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湖州燃气
HUZHOU GAS

湖州燃氣股份有限公司

Huzhou Gas Co., Ltd.*

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

(Stock Code: 06661)

CONNECTED TRANSACTION
CONSTRUCTION CONTRACT

INTRODUCTION

The Board is pleased to announce that on 13 October 2025, Xinao Development, a wholly-owned subsidiary of the Company (as the employer), entered into the Construction Contract with Zhejiang Ruimei and Hongyao Construction (as the joint contractors). Pursuant to the Construction Contract, Zhejiang Ruimei and Hongyao Construction will undertake engineering services, which primarily include natural gas pipeline installation, for Bid Section 1 of the Natural Gas Engineering Project for Xinao Development, with the contracted price of RMB8,744,000.

CONSTRUCTION CONTRACT

The principal terms of the Construction Contract are as follows:

Date	13 October 2025
Parties	1. Xinao Development (as the employer, is a wholly-owned subsidiary of the Company); and 2. Zhejiang Ruimei and Hongyao Construction (as the joint contractors, among them, Zhejiang Ruimei is an associate of a connected person of the Company, and Hongyao Construction is an independent third party of the Company.)
Subject Matter	Zhejiang Ruimei and Hongyao Construction (as the joint contractors) will undertake engineering services, which primarily include natural gas pipeline installation, for Bid Section 1 of the Natural Gas Engineering Project (the project is located in Balidian Town, Zhili Town, High-tech Zone, Donglin Town, Daixi Town, and other areas of Huzhou City).

Contracted Price and its Determination Basis	Xinao Development conducted the open bidding procedure for Bid Section 1 of the Natural Gas Engineering Project. In accordance with the relevant provisions of bidding and tendering management, Xinao Development prepared the relevant bidding documents. After comprehensively considering the bid prices, experience and performance, technical capabilities and reputation of each bidder, the contract was awarded to Zhejiang Ruimei and Hongyao Construction (as the joint contractors). The contracted price of the Construction Contract is RMB8,744,000.
Payment Cycles	Payment for the proposed transaction under the Construction Contract will be made monthly according to the actual completed work volume of the Bid Section 1 of the Natural Gas Engineering Project. That is, Xinao Development will make monthly payments based on the formal invoices provided by Zhejiang Ruimei and Hongyao Construction every month, which specify the amount to be paid. Xinao Development intends to pay the contracted price through its internal resources.
Effectiveness	The Construction Contract shall become effective after being signed and sealed by all parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT

The provision of construction and installation services for natural gas usage is one of the primary businesses of the Group. The implementation of Bid Section 1 of the relevant Natural Gas Engineering Project will help improve the natural gas usage and service level in these regions, enhance the Group's competitiveness in the field related to natural gas sales, and is in line with the Group's development strategy.

Zhejiang Ruimei and Hongyao Construction (as the joint contractors), the successful bidders of the Construction Contract, have complied with the bidding and tendering procedures stipulated in China's bidding and tendering law and relevant regulations, and they enjoy a good reputation, extensive experience, excellent technical capabilities and competitive bid prices.

Taking the above factors into consideration, the Directors (including all independent non-executive Directors) consider that the terms of the proposed transaction under the Construction Contract are fair and reasonable, which are entered into in the ordinary course of business of the Group on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF PARTIES

The Group

The Group is mainly engaged in (i) the sale of natural gas in Huzhou City, mainly including pipeline natural gas (pursuant to the franchise right) and liquefied natural gas; (ii) the provision of construction and installation services; and (iii) other businesses, including the sale of energy, distributed photovoltaic electricity, household gas appliances and related equipment, as well as property leasing.

Xinao Development

Xinao Development is a limited company incorporated in China and a wholly-owned subsidiary of the Company. Xinao Development is mainly engaged in gas operations and construction project implementation, among other projects, and also involves in engineering and technological research and experimental development, petroleum and natural gas technical services, emerging energy technology research and development, energy conservation management services, as well as thermal power production and supply.

Zhejiang Ruimei (An Associate of a Connected Person of the Company)

Zhejiang Ruimei is a limited company incorporated in China, mainly engaged in landscaping engineering construction, municipal facilities management, transportation facilities maintenance, and earthwork engineering construction services.

As at the date of this announcement, Zhejiang Ruimei is owned by Mr. Qian Bin, Huzhou Environmental Protection Group Co., Ltd. (湖州市環保集團有限公司), Huzhou Xiexing Investment and Development Co., Ltd. (湖州協興投資發展有限公司), Huzhou Lishen Equity Investment Partnership (Limited Partnership) (湖州力申股權投資合夥企業(有限合夥)), Ms. Zhang Hongjuan and Mr. Luo Kai, which holds 34.5%, 20%, 20%, 15%, 7.5% and 3% of its equity interests respectively. Among them, Huzhou Environmental Protection Group Co., Ltd. (湖州市環保集團有限公司), Huzhou Xiexing Investment and Development Co., Ltd. (湖州協興投資發展有限公司) and Huzhou Lishen Equity Investment Partnership (Limited Partnership) (湖州力申股權投資合夥企業(有限合夥)) collectively hold 55% of the equity interests in Zhejiang Ruimei, and the ultimate beneficial controller of these three companies is City Group (the controlling Shareholder of the Company, which holds approximately 44.13% of the Company's Shares). City Group is directly and wholly owned by 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) (a Chinese government authority).

Hongyao Construction (An Independent Third Party of the Company)

Hongyao Construction is a limited company incorporated in China, mainly engaged in power engineering, power transmission and transformation engineering, waterproofing, anti-corrosion and insulation engineering, construction engineering and municipal public engineering works. As at the date of this announcement, Hongyao Construction is 100% held by Mr. Zhu Haiyan.

To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, Hongyao Construction and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

ABSTENTION FROM VOTING ON THE BOARD RESOLUTION

As Ms. Sun Xiaohui, an executive Director, and Mr. Wang Peng, a non-executive Director, both hold positions in companies connected with City Group, they are deemed to have a material interest in the proposed transaction under the Construction Contract and therefore have abstained from voting on the Board resolution regarding the proposed transaction under the Construction Contract respectively.

Save as disclosed above, no Director has any material interest in the proposed transaction under the Construction Contract and is required to abstain from voting on the Board resolution approving the proposed transaction under the Construction Contract.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, City Group is the controlling Shareholder of the Company which holds approximately 44.13% of the Shares of the Company. Therefore, in accordance with Rule 14A.07(1) of the Listing Rules, Zhejiang Ruimei is an associate of a connected person of the Company, and the proposed transaction under the Construction Contract constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the proposed transaction under the Construction Contract exceed 0.1% but are less than 5%, the proposed transaction under the Construction Contract is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but is exempted from the requirement of obtaining independent Shareholders' approval.

DEFINITIONS

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

"Bid Section 1 of the Natural Gas Engineering Project"	Bid Section 1 of Huzhou Gas 2025 Urban Natural Gas Utilization Project Pipeline Installation and Crossing Project
"Board"	the board of directors of the Company
"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, and a controlling Shareholder as at the date of this announcement, and unless the context otherwise requires, it includes its subsidiaries
"Company"	Huzhou Gas Co., Ltd.* (湖州燃氣股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange
"Construction Contract"	the construction contract dated 13 October 2025 entered into by Xinao Development, a wholly-owned subsidiary of the Company, with Zhejiang Ruimei and Hongyao Construction in respect of Bid Section 1 of the Natural Gas Engineering Project

"Director(s)"	the directors of the Company
"Domestic Share(s)"	domestic ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or paid up in RMB and currently are not listed or traded on any stock exchange
"Group"	the Company and its subsidiaries
"Hongyao Construction"	Hongyao Construction Group Co., Ltd. (宏耀建設集團有限公司)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"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
"Xinao Development"	Huzhou Xinao Gas Development Co., Ltd. (湖州新奧燃氣發展有限公司)
"Zhejiang Ruimei"	Zhejiang Ruimei Ecological Construction Co., Ltd. (浙江瑞美生態建設股份有限公司)
"%"	percentage

By order of the Board
Huzhou Gas Co., Ltd.*
Wang Hua
Chairman

Huzhou City, Zhejiang Province, China
13 October 2025

As at the date of this announcement, the Board comprises Mr. Wang Hua, Mr. Wang Tao and Ms. Sun Xiaohui as executive Directors; Mr. Gong Luojian and Mr. Wang Peng as non-executive Directors; and Mr. Chang Li Hsien Leslie, Dr. Lau Suet Chiu Frederic and Mr. Zhou Xinfa as independent non-executive Directors.

* *For identification purposes only*