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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)

Further Announcement

Continuing Connected Transactions – Cooperation Framework Agreement With City Group

Reference is made to the announcement dated 19 November 2025 of Huzhou Gas Co., Ltd.* (the "**Company**") in relation to, among other things, the continuing connected transactions under the Cooperation Framework Agreement With City Group (the "**Announcement**").

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby provides the Shareholders and potential investors of the Company with further information in relation to the continuing connected transaction under the Cooperation Framework Agreement With City Group.

Historical Annual Cap and Historical Transaction Amounts

The following table outlines the historical annual caps under the 2023-2025 Supply Framework Agreement, as well as the relevant historical transaction amounts for the two years ended December 31, 2023 and 2024, and the six months ended June 30, 2025:

	As at 31 December 2023	**As at 31 December 2024**	**As at the six months ended 30 June 2025**
		RMB'0000	
Historical Annual Cap	1,500	2,000	1,800
Historical Transaction Amounts	101.5 *(Audited)*	48.7 *(Audited)*	45.3 *(Unaudited)*

The low utilization rate of the historical annual caps were mainly due to delays in the property projects developed by City Group, which in turn resulted in a reduction in City Group's anticipated demand for goods and services under the 2023-2025 Supply Framework Agreement.

In determining the historical annual caps, the Board took into account property projects which would be developed by City Group at that time, including the renovation of 39 old residential districts, the demolition and reconstruction of 16 land parcels, and the protection and inheritance of over 100 historical buildings in Huzhou City. However, during the project implementation phase, relevant policies underwent adaptive adjustments, including but not limited to, the phased implementation of projects and the suspension of certain projects. With regard to the alarm system and air energy products under the 2023-2025 Supply Framework Agreement, the Group initially estimated that it would serve approximately 5,000 households and generate transaction amounts exceeding RMB15 million. Nevertheless, due to the adjustments of the policies, the actual number of households served and the scale of product procurement implemented and provided by City Group did not meet the aforementioned expectations.

Annual Cap and Its Basis

Save as disclosed in the Announcement, in respect of the Cooperation Framework Agreement With City Group, when determining the annual caps, except for the historical transaction amounts and the current market prices of comparable goods and services, the Board has primarily taken into account the expected completion time of the properties to be developed by City Group, as well as the anticipated changes in City Group's demand for such goods and services.

Specifically, as a key participant in the affordable housing projects in Huzhou City, City Group is highly likely to conduct bulk purchases over the next three years, based on the following factors:

1. The renovation of the 39 old residential districts in Huzhou City that City Group was originally responsible for developing is now progressing gradually, with the demand for facilities such as alarm systems and air energy products being progressively released. Based on preliminary market research, in 2026, the Company will cooperate with City Group on the development of 4 projects covering over 4,600 households. By selling alarm systems and air energy products (at a unit price of RMB3,000 per household), the Company is expected to achieve transactions exceeding RMB13 million. Furthermore, it is anticipated that 2026 will mark the bottom of Huzhou City's real estate market, after which the market will maintain steady and positive development.

2. The local government of Huzhou City has issued relevant adaptive policies, including the subsequent detailed implementation rules of the "Implementation Opinions on Accelerating the Development of Affordable Rental Housing in Huzhou City" (2021) and the "Filing (Coding) Information Form for Renovation and Decoration Projects of Affordable Rental Housing in Wuxing District, Huzhou" (2025). In addition, the local government of Huzhou City launched a large-scale "trade-in for green home appliances" consumer subsidy program in 2025, which is expected to directly stimulate replacement consumption in the existing market through such subsidies. Supported by the aforementioned policies and program, the Company estimates that the transactions for the year of 2026 may amount to RMB2 million and understands that the transactions of relevant goods and services covered under the Cooperation Framework Agreement from 2026 to 2028 will maintain steady development.

3. The recovery and development of the real estate market will bring positive benefits. To boost the sales of traditional commercial residential properties, certain traditional real estate developers actively promoting new marketing strategies in Huzhou City, such as (1) the "housing purchase gift package" marketing strategy; and (2) the "free full-house home appliance packages with housing purchases". In particular, under the marketing strategy, the Company has recorded collected on behalf amounts of RMB1.9 million (unaudited) in 2025, and it is expected that transaction amounts under the Cooperation Framework Agreement will maintain steady growth from 2026 to 2028. Under the gift package activity, the Company has engaged with City Group regarding activities related to the old-for-new housing purchase gift package (with the estimated total transaction amount exceeding RMB3 million).

4. A relevant buffer (approximately 10%) is reserved to address the potential increase in City Group's demand and the estimated increase in the average market prices of similar services and products that may arise from inflation and anticipated cost increases.

Save as disclosed above, all other information set out in the Announcement remains unchanged and continues to be valid for all purposes. This announcement is supplemental and should be read in conjunction with the Announcement.

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

Huzhou City, Zhejiang Province, the PRC
1 December 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. Sun Xiaowei as non-executive Directors; Mr. Chang Li Hsien Leslie, Dr. Lau Suet Chiu Frederic and Mr. Zhou Xinfa as independent non-executive Directors; and Ms. Yao Yanli as employee representative Director.

* *For identification purpose only*