As at 30 June 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank borrowings (non-current portion)	–	561,683	–	561,683

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank borrowings (non-current portion)	–	139,959	–	139,959

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2025.