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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

Financial Highlights

- Revenue for the Period was RMB1,461.5 million, representing a decrease of 3.63% over 1H2024.
- Gross profit for the Period was RMB118.1 million, representing a decrease of 4.99% over 1H2024.
- Profit attributable to the owners of the Company for the Period was RMB75.3 million, representing a decrease of 15.49% over 1H2024.
- Basic earnings per share for the Period amounted to RMB0.55 (1H2024: RMB0.65).
- The Board, as authorised by the Shareholders at the AGM, has resolved to declare an interim dividend of RMB0.15 (tax inclusive) per share for the Period (1H2024: RMB0.20 (tax inclusive)).

The board (the “**Board**”) of directors (the “**Directors**”) of JiaXing Gas Group Co., Ltd. (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with comparative figures for the corresponding period in 2024 (“**1H2024**”) as follows:

* for identification purpose only

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
	Notes		
Revenue	4	1,461,481	1,516,524
Cost of sales		<u>(1,343,411)</u>	<u>(1,392,191)</u>
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		<u>2,006</u>	<u>6,714</u>
PROFIT BEFORE TAX	5	102,178	109,768
Income tax expense	6	<u>(20,291)</u>	<u>(13,054)</u>
PROFIT FOR THE PERIOD		<u>81,887</u>	<u>96,714</u>
Profit attributable to:			
Owners of the parent		75,284	89,146
Non-controlling interests		<u>6,603</u>	<u>7,568</u>
		<u>81,887</u>	<u>96,714</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– Profit for the period (RMB)	8	<u>0.55</u>	<u>0.65</u>

	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
	<hr/>	<hr/>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(22)	199
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(22)	199
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	81,865	96,913
	<hr/>	<hr/>
Total comprehensive income attributable to:		
Owners of the parent	75,283	89,345
Non-controlling interests	6,582	7,568
	<hr/>	<hr/>
	81,865	96,913
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	<i>Notes</i>	RMB'000	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
		<hr/>	<hr/>
Total non-current assets		2,089,759	1,881,807
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Total current assets		1,038,523	1,102,042
		<hr/>	<hr/>

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	<i>Notes</i>		
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

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 New Energy Technology Company Limited (“**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 of the Company, while Jiaxing City Investment & Development Group Co., Ltd. held an approximately 23.76% equity interest of 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.

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 Jiaying, 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	2024
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chinese Mainland	<u>1,461,481</u>	<u>1,516,524</u>

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.

4. REVENUE

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (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
<u>Revenue from contracts with customers</u>		
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

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(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

6. 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 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, of 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 Jiaying Gas Hong Kong net of exempted bank interest is Nil (2024: Nil), Jiaying 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
	<i>RMB'000</i>	<i>RMB'000</i>
	(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

7. DIVIDENDS

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

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 7 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).

8. 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 calculations of basic and diluted earnings per share are 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 used in the basic earnings per share calculations	<u>75,284</u>	<u>89,146</u>
	Number of shares	
	For the six months ended 30 June	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculations	<u>137,844,500</u>	<u>137,844,500</u>

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (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)
	<hr/>	<hr/>
Carrying value at the end of the period	775,216	670,467
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10. 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
	<hr/>	<hr/>
	221,251	394,617
	<hr/>	<hr/>
Impairment	(22,878)	(35,424)
	<hr/>	<hr/>
Total	198,373	359,193
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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
	<hr/>	<hr/>
Total	198,373	359,193
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11. TRADE AND BILLS PAYABLES

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

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

12. 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	<u>603,680</u>	<u>352,900</u>

13. SHARE CAPITAL

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

14. CAPITAL COMMITMENTS

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

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, Zhejiang Hangjiixin Clean Energy Co., Ltd. ("**Hangjiixin**", a company 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**")) 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.

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.

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, Jiaxing Jiaran Construction Co., Ltd.* (嘉興市嘉燃建設有限公司) (“**Jiaran Construction**”), a direct wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with Yancheng Xiangyuan Real Estate Co., Ltd.* (鹽城祥源房地產有限公司) (“**Yancheng Xiangyuan**”), pursuant to which Jiaran Construction purchased from Yancheng Xiangyuan 13.5% of the equity interest in Yancheng Xingzhou Jiayuan Real Estate Development Co., Ltd.* (鹽城星洲佳源房地產開發有限公司) (“**Xinzhou 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 announcement.

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 announcement.

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.

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 principles and code provisions of the Corporate Governance Code (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. 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.

* *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 announcement, the Company shall refer to the then effective CG Code.*

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 of the Company (the “**Supervisors**”) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules.

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 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 (“**Shareholders**”) 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 or around 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%.

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 of the Board (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.

PUBLICATION OF INTERIM RESULTS AND 2025 INTERIM REPORT

This announcement is published on the websites of the Company (<http://www.jxrqgs.com>) and the Stock Exchange (<http://www.hkexnews.hk>). The interim report of the Company for the Period will be made available to the Shareholders in accordance with the requirements of the Listing Rules in due course.

By Order of the Board
JiaXing Gas Group Co., Ltd.*
Sun Lianqing
Chairman and Executive Director

Jiaxing, the People's Republic of China
28 August 2025

As at the date of this announcement, the Board comprises Mr. Sun Lianqing and Mr. Xu Songqiang as executive Directors; Mr. Yu Jianming, Mr. Zheng Huanli, Mr. Fu Songquan and Ms. Ruan Zeyun as non-executive Directors; and Mr. Yu Youda, Mr. Cheng Hok Kai Frederick and Mr. Zhou Xinfu as independent non-executive Directors.

* For identification purpose only