



湖州燃气股份有限公司 HUZHOU GAS CO., LTD.*

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

Stock Code : 6661

2026 INTERIM REPORT



* For identification purposes only

CONTENTS

- 02 CORPORATE INFORMATION
- 03 DEFINITIONS
- 06 MANAGEMENT DISCUSSION AND ANALYSIS
- 14 CORPORATE GOVERNANCE AND OTHER INFORMATION
- 18 INDEPENDENT REVIEW REPORT
- 20 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
- 21 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- 22 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- 24 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- 26 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- 28 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Hua (*Chairman*)
Mr. Wang Tao
Ms. Sun Xiaohui

Non-executive Directors

Mr. Gong Luojian
Mr. Sun Xiaowei

Independent Non-executive Directors

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

Employee Representative Director

Ms. Yao Yanli

AUDIT COMMITTEE

Mr. Chang Li Hsien Leslie (*Convener*)
Dr. Lau Suet Chiu Frederic
Mr. Zhou Xinfu
Mr. Gong Luojian
Mr. Sun Xiaowei

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

STRATEGY COMMITTEE

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

JOINT COMPANY SECRETARIES

Ms. Zheng Jie
Ms. Lee Mei Yi

AUTHORISED REPRESENTATIVES

Mr. Wang Hua
Ms. Lee Mei Yi

REGISTERED OFFICE AND HEADQUARTER IN THE PRC

227 Sizhong Road
Huzhou
Zhejiang Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

HONG KONG H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

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

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

PRINCIPAL BANKERS

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

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

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

STOCK CODE

6661

COMPANY WEBSITE

www.hzrqgf.com

COMPANY NAMES

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



DEFINITIONS

OTHERS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended from time to time
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards which include standards and interpretations promulgated by the International Accounting Standards Board
“Independent Third Party(ies)”	party(ies) which, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person(s) (as defined in the Listing Rules) of the Company
“Listing Date”	13 July 2022, on which the H Shares are first listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“LNG”	liquefied natural gas



DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NDRC”	the National Development and Reform Commission
“Operating Area”	the Wuxing Operating Area and the Nanxun Operating Area
“PNG”	piped natural gas
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus issued by the Company on 29 June 2022
“Reporting Period” or “Period”	the six months ended 30 June 2026
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Company
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“treasury shares”	has the meaning ascribed thereto under the Listing Rules

In this interim report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translations of company names in Chinese or another language are marked with “” and are provided for identification purposes only.*



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the first half of 2026, China's economy continued its steady and progressive growth trajectory, with GDP reaching RMB69.6 trillion, representing a year-on-year increase of 4.7%, and remained within the reasonable range. According to data from the National Development and Reform Commission, the national apparent consumption of natural gas in the first half of this year was 206.85 billion m³, representing a year-on-year decrease of 2.4%, indicating a structural divergence in industry demand.

In 2026, the inaugural year of the “15th Five-Year Plan”, urban safety governance has entered a new phase. In May, the State Council issued the Urban Renewal Plan for the 15th Five-Year Plan Period (《城市更新「十五五」規劃》), designating the safety project of urban infrastructure lifelines as a core task, requiring real-time monitoring, dynamic early warning, and closed-loop management of risks associated with facilities such as gas pipelines. Urban physical examinations have been rolled out nationwide, shifting gas safety from intensive rectification campaigns to routine inspections, intelligent management and control, and long-term operation and maintenance. The renovation of aging pipeline networks continues to advance, and the focus of urban development has shifted from incremental expansion to quality improvement of existing stock. With the coordinated advancement of the “dual carbon” goals and energy security, the role of natural gas as a “transitional pillar energy” providing peak-shaving support for renewable energy has been further consolidated.

Overall, despite short-term structural adjustments in the natural gas market, the rigid demand for city gas for residential use remains prominent, and safety and smart retrofits are opening up new space for industry development. The Group believes that, backed by the economic vitality of the Yangtze River Delta region, the resilience of residential gas demand, and the continued release of policy dividends from the construction of urban lifeline projects, the demand for natural gas in the region will grow steadily.

DEVELOPMENT STRATEGY AND OUTLOOK

In response to the new development stage of the city gas industry, which has shifted from “incremental expansion” to “quality improvement of existing stock”, the Group has anchored its “1+3+N” strategic framework, closely centering on the three major tasks of “safety, development, and reform”. With technology and innovation as the key driver, the Group is firmly advancing its long-term transformation from a gas supplier to a regional integrated green energy service provider.

The Group will systematically advance multi-dimensional capability upgrades to build long-term competitiveness. With its core natural gas business as the foundation, the Group will strengthen its base through synergies across the entire industry chain, while focusing on cultivating three growth engines – pan-energy, new energy, and value-added services – to cover diverse energy consumption scenarios. In the new energy sector, the Group will shift toward light-asset operations, focusing on technical services such as photovoltaic operation and maintenance, energy-saving retrofits, and carbon management. In value-added services, the Group will leverage its proprietary brands to unlock the value of existing users and extend into integrated energy services. In safety management, the Group will build a full-process sensing network through its “Smart Cloud” platform, enabling intelligent risk identification, early warning, and closed-loop handling, thus shifting from passive prevention to proactive intelligence. In terms of operational services, the Group will promote the upgrade of customer services toward a scenario-based approach, enhance response speed and service quality, and support high-quality development through refined operations.



MANAGEMENT DISCUSSION AND ANALYSIS

Looking ahead, the Group will leverage its regional market advantages and policy dividends to accelerate its green and low-carbon transition while ensuring secure and stable energy supply, continuously optimize its revenue structure, and build a sustainable development pattern featuring a solid core business and diversified support.

BUSINESS REVIEW

The year 2026 marks a pivotal year for further deepening comprehensive reforms and advancing high-quality development. During the Reporting Period, the Group closely adhered to the core objectives of safety in production and operational development, steadily advanced the implementation of various key tasks, and continued to consolidate the foundation for the synergistic development of its dual-core businesses – “gas + clean energy” – while maintaining a stable yet progressive overall operational performance.

The Group has always prioritized production safety. During the Reporting Period, the Group continued to carry out comprehensive grid-based inspections and special rectifications of potential hazards, completed full-coverage safety inspections for industrial and commercial users, and achieved immediate rectification and dynamic elimination of Level I hazards. The Group also organized routine emergency drills and frontline safety skills training, steadily enhancing its capacity to ensure safe operations.

Market expansion and engineering construction have been advancing in an orderly manner. The renovation of aging pipeline networks has been implemented as planned, and supporting pipeline networks in newly developed areas have been carried out in parallel, resulting in continuous expansion of pipeline network coverage. Customer service levels have been consistently optimized, with online service channels continuously improved, and livelihood services such as in-home safety inspections, maintenance and emergency repairs have been adequately ensured, maintaining stable user satisfaction.

As at the end of the Reporting Period, the number of residential users and industrial and commercial users served by the Group amounted to 350,600 and 3,967, respectively, with a gas sales volume of 300.0 million m³.

As at the end of the Reporting Period, the Group was the largest PNG distributor in Huzhou City, Zhejiang Province, the PRC, and the length of the natural gas pipeline network operated within the operating areas of the Group in Huzhou was approximately 1,814.95 kilometers.



MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL ANALYSIS

1. PNG Sales Business

The Group sells PNG to users, including residential, industrial and commercial users as well as wholesale users, through the gas pipeline network. For the six months ended 30 June 2026, the accumulated revenue of the Group from the PNG sales business was RMB966.4 million, representing an increase of 2.19% as compared with the accumulated revenue of RMB945.7 million in the corresponding period of previous year. For the six months ended 30 June 2026, the total gas supply volume was 299.6 million m³, representing an increase of 6.43% as compared with the total gas supply volume of 281.5 million m³ in the corresponding period of previous year.

Sales to end-users: From January to June 2026, the residential gas consumption volume was 30.6 million m³, accounting for 10.21% of the Group's total gas sales volume, while the industrial and commercial gas consumption volume was 222.6 million m³, accounting for 74.30% of the Group's total gas sales volume. For the corresponding period of previous year, the residential gas consumption volume was 27.5 million m³, accounting for 9.77% of the Group's total gas sales volume, while the industrial and commercial gas consumption volume was 222.2 million m³, accounting for 78.93% of the Group's total gas sales volume.

Sales to wholesale users: The gas consumption volume of wholesale users from January to June 2026 was 46.4 million m³, accounting for 15.49% of the Group's total gas sales volume, while the gas consumption volume of wholesale users for the corresponding period of previous year was 31.8 million m³, accounting for 11.30% of the Group's total gas sales volume.

The main reasons for the above increase in revenue are: on the one hand, driven by rigid demand from daily living needs and the improvement of pipeline network coverage, the gas consumption of residential users increased by 3.1 million m³ compared with the corresponding period of the previous year; on the other hand, the Company actively expanded its customer base outside its core market areas, and the gas consumption of wholesale customers increased by 14.6 million m³ compared with the corresponding period of the previous year, thereby driving revenue growth.

2. LNG Sales Business

The Group supplies LNG to industrial users in certain regions of Huzhou on a retail basis. For the six months ended 30 June 2026, the accumulated revenue of the Group from the LNG sales business was RMB67.3 million, representing an increase of 199.11% as compared with RMB22.5 million in the corresponding period of previous year. This increase was primarily attributable to: the Company broadening its regional market boundaries, further optimizing its customer structure, and achieving a significant increase in LNG sales volume, which drove revenue growth.



3. Natural Gas Pipeline Construction and Installation Business

The construction and installation business of the Group focuses on the construction and installation of end user pipeline network and gas facilities as required by customers. For the six months ended 30 June 2026, the revenue of the Group from the natural gas pipeline construction and installation business was RMB52.0 million, representing a decrease of 35.64% as compared with RMB80.8 million in the corresponding period of previous year, which was primarily attributable to: the ongoing deep adjustment in the real estate industry, with new residential and commercial property starts continuing to decline, and the shrinking demand for supporting installation for residential users, resulting in a decrease in pipeline construction revenue.

4. Sales of Energy

The Group's sales of energy mainly include the integrated energy stations for hospitals, services to supply hot water and air-conditioning heating, cooling and power exclusively operated by the Group, and the business to sell steam. For the six months ended 30 June 2026, the revenue of the Group from the sales of energy was RMB18.7 million, representing an increase of 30.77% as compared with RMB14.3 million in the corresponding period of previous year. This increase was mainly attributable to the Group's continuous replication and promotion of customized energy-saving service model during the Reporting Period, in-depth exploration of differentiated energy consumption needs of customers, which helped customers save energy and reduce costs while driving steady increase in its own revenue. In addition, the Group accelerated the implementation and operation of several key pan-energy projects, which led to an overall increase in steam sales revenue.

5. Sales of Distributed Photovoltaic Electricity

The Group's distributed photovoltaic electricity sales primarily consist of the sale of photovoltaic on-grid electricity and self-consumed electricity. For the six months ended 30 June 2026, the Group's revenue from distributed photovoltaic electricity sales was RMB12.4 million, representing an increase of 18.10% from RMB10.5 million in the corresponding period of the previous year, mainly due to the continuous expansion of installed capacity due to the commissioning of a number of photovoltaic energy storage projects during the Reporting Period and the increase in sales revenue as compared with the corresponding period of previous year.

6. Sales of Household Gas Appliances

The Group's sales of household gas appliances are mainly retail sales of cooking appliances, self-closing valves, steam generators and steam boilers to residents, which have little impact on the overall revenue of the Group. For the six months ended 30 June 2026, the revenue of the Group from the sales of household gas appliances was RMB20.0 million, representing an increase of 38.89% as compared with RMB14.4 million in the corresponding period of previous year. This increase was primarily attributable to: first, seizing the policy dividend of the property replacement scheme to expand the retail categories of home appliances such as air conditioners and refrigerators; second, leveraging the advantages of gas supporting resources and collaborating with ecosystem partners to implement hotel radiator installation projects; and third, capitalising on the market opportunities of fully decorated talent apartments and securing contracts for whole-house kitchen appliance packages. The coordinated efforts of these multiple initiatives drove the increase in revenue from household gas appliance sales.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Revenue

The Group's revenue for the Period was RMB1,136.6 million, representing an increase of 4.24% as compared with RMB1,090.4 million in the corresponding period of previous year. The increase in revenue was mainly driven by the Group's proactive efforts to expand its customer base outside its core market areas, resulting in an increase in PNG sales volume to wholesale customers during the Reporting Period.

Gross Profit

The Group's gross profit for the Period was RMB121.2 million, representing a decrease of 12.81% as compared with RMB139.0 million in the corresponding period of previous year. It was mainly due to the continuous regulatory adjustments in the real estate market during the Reporting Period, which led to a reduction in the volume of pipeline construction for newly built residential and commercial properties and a contraction in demand for residential supporting installation, resulting in a decrease in the gross profit from the pipeline construction and installation business.

Other Income and Gains

The Group's other income and gains for the Period were RMB11.2 million, representing a decrease of 4.27% as compared with RMB11.7 million in the corresponding period of previous year. It was mainly due to the decrease in the interest income during the Reporting Period. Affected by the downturn in market interest rates, the average yield of the Group's bank deposits and wealth management products decreased, resulting in a decrease in interest income.

Finance Costs

The Group's finance costs for the Period were RMB1.0 million, representing a decrease of 9.09% as compared with RMB1.1 million in the corresponding period of previous year. It was mainly due to the decrease in interest expenses arising from the decrease in bank borrowings during the Reporting Period. The Group will continue to optimize the debt structure, reduce the pressure of short-term debt repayment, control finance costs and ensure financial sustainability.

Income Tax Expense

The Group's income tax expense for the Period decreased by 13.42% to RMB20.0 million from RMB23.1 million in the corresponding period of previous year. The effective tax rate for the Period was 22.81% (the corresponding period of previous year: 21.92%). Certain companies within the Group enjoyed the preferential tax rates and the tax policy on the additional deduction for research and development expenses. Due to the decrease in the profit contribution ratio of the Group's subsidiaries that enjoyed the preferential tax rates, coupled with a reduction in the amount of additional deduction for research and development, the effective tax rate rose.



Profit attributable to Owners of the Parent

Profit attributable to owners of the parent for the period was RMB43.8 million, representing a decrease of 16.57% as compared with RMB52.5 million in the corresponding period of previous year. This decrease was primarily due to the continuous regulatory adjustments in the real estate market, which led to a decrease in the gross profit from the pipeline construction and installation business, resulting in a decline in the net profit attributable to owners of the parent during the Reporting Period, as compared with the corresponding period of the previous year.

Liquidity and Financial Position

As at 30 June 2026, the current assets of the Group amounted to RMB598.1 million (31 December 2025: RMB622.2 million), of which cash and bank balance was equivalent to RMB365.8 million.

As at 30 June 2026, the current ratio (current assets/current liabilities) of the Group was 0.91 (31 December 2025: 1.05) and the asset-liability ratio (total liabilities/total assets) was 41.23% (31 December 2025: 38.83%).

As at 30 June 2026, the unutilised bank credit balance was RMB255.2 million.

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

The Group obtained a bank loan of RMB14.4 million by using the banking facilities, all denominated in RMB and bearing interest at LPR – 40bps, and the loan term was from 28 February 2024 to 27 February 2036; The Group obtained a bank loan of RMB8.0 million by using the banking facilities, all denominated in RMB and bearing interest at LPR – 40bps, and the loan term was from 1 January 2025 to 17 July 2035. The aforesaid two batches of loans were used for the expansion of the photovoltaic business of Huzhou Huran New Energy Development Co., Ltd.* (湖州湖燃新能源開發有限公司), a subsidiary of the Company.

The gearing ratio of the Group was approximately 3.65% as at 30 June 2026 (as at 31 December 2025: 3.60%). The ratio was calculated by dividing total debt by the total equity of the Group. Total debt includes bank borrowings and lease liabilities. As at 30 June 2026, the Group maintained a net cash position.



MANAGEMENT DISCUSSION AND ANALYSIS

Exchange Rate Fluctuation Risk

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

Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

Financial Guarantee Obligations

As at 30 June 2026, the Group had no material financial guarantee obligations.

Pledge of Assets

As at 30 June 2026, the Group had no pledge of assets.

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

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

Human Resources and Employee Compensation

As at 30 June 2026, the Group employed a total of 440 employees in China (30 June 2025: 452).

During the Period, the total employee costs of the Group were approximately RMB58.2 million. The Group further strengthened the training of employees to enhance their professional level and overall quality, by providing targeted training courses to the management, management personnel at various positions, professional technical personnel and service personnel, and by distributing relevant policies and regulations, industry information and knowledge documents to employees. The Group also provided employees with competitive remuneration packages, which is generally structured with reference to market terms and individual merits and reviewed by the management on a regular basis, so as to encourage them to work hard and show their talents when serving customers.



EVENTS AFTER THE REPORTING PERIOD

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

MATERIAL LITIGATION

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

USE OF NET PROCEEDS FROM LISTING

The H Shares were officially listed on the Stock Exchange on the Listing Date (i.e. 13 July 2022). The net proceeds from the global offering of the H Shares (the **“Global Offering”**) (including proceeds from the additional H Shares issued and allotted pursuant to the exercise of the over-allotment option, and after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering and exercise of the over-allotment option) were approximately HK\$276.3 million (equivalent to RMB236.9 million) (the **“Net Proceeds”**). The Company has utilised and will utilise the Net Proceeds in accordance with the proportion of use allocation as stated under the section headed **“Future Plans and Use of Proceeds”** in the prospectus. As at 30 June 2026, the details of the use of the above Net Proceeds were as follows:

Designated use of Net Proceeds	% of Net Proceeds from the Global Offering	Amount allocated (RMB'000)	Unutilised as of 31 December 2025 (RMB'000)	Utilised during the Reporting Period (RMB'000)	Unutilised as of 30 June 2026 (RMB'000)	Expected to be utilised prior to the following date
Enhance the sales volume of PNG by upgrading our pipeline network and operational facilities	20%	47,400	0	0	0	
Expand our business to other geographical areas through strategic acquisition	30%	71,000	71,000	0	71,000	By the end of 2026
Expand into distributed photovoltaic power generation business	30%	71,000	0	0	0	
Promote the use of heat energy from vapour generated by our natural gas through natural gas boilers	10%	23,800	10,360	3,806	6,553	By the end of 2026
Working capital and general corporate purposes	10%	23,700	0	0	0	
Total	100%	236,900	81,360	3,806	77,553	

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



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2026, so far as is known to the Directors, none of the Directors or chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as is known to the Directors, the interests or short positions of the persons (other than the Directors or chief executives of the Company) in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would be required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO are as follows:

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Class of Shares	Capacity	Number of Shares ¹	Approximate percentage of shareholding in the relevant class of Shares ²	Total approximate percentage of shareholding in the total share capital of the Company ³
SDIC Taikang Trust Co., Ltd.* (國投泰康信託有限公司) ⁶	H Shares	Trustee	15,000,000 (L)	28.46%	7.40%
Orient Fund Management Co., Ltd.* (東方基金管理股份有限公司) ⁷	H Shares	Trustee	8,000,000 (L)	15.18%	3.95%
BOCOM International Securities Company Limited	H Shares	Person having a security interest in shares	7,500,000 (L) 7,500,000 (S)	14.23% 14.23%	3.70% 3.70%
BOCOM International Holdings Company Limited ⁸	H Shares	Interest in a controlled corporation	7,500,000 (L) 7,500,000 (S)	14.23% 14.23%	3.70% 3.70%
Bank of Communications (Nominee) Company Limited ⁸	H Shares	Interest in a controlled corporation	7,500,000 (L) 7,500,000 (S)	14.23% 14.23%	3.70% 3.70%
Bank of Communications Co., Ltd. ⁹	H Shares	Interest in a controlled corporation	7,500,000 (L) 7,500,000 (S)	14.23% 14.23%	3.70% 3.70%
NEW PARTNER INTL LTD	H Shares	Beneficial owner	3,939,000 (L)	7.47%	1.94%
Meng Erhu (蒙二虎) ⁹	H Shares	Interest in a controlled corporation	3,939,000 (L)	7.47%	1.94%
Wu Shuying (吳淑英) ⁹	H Shares	Interest of spouse	3,939,000 (L)	7.47%	1.94%
Yu Lingqiang (郁林強)	H Shares	Beneficial owner	2,805,500 (L)	5.32%	1.38%
Yu Rongfang (郁蓉芳) ¹⁰	H Shares	Interest of spouse	2,805,500 (L)	5.32%	1.38%

Notes:

- The letter "L" denotes the Shareholder's long position in the Shares and underlying Shares of the Company.
- The calculation of approximate percentage of Domestic Shares' shareholding in the relevant class of Shares and that of H Shares' shareholding in the relevant class of Shares are based on the total number of 150,000,000 Domestic Shares and 52,714,500 H Shares in issue as at 30 June 2026 respectively.
- The calculation is based on the total number of 202,714,500 Shares in issue as at 30 June 2026.
- As at 30 June 2026, City Group, which was wholly-owned by Huzhou SASAC, was a controlling shareholder of the Company. Under the SFO, Huzhou SASAC was deemed to be interested in the same number of Shares in which City Group was interested.
- As at 30 June 2026, according to the disclosure of interest forms filed to the Stock Exchange by their controlled corporations and persons, they were deemed to be interested in the same number of Shares in which Xiniao (China) was interested.
- SDIC Taikang Trust Co., Ltd.* is the trustee of SDIC Taikang Trust – Ruijin No. 35 QDII Single Fund Trust and SDIC Taikang Trust – Ruijin No. 36 QDII Single Fund Trust which hold 6,600,000 H Shares and 8,400,000 H Shares, respectively, as at 30 June 2026.
- Orient Fund Management Co., Ltd.* is the trustee of a private trust which holds 8,000,000 H Shares as at 30 June 2026.
- As at 30 June 2026, according to the disclosure of interest forms filed to the Stock Exchange by their controlled corporations and persons, they were deemed to be interested in the same number of Shares in which BOCOM International Securities Company Limited was interested.
- NEW PARTNER INTL LTD is wholly owned by Mr. Meng Erhu (蒙二虎), and Ms. Wu Shuying (吳淑英) is the spouse of Mr. Meng Erhu (蒙二虎). As at 30 June 2026, according to the disclosure of interest forms filed to the Stock Exchange by them, Mr. Meng Erhu is deemed to be interested in the same number of Shares in which NEW PARTNER INTL LTD is interested, and Ms. Wu Shuying is deemed to be interested in the same number of Shares in which Mr. Meng Erhu is interested.
- Ms. Yu Rongfang (郁蓉芳) is the spouse of Mr. Yu Lingqiang (郁林強). As at 30 June 2026, according to the disclosure of interest forms filed to the Stock Exchange by her, Ms. Yu Rongfang is deemed to be interested in the same number of Shares in which Mr. Yu Lingqiang is interested.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, the Directors are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would be required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or who was, or directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard its shareholders' interests and enhance the Company's corporate value, accountability and transparency.

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

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

Changes in information of Directors and chief executives of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

1. Mr. Sun Xiaowei ceased to be the general manager of the strategic investment department of City Group. Since June 2026, Mr. Sun has served as the chief of the office of City Group, and since July 2026, Mr. Sun was appointed as the board secretary of City Group.
2. Mr. Zhou Xinfa ceased to be an independent director in Hengsheng Energy Co., Ltd.* (恒盛能源股份有限公司), a Chinese energy company listed on the Shanghai Stock Exchange (stock code: 605580), with effect from 20 June 2026.
3. Ms. Yao Yanli was promoted to the head of the operation department of the Company since March 2026.

Save as disclosed above, there is no other change in information of Directors and chief executives of the Company, required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published annual report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

The Code of Conduct also applies to employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Code of Conduct by the employees was noted by the Company during the Reporting Period.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

SHARE SCHEMES

For the six months ended on 30 June 2026, the Company had no share option scheme or share award scheme.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The Audit Committee has reviewed, together with the Company's management, the accounting principles and policies adopted by the Group and the unaudited interim results for the Reporting Period, and is of the opinion that the preparation of such interim results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made and has no disagreement with the accounting treatment adopted.



INDEPENDENT REVIEW REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of Huzhou Gas Co., Ltd.

(Established in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages 20 to 52, which comprises the condensed consolidated statement of financial position of Huzhou Gas Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board (the "IASB"). The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
28 August 2026



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June	
		2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
REVENUE	4	1,136,598	1,090,375
Cost of sales		(1,015,393)	(951,339)
GROSS PROFIT		121,205	139,036
Other income and gains	5	11,161	11,663
Selling and distribution expenses		(16,651)	(17,104)
Administrative expenses		(25,380)	(21,388)
Reversal of impairment/(impairment) on financial assets		2,117	(304)
Other expenses		(3,793)	(5,618)
Finance costs		(1,022)	(1,063)
Share of profits and losses of:			
Joint ventures		49	199
PROFIT BEFORE TAX	6	87,686	105,421
Income tax expense	7	(20,024)	(23,061)
PROFIT FOR THE PERIOD		67,662	82,360
Attributable to:			
Owners of the parent		43,782	52,467
Non-controlling interests		23,880	29,893
		67,662	82,360
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period (RMB)	9	0.22	0.26



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	67,662	82,360
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(9)	(8)
Income tax effect	2	2
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(7)	(6)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(7)	(6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	67,655	82,354
Total comprehensive income attributable to:		
Owners of the parent	43,775	52,461
Non-controlling interests	23,880	29,893
	67,655	82,354



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Lease receivables		4,249	3,626
Property, plant and equipment	10	1,155,626	1,115,557
Investment properties		670	925
Right-of-use assets		71,213	72,784
Goodwill		28,506	28,506
Other intangible assets		58,307	62,021
Investments in joint ventures		12,301	12,252
Deferred tax assets		19,731	20,192
Time deposits		310,110	306,390
Total non-current assets		1,660,713	1,622,253
CURRENT ASSETS			
Inventories		17,771	14,675
Lease receivables		887	1,360
Trade and bills receivables	11	45,592	54,216
Debt investments at fair value through other comprehensive income		2,804	417
Prepayments, other receivables and other assets		29,531	30,200
Due from related parties		4,974	8,801
Pledged deposits		20	20
Time deposits		130,731	203,031
Cash and cash equivalents		365,782	309,434
Total current assets		598,092	622,154



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	12	109,928	124,188
Other payables and accruals		216,971	113,627
Contract liabilities		294,537	299,762
Interest-bearing bank borrowings	13	1,000	900
Due to related parties		19,398	26,994
Tax payables		15,152	25,610
Lease liabilities		1,479	1,296
Total current liabilities		658,465	592,377
NET CURRENT (LIABILITIES)/ASSETS		(60,373)	29,777
TOTAL ASSETS LESS CURRENT LIABILITIES		1,600,340	1,652,030
NON-CURRENT LIABILITIES			
Contract liabilities		55,238	66,693
Interest-bearing bank borrowings	13	21,300	21,800
Deferred tax liabilities		16,068	16,801
Deferred income		123,246	124,358
Other non-current liabilities		32,235	24,023
Lease liabilities		24,659	25,378
Total non-current liabilities		272,746	279,053
Net assets		1,327,594	1,372,977
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	202,715	202,715
Reserves		1,052,254	1,069,293
		1,254,969	1,272,008
Non-controlling interests		72,625	100,969
Total equity		1,327,594	1,372,977



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent										
	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Other reserve* RMB'000	Special reserve – safety fund* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	202,715	730,002	35,836	33,629	33,942	45,482	(6)	190,408	1,272,008	100,969	1,372,977
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:											
Fair value reserve of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(7)	-	(7)	-	(7)
Total comprehensive income for the period	-	-	-	-	-	-	(7)	43,782	43,775	23,880	67,655
Dividend declared (note 8)	-	-	-	-	-	-	-	(60,814)	(60,814)	-	(60,814)
Dividends declared by subsidiaries of the Company to non-controlling interests	-	-	-	-	-	-	-	-	-	(52,224)	(52,224)
Special reserve – safety fund	-	-	-	-	2,091	-	-	(2,091)	-	-	-
At 30 June 2026 (unaudited)	202,715	730,002	35,836	33,629	36,033	45,482	(13)	171,285	1,254,969	72,625	1,327,594

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Other reserve* RMB'000	Special reserve – safety fund* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000
At 31 December 2024 (audited)	202,715	730,002	35,836	32,703	29,010	36,235	(3)	171,650	1,238,148	97,069
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:										
Fair value reserve of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(6)	-	(6)	-
Total comprehensive income for the period	-	-	-	-	-	-	(6)	52,467	52,467	29,893
Dividend declared (note 8)	-	-	-	-	-	-	-	(60,814)	(60,814)	-
Dividends declared by subsidiaries of the Company to non-controlling interests	-	-	-	-	-	-	-	-	-	(50,206)
Special reserve – safety fund	-	-	-	-	4,476	-	-	(4,476)	-	-
At 30 June 2025 (unaudited)	202,715	730,002	35,836	32,703	33,486	36,235	(9)	158,827	1,229,795	76,756
At 30 June 2026	202,715	730,002	35,836	32,703	33,486	36,235	(9)	158,827	1,229,795	76,756
At 30 June 2027	202,715	730,002	35,836	32,703	33,486	36,235	(9)	158,827	1,229,795	76,756

* These reserve accounts comprise the consolidated reserves of RMB1,052,254,000 and RMB1,027,080,000 in the condensed consolidated statements of financial position as at 30 June 2026 and 30 June 2025, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		87,686	105,421
Adjustments for:			
Finance costs		1,022	1,063
Interest income		(4,908)	(4,118)
Share of profits of joint ventures		(49)	(199)
Loss on disposal of items of property, plant and equipment		160	31
Depreciation of property, plant and equipment	10	41,757	35,311
Depreciation of investment properties		36	11
Depreciation of right-of-use assets		1,490	1,503
Amortisation of other intangible assets		3,714	3,727
Fair value gains on wealth management products	6	(999)	(1,047)
(Gain)/loss on foreign exchange differences		(60)	39
Finance income on the net investment in a lease	5	(358)	(365)
Reversal/(write-down) of inventories to net realisable value	6	90	(98)
(Reversal of impairment)/impairment of financial assets, net	6	(2,117)	304
		127,464	141,583
Increase in inventories		(3,186)	(238)
Decrease in trade and bills receivables		10,759	7,438
Increase in debt investments at fair value through other comprehensive income		(2,396)	(807)
Decrease in prepayments, other receivables and other assets		859	4,485
Decrease in trade and bills payables		(14,260)	(19,681)
Decrease in other payables and accruals		(6,337)	(31,644)
Decrease in contract liabilities		(16,680)	(13,733)
Decrease in due from related parties		3,827	3,551
Decrease in due to related parties		(7,596)	(12,864)
Increase in deferred income		1,215	37,815
Cash generated from operations		93,669	115,905
Income taxes paid		(30,752)	(38,551)
Net cash flows from operating activities		62,917	77,354



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(110,053)	(87,093)
Placement of time deposits with original maturity of more than three months	(130,000)	(540,000)
Withdrawal of time deposits with original maturity of more than three months	203,488	—
Proceeds from disposal of items of property, plant and equipment	32,476	12,058
Purchases of wealth management products	(197,000)	(100,000)
Proceeds from disposal of wealth management products	197,999	101,047
Net cash flows used in investing activities	(3,090)	(613,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans and other borrowings	—	8,550
Repayment of bank loans	(400)	(300)
Dividends and interest paid	(1,946)	(1,978)
Payments of lease liabilities	(1,193)	(1,505)
Net cash flows (used in)/from financing activities	(3,539)	4,767
Effect of foreign exchange rate changes, net	60	(39)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	56,348	(531,906)
Cash and cash equivalents at beginning of period	309,434	828,524
CASH AND CASH EQUIVALENTS AT END OF PERIOD	365,782	296,618
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	365,782	296,618



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

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

During the six months ended 30 June 2026, the Group was involved in the following principal activities:

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

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

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

2.1 BASIS OF PREPARATION

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

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared under the going concern basis notwithstanding the fact that, as at 30 June 2026, the Group had net current liabilities of approximately RMB60,373,000. Having taken into non-current time deposits with original maturities over one year of RMB310,110,000 which could be withdrawn prior to maturity, and available banking facilities of RMB255,200,000 as at 30 June 2026, and together with the expected operating cash outflow which covers a period of not less than twelve months from 30 June 2026 prepared by the management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Accordingly, the directors of the Company consider that it is appropriate to prepare interim condensed consolidated financial information for the six months ended 30 June 2026 on a going concern basis.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

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

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	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 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.
- (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 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.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION

The Group has only one reportable operating segment which engages in (i) sale of gas, mainly PNG (under the concessions) and LNG in Huzhou; (ii) provision of construction and installation services; and (iii) other activities, including the sale of household gas appliances and relevant equipment, energy, distributed photovoltaic power and the leasing of properties. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

	For the six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Chinese Mainland	1,136,598	1,090,375

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

Seasonality of operations

The principal business activities of the Group include the distribution and sale of PNG and LNG, sale of energy and provision of construction and installation services. Historically, higher sales revenue is usually expected during the winter months due to higher gas consumption for heating. This information is provided only to allow for a better understanding of the results. Management has concluded that the Group's business is not "highly seasonal" in accordance with IAS 34.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of gas, energy and other goods	1,072,329	996,977
Provision of construction and installation services	52,030	80,794
Distributed photovoltaic power	12,405	10,512
Others	2,155	3,690
<i>Revenue from other sources</i>		
Gross rental income	119	103
	1,139,038	1,092,076
Less: Government surcharges	(2,440)	(1,701)
Total	1,136,598	1,090,375
<i>Revenue from contracts with customers</i>		
Types of goods or services		
Sale of PNG	966,371	945,717
Sale of LNG	67,259	22,516
Sale of household gas appliances and relevant equipment	19,952	14,395
Sale of energy	18,747	14,349
Provision of construction and installation services	52,030	80,794
Sale of distributed photovoltaic power	12,405	10,512
Others	2,155	3,690
	1,138,919	1,091,973
Less: Government surcharges	(2,440)	(1,701)
Total	1,136,479	1,090,272
Timing of revenue recognition		
Goods or services transferred at a point in time	1,086,889	1,011,179
Services transferred over time	52,030	80,794
	1,138,919	1,091,973
Less: Government surcharges	(2,440)	(1,701)
Total	1,136,479	1,090,272

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	576	3,344
Interest income from time deposits	4,908	4,118
Finance income on the net investment in a lease	358	365
Government grants	4,136	2,577
Others	124	212
	10,102	10,616
Other gains		
Exchange gains	60	—
Fair value gains on wealth management products	999	1,047
	1,059	1,047
Total	11,161	11,663



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

6. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of inventories sold*		988,087	912,143
Cost of services provided*		27,306	39,196
Depreciation of property, plant and equipment	10	41,757	35,311
Depreciation of investment properties		36	11
Depreciation of right-of-use assets		1,490	1,503
Amortisation of other intangible assets		3,714	3,727
Impairment of financial assets, net:			
(Reversal of impairment)/impairment of trade receivables		(2,135)	545
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets		18	(241)
		(2,117)	304
Bank interest income	5	(576)	(3,344)
Bank time deposit interest income	5	(4,908)	(4,118)
Fair value gains on wealth management products	5	(999)	(1,047)
Interest expenses on lease liabilities		657	666
Loss on disposal of items of property, plant and equipment		160	31
Reversal/(write-down) of inventories to net realisable value		90	(98)

* The cost of inventories sold and services provided includes depreciation of property, plant and equipment and employee benefit expense, which are also included in the respective total amounts of the items disclosed above.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

7. INCOME TAX

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

The provision for current income tax in Chinese Mainland is calculated based on the statutory rate of 25% (2025: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 (the “New Corporate Income Tax Law”), except for five certain subsidiaries of the Group in Chinese Mainland that carried out production and operation of distributed photovoltaic power, which are subject to a preferential rate as below, and a subsidiary of the Group in Chinese Mainland that is a High-Tech Enterprise, which is subject to a preferential rate of 15%.

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

In accordance with the relevant provisions of the *Measures for the Administration of the Recognition of High-Tech Enterprises* issued by the Ministry of Finance and the State Taxation Administration, Huzhou Xinao Gas Development Co., Ltd. (“Xinao Development”), a subsidiary of the Group, was recognised as a High-Tech Enterprise in 2024. As a result, Xinao Development was subject to a preferential corporate income tax rate of 15% in 2026.

Pursuant to the Corporate Income Tax of the PRC and the respective regulations, Deqing Xinrui, a subsidiary of the Group, was qualified as a small and micro enterprise in 2021, and was entitled to a preferential income tax rate of 5% for the first RMB3,000,000 of assessable profits.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

7. INCOME TAX (continued)

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)
Income tax:		
Current tax	20,294	32,665
Deferred tax	(270)	(9,604)
Total tax charge for the period	20,024	23,061

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends declared by the Company		
– RMB0.30 (2025: RMB0.30) per ordinary share	60,814	60,814
Proposed interim	–	–

The Board of Directors did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the period.

The Company did not have any potential dilutive ordinary shares outstanding during the reporting period.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent	43,782	52,467
	Number of shares	
	30 June 2026	30 June 2025
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	202,714,500	202,714,500
<u>Earnings per share</u>		
Basic (RMB)	21.6 cents	25.9 cents

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying value at beginning of period/year	1,115,557	1,045,193
Additions	107,162	149,383
Transferred from/(to) investment properties	219	(712)
Depreciation charge for the period/year	(41,757)	(70,501)
Disposals	(25,555)	(7,806)
Carrying value at end of period/year	1,155,626	1,115,557

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

11. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	37,828	49,630
Impairment	(5,533)	(7,668)
	32,295	41,962
Bills receivable	13,297	12,254
Total	45,592	54,216

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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	30,310	38,564
3 months to 6 months	1,942	3,134
6 months to 1 year	43	264
Total	32,295	41,962

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	104,372	119,743
Over 1 year	5,556	4,445
Total	109,928	124,188



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

13. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	Maturity	30 June 2026 RMB'000 (Unaudited)	Effective interest rate	Maturity	31 December 2025 RMB'000 (Audited)
Current						
Bank loans – secured	Loan Prime Rate- 40bps	2026–2027	1,000	Loan Prime Rate- 40bps	2026	900
Non-current						
Bank loans – secured	Loan Prime Rate- 40bps	2027–2036	21,300	Loan Prime Rate- 40bps	2027–2036	21,800
Total			22,300			22,700

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	1,000	900
In the second year	1,200	1,100
In the third to fifth years, inclusive	5,550	5,100
Beyond five years	14,550	15,600
Total	22,300	22,700

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

14. SHARE CAPITAL

	Number of shares	Nominal value RMB'000
Ordinary shares as at:		
31 December 2025 (audited)	202,714,500	202,715
30 June 2026 (unaudited)	202,714,500	202,715

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Name and relationship

Name of related party	Relationship with the Group
Huzhou City Investment and Development Group Co., Ltd. (湖州市城市投資發展集團有限公司)	Controlling shareholder of the Company
Xiniao (China) Gas Investment Company Limited ("ENN (China)") (新奧(中國)燃氣投資有限公司)	Shareholder of the Company
Huzhou Hushiran Energy Trading Co., Ltd. ("Hushiran Energy") (湖州湖石燃能源貿易有限公司)	Joint venture
Huzhou Huaxing Urban Construction Development Co., Ltd. ("Huzhou Huaxing") (湖州市華興城建發展有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Fangzong Real Estate Group Co., Ltd. ("Huzhou Fangzong") (湖州房總地產開發集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Zhongfang Zhiye Co., Ltd. ("Huzhou Zhongfang Zhiye") (湖州中房置業有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Urban Construction Investment Group Co., Ltd. ("Huzhou Urban Construction") (湖州市城建投資集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Shushan Sanatorium Co., Ltd. ("Shushan Sanatorium") (湖州蜀山老年醫院有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Weineng Environment Co., Ltd. ("Weineng Environment") (湖州威能環境服務有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Licheng Investment Development Co., Ltd. ("Huzhou Licheng") (湖州立城投資建設有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Nanxun Xinjiangnan Culinary Culture Co., Ltd. ("Huzhou Nanxun Xinjiangnan") (湖州南潯新江南美食文化有限公司)	Company controlled by the controlling shareholder of the Company

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Huzhou City Water Group Co., Ltd. ("Huzhou Water") (湖州市水務集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Wuxing South Taihu Agricultural Products Co., Ltd. ("South Taihu Agricultural Products") (湖州吳興南太湖農產品有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Hotel Co., Ltd. (湖州賓館有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Health Group Co., Ltd. (湖州市健康集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Urban Investment Talent Industrial Park Development and Management Co., Ltd. ("Huzhou Urban Investment Talent") (湖州城投人才產業園開發管理有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Chuangcheng Construction and Development Co., Ltd. ("Huzhou Chuangcheng") (湖州創城建設發展有限公司)	Company controlled by the controlling shareholder of the Company
Zhejiang Huzhou Pinhui Trading Co., Ltd. ("Huzhou Pinhui") (浙江湖州品惠貿易有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Leibo Human Resources Service Co., Ltd. ("Huzhou Leibo") (湖州雷博人力資源服務有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Talent Development Group Co., Ltd. ("Huzhou Talent Development") (湖州市人才發展集團有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Northern City Construction Investment Co., Ltd. ("Huzhou Northern City") (湖州市北建設投資有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Senge New Materials Co., Ltd. ("Huzhou Senge") (湖州森格新材料有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Urban Cultural Tourism Operation Group Co., Ltd. ("Huzhou Urban Cultural Tourism") (湖州市文化旅遊運營集團有限公司)	Company controlled by the controlling shareholder of the Company

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Huzhou Urban Digital Technology Co., Ltd. ("Huzhou Urban Digital") (湖州市數字科技有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Jinglong Real Estate Development Co., Ltd. ("Huzhou Jinglong") (湖州璟龍房地產開發有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Chengyun Market Development Co., Ltd. ("Huzhou Chengyun") (湖州市城運市場發展有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Ruxin Construction Development Co., Ltd. ("Ruxin Construction") (湖州市如鑫建設開發有限公司)	Company controlled by the controlling shareholder of the Company
Huzhou Binyue Real Estate Development Co., Ltd. ("Huzhou Binyue") (湖州濱悅房地產開發有限公司)	Company controlled by the controlling shareholder of the Company
Ningbo Chengji Energy Trading Co., Ltd. ("Ningbo Intercity") (寧波城際能源貿易有限公司)	Company controlled by shareholders of the Company
Nanjing Xiniao Intelligent Technology Co., Ltd. ("Nanjing Xiniao Technology") (南京新奧智能科技有限公司)	Company controlled by shareholders of the Company
Zhoushan ENN Energy Trading Co., Ltd. ("Zhoushan ENN") (舟山新奧能源貿易有限公司)	Company controlled by shareholders of the Company
Langfang Branch of ENN (China) (新奧(中國)燃氣投資有限公司廊坊分公司)	Branch controlled by shareholders of the Company
Xiniao Insurance Brokers Co., Ltd. ("Xiniao Brokers") (新奧保險經紀有限公司)	Company controlled by shareholders of the Company
ENN Hengxin Investment Co., Ltd. ("Hengxin Investment") (新奧恒新投資有限公司)	Company controlled by shareholders of the Company



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Zhejiang Xin'ao Energy Development Co., Ltd. ("Zhejiang Xin'ao Energy") (浙江新奧能源發展有限公司)	Company controlled by shareholders of the Company
ENN (Zhoushan) LNG Co., Ltd. (新奧(舟山)液化天然氣有限公司)	Company controlled by shareholders of the Company
Xindi Energy engineering Technology Co., Ltd. (新地能源工程技術有限公司)	Company controlled by shareholders of the Company
Longyou Xinao Intelligent Energy Co., Ltd. ("Longyou Xinao") (龍游新奧智慧能源有限公司)	Company controlled by shareholders of the Company
Seven-cultivation Hotel Management Co., Ltd. ("Seven-cultivation Hotel") (新繹七修酒店管理有限公司)	Company controlled by shareholders of the Company
Xinao Shuneng Technology Co., Ltd. ("Xinao Shuneng") (新奧數能科技有限公司)	Company controlled by shareholders of the Company
Laikang Life Technology Co., Ltd. ("Laikang Life") (來康生命科技有限公司)	Company controlled by shareholders of the Company
Bokang Intelligent Information Technology Co., Ltd. ("Bokang Intelligent") (博康智能信息技術有限公司)	Company controlled by shareholders of the Company
Shangrao Xinao Energy Development Co., Ltd. ("Shangrao Xinao") (上饒市新奧能源發展有限公司)	Company controlled by shareholders of the Company



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2026 and 2025:

		For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the six months ended 30 June 2025 RMB'000 (Unaudited)
	Notes		
Joint venture:			
<i>Rental income from:</i>			
Hushiran Energy	(ii)	88	70
<i>Sale of natural gas to:</i>			
Hushiran Energy	(v)	689	—
<i>Sales of energy to:</i>			
Hushiran Energy	(iv)	6	8
Others:			
<i>Purchases of materials from:</i>			
Nanjing Xinao Technology	(i)	548	1,062
Huzhou Pinhui	(i)	57	—
Seven-cultivation Hotel	(i)	52	36
Huzhou Water	(i)	17	127
Xinao Shuneng	(i)	—	127
		674	1,352



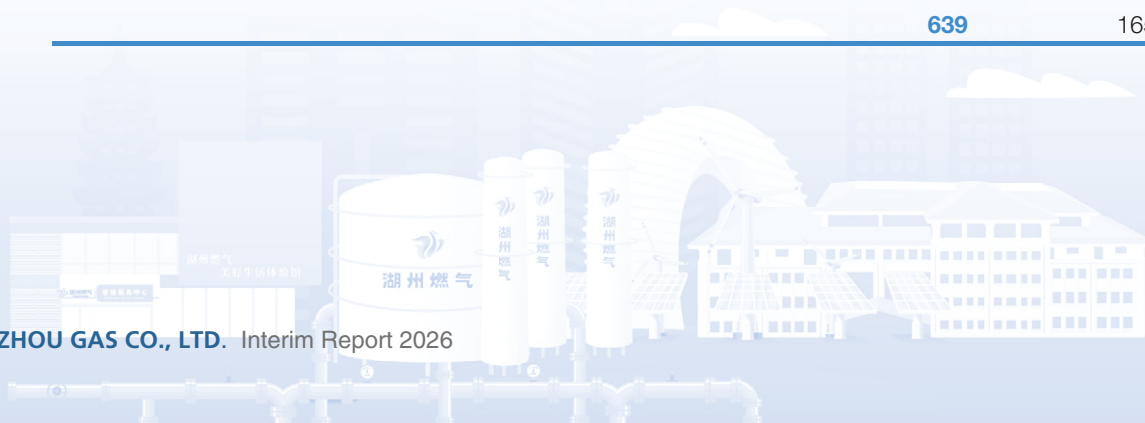
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2026 and 2025: (continued)

		For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the six months ended 30 June 2025 RMB'000 (Unaudited)
	Notes		
Others: (continued)			
<i>Purchase of LNG from:</i>			
Ningbo Intercity	(i)	25,807	15,665
<i>Purchase of PNG from:</i>			
Ningbo Intercity	(i)	438,882	443,739
<i>Purchase of steam from:</i>			
Weineng Environment	(i)	951	670
<i>Purchases of property, plant and equipment from:</i>			
Ruxin Construction	(x)	39,207	—
<i>Purchases of services from:</i>			
ENN (Zhoushan) LNG Co., Ltd.	(ix)	3,361	3,361
<i>Administrative and selling expenses paid to:</i>			
Huzhou Leibo	(iii)	324	—
Bokang Intelligent	(iii)	149	—
Hengxin Investment	(viii)	80	63
Shangrao Xinao	(iii)	29	—
Zhejiang Xin'ao Energy	(iii)	22	85
Longyou Xinao	(iii)	13	8
Langfang Branch of ENN (China)	(iii)	12	9
Xinao Shuneng	(iii)	10	—
		639	165



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2026 and 2025: (continued)

		For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the six months ended 30 June 2025 RMB'000 (Unaudited)
	Notes		
Others: (continued)			
<i>Sales of natural gas to:</i>			
Huzhou Senge	(v)	1,489	–
Weineng Environment	(v)	456	821
South Taihu Agricultural Products	(v)	140	182
Huzhou Hotel Co., Ltd.	(v)	21	23
Huzhou Licheng	(v)	12	13
Huzhou Urban Digital	(v)	12	–
Shushan Sanatorium	(v)	11	11
Huzhou Urban Cultural Tourism	(v)	8	–
Huzhou Urban Construction	(v)	5	6
Huzhou Fangzong	(v)	5	5
Huzhou Zhongfang Zhiye	(v)	4	7
Huzhou Water	(v)	2	2
Huzhou Health Group Co., Ltd.	(v)	–	4
		2,165	1,074
<i>Sales of household gas appliances and relevant equipment to:</i>			
Huzhou Fangzong	(vi)	1,122	–
Huzhou Chengyun	(vi)	131	–
Huzhou Jinglong	(vi)	91	–
Huzhou Northern City	(vi)	13	–
Huzhou Urban Investment Talent	(vi)	–	429
Huzhou Huaxing	(vi)	–	14
Huzhou Zhongfang Zhiye	(vi)	–	8
Huzhou Urban Construction	(vi)	–	2
		1,357	453



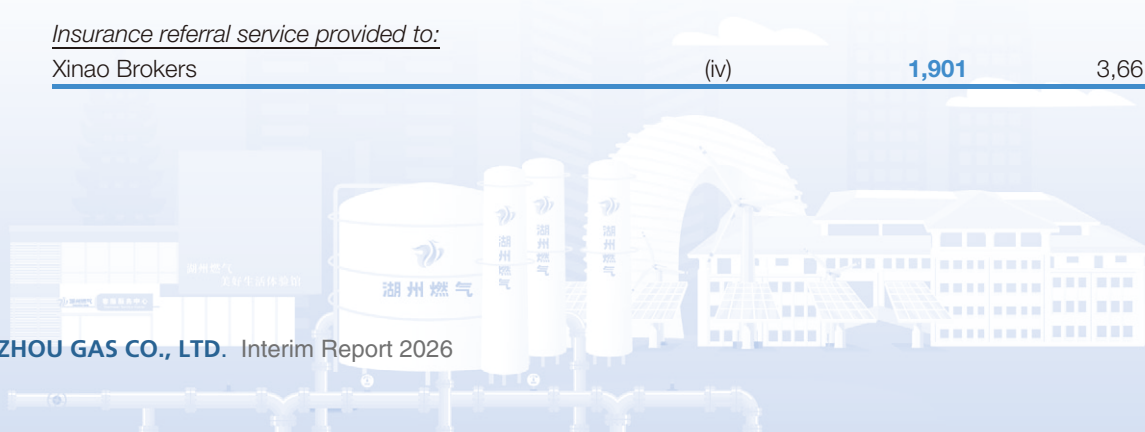
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2026 and 2025: (continued)

		For the six months ended 30 June 2026 RMB'000 (Unaudited)	For the six months ended 30 June 2025 RMB'000 (Unaudited)
	Notes		
Others: (continued)			
<i>Provision of construction and installation services to:</i>			
Huzhou Urban Investment Talent	(vi)	860	73
Huzhou Fangzong	(vi)	750	63
Huzhou Huaxing	(vi)	134	–
Huzhou Chuangcheng	(vi)	27	–
Huzhou Northern City	(vi)	–	143
		1,771	279
<i>Finance income from a finance lease of equipment from:</i>			
Shushan Sanatorium	(vii)	358	365
<i>Sales of energy to:</i>			
Shushan Sanatorium	(iv)	848	917
<i>Sale of distributed photovoltaic power to:</i>			
Huzhou Licheng	(iv)	825	948
South Taihu Agricultural Products	(iv)	490	575
Weineng Environment	(iv)	441	373
Huzhou Senge	(iv)	75	–
Huzhou Chengyun	(iv)	57	–
Huzhou Nanxun Xinjiangnan	(iv)	21	–
		1,909	1,896
<i>Insurance referral service provided to:</i>			
Xiniao Brokers	(iv)	1,901	3,661



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The Group had the following transactions with related parties during the six months ended 30 June 2026 and 2025: (continued)

Notes:

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



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Outstanding balances with related parties

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
<i>Amounts due from related parties:</i>			
Huzhou Shushan Sanatorium Co., Ltd.	(i)	1,379	1,285
Ningbo Chengji Energy Trading Co., Ltd.	(i)	1,235	2,435
Huzhou Wuxing South Taihu Agricultural Products Co., Ltd.	(i)	782	101
Xinao Insurance Brokers Co., Ltd.	(i)	720	1,143
Nanjing Xinao Intelligent Technology Co., Ltd.	(i)	367	–
Huzhou Licheng Investment Development Co., Ltd.	(i)	132	314
Xinao Shuneng Technology Co., Ltd.	(i)	125	–
Huzhou Talent Development Group Co., Ltd.	(i)	91	91
Huzhou Weineng Environment Co., Ltd.	(i)	72	51
Huzhou Chengyun Market Development Co., Ltd.	(i)	38	65
Huzhou Senge New Materials Co., Ltd.	(i)	17	8
Laikang Life Technology Co., Ltd.	(ii)	10	10
Huzhou Fangzong Real Estate Group Co., Ltd.	(i)	3	82
Huzhou Nanxun Xinjiangnan Culinary Culture Co., Ltd.	(i)	3	3
ENN (Zhoushan) LNG Co., Ltd.	(i)	–	3,134
Zhejiang Huzhou Pinhui Trading Co., Ltd.	(i)	–	45
Huzhou Jinglong Real Estate Development Co., Ltd.	(i)	–	34
		4,974	8,801

Amounts due to related parties:

Zhoushan ENN Energy Trading Co., Ltd.	(iii)	12,636	18,465
Xindi Energy Engineering Technology Co., Ltd.	(iii)	5,400	–
Xinao (China) Gas Investment Company Limited	(iii)	506	506
Huzhou Huaxing Urban Construction Development Co., Ltd.	(iii)	253	128
ENN (Zhoushan) LNG Co., Ltd.	(iii)	227	7,335
Huzhou Weineng Environment Co., Ltd.	(iii)	138	157
Bokang Intelligent Information Technology Co., Ltd.	(iii)	106	46
Nanjing Xinao Intelligent Technology Co., Ltd.	(iii)	61	272
Shangrao Xinao Energy Development Co., Ltd.	(iii)	30	–
Huzhou City Investment and Development Group Co., Ltd.	(iii)	29	–
Xinao Shuneng Technology Co., Ltd.	(iii)	12	75
Langfang Branch of ENN (China)	(iii)	–	10
		19,398	26,994

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Outstanding balances with related parties (continued)

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
<i>Amounts due to related parties included in contract liabilities:</i>			
Huzhou Fangzong Real Estate Group Co., Ltd.	(iv)	1,807	11
Huzhou Weineng Environment Co., Ltd.	(iv)	281	307
Huzhou Senge New Materials Co., Ltd.	(iv)	197	197
Huzhou Wuxing South Taihu Agricultural Products Co., Ltd.	(iv)	96	117
Huzhou Urban Investment Talent Industrial Park Development and Management Co., Ltd.	(iv)	80	10
Huzhou Hotel Co., Ltd.	(iv)	21	19
Huzhou urban Cultural Tourism Operation Group Co., Ltd.	(iv)	17	15
Huzhou Zhongfang Zhiye Co., Ltd.	(iv)	13	17
Huzhou Chengyun Market Development Co., Ltd.	(iv)	4	125
Huzhou City Water Group Co., Ltd.	(iv)	4	5
Huzhou Urban Construction Investment Group Co., Ltd.	(iv)	2	–
Huzhou Licheng Investment Development Co., Ltd.	(iv)	1	2
Huzhou Urban Digital Technology Co., Ltd.	(iv)	1	2
Huzhou Binyue Real Estate Development Co., Ltd.	(iv)	–	993
Huzhou Huaxing Urban Construction Development Co., Ltd.	(iv)	–	6
		2,524	1,826

Amount due to a related party included in lease liabilities:

Huzhou Talent Development Group Co., Ltd.	(v)	692	1,049
---	-----	-----	-------

Amount due from a related party included in lease receivables:

Huzhou Shushan Sanatorium Co., Ltd.	(vi)	4,249	3,626
-------------------------------------	------	-------	-------



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Outstanding balances with related parties (continued)

Notes:

- (i) The amounts due from related parties of RMB4,974,000 and RMB8,801,000 as at 30 June 2026 and 31 December 2025, respectively, were trade in nature, unsecured and interest-free.
- (ii) The amounts due from a related party of RMB10,000 and RMB10,000 as at 30 June 2026 and 31 December 2025, respectively, were security deposits and were trade in nature.
- (iii) The amounts due to related parties of RMB19,398,000 and RMB26,994,000 as at 30 June 2026 and 31 December 2025, respectively, were trade in nature, unsecured, interest-free and repayable on demand.
- (iv) The amounts due to related parties included in contract liabilities were arising from sales contracts of natural gas or sales contracts of construction and installation services, and were trade in nature, unsecured and interest-free.
- (v) The amount due to the related party included in lease liabilities was trade in nature, unsecured and was paid monthly.
- (vi) The amount due from the related party included in lease receivables was trade in nature, unsecured and was paid annually.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	30 June 2026 RMB'000	31 December 2025 RMB'000	30 June 2026 RMB'000	31 December 2025 RMB'000
Financial assets				
Time deposits, non-current portion	310,110	306,390	307,130	302,661
Financial liabilities				
Interest-bearing bank borrowings, non-current portion	21,300	21,800	20,246	20,698

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

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

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

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

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	

Debt investments at fair value through other comprehensive income	–	2,804	–	2,804
--	---	-------	---	-------

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	

Debt investments at fair value through other comprehensive income	–	417	–	417
--	---	-----	---	-----

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2025: Nil).

17. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2026.

