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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 2026

Financial Highlights

- Revenue for the Period was RMB1,719.5 million, representing an increase of 17.65% over 1H2025.
- Gross profit for the Period was RMB146.3 million, representing an increase of 23.88% over 1H2025.
- Profit attributable to the owners of the Company for the Period was RMB66.9 million, representing a decrease of 11.16% over 1H2025.
- Basic earnings per share for the Period amounted to RMB0.49 (1H2025: RMB0.55).
- The Board, as authorised by the Shareholders at the AGM, has resolved to declare an interim dividend of RMB0.12 (tax inclusive) per share for the Period (1H2025: RMB0.15 (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 2026 (the "**Period**"), together with comparative figures for the corresponding period in 2025 ("**1H2025**") 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 2026

	Notes	**2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Revenue	*4*	**1,719,491**	1,461,481
Cost of sales		**(1,573,212)**	(1,343,411)
Gross profit		**146,279**	118,070
Other income and gains		**14,561**	11,831
Selling and distribution costs		**(12,645)**	(12,299)
Administrative expenses		**(41,324)**	(37,054)
Impairment losses on financial and contract assets, net		**(3,049)**	12,546
Other expenses		**(2,386)**	(90)
Finance costs		**(9,929)**	(7,700)
Share of profits and losses of:			
Joint ventures		**445**	14,868
Associates		**4,668**	2,006
PROFIT BEFORE TAX	*5*	**96,620**	102,178
Income tax expense	*6*	**(22,759)**	(20,291)
PROFIT FOR THE PERIOD		**73,861**	81,887
Profit attributable to:			
Owners of the parent		**66,875**	75,284
Non-controlling interests		**6,986**	6,603
		73,861	81,887
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period (RMB)	*9*	**0.49**	0.55

	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
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	**(56)**	(310)
Changes in fair value	**172**	156
Income tax effect	**(29)**	38
Exchange differences on translation of foreign operations	**(103)**	94
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(16)**	(22)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(16)**	(22)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**73,845**	81,865
Total comprehensive income attributable to:		
Owners of the parent	**66,875**	75,283
Non-controlling interests	**6,986**	6,582
	73,861	81,865

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**885,570**	832,486
Investment properties		**222,365**	227,044
Right-of-use assets		**139,894**	134,936
Other intangible assets		**4,386**	4,459
Investments in joint ventures		**485,905**	485,460
Investments in associates		**117,638**	304,222
Financial assets at fair value through profit or loss		**64,865**	65,074
Deferred tax assets		**136,502**	136,386
Goodwill		**42**	42
Other non-current assets		**1,639**	1,071
Total non-current assets		**2,058,806**	2,191,180
CURRENT ASSETS			
Inventories		**101,756**	118,682
Trade and bills receivables	*10*	**184,038**	223,692
Debt investments at fair value through other comprehensive income		**19,313**	15,559
Contract assets		**2,930**	2,990
Prepayments, other receivables and other assets		**471,408**	235,114
Financial assets at fair value through profit or loss		**2,020**	2,465
Term deposits and pledged deposits		**271,197**	90,809
Debt investments measured at amortised cost		**19,782**	45,700
Cash and cash equivalents		**550,563**	595,778
Total current assets		**1,623,007**	1,330,789

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	*11*	**840,246**	849,007
Other payables and accruals		**57,924**	58,495
Contract liabilities		**110,045**	110,601
Deferred income		**16,154**	12,857
Interest-bearing bank borrowings	*12*	**145,880**	29,380
Lease liabilities		**21,867**	20,639
Tax payable		**11,545**	5,686
Total current liabilities		**1,203,661**	1,086,665
NET CURRENT ASSETS		**419,346**	244,124
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,478,152**	2,435,304
NON-CURRENT LIABILITIES			
Contract liabilities		**295,159**	303,858
Deferred income		**78,079**	68,571
Interest-bearing bank borrowings	*12*	**615,120**	615,260
Lease liabilities		**138,759**	133,020
Deferred tax liabilities		**28,596**	25,200
Total non-current liabilities		**1,155,713**	1,145,909
Net assets		**1,322,439**	1,289,395
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**137,845**	137,845
Reserves		**1,121,343**	1,088,945
		1,259,188	1,226,790
Non-controlling interests		**63,251**	62,605
TOTAL EQUITY		**1,322,439**	1,289,395

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2026

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. On 23 December 2025, the concert parties entered into an agreement for termination of the concert party agreement with effect from the date thereof (the "**termination agreement**"), upon which the concert party agreement shall be of no further force or effect and all of the respective rights and obligations of the concert parties thereunder the concert party agreement shall cease and determine. Accordingly, with effect from the date of the termination agreement, Taiding is no longer entitled to exercise the voting rights of Zhuji Yujia, Mr. Xu Songqiang and Ms. Xu Hua in respect of resolutions to be proposed at general meetings of the Company. As of 30 June 2026, there was no concert parties anymore, whilst a director, Mr Sun Lianqing, directly held approximately 2.45% equity interest and indirectly held 26.27% equity interest in the Company. Accordingly, there was no controlling shareholder for the Company under IFRS Accounting Standards.

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

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 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 2025.

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 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS10 and IAS 7*

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

(a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Hong Kong	**6,979**	–
Chinese mainland	**1,712,512**	1,461,481
Total	**1,719,491**	1,461,481

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. 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	**1,624,341**	1,343,817
Provision of construction services	**58,971**	51,934
Provision of installation and management services	**20,694**	20,302
Provision of gas transportation services	**821**	4,776
Provision of commission services	**7,438**	27,889
Provision of labour services	**2,766**	6,129
Others	**3,270**	5,027
Revenue from other sources		
Gross rental income	**5,029**	6,389
	1,723,330	1,466,263
Less: Government surcharges	**(3,839)**	(4,782)
Total	**1,719,491**	1,461,481

Revenue from contracts with customers		
Types of goods or services		
Sale of PNG	**982,233**	817,850
Sale of LNG	**554,629**	418,763
Sale of LPG	**38,071**	38,545
Sale of vapour	**11,533**	15,059
Sale of electricity	**784**	888
Sale of other gas	**33,263**	46,058
Sale of construction materials	**3,828**	6,654
Provision of construction services	**58,971**	51,934
Provision of installation and management services	**20,694**	20,302
Provision of commission services	**7,438**	27,889
Provision of labour services	**2,766**	6,129
Provision of gas transportation services	**821**	4,776
Others	**3,270**	5,027
Total	**1,718,301**	1,459,874
Timing of revenue recognition		
Goods or services transferred at a point in time	**1,638,636**	1,387,638
Services transferred over time	**79,665**	72,236
Total	**1,718,301**	1,459,874

5. PROFIT BEFORE TAX

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

	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**1,519,340**	1,286,230
Cost of services provided	**55,084**	57,181
Depreciation of property, plant and equipment	**40,402**	34,162
Depreciation of right-of-use assets	**8,643**	7,690
Loss/(Gain) on disposal of items of property, plant and equipment	**1,145**	(52)
Impairment of financial and contract assets, net:		
Impairment of trade receivables	**3,049**	(12,546)
Financial assets at fair value through profit or loss	**445**	355

6. INCOME TAX

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

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 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.

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax – Hong Kong profits tax	**849**	–
Current tax – PRC profits tax	**18,658**	6,965
Deferred tax	**3,252**	13,326
Total tax charge for the period	**22,759**	20,291

7. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final dividend declared and paid – RMB0.25 (2025: RMB0.25) per ordinary share	**34,461**	34,461
Proposed interim dividend	**16,541**	20,677

On 28 August 2026, 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 5 June 2026) declared an interim dividend of RMB0.12 (six months ended 30 June 2025: RMB0.15) per ordinary share, amounting to a total of approximately RMB16,541,000 (six months ended 30 June 2025: RMB20,677,000).

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 2025: 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	
	2026	2025
	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 calculation	**66,875**	75,284

	Number of shares For the six months ended 30 June	
	2026	2025
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**137,844,500**	137,844,500

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Carrying value at beginning of the period	**832,486**	670,467
Additions	**100,474**	240,676
Depreciation charge for the period	**(40,402)**	(73,378)
Transferred to investment properties	**–**	(2,836)
Disposals	**(6,988)**	(2,443)
Carrying value at the end of the period	**885,570**	832,486

10. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**211,200**	248,902
Bills receivable	**25**	14
	211,225	248,916
Impairment	**(27,187)**	(25,224)
Total	**184,038**	223,692

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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**160,264**	198,662
One to two years	**3,836**	4,555
Over two years	**19,938**	20,475
Total	**184,038**	223,692

11. TRADE AND BILLS PAYABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade payables	**301,883**	446,149
Bills payable	**538,363**	402,858
Total	**840,246**	849,007

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 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within one year	**837,406**	846,601
One to two years	**1,941**	2,172
Over two years	**899**	234
Total	**840,246**	849,007

12. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 (unaudited)			31 December 2025 (audited)		
	Effective Interest rate (%)	**Maturity**	***RMB'000***	Effective Interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans – credited	**0.55%**	**2026–2027**	**120,000**	2.08%	2026	5,000
	LPR-0.77%*	**2026–2027**	**22,880**	LPR+0.02%	2026	22,880
	LPR-0.62%	**2026–2027**	**3,000**	LPR-0.62%	2026	1,500
Total current			**145,880**			29,380
Non-current						
Bank loans – credited	**LPR-0.52%**	**2027–2051**	**200,000**	LPR-0.52%	2027–2051	200,000
	LPR-0.52%	**2027–2042**	**120,000**	LPR-0.52%	2027–2042	120,000
	LPR-0.62%	**2027–2045**	**120,800**	LPR-0.62%	2027–2045	109,500
	LPR-0.77%*	**2027–2028**	**74,320**	LPR+0.02%	2027–2028	85,760
	LPR-0.58%	**2027–2045**	**60,000**	LPR-0.58%	2027–2045	60,000
	LPR-0.56%	**2027–2051**	**40,000**	LPR-0.56%	2027–2051	40,000
Total non-current			**615,120**			615,260
Total			**761,000**			644,640

* The Group made a partial prepayment of the loan amounting to RMB11,440,000 in January 2026. In January 2026, the Group entered into a supplemental agreement with the bank to change the annual interest rate from LPR+0.02% to LPR-0.77%.

	30 June 2026 ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Analysed into:		
Bank loans and borrowings repayable:		
Within one year or on demand	**145,880**	29,380
In the second year	**45,990**	25,880
In the third to fifth years, inclusive	**54,010**	91,093
Beyond five years	**515,120**	498,287
Total	**761,000**	644,640

13. SHARE CAPITAL

	Number of shares	Nominal value *RMB'000*
Ordinary shares as at 31 December 2025 (audited) and 30 June 2026 (unaudited)	137,845	137,845

14. CAPITAL COMMITMENTS

	30 June 2026 ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Contracted, but not provided for:		
– Property, plant and equipment	**2,305**	2,235

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the first half of 2026, the global energy landscape continued to evolve amidst geopolitical conflicts and the uneven pace of global economic recovery, both of which affected the supply, demand and pricing in the international natural gas market. Against this backdrop, China's natural gas market maintained generally stable, demonstrating strong resilience. China's apparent natural gas consumption in the first half of 2026 amounted to 206.85 billion m^3, representing a year-on-year decrease of 2.4%. On the supply side, the national energy security strategy continued to advance, with notable progress in "increasing reserves and production (增儲上產)". In the first half of the year, China's natural gas production reached 133.0 billion m^3, representing a year-on-year increase of approximately 1.6%. In terms of import, affected by multiple factors such as volatile international gas prices and adjustments in procurement strategies of domestic enterprises, natural gas imports in the first half of the year amounted to 57.38 million tonnes, representing a year-on-year decrease of 3.5%. Despite the contraction in import volume, the steady growth in domestic production has effectively safeguarded the overall supply of natural gas in the country.

In terms of policy environment, 2026 marks the inaugural year of China's "15th Five-Year Plan" period, at the national level, strong policy impetus has been injected into the high-quality development of the natural gas industry. At the 2026 Working Conference on Oil & Gas Infrastructure Planning, Construction and Pipeline Protection convened by the National Energy Administration, it was explicitly stated that investment and construction in oil and gas infrastructure would be further scaled up, and that major projects under the "15th Five-Year Plan" should be commenced and put into operation as soon as possible. The policy emphasises the need to strengthen planning coordination of inter-provincial and intra-provincial oil and gas pipeline networks, and improve the access and utilisation mechanisms for pipeline network facilities, with the aim of building a more comprehensive, efficient and interconnected "one national network (全國一張網)" for oil and gas. This will significantly enhance the allocation efficiency, transmission capacity and reserve scale of natural gas resources, providing critical support for the expansion of downstream markets.

During the Period, the Group's core market, Zhejiang Province, intensified its determination and efforts in driving the clean and low-carbon transition of its energy structure, creating unprecedented development opportunities to the regional natural gas industry. In May 2026, the Zhejiang Provincial Development and Reform Commission issued the "15th Five-Year Plan" Clean and Low-Carbon Transformation Plan for the Power and Heat Sectors (Draft for Public Comment) (《「十五五」電力熱力行業清潔低碳轉型方案(徵求意見稿)》) (hereinafter referred to as the "Plan"), which has become a key policy document guiding future market growth. The Plan explicitly set a target of achieving at least 28 GW of grid-connected gas-fired power installed capacity by 2030, representing an 85% increase compared with 2025. It also proposed the development of a diversified clean heating system, with significant efforts to develop biomass and natural gas cogeneration, and encouraged coal-fired heating to be prioritised for replacement by natural gas, biomass heating boilers or cogeneration units, while explicitly guiding a 5% substitution of coal-fired heating with clean energy sources such as natural gas during the "15th Five-Year Plan" period. The Plan emphasized the full utilisation of gas-fired power as a transitional pillar in clean electricity supply, and the accelerated construction of a number of peak-shaving gas-fired power projects with strong response capabilities, high conversion efficiency and low emissions. The Plan also proposed the coordinated use of multiple resources, including onshore pipeline gas, offshore gas field resources and imported LNG, to secure gas supply for power generation, which is expected to further consolidate and elevate Zhejiang Province's strategic position as a coastal LNG hub. Driven by the clear growth targets set out in the Plan, gas demand for power generation in Zhejiang Province is poised to increase substantially in the future, which will be conducive to the further development of the natural gas industry in Zhejiang Province.

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 531,000 residential users and 2,691 industrial and commercial users.

During the Period, the Group's total gas sales volume was 472 million m^3, representing an increase of 20.41% compared with 392 million m^3 in 1H2025. The growth in gas sales volume was primarily attributable to the recovery in industrial gas demand: driven by the macroeconomic recovery and regional industrial production, the Group effectively captured market growth through deepening relationships with key customers and improving service quality and efficiency. In addition, supply uncertainties and price volatility in the international natural gas market led to strong demand for spot LNG in the domestic market. Leveraging its flexible gas sourcing strategy and market analysis capabilities, the Group adjusted its LNG sales strategy in a timely manner, achieving both volume and price growth in LNG sales. The LNG trading business not only contributed materially to the growth in the Group's overall gas sales volume and revenue, but also effectively mitigated the profit pressure arising from the lag in transferring increased piped gas costs to customers during the first half of the year.

As at the end of the Period, the Group operated a natural gas pipeline network in its operating area, with a total length of 1,305.71 km (comprising 859.29 km of self-constructed pipeline network and 446.42 km of leased urban pipeline network, and excluding 10.50 km of urban pipeline network under construction, among which 22.50 km was self-constructed).

DEVELOPMENT STRATEGY AND OUTLOOK

Looking ahead, despite the continued complexity and uncertainty of the domestic and international economic environment, compounded by challenges such as volatility in natural gas source prices and intensifying market competition, the Group firmly believes that challenges and opportunities coexist, and that opportunities outweigh challenges. At the national level, the energy security strategy and the construction of the "one national network (全國一張網)" infrastructure provide certainty for the industry's development. At the regional level, Zhejiang Province's clear energy transition pathway and quantitative development targets indicate that the natural gas market in Zhejiang Province, particularly in the gas-for-power sector, will enter a development period of significant demand growth in the coming years. In light of the substantial growth opportunities presented by the market, the Group will adhere to a prudent yet proactive strategy, making every effort to capture incremental market opportunities, striving to build a diversified and resilient resource portfolio, continuously optimising its resource procurement strategy to effectively manage the risks of gas source price volatility, and ensuring the coordination and alignment of overall resources. At the same time, the Group will endeavour to advance the residential gas price pass-through mechanism. At present, some cities in Zhejiang Province have already initiated the residential gas price pass-through mechanism. The Group will strengthen communication with the relevant authorities and actively cooperate with local governments to seek the early establishment and improvement of a mechanism linking residential gas prices with upstream gas source prices, with a view to achieving reasonable cost pass-through, ensuring stable gas supply for residential use, and enhancing the Group's operating efficiency.

In conclusion, the Group has strong confidence in the long-term development of China's natural gas market, particularly the natural gas industry in Zhejiang Province. The Group will be guided by national strategies, oriented by market demand, and driven by innovative development, operating prudently and acting proactively, striving to achieve better results in this inaugural year of the "15th Five-Year Plan" period and to create greater value for its shareholders.

FINANCIAL OVERVIEW

Revenue

For the Period, the revenue of the Group was RMB1,719.5 million, representing an increase of 17.65% compared with RMB1,461.5 million in 1H2025, mainly benefited from the increase in sales prices of LNG in the international market and the favourable supply-demand dynamics. The sales volume of LNG increased by 14.01% as compared with the same period last year, and its sales amount increased by RMB135.9 million as compared with 1H2025. The sales volume of PNG also benefited from market supply and demand factors, with sales volume increasing by approximately 23.85% as compared with 1H2025, driving the sales amount of PNG to increase by RMB164.4 million as compared with the same period last year.

Gross Profit

For the Period, the gross profit of the Group was RMB146.3 million, representing an increase of 23.88% compared with RMB118.1 million in 1H2025, mainly due to the significant increase in both sales volume and unit selling price of LNG compared with 1H2025. As a result, the overall gross profit increased compared with 1H2025.

Other Income and Gains

For the Period, the other income and gains of the Group were RMB14.6 million, representing an increase of 23.73% compared with RMB11.8 million in 1H2025. This was mainly due to an increase in government grants recognised during the Period of RMB6.8 million (a substantial portion of which were grants received for the renovation of gas pipeline networks and gas facilities and equipment) compared with 1H2025, partially offset by a decrease in interest income of RMB3.5 million compared with 1H2025 as a result of lower deposit interest rates.

Other Expenses

For the Period, the other expenses of the Group were RMB2.4 million, representing an increase of RMB2.3 million from RMB0.1 million in 1H2025. This was mainly due to a loss of RMB0.4 million arising from changes in fair value of held-for-trading financial assets, an increase of RMB1.1 million in loss on disposal of fixed assets compared with 1H2025, and an increase of RMB0.3 million in exchange losses resulting from exchange rate fluctuations compared with 1H2025.

Finance Costs

For the Period, the finance costs of the Group were RMB9.9 million, representing an increase of 20.31% compared with RMB7.7 million in 1H2025, mainly due to the higher borrowings for the renovation of gas pipeline networks and facilities, resulting in higher interest expenses compared with 1H2025.

Income Tax Expense

For the Period, the income tax expense of the Group increased from RMB20.3 million in 1H2025 to RMB22.8 million. The effective tax rate for the Period was 24.87%. This was mainly due to the increase in gross profit of the Group during the Period.

Profit Attributable to Owners of the Parent

Profit attributable to owners of the parent for the Period was RMB66.9 million, representing a decrease of 11.16% compared with RMB75.3 million in 1H2025, mainly due to the decrease of RMB14.4 million in the Group's share of profits of joint ventures. Such decrease was mainly due to the fact that Zhejiang Hangjiaxin Clean Energy Company Limited* (浙江杭嘉鑫清潔能源有限公司) ("**Hangjiaxin**") (a company owned as to 51% by the Company) failed to maintain a similar level of gross profit as that in the 1H2025 because international natural gas prices rose as a result of the geopolitical conflict. In light of the periodic supply tightness in the international and domestic LNG markets, the Group actively secured gas sources, resulting in increases in both sales volume and selling price of LNG, which partially offset the decline in gross profit caused by the inability to pass through the increase in pipeline gas purchase prices to customers in a timely manner under the pressure of gas prices. As a result, the Group recorded an increase in gross profit from its natural gas business compared with the same period last year.

Liquidity, Financial Position and Capital Structure

As at 30 June 2026, current assets of the Group amounted to RMB1,623.0 million (31 December 2025: RMB1,330.8 million), of which cash and cash equivalents amounted to RMB550.6 million (31 December 2025: RMB595.8 million).

As at 30 June 2026, the current ratio (current assets/current liabilities) of the Group was 1.35 (31 December 2025: 1.22) and the asset-liability ratio (total liabilities/total assets) was 64.09% (31 December 2025: 63.39%). As at 30 June 2026, the utilised bank loans were RMB761.0 million, all of which were denominated in RMB, with the annual interest rate of 0.55%-2.98%, of which RMB145.9 million was wholly repayable within one year or on demand and RMB615.1 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 2026, the unutilised bank credit balance was RMB1,086.2 million. As at 30 June 2026, the Group also had lease liabilities of RMB160.6 million, of which RMB21.9 million was analyzed as current portion, and RMB138.7 million analyzed as non-current portion.

The gearing ratio of the Group was approximately 7.02% as at 30 June 2026 (as at 31 December 2025: approximately 8.35%). 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

As at 30 June 2026, the Group had no contingent liabilities (31 December 2025: nil).

Financial Guarantee Obligations

As at 30 June 2026, the Group had no financial guarantee obligations (31 December 2025: nil).

Pledge of Assets

As at 30 June 2026, the Group did not have any pledged assets (31 December 2025: nil).

Material Acquisition and Disposal

During the Period, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

Human Resources and Employee Compensation

As at 30 June 2026, the Group had a total of 396 (30 June 2025: 397) employees in the PRC.

During the Period, the total employee costs of the Group were approximately RMB30.5 million (six months ended 30 June 2025: RMB30.1 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.

As at 30 June 2026, the Company had no treasury shares.

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.

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 5 June 2026, on 28 August 2026, the Board has approved the declaration and payment of an interim dividend of RMB0.12 (tax inclusive) per Share for the six months ended 30 June 2026 (the "**2026 Interim Dividend**") with an aggregate amount of approximately RMB16,541,340 (tax inclusive) to Shareholders whose names appear on the Company's register of members on Wednesday, 23 September 2026. The 2026 Interim Dividend is expected to be paid on Friday, 9 October 2026.

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$:RMB = 1:0.865306, (or RMB:HK$ = 1:1.155661) 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 2026 (i.e. the date of approval of declaration of dividends by the Board as authorised by the Shareholders at the AGM). The 2026 Interim Dividend of RMB0.12 (tax inclusive) per Share is therefore equal to HK$0.1387 (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 2026 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, 23 September 2026.

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, 23 September 2026. 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, 17 September 2026. 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 2026 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 2026 Interim Dividend

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 17 September 2026
Closure of register of members (both days inclusive)	Friday, 18 September 2026 to Wednesday, 23 September 2026
Record date	Wednesday, 23 September 2026

During the above closure period, no transfer of H shares of the Company will be registered. To be eligible to qualify for the 2026 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 2026 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 PRC
28 August 2026

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 Xinfa as independent non-executive Directors.

* *For identification purpose only*