



湖州燃气股份有限公司 HUZHOU GAS CO., LTD.*

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

Stock Code : 6661

2025 INTERIM REPORT



* For identification purposes only

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Hua (*Chairman*)
Mr. Wang Tao (*Appointed on 25 April 2025*)
Ms. Sun Xiaohui
Mr. Yang Fan (*Resigned on 25 April 2025*)

Non-executive Directors

Mr. Wang Peng
Mr. Gong Luojian (*Appointed on 25 April 2025*)
Mr. Liu Jianfeng (*Resigned on 25 April 2025*)

Independent Non-executive Directors

Mr. Chang Li Hsien Leslie
Dr. Lau Suet Chiu Frederic
Mr. Zhou Xinfu

SUPERVISORS

Ms. Xing Yan
Mr. Cai Rui
Mr. Shen Jiahui (*Appointed on 26 March 2025*)
Mr. Xu Guoxin (*Resigned on 26 March 2025*)

AUDIT COMMITTEE

Mr. Chang Li Hsien Leslie (*Chairman*)
Dr. Lau Suet Chiu Frederic
Mr. Zhou Xinfu

NOMINATION COMMITTEE

Mr. Zhou Xinfu (*Chairman*)
Mr. Chang Li Hsien Leslie
Dr. Lau Suet Chiu Frederic
Ms. Sun Xiaohui

REMUNERATION COMMITTEE

Dr. Lau Suet Chiu Frederic (*Chairman*)
Mr. Chang Li Hsien Leslie
Mr. Zhou Xinfu

STRATEGY COMMITTEE

Mr. Wang Hua (*Chairman*)
Mr. Gong Luojian
Mr. Chang Li Hsien Leslie
Dr. Lau Suet Chiu Frederic
Mr. Zhou Xinfu

JOINT COMPANY SECRETARIES

Ms. Zheng Jie (*Appointed on 30 June 2025*)
Ms. Lee Mei Yi
Mr. Tang Chunhui (*Resigned on 30 June 2025*)

AUTHORISED REPRESENTATIVES

Mr. Wang Hua
Ms. Lee Mei Yi

REGISTERED OFFICE AND HEADQUARTER IN THE PRC

227 Sizhong Road
Huzhou
Zhejiang Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 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 ADVISERS

As to Hong Kong law
Li & Partners
22/F, World-Wide House
Central
Hong Kong

As to PRC law
Grandall Law Firm (Hangzhou)
Grandall Building
No. 2 & No.15, Block B
Baita Park
Old Fuxing Road
Hangzhou
Zhejiang Province
310008
China

PRINCIPAL BANKERS

Bank of Huzhou Co., Ltd. (Business Department)
Headquarter Building of Bank of Huzhou
No. 268 Hongqi Road
Wuxing District
Huzhou
Zhejiang Province
The PRC

Bank of China Limited (Huzhou Branch)
208 Renmin Road
Wuxing District
Huzhou
Zhejiang Province
The PRC

China Construction Bank Corporation (Chengzhong
Sub-Branch)
No. 152-160, Qianzhuang Road, Block 10, Boyafu
Wuxing District
Huzhou
Zhejiang Province
The PRC

STOCK CODE

6661

COMPANY WEBSITE

www.hzrqgf.com

COMPANY NAMES

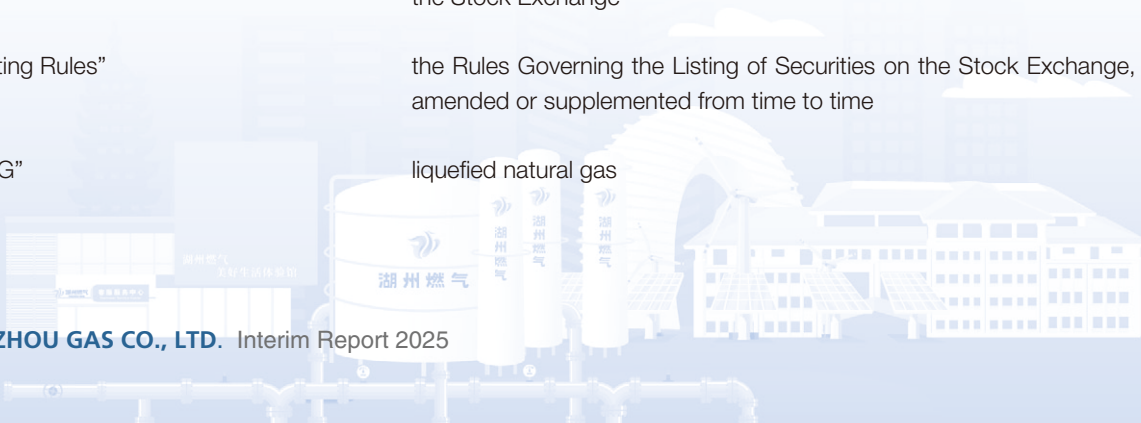
“City Group”	Huzhou City Investment and Development Group Co., Ltd.* (湖州市城市投資發展集團有限公司), a state-owned enterprise established under the laws of the PRC on 27 February 1993, and a controlling shareholder of the Company as at the date of this report
“Company”	Huzhou Gas Co., Ltd.* (湖州燃氣股份有限公司), a limited liability company established under the laws of the PRC on 16 June 2004 and converted into a joint stock company with limited liability on 2 April 2021
“Xiniao (China)”	Xiniao (China) Gas Investment Company Limited* (新奧(中國)燃氣投資有限公司), a limited liability company established under the laws of the PRC on 8 January 2004, and a substantial shareholder of the Company as at the date of this report
“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“Huzhou SASAC”	Huzhou Municipal People’s Government State-owned Assets Supervision and Administration Commission* (湖州市人民政府國有資產監督管理委員會), which, as a functional department of Huzhou Municipal People’s Government, reports to and is under the leadership of Huzhou Municipal People’s Government, and is therefore a PRC government body (as defined under the Listing Rules)



DEFINITIONS

OTHERS

“associate(s)”	has the meaning ascribed thereto 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, as amended from time to time
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) 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 RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“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 subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards which include standards and interpretations promulgated by the International Accounting Standards Board
“Independent Third Party(ies)”	party(ies) which, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person(s) (as defined in the Listing Rules) of the Company
“Listing Date”	13 July 2022, on which the H Shares are first listed on the Main Board of the Stock Exchange
“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



DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NDRC”	the National Development and Reform Commission
“Operating Area”	the Wuxing Operating Area and the Nanxun Operating Area
“PNG”	piped natural gas
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus issued by the Company on 29 June 2022
“Reporting Period” or “Period”	the six months ended 30 June 2025
“RMB”	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, comprising the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Company
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“treasury shares”	has the meaning ascribed thereto under the Listing Rules

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 translations 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, China's economy continued its recovery and maintained a positive trend. According to the data of the National Bureau of Statistics, China's economy achieved a growth rate of 5.3% in the first half of 2025, laying a solid foundation for achieving the full-year growth target of around 5%. Faced with the complex and ever-changing domestic and international situation, according to the latest natural gas operation bulletin data released by the NDRC, the national apparent consumption of natural gas in the first half of this year was 211.97 billion m³, representing a year-on-year decrease of 0.9%.

The Central Urban Work Conference held in July 2025 elevated “building safe and resilient cities” for the first time to one of the six major goals of modern people-oriented cities, alongside “innovation, livability, beauty, civilization, and smartness”. Resilient cities emphasize the importance of basic safety infrastructure. The conference listed “renovation and upgrading of old pipelines” as a key focus of safety governance, shifting the focus of urban work from “incremental expansion” to improving the quality and efficiency of existing assets. Beautiful cities require a deepened green and low-carbon transformation. Under the coordinated promotion of the “double carbon” goal, urban renewal, and energy security, natural gas plays an important role in supporting the development of renewable energy, further strengthening its position as a “transition pillar energy”.

This year, the NDRC issued the Guiding Opinions on Improving the Pricing Mechanism for Intra-provincial Natural Gas Pipeline Transportation (《關於完善省內天然氣管道運輸價格機制的指導意見》), promoting a transition from “one line, one price” to a unified provincial pricing for pipeline transportation. The policy calls for the compression of supply chain links and the reduction of layered price increases, effectively supporting the development of urban gas companies. The Group believes that, relying on regional economic vitality and policy support, future growth in natural gas demand will be further driven.



DEVELOPMENT STRATEGY AND OUTLOOK

Amidst the evolving landscape, the Group focuses on precise development positioning and a clear reform path, with the three major tasks of “safety, development, and reform” as the anchor points. Driven by technological innovation, it is accelerating the construction of a clean, low-carbon, safe, and efficient new energy system, and exploring a high-quality industrial development path.

The Group actively explores access to high-quality gas sources, leverages the volume-price policies of multiple resource suppliers, and dynamically adjusts resource extraction volumes to minimize procurement costs and effectively address resource shortages. At the same time, it strengthens energy operation and maintenance management, advances the construction of the “Smart Cloud” platform’s digital ecosystem, implements intelligent and unmanned upgrades at gate stations, pilots pipeline inspection robots, and promotes unified energy efficiency management and centralized operations, enabling the strategic upgrade of comprehensive energy services. The Group also explores the “self-consumption of self-generated electricity and surplus electricity fed into the grid” model, improves energy efficiency through the complementary use of “gas, electricity, and heat”, and strives to advance energy conservation and emissions reduction, contributing to the achievement of carbon peak and carbon neutrality goals.

In recent years, the state has successively introduced policies aimed at boosting overall consumer demand and supporting the development of the local renovation industry through the “old-for-new” policy. Taking advantage of this, the Group’s value-added services have seized market opportunities by upgrading business halls and rapidly deploying kitchen renovation services, thereby consolidating and strengthening the business foundation. Subsidy policies and measures to promote the “renewal” of home decoration and kitchen and bathroom facilities have brought a new round of opportunities for the development of value-added services.

BUSINESS REVIEW

The year 2025 is a crucial year for further comprehensively deepening reforms and also the concluding year of the “14th Five-Year Plan”. In the first half of 2025, the Group has diligently implemented the new energy security strategy while aligning with the “double carbon” goal. We have further improved the coordinated development system of the “gas + clean energy” dual core businesses, driving all operations toward high-quality development.

The Group places high importance on production safety, strengthening the identification of safety hazards and safety drills. This year, it achieved dynamic zeroing of first-level safety hazards among commercial and industrial users within its jurisdiction. It accelerated digital transformation and upgrading, established a Smart Research Institute. Building on its solid foundation in the field of smart gas, it released the first provincial-level smart gas report in the country, securing first-mover advantage in this transformative industry landscape.

As at the end of the Reporting Period, the number of residential users and industrial and commercial users served by the Group amounted to 327,400 and 3,805, respectively, with a gas sales volume of 282.0 million m³, representing a decrease of 5.22% as compared with the corresponding period of previous year.

As at the end of the Reporting Period, the Group was the largest PNG distributor in Huzhou City, Zhejiang Province, the PRC, and the length of the natural gas pipeline network operated within the operating areas of the Group in Huzhou was approximately 1,734.66 kilometers.



MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL ANALYSIS

1. PNG Sales Business

The Group sells PNG to users, including residential, industrial and commercial users as well as wholesale users, through the gas pipeline network. For the six months ended 30 June 2025, the accumulated revenue of the Group from the PNG sales business was RMB945.7 million, representing a decrease of 8.92% as compared with the accumulated revenue of RMB1,038.3 million in the corresponding period of previous year. For the six months ended 30 June 2025, the total gas supply volume was 281.5 million m³, representing a decrease of 5.22% as compared with the total gas supply volume of 297.0 million m³ in the corresponding period of previous year.

Sales to end-users: From January to June 2025, the residential gas consumption volume was 27.5 million m³, accounting for 9.77% of the Group's total gas sales volume, while the industrial and commercial gas consumption volume was 222.2 million m³, accounting for 78.93% of the Group's total gas sales volume. For the corresponding period of previous year, the residential gas consumption volume was 25.5 million m³, accounting for 8.59% of the Group's total gas sales volume, while the industrial and commercial gas consumption volume was 236.0 million m³, accounting for 79.46% of the Group's total gas sales volume.

Sales to wholesale users: The gas consumption volume of wholesale users from January to June 2025 was 31.8 million m³, accounting for 11.30% of the Group's total gas sales volume, while the gas consumption volume of wholesale users for the corresponding period of previous year was 35.5 million m³, accounting for 11.95% of the Group's total gas sales volume.

The main reasons for the above decrease in revenue were that (1) in terms of gas volume, the demand for natural gas in Huzhou decreased, of which the industrial and commercial gas sales volume decreased by 13.8 million m³ as compared with the previous year; and (2) in terms of the gas price, the sales price of natural gas fell during the Reporting Period. In addition, since April 2023, the Zhejiang Provincial Development and Reform Commission has no longer assessed the natural gas prices of provincial gateway stations, and has adopted new gas price linkage policies, and made adjustment to the terminal sales price in the same direction as the comprehensive procurement price of gas source. The decrease in procurement price led to the decrease in sales price.

2. LNG Sales Business

The Group supplies LNG to industrial users in certain regions of Huzhou on a retail basis. For the six months ended 30 June 2025, the accumulated revenue of the Group from the LNG sales business was RMB22.5 million, representing a decrease of 30.34% as compared with RMB32.3 million in the corresponding period of previous year. Such decrease was mainly due to the weakened competitiveness of unit purchase price of LNG under the market mechanism, resulting in a decrease in demand for LNG.



3. 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. For the six months ended 30 June 2025, the revenue of the Group from the natural gas pipeline construction and installation business was RMB80.8 million, representing a decrease of 15.57% as compared with RMB95.7 million in the corresponding period of previous year, which was mainly due to the decrease in pipeline construction revenue recognised according to the progress of contract performance resulting from the decrease in new construction projects in this year under the impact of the continued downturn in the real estate market.

4. Sales of Energy

The Group's sales of energy mainly include the integrated energy stations for hospitals, services to supply hot water and air-conditioning heating, cooling and power exclusively operated by the Group, and the business to sell steam. For the six months ended 30 June 2025, the revenue of the Group from the sales of energy was RMB14.3 million, representing an increase of 113.43% as compared with RMB6.7 million in the corresponding period of previous year, which was mainly due to an overall increase in revenue resulting from the development of the business to sell steam.

5. Sales of Household Gas Appliances

The Group's sales of household gas appliances are mainly retail sales of cooking appliances, self-closing valves, steam generators and steam boilers to residents, which have little impact on the overall revenue of the Group. For the six months ended 30 June 2025, the revenue of the Group from the sales of household gas appliances was RMB14.4 million, representing an increase of 35.85% as compared with RMB10.6 million in the corresponding period of previous year, which was mainly due to during the reporting period, the increase in overall sales contracts signed with developers for stoves, alarms and others as compared with the corresponding period of previous year, resulting in the increase of sales revenue as compared with the corresponding period of previous year.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Revenue

The Group's revenue for the Period was RMB1,090.4 million, representing a decrease of 8.52% as compared with RMB1,192.0 million in the corresponding period of previous year. The decrease in revenue was mainly arising from the decrease in sales of PNG and the reduction in natural gas sales prices for non-residential households during the Reporting Period.

Gross Profit

The Group's gross profit for the Period was RMB139.0 million, representing a decrease of 8.13% as compared with RMB151.3 million in the corresponding period of previous year. It was mainly due to the decrease in the gas sales volume and the reduction in natural gas sales prices for non-residential households during the Reporting Period.

Other Income and Gains

The Group's other income and gains for the Period were RMB11.7 million, representing a decrease of 16.43% as compared with RMB14.0 million in the corresponding period of previous year. It was mainly due to the decrease in the interest income during the Reporting Period.

Finance Costs

The Group's finance costs for the Period were RMB1.1 million, representing a decrease of 31.25% as compared with RMB1.6 million in the corresponding period of previous year. It was mainly due to the decrease in interest expenses arising from the decrease in bank borrowings during the Reporting Period.

Income Tax Expense

The Group's income tax expense for the Period decreased by 15.07% to RMB23.1 million from RMB27.2 million in the corresponding period of previous year. The effective tax rate for the Period was 21.92% (the corresponding period of previous year: 23.47%). The decrease in income tax expense and the decrease in effective tax rate were due to the preferential tax rates enjoyed by certain companies within the Group and the tax policy on an increase in the proportion of the additional deduction for research and development expenses. In addition, Huzhou Xinao Gas Development Co., Ltd., a subsidiary of the Group, was recognized as a High-Tech Enterprise in December 2024, and was subject to the tax rate applicable to High-Tech Enterprises which was levied at a reduced rate of 15%.

Profit attributable to Owners of the Parent

Profit attributable to owners of the parent for the Period was RMB52.5 million, representing a decrease of 10.41% as compared with RMB58.6 million in the corresponding period of previous year. It was mainly due to the decrease in the gross profit from sale of PNG as a result of the decrease in the gas sales volume of PNG and the reduction in natural gas sales prices for non-residential households during the Period, resulting in the decrease in the profit attributable to owners of the parent as compared with the corresponding period of previous year.



Liquidity and Financial Position

As at 30 June 2025, the current assets of the Group amounted to RMB965.1 million (31 December 2024: RMB968.0 million), of which cash and bank balance was equivalent to RMB296.6 million.

As at 30 June 2025, the current ratio (current assets/current liabilities) of the Group was 1.48 (31 December 2024: 1.59) and the asset-liability ratio (total liabilities/total assets) was 41.92% (31 December 2024: 39.58%).

As at 30 June 2025, the unutilised bank credit balance was RMB266.2 million.

The Group issued a letter of guarantee of RMB30.0 million by using the banking facilities for the performance bond required to be paid to National Oil and Gas Pipeline Network Group Co., Ltd.* (國家石油天然氣管網集團有限公司) under the Agreement on the Access of New Download Point Off-load Facilities of Natural Gas Infrastructure (《天然氣基礎設施新增下載點分輸設施接入協議》) entered into by Huzhou Nanxun Xinao Gas Company Limited* (湖州南潯新奧燃氣有限公司), a subsidiary of the Company, and National Pipeline Network Group Sichuan to East Natural Gas Pipeline Co., Ltd.* (國家管網集團川氣東送天然氣管道有限公司), and the term of the letter of guarantee was from 1 September 2022 to 30 June 2027.

The Group obtained a bank loan of RMB14.8 million by using the banking facilities, all denominated in RMB and bearing interest at LPR – 40bps, and the loan term was from 28 February 2024 to 27 February 2036; The Group obtained a bank loan of RMB8.4 million by using the banking facilities, all denominated in RMB and bearing interest at LPR – 40bps, and the loan term was from 1 January 2025 to 17 July 2035. The aforesaid two batches of loans were used for the expansion of the photovoltaic business of Huzhou Huran New Energy Development Co., Ltd.* (湖州湖燃新能源開發有限公司), a subsidiary of the Company.

The gearing ratio of the Group was approximately 3.83% as at 30 June 2025 (as at 31 December 2024: 2.97%). The ratio was calculated by dividing total debt by the total equity of the Group. Total debt includes bank borrowings and lease liabilities. As at 30 June 2025, the Group maintained a net cash position.

Exchange Rate Fluctuation Risk

As the Group operates all its businesses in the PRC, substantially all of its revenue and expenses are denominated in RMB. The foreign exchange risks the Group faces are mainly related to cash and cash equivalents (mainly denominated in Hong Kong dollars), mainly the out-of-pocket expenses such as the payment of dividends and various future service fees to professional institutions, which have no significant exchange rate risk. The Group will closely monitor the interest rate and exchange rate in the market and take appropriate countermeasures when necessary.

Contingent Liabilities

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

Financial Guarantee Obligations

As at 30 June 2025, the Group had no material financial guarantee obligations.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2025, the Group had no pledge of assets.

Significant Investments Held, Material Acquisitions or Disposals, and Future Plans for Material Investments or Capital Assets

There were no significant investments held, or material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the Reporting Period, and the Company does not have any future plan for material investments or capital assets as at the date of this report.

Human Resources and Employee Compensation

As at 30 June 2025, the Group employed a total of 452 employees in China (30 June 2024: 438).

During the Period, the total employee costs of the Group were approximately RMB54.6 million. The Group further strengthened the training of employees to enhance their professional level and overall quality, by providing targeted training courses to the management, management personnel at various positions, professional technical personnel and service personnel, and by distributing relevant policies and regulations, industry information and knowledge documents to employees. The Group also provided employees with competitive remuneration packages, which is generally structured with reference to market terms and individual merits and reviewed by the management on a regular basis, so as to encourage them to work hard and show their talents when serving customers.

EVENTS AFTER THE REPORTING PERIOD

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

MATERIAL LITIGATION

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



USE OF NET PROCEEDS FROM LISTING

The H Shares were officially listed on the Stock Exchange on the Listing Date (i.e. 13 July 2022). The net proceeds from the global offering of the H Shares (the **“Global Offering”**) (including proceeds from the additional H Shares issued and allotted pursuant to the exercise of the over-allotment option, and after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering and exercise of the over-allotment option) were approximately HK\$276.3 million (equivalent to RMB236.9 million) (the **“Net Proceeds”**). The Company has utilised and will utilise the Net Proceeds in accordance with the proportion of use allocation as stated under the section headed “Future Plans and Use of Proceeds” in the Prospectus. As at 30 June 2025, the details of the use of the above Net Proceeds were as follows:

Designated use of Net Proceeds	% of Net Proceeds from the Global Offering	Net Proceeds from the Global Offering and use of proceeds			Expected to be utilised prior to the following date
		Amount allocated (RMB'000)	Utilised (RMB'000)	Unutilised (RMB'000)	
Enhance the sales volume of PNG by upgrading our pipeline network and operational facilities	20%	47,400	47,400	0	
Expand our business to other geographical areas through strategic acquisition	30%	71,000	0	71,000	By the end of 2026
Expand into distributed photovoltaic power generation business	30%	71,000	71,000	0	
Promote the use of heat energy from vapour generated by our natural gas through natural gas boilers	10%	23,800	7,759	16,041	By the end of 2026
Working capital and general corporate purposes	10%	23,700	23,700	0	
Total	100%	236,900	149,859	87,041	

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



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2025, so far as is known to the Directors, none of the Directors, Supervisors or chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations 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 which are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required 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 be required 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:

Interests and short positions in the Shares and underlying Shares of the Company:

Name	Class of Shares	Capacity	Number of Shares ¹	Approximate percentage of shareholding in the relevant class of Shares ²	Total approximate percentage of shareholding in the total share capital of the Company ³
City Group	Domestic Shares	Beneficial owner	89,457,540 (L)	59.64%	44.13%
Huzhou SASAC ⁴	Domestic Shares	Interest in a controlled	89,457,540 (L)	59.64%	44.13%
Xiniao (China)	Domestic Shares	Beneficial owner	60,542,460 (L)	40.36%	29.87%
ENN Capital Management Co., Ltd. (新奧資本管理有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
ENN Energy Holdings Limited (新奧能源控股有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
ENN Group International Investment Limited (新奧集團國際投資有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
ENN Investment Holdings Company Limited (新奧控股投資股份有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
ENN Natural Gas Co., Ltd. (新奧天然氣股份有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
ENN Yingchuang Technology Co., Ltd. (新奧贏創科技有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
Langfang City Natural Gas Company Limited (廊坊市天然氣有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
Xinneng (Hong Kong) Energy Investment Limited (新能(香港)能源投資有限公司) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
WANG Yusuo (王玉鎖) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%
ZHAO Baoju (趙寶菊) ⁵	Domestic Shares	Interest in a controlled	60,542,460 (L)	40.36%	29.87%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Class of Shares	Capacity	Number of Shares ¹	Approximate percentage of shareholding in the relevant class of Shares ²	Total approximate percentage of shareholding in the total share capital of the Company ³
NEW PARTNER INTL LTD	H Shares	Beneficial owner	3,939,000 (L)	7.47%	1.94%
Meng Erhu (蒙二虎) ⁶	H Shares	Interest in a controlled	3,939,000 (L)	7.47%	1.94%
Wu Shuying (吳淑英) ⁶	H Shares	Interest of spouse	3,939,000 (L)	7.47%	1.94%
Yu Linqiang (郁林強)	H Shares	Beneficial owner	2,805,500 (L)	5.32%	1.38%
Yu Rongfang (郁蓉芳) ⁷	H Shares	Interest of spouse	2,805,500 (L)	5.32%	1.38%

Notes:

1. The letter "L" denotes the Shareholder's long position in the Shares and underlying Shares of the Company.
2. The calculation of approximate percentage of Domestic Shares' shareholding in the relevant class of Shares and that of H Shares' shareholding in the relevant class of Shares are based on the total number of 150,000,000 Domestic Shares and 52,714,500 H Shares in issue as at 30 June 2025 respectively.
3. The calculation is based on the total number of 202,714,500 Shares in issue as at 30 June 2025.
4. As at 30 June 2025, City Group, which was wholly-owned by Huzhou SASAC, was a controlling shareholder of the Company. Under the SFO, Huzhou SASAC was deemed to be interested in the same number of Shares in which City Group was interested.
5. As at 30 June 2025, according to the disclosure of interest forms filed to the Stock Exchange by their controlled corporations and persons, they were deemed to be interested in the same number of Shares in which Xiniao (China) was interested.
6. NEW PARTNER INTL LTD is wholly owned by Mr. Meng Erhu (蒙二虎), and Ms. Wu Shuying (吳淑英) is the spouse of Mr. Meng Erhu (蒙二虎). As at 30 June 2025, according to the disclosure of interest forms filed to the Stock Exchange by them, Mr. Meng Erhu is deemed to be interested in the same number of Shares in which NEW PARTNER INTL LTD is interested, and Ms. Wu Shuying is deemed to be interested in the same number of Shares in which Mr. Meng Erhu is interested.
7. Ms. Yu Rongfang (郁蓉芳) is the spouse of Mr. Yu Linqiang (郁林強). As at 30 June 2025, according to the disclosure of interest forms filed to the Stock Exchange by her, Ms. Yu Rongfang is deemed to be interested in the same number of Shares in which Mr. Yu Linqiang is interested.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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 be required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or who was, or directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 code provisions set out in Part 2 of the CG Code as the basis of the Company's corporate governance practices. The Company has complied with all the code provisions set out in the CG Code during the Reporting Period.

CHANGES IN DIRECTORS AND SUPERVISORS

Changes in Directors

On 25 April 2025, Mr. Yang Fan resigned as an executive Director of the Company; and Mr. Liu Jianfeng resigned as a non-executive Director of the Company.

On 25 April 2025, Mr. Wang Tao was appointed as an executive Director of the Company; and Mr. Gong Luojuan was appointed as a non-executive Director of the Company.

Changes in Supervisors

On 26 March 2025, Mr. Xu Guoxin resigned as a Supervisor and an employee representative Supervisor of the Company.

On 26 March 2025, Mr. Shen Jiahui was elected as an employee representative Supervisor.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed the Company's listed securities during the Reporting Period (including sales of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, there were no treasury shares held by the Company or its subsidiaries.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding dealings in the Company's securities by the Directors and supervisors on terms no less exacting than the Model Code (the **"Code of Conduct"**).

Having made specific enquiries to all Directors and Supervisors, they have confirmed that all of them have complied with the Code of Conduct during the Reporting 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 during the Reporting Period.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The Audit Committee has reviewed, together with the Company's management and external auditors, Ernst & Young, the accounting principles and policies adopted by the Group and the unaudited interim results for the Reporting Period, and is of the opinion that the preparation of such interim results has 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



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To the board of directors of Huzhou Gas 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 20 to 52, which comprises the condensed consolidated statement of financial position of Huzhou Gas Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss, 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 "IASB"). 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 ("HKICPA"). 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.

Ernst & Young
Certified Public Accountants
Hong Kong
22 August 2025



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	1,090,375	1,192,008
Cost of sales		(951,339)	(1,040,720)
GROSS PROFIT		139,036	151,288
Other income and gains	5	11,663	14,017
Selling and distribution expenses		(17,104)	(15,748)
Administrative expenses		(21,388)	(23,216)
Impairment losses on financial assets		(304)	(2,849)
Other expenses		(5,618)	(6,052)
Finance costs		(1,063)	(1,596)
Share of profits and losses of:			
Joint ventures		199	50
PROFIT BEFORE TAX	6	105,421	115,894
Income tax expense	7	(23,061)	(27,172)
PROFIT FOR THE PERIOD		82,360	88,722
Attributable to:			
Owners of the parent		52,467	58,562
Non-controlling interests		29,893	30,160
		82,360	88,722
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period (RMB)	9	0.26	0.29



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	82,360	88,722
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	(8)	(1)
Changes in fair value	–	34
Income tax effect	2	(8)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(6)	25
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(6)	25
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	82,354	88,747
Total comprehensive income attributable to:		
Owners of the parent	52,461	58,587
Non-controlling interests	29,893	30,160
	82,354	88,747



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			
Lease receivables		4,507	3,697
Property, plant and equipment	10	1,082,002	1,045,193
Investment properties		233	244
Right-of-use assets		74,203	72,774
Goodwill		28,506	28,506
Other intangible assets		65,700	69,427
Investments in joint ventures		12,184	11,986
Deferred tax assets		17,124	10,080
Total non-current assets		1,284,459	1,241,907
CURRENT ASSETS			
Inventories		15,204	14,868
Lease receivables		516	1,360
Trade and bills receivables	11	47,284	54,466
Prepayments, other receivables and other assets		26,408	30,253
Due from related parties		4,946	8,497
Pledged deposits	12	20	20
Time deposits		574,118	30,000
Cash and cash equivalents		296,618	828,524
Total current assets		965,114	967,988



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	13	108,062	127,743
Other payables and accruals		221,647	147,837
Contract liabilities		270,974	262,964
Interest-bearing bank borrowings	14	800	300
Due to related parties		23,074	35,938
Tax payables		25,569	31,454
Lease liabilities		1,369	1,021
Total current liabilities		651,495	607,257
NET CURRENT ASSETS		313,619	360,731
TOTAL ASSETS LESS CURRENT LIABILITIES		1,598,078	1,602,638
NON-CURRENT LIABILITIES			
Contract liabilities		83,794	105,537
Deferred tax liabilities		19,090	21,652
Deferred income		109,320	71,505
Other non-current liabilities		31,468	30,367
Interest-bearing bank borrowings	14	22,300	14,550
Lease liabilities		25,555	23,810
Total non-current liabilities		291,527	267,421
Net assets		1,306,551	1,335,217
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	202,715	202,715
Other reserves		1,027,080	1,035,433
		1,229,795	1,238,148
Non-controlling interests		76,756	97,069
Total equity		1,306,551	1,335,217



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 (note 15)	Share premium* RMB'000	Merger reserve* RMB'000	Other reserve* RMB'000	Special reserve – safety fund* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	202,715	730,002	35,836	32,703	29,010	36,235	(3)	171,650	1,238,148	97,069	1,335,217
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:											
Fair value reserve of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(6)	-	(6)	-	(6)
Total comprehensive income for the period	-	-	-	-	-	-	(6)	52,467	52,461	29,893	82,354
Dividend declared (note 8)	-	-	-	-	-	-	-	(60,814)	(60,814)	-	(60,814)
Dividends declared by subsidiaries of the Company to non-controlling interests	-	-	-	-	-	-	-	-	-	(50,206)	(50,206)
Special reserve – safety fund	-	-	-	-	4,476	-	-	(4,476)	-	-	-
At 30 June 2025 (unaudited)	202,715	730,002	35,836	32,703	33,486	36,235.00	(9)	158,827	1,229,795	76,756	1,306,551

For the six months ended 30 June 2025

For the six months ended 30 June 2025

* These reserve accounts comprise the consolidated reserves of RMB1,027,080,000 and RMB976,202,000 in the condensed consolidated statements of financial position as at 30 June 2025 and 30 June 2024, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		105,421	115,894
Adjustments for:			
Finance costs		1,063	1,596
Interest income		(4,118)	–
Share of profits of joint ventures		(199)	(50)
Loss/(gain) on disposal of items of property, plant and equipment		31	(34)
Depreciation of property, plant and equipment	10	35,311	30,311
Depreciation of investment properties		11	23
Depreciation of right-of-use assets		1,503	1,197
Amortisation of other intangible assets		3,727	3,724
Fair value gains on wealth management products	6	(1,047)	–
Loss on foreign exchange differences		39	309
Finance income on the net investment in a lease	5	(365)	(370)
(Write-down)/reversal of inventories to net realisable value	6	(98)	55
Impairment of financial assets, net	6	304	2,849
		141,583	155,504
Increase in inventories		(238)	(4,093)
Decrease in trade and bills receivables		6,631	19,982
Decrease in prepayments, other receivables and other assets		4,485	24,118
Decrease in trade and bills payables		(19,681)	(8,916)
Decrease in other payables and accruals		(31,644)	(10,268)
Decrease in contract liabilities		(13,733)	(38,963)
Changes in balances with related parties		(9,313)	(3,807)
Increase/(decrease) in deferred income		37,815	(99)
Cash generated from operations		115,905	133,458
Income taxes paid		(38,551)	(40,019)
Net cash flows from operating activities		77,354	93,439



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(87,093)	(76,948)
Increase in time deposits with original maturity of more than three months	(540,000)	—
Proceeds from disposal of items of property, plant and equipment	12,058	35,406
Injection of paid-in capital to a joint venture	—	(2,332)
Purchases of wealth management products	(100,000)	—
Proceeds from disposal of wealth management products	101,047	—
Net cash flows used in investing activities	(613,988)	(43,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans and other borrowings	8,550	78,663
Repayment of bank loans	(300)	(63,713)
Dividends and interest paid	(1,978)	(2,691)
Payments of lease liabilities	(1,505)	(671)
Net cash flows from financing activities	4,767	11,588
Effect of foreign exchange rate changes, net	(39)	(309)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(531,906)	60,844
Cash and cash equivalents at beginning of period	828,524	857,579
CASH AND CASH EQUIVALENTS AT END OF PERIOD	296,618	918,423
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	296,618	918,423



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

Huzhou Gas Co., Ltd. is a joint stock company with limited liability established in the People's Republic of China (the "PRC"). The registered office of the Company is located at No. 227, Sizhong Road, Wuxing District, Huzhou, Zhejiang Province, China.

During the six months ended 30 June 2025, the Group was involved in the following principal activities:

- the sale of gas, mainly piped natural gas ("PNG") (under the concessions) and liquefied natural gas ("LNG") in Huzhou;
- the provision of construction and installation services to construct and install end-user pipeline network and gas facilities for customers such as property developers and owners or occupants of residential and non-residential properties; and
- other activities, including the sale of household gas appliances and relevant equipment, energy, distributed photovoltaic power and the leasing of properties in Mainland China.

The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 July 2022.

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

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.

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



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

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) sale of gas, mainly PNG (under the concessions) and LNG in Huzhou; (ii) provision of construction and installation services; and (iii) other activities, including the sale of household gas appliances and relevant equipment, energy, distributed photovoltaic power 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

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Mainland China	1,090,375	1,192,008

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

Seasonality of operations

The principal business activities of the Group include the distribution and sale of PNG and LNG, sale of energy and provision of construction and installation 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

For the six months ended 30 June 2025

4. REVENUE

An analysis of 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 gas, energy and other goods	996,977	1,087,845
Provision of construction and installation services	80,794	95,727
Distributed photovoltaic power	10,512	6,022
Others	3,690	4,504
<i>Revenue from other sources</i>		
Gross rental income	103	214
	1,092,076	1,194,312
Less: Government surcharges	(1,701)	(2,304)
Total	1,090,375	1,192,008
<i>Revenue from contracts with customers</i>		
Types of goods or services		
Sale of PNG	945,717	1,038,300
Sale of LNG	22,516	32,282
Sale of household gas appliances and relevant equipment	14,395	10,608
Sale of energy	14,349	6,655
Provision of construction and installation services	80,794	95,727
Sale of distributed photovoltaic power	10,512	6,022
Others	3,690	4,504
	1,091,973	1,194,098
Less: Government surcharges	(1,701)	(2,304)
Total	1,090,272	1,191,794
Timing of revenue recognition		
Goods or services transferred at a point in time	1,011,179	1,098,371
Services transferred over time	80,794	95,727
	1,091,973	1,194,098
Less: Government surcharges	(1,701)	(2,304)
Total	1,090,272	1,191,794

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income		
Bank interest income	3,344	12,915
Bank time deposit interest income	4,118	—
Finance income on the net investment in a lease	365	370
Government grants	2,577	589
Others	212	109
	10,616	13,983
Other gains		
Gain on disposal of property, plant and equipment	—	34
Fair value gains on wealth management products	1,047	—
	1,047	34
Total	11,663	14,017



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold		912,143	990,580
Cost of services provided		39,196	50,140
Depreciation of property, plant and equipment	10	35,311	30,311
Depreciation of investment properties		11	23
Depreciation of right-of-use assets		1,503	1,197
Amortisation of other intangible assets		3,727	3,724
Impairment of financial assets, net:			
Impairment of trade receivables		545	2,832
Impairment of financial assets included in prepayments, other receivables and other assets		(241)	17
		304	2,849
Bank interest income	5	(3,344)	(12,915)
Bank time deposit interest income	5	(4,118)	–
Fair value gains on wealth management products	5	(1,047)	–
Interest expenses on lease liabilities		666	486
Loss/(gain) on disposal of items of property, plant and equipment		31	(34)
Write-down of inventories to net realisable value		(98)	55



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 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 jurisdictions in which members of the Group are domiciled and operated.

The provision for current income tax in Mainland China is calculated based on the statutory rate of 25% (2024: 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 five certain subsidiaries of the Group in Mainland China that carried out production and operation of distributed photovoltaic power, which are subject to a preferential rate as below, and a subsidiary of the Group in Mainland China that is a High-Tech Enterprise, which is subject to a preferential rate of 15%.

In accordance with the relevant provisions of the *Notice on the Implementation of the Catalogue of Enterprise Income Tax Preferences for Public Infrastructure Projects* issued by the Ministry of Finance and the State Administration of Taxation, the subsidiaries of the Company, namely Huzhou Huran New Energy Development Co., Ltd. (“Huran New Energy”), Deqing Xinrui New Energy Co., Ltd. (“Deqing Xinrui”), Nanxun Xinao Gas Development Co., Ltd. (“Nanxun Xinao Development”), Huzhou Huxun Fuel New Energy Development Co., Ltd. (“Huxun Fuel New Energy”) and Huzhou Huqingran New Energy Development Co., Ltd. (“Huqingran New Energy”) enjoy the preferential policy of enterprise income tax. For enterprises engaged in public infrastructure projects that meet the relevant conditions and technical standards and the relevant provisions of the state investment management in the *Catalogue of Preferential Enterprise Income Tax for Public Infrastructure Projects* approved on 1 January 2008, their income from investment and operation will be exempted from enterprise income tax for three years from the year in which production and operation income is first generated, and the enterprise income tax will be reduced by half for three years thereafter. 2022 was the tax year in which the production and operation income of distributed photovoltaic power was first generated by Huran New Energy, Deqing Xinrui and Nanxun Xinao Development, therefore the income tax of Huran New Energy, Deqing Xinrui and Nanxun Xinao Development is exempted from 2022 to 2024 and the applicable tax rate will be reduced by half from 2025 to 2027. 2023 was the tax year in which the production and operation income of distributed photovoltaic power was first generated by Huxun Fuel New Energy, therefore the income tax of Huxun Fuel New Energy is exempted from 2023 to 2025 and the applicable tax rate will be reduced by half from 2026 to 2028. 2024 was the tax year in which the production and operation income of distributed photovoltaic power was first generated by Huqingran New Energy, therefore the income tax of Huqingran New Energy is exempted from 2024 to 2026 and the applicable tax rate will be reduced by half from 2027 to 2029.

In accordance with the relevant provisions of the *Measures for the Administration of the Recognition of High-Tech Enterprises* issued by the Ministry of Finance and the State Taxation Administration, Huzhou Xinao Gas Development Co., Ltd. (“Xinao Development”), a subsidiary of the Group, was recognised as a High-Tech Enterprise in 2024. As a result, Xinao Development was subject to a preferential corporate income tax rate of 15% in 2025.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. INCOME TAX (continued)

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)
Income tax:		
Current tax	32,665	29,419
Deferred tax	(9,604)	(2,247)
Total tax charge for the period	23,061	27,172

8. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends declared by the Company		
– RMB0.30 (2024: RMB0.30) per ordinary share	60,814	60,814
Proposed interim	–	–

The Board of Directors did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 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 outstanding during the period.

The Company did not have any potential dilutive ordinary shares outstanding during the reporting 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)
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent	52,467	58,562
	Number of shares	
	30 June 2025	30 June 2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	202,714,500	202,714,500
<u>Earnings per share</u>		
Basic (RMB)	25.9 cents	28.9 cents



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying value at beginning of period/year	1,045,193	1,006,754
Addition	82,140	185,708
Transferred from investment properties	–	840
Depreciation charge for the period/year	(35,311)	(64,037)
Disposals	(10,020)	(84,072)
Carrying value at end of period/year	1,082,002	1,045,193

11. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	39,878	43,833
Impairment	(6,733)	(6,188)
	33,145	37,645
Bills receivable	14,139	16,821
Total	47,284	54,466

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 3 months	44,849	52,490
3 months to 6 months	2,240	1,634
6 months to 1 year	195	342
Total	47,284	54,466



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

12. PLEDGED DEPOSITS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ETC deposits	20	20

13. TRADE AND BILLS PAYABLES

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 1 year	101,061	123,566
Over 1 year	7,001	4,177
Total	108,062	127,743



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

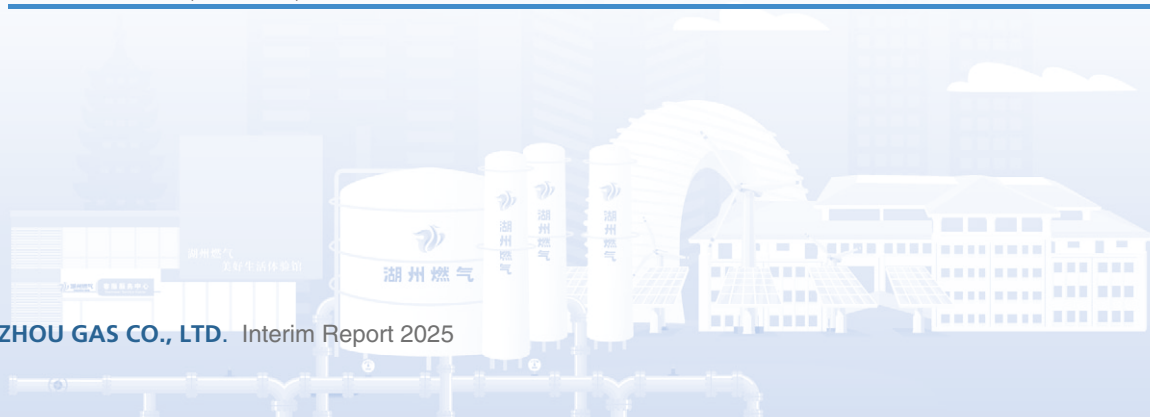
14. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	Maturity	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current				
Bank loans – secured	Loan Prime Rate-40bp	2025-2026	800	300
Non-current				
Bank loans – secured	Loan Prime Rate-40bp	2026-2036	22,300	14,550
Total			23,100	14,850
Analysed into:				
Bank loans repayable:				
Within one year or on demand			800	300
In the second year			1,000	500
In the third to fifth years, inclusive			4,650	2,700
Beyond five years			16,650	11,350
Total			23,100	14,850

The Group's bank loans are secured by the pledge of future photovoltaic income of six photovoltaic projects of a subsidiary of the Company.

15. SHARE CAPITAL

	Number of shares	Nominal value RMB'000
Ordinary shares as at:		
31 December 2024 (audited)	202,714,500	202,715
30 June 2025 (unaudited)	202,714,500	202,715



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Name and relationship

Name of related party	Relationship with the Group
Huzhou City Investment and Development Group Co., Ltd. (湖州市城市投資發展集團有限公司)	Controlling shareholder of the Company
Xiniao (China) Gas Investment Company Limited ("ENN (China)") (新奧(中國)燃氣投資有限公司)	Shareholder of the Company
Huzhou Zhongshihua Xiniao Natural Gas Co., Ltd. ("Zhongshihua Xiniao") (湖州中石化新奧天然氣有限公司)	Joint venture
Huzhou Huaxing Urban Construction Development Co., Ltd. ("Huzhou Huaxing") (湖州市華興城建發展有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Fangzong Real Estate Group Co., Ltd. ("Huzhou Fangzong") (湖州房總地產開發集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Zhongfang Zhiye Co., Ltd. ("Huzhou Zhongfang Zhiye") (湖州中房置業有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Urban Construction Investment Group Co., Ltd. ("Huzhou Urban Construction") (湖州市城建投資集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Shushan Sanatorium Co., Ltd. ("Shushan Sanatorium") (湖州蜀山老年醫院有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Weineng Environment Co., Ltd. ("Weineng Environment") (湖州威能環境服務有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Licheng Investment Development Co., Ltd. ("Huzhou Licheng") (湖州立城投資建設有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou City Historical Civilisation Community Protection Reconstruction Co., Ltd. ("Huzhou Historical Reconstruction") (湖州市歷史文化街區保護改造有限公司)	Company controlled by the controlling shareholder of the Company

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Huzhou City Water Group Co., Ltd. ("Huzhou Water") (湖州市水務集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Wuxing South Taihu Agricultural Products Co., Ltd. ("South Taihu Agricultural Products") (湖州吳興南太湖農產品有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Hotel Co., Ltd. (湖州賓館有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Health Group Co., Ltd. (湖州市健康集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Urban Investment Talent Industrial Park Development and Management Co., Ltd. ("Huzhou Urban Investment Talent") (湖州城投人才產業園開發管理有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Talent Development Group Co., Ltd. ("Huzhou Talent Development") (湖州市人才發展集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Northern City Construction Investment Co., Ltd. ("Huzhou Northern City") (湖州市北建設投資有限公司)	Company controlled by the controlling shareholder of the Company
Ningbo Chengji Energy Trading Co., Ltd. ("Ningbo Intercity") (寧波城際能源貿易有限公司)	Company controlled by shareholders of the Company
Nanjing Xinao Intelligent Technology Co., Ltd. ("Nanjing Xinao Technology") (南京新奧智能科技有限公司)	Company controlled by shareholders of the Company
Zhoushan ENN Energy Trading Co., Ltd. ("Zhoushan ENN") (舟山新奧能源貿易有限公司)	Company controlled by shareholders of the Company
Langfang Branch of ENN (China) (新奧(中國)燃氣投資有限公司廊坊分公司)	Branch controlled by shareholders of the Company



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Xiniao Insurance Brokers Co., Ltd. ("Xiniao Brokers") (新奧保險經紀有限公司)	Company controlled by shareholders of the Company
ENN Hengxin Investment Co., Ltd. ("Hengxin Investment") (新奧恒新投資有限公司)	Company controlled by shareholders of the Company
Zhejiang Xin'ao Energy Development Co., Ltd. ("Zhejiang Xin'ao Energy") (浙江新奧能源發展有限公司)	Company controlled by shareholders of the Company
ENN (Zhoushan) LNG Co., Ltd. (新奧(舟山)液化天然氣有限公司)	Company controlled by shareholders of the Company
Xindi Energy engineering Technology Co., Ltd. (新地能源工程技術有限公司)	Company controlled by shareholders of the Company
Longyou Xiniao Intelligent Energy Co., Ltd. ("Longyou Xiniao") (龍遊新奧智慧能源有限公司)	Company controlled by shareholders of the Company
Seven-cultivation Hotel Management Co., Ltd. ("Seven-cultivation Hotel") (新繹七修酒店管理有限公司)	Company controlled by shareholders of the Company
Xiniao Shuneng Technology Co., Ltd. ("Xiniao Shuneng") (新奧數能科技有限公司)	Company controlled by shareholders of the Company
Laikang Life Technology Co., Ltd. ("Laikang Life") (來康生命科技有限公司)	Company controlled by shareholders of the Company



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2025 and 2024:

		For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
	Notes		
Joint venture:			
<i>Purchase of LNG from:</i>			
Zhongshihua Xinao	(i)	–	81
<i>Purchase of PNG from:</i>			
Zhongshihua Xinao	(i)	194	–
<i>Rental income from:</i>			
Zhongshihua Xinao	(ii)	70	180
<i>Sale of natural gas to:</i>			
Zhongshihua Xinao	(v)	8	256
Others:			
<i>Purchases of materials from:</i>			
Nanjing Xinao Technology	(i)	1,062	1,033
Xinao Shuneng	(i)	127	86
Huzhou Water	(i)	127	17
Seven-cultivation Hotel	(i)	36	6
Xindi Energy engineering Technology Co., Ltd.	(i)	–	6,725
		1,352	7,867



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2025 and 2024: (continued)

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
Others: (continued)			
<i>Purchase of LNG from:</i>			
Ningbo Intercity	(i)	15,665	12,960
<i>Purchase of PNG from:</i>			
Ningbo Intercity	(i)	443,739	471,087
<i>Purchase of steam from:</i>			
Weineng Environment	(i)	670	680
<i>Purchases of services from:</i>			
ENN (Zhoushan) LNG Co., Ltd.	(ix)	3,361	3,405
Zhoushan ENN	(ix)	–	3,372
		3,361	6,777
<i>Administrative and selling expenses paid to:</i>			
Zhejiang Xin'ao Energy	(iii)	85	56
Hengxin Investment	(viii)	63	50
Langfang Branch of ENN (China)	(iii)	9	35
Longyou Xinao	(iii)	8	36
Xinao Shuneng	(iii)	–	123
		165	300
<i>Insurance referral service provided to:</i>			
Xinao Brokers	(iv)	3,661	3,297



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2025 and 2024: (continued)

		For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
	Notes		
Others: (continued)			
<i>Sales of natural gas to:</i>			
Weineng Environment	(v)	821	415
South Taihu Agricultural Products	(v)	182	206
Huzhou Hotel Co., Ltd.	(v)	23	75
Huzhou Licheng	(v)	13	17
Shushan Sanatorium	(v)	11	9
Huzhou Zhongfang Zhiye	(v)	7	7
Huzhou Urban Construction	(v)	6	8
Huzhou Fangzong	(v)	5	5
Huzhou Health Group Co., Ltd.	(v)	4	10
Huzhou Water	(v)	2	3
		1,074	755
<i>Sales of goods to:</i>			
Huzhou Urban Investment Talent	(iv)	429	—
Huzhou Huaxing	(iv)	14	—
Huzhou Zhongfang Zhiye	(iv)	8	—
Huzhou Urban Construction	(iv)	2	16
Huzhou Health Group Co., Ltd.	(iv)	—	6
Huzhou Hotel Co., Ltd.	(iv)	—	4
		453	26



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2025 and 2024: (continued)

		For the six months ended 30 June 2025 RMB'000 (Unaudited)	For the six months ended 30 June 2024 RMB'000 (Unaudited)
	Notes		
Others: (continued)			
<i>Construction and installation services provided to:</i>			
Huzhou Northern City	(vi)	143	–
Huzhou Urban Investment Talent	(vi)	73	1,897
Huzhou Fangzong	(vi)	63	1,187
Huzhou Historical Reconstruction	(vi)	–	388
South Taihu Agricultural Products	(vi)	–	268
		279	3,740
<i>Finance income from a finance lease of equipment from:</i>			
Shushan Sanatorium	(vii)	365	370
<i>Sales of energy to:</i>			
Shushan Sanatorium	(iv)	917	1,563
Zhongshihua Xinao	(iv)	8	9
		925	1,572
<i>Income from distributed photovoltaic power to:</i>			
Huzhou Licheng	(iv)	948	830
South Taihu Agricultural Products	(iv)	575	813
Weineng Environment	(iv)	373	221
		1,896	1,864



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2025 and 2024: (continued)

Notes:

- (i) Transaction prices of purchases from related parties were determined based on prices and conditions offered by the related parties to all customers.
- (ii) Rental income represents considerations received for the rental of investment properties from the Group's related party. Annual rentals were determined with reference to prevailing market prices of similar properties.
- (iii) Administrative and selling expenses were mainly expenses for IT service, training, conference and charge services provided by the related parties. The transaction prices were determined based on prices by the related parties offered to independent third-party customers.
- (iv) Service and goods income from related parties was determined based on prices and conditions of transactions with the Group's major independent third-party customers.
- (v) The sales prices of natural gas to related parties were determined according to the published prices and conditions offered to the major independent third-party customers of the Group.
- (vi) Transaction prices of provision of construction and installation services rendered to related parties were determined based on prices and conditions offered by the Group to the major independent third-party customers.
- (vii) The finance income from a finance lease of equipment has an embedded interest rate which was determined according to market interest rate of similar transactions.
- (viii) Since 2021, Hengxin Investment has charged the Group the Call Centre System Service fee every half year and the fee was determined with reference to prevailing market prices.
- (ix) The Group entered into an agreement with Zhoushan ENN and ENN (Zhoushan) LNG Co., Ltd. pursuant to which Zhoushan ENN and ENN (Zhoushan) LNG Co., Ltd. shall provide to the Group facility for storing natural gas of not less than 5% of the Group's annual natural gas consumption volume ("Natural Gas Reserve Service").



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Outstanding balances with related parties

		As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
	Notes		
<i>Amounts due from related parties:</i>			
Shushan Sanatorium	(i)	2,008	792
Xinao Brokers	(i)	1,024	788
South Taihu Agricultural Products	(i)	875	1,008
Ningbo Intercity	(i)	514	1,694
Huzhou Licheng	(i)	409	1,098
Huzhou Fangzong	(i)	55	118
Weineng Environment	(i)	39	52
Zhejiang Xin'ao Energy	(i)	12	–
Laikang Life	(ii)	10	10
ENN (Zhoushan) LNG Co., Ltd.	(i)	–	2,937
		4,946	8,497

Amounts due to related parties:

Zhoushan ENN	(iii)	18,888	25,429
Ningbo Intercity	(iii)	1,656	7,870
Huzhou Huaxing	(iii)	1,547	1,547
ENN (China)	(iii)	506	506
Weineng Environment	(iii)	338	158
Nanjing Xinao Technology	(iii)	60	378
Hengxin Investment	(iii)	54	–
Xinao Shuneng	(iii)	25	41
Zhejiang Xin'ao Energy	(iii)	–	9
		23,074	35,938



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Outstanding balances with related parties (continued)

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<u>Amounts due to related parties included in contract liabilities:</u>			
Weineng Environment	(iv)	502	620
South Taihu Agricultural Products	(iv)	105	119
Huzhou Huaxing	(iv)	98	17
Huzhou Zhongfang Zhiye	(iv)	24	12
Huzhou Hotel Co., Ltd.	(iv)	17	18
Huzhou Fangzong	(iv)	16	121
Huzhou Health Group Co., Ltd.	(iv)	13	17
Huzhou Urban Investment Talent	(iv)	10	527
Huzhou Urban Construction	(iv)	9	5
Huzhou Water	(iv)	7	3
Huzhou Licheng	(iv)	3	2
		804	1,461
<u>Amount due to a related party included in lease liabilities:</u>			
Huzhou Talent Development	(v)	1,025	1,357
<u>Amount due from a related party included in lease receivables:</u>			
Shushan Sanatorium	(vi)	5,022	5,057



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Outstanding balances with related parties (continued)

Notes:

- (i) The amounts due from related parties of RMB4,936,000 and RMB8,487,000 as at 30 June 2025 and 31 December 2024, respectively, were arising from the sale of materials, PNG, energy, rental service, construction and installation services and insurance referral service, and were trade in nature, unsecured and interest-free.
- (ii) The amounts due from a related party of RMB100,000 and RMB100,000 as at 30 June 2025 and 31 December 2024, respectively, were security deposits and were trade in nature.
- (iii) The amounts due to related parties of RMB23,074,000 and RMB35,938,000 as at 30 June 2025 and 31 December 2024, respectively, were trade in nature, unsecured, interest-free and repayable on demand.
- (iv) The amounts due to related parties included in contract liabilities were arising from sales contracts of natural gas or sales contracts of construction and installation services, and were trade in nature, unsecured and interest-free.
- (v) The amount due to the related party included in lease liabilities was trade in nature, unsecured and was paid monthly.
- (vi) The amount due from the related party included in lease receivables was trade in nature, unsecured and was paid annually.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	30 June 2025 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000	31 December 2024 RMB'000
Financial assets				
Bills receivable	799	—	799	—
Financial liabilities				
Interest-bearing bank borrowings	23,100	14,850	23,100	14,850

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 audit committee. 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. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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 of those financial assets and liabilities measured at fair value:

Bills receivable held both to collect cash flows and to sell in financial assets at fair value through other comprehensive income are measured using the discounted cash flow method.

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.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 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	Significant	Significant	
	in active	observable	unobservable	
	markets (Level 1) RMB'000	inputs (Level 2) RMB'000	inputs (Level 3) RMB'000	
Bills receivable	–	799	–	799

The Group did not have any financial assets measured at fair value as at 31 December 2024.

Liabilities measured at fair value:

As at 30 June 2025

	Fair value measurement using			Total RMB'000
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets (Level 1) RMB'000	inputs (Level 2) RMB'000	inputs (Level 3) RMB'000	
Interest-bearing bank borrowings	–	23,100	–	23,100



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

Liabilities measured at fair value: (continued)

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	–	14,850	–	14,850

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

18. APPROVAL OF THE UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information was approved and authorised for issue by the board of directors on 22 August 2025.

