Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

湖州燃气
HUZHOU GAS

湖州燃氣股份有限公司

Huzhou Gas Co., Ltd.*

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

(Stock Code: 6661)

CONTINUING CONNECTED TRANSACTION
2027–2029 NINGBO INTERCITY NATURAL GAS FRAMEWORK AGREEMENT

INTRODUCTION

Reference is made to the announcement and circular of the Company, dated 27 November 2023 and 28 December 2023, respectively, each of which is related to the entering into of the 2024–2026 Natural Gas Framework Agreement between the Company and Ningbo Intercity.

As the 2024–2026 Natural Gas Framework Agreement will expire on 31 December 2026, on 6 November 2026, the Company entered into the 2027–2029 Natural Gas Framework Agreement with Ningbo Intercity, pursuant to which the Group agreed to purchase from Ningbo Intercity, and Ningbo Intercity agreed to sell to the Group, PNG and LNG in the Operating Area. The term of the agreement is three years, from 1 January 2027 to 31 December 2029, subject to the relevant requirements under the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Intercity is wholly owned by ENN Gas Development Co., Ltd.* (新奧燃氣發展有限公司), which is in turn wholly owned by ENN (China), a substantial Shareholder of the Company. Accordingly, Ningbo Intercity is an associate of ENN (China) pursuant to Rule 14A.13(1) of the Listing Rules and is therefore a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the 2027–2029 Natural Gas Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) relating to the highest of the New Annual Caps for the transactions contemplated under the 2027–2029 Natural Gas Framework Agreement exceeds 5%, the 2027–2029 Natural Gas Framework Agreement and the transactions contemplated thereunder (including the New Annual Caps) are subject to the announcement, annual review, annual reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DESPATCH OF CIRCULAR

The Company will convene an EGM for the Independent Shareholders to consider and, if thought fit, approve the 2027–2029 Natural Gas Framework Agreement. A circular containing, among other things, (i) details of the 2027–2029 Natural Gas Framework Agreement and the New Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM, is expected to be despatched to the Shareholders on or before 20 December 2026.

INTRODUCTION

Reference is made to the announcement and circular of the Company, dated 27 November 2023 and 28 December 2023, respectively, each of which is related to the entering into of the 2024–2026 Natural Gas Framework Agreement between the Company and Ningbo Intercity.

As the 2024–2026 Natural Gas Framework Agreement will expire on 31 December 2026, on 6 November 2026, the Company entered into the 2027–2029 Natural Gas Framework Agreement with Ningbo Intercity, pursuant to which the Group agreed to purchase from Ningbo Intercity, and Ningbo Intercity agreed to sell to the Group, PNG and LNG in the Operating Area. The term of the agreement is three years, from 1 January 2027 to 31 December 2029, subject to the relevant requirements under the Listing Rules.

PRINCIPAL TERMS OF THE 2027–2029 NATURAL GAS FRAMEWORK AGREEMENT

Set out below are the principal terms of the 2027–2029 Natural Gas Framework Agreement:

Date	6 November 2026
Parties	(i) the Company (for itself and on behalf of its subsidiaries), as purchaser; and (ii) Ningbo Intercity (for itself and on behalf of its subsidiaries), as supplier
Term	1 January 2027 to 31 December 2029
Nature of transaction	The Group shall purchase from Ningbo Intercity, and Ningbo Intercity shall sell to the Group, PNG and LNG in the Operating Area.

Pricing basis

The detailed terms and conditions (such as the price, manner of payment, price adjustment mechanisms, volume and delivery arrangements) shall be determined in specific underlying agreements to be made between the Group and Ningbo Intercity. The gas price at which Ningbo Intercity charges the Group for the supply of PNG and LNG from Ningbo Intercity to the Group shall be at prices determined between the parties after arm's length negotiations taking into account the specific needs of the Group including the required volume with reference to the prevailing market prices. To obtain the market prices and to ensure that the purchase price and terms offered by Ningbo Intercity to the Group for supply of PNG and LNG are fair and reasonable, on normal commercial terms and comparable to those offered by Independent Third Parties, the Group shall obtain quotations from at least two Independent Third Party suppliers for the supply of PNG and LNG in similar quantities and price components from time to time but in any case no less than twice a year.

Other terms

The 2027–2029 Natural Gas Framework Agreement is conditional upon obtaining the necessary approval from the Independent Shareholders at the EGM.

NEW ANNUAL CAPS AND BASIS OF DETERMINATION

(a) Historical transaction amounts, Historical Annual Caps and New Annual Caps

For the two years ended 31 December 2025 and the ten months ended 31 October 2026, the historical transaction amounts incurred by the Group under the 2024–2026 Natural Gas Framework Agreement are as follows:

	For the year ended 31 December		**For the ten months ended 31 October**
	2024 (audited)	**2025** (audited)	**2026** (unaudited)
Annual caps (RMB million)	1,550.00	1,600.00	1,700.00 (full year)
Historical transaction amounts (approximately RMB million)	983.14	934.03	825.09
Utilisation rate (approximately %)	63.43	58.38	48.53

The Directors expect that the aggregate transaction amount under the 2024–2026 Natural Gas Framework Agreement for the year ending 31 December 2026 will not exceed the Historical Annual Cap of RMB1,700 million.

The Company proposes to adopt the following New Annual Caps for the transactions contemplated under the 2027–2029 Natural Gas Framework Agreement:

Year	For the year ending 31 December 2027	2028	2029
Annual caps (RMB million)	1,300.00	1,400.00	1,400.00

(b) Basis of determination for the New Annual Caps

In determining the New Annual Caps, the Directors have taken into account: (i) the historical transaction amounts as set out above; (ii) the estimated annual procurement volume of natural gas from Ningbo Intercity, which was determined with reference to the forecast natural gas requirement of the Group (taking into account the expected gas consumption of new industrial customers and newly residential users and the reduction in gas consumption from users which ceased to use gas) and the historical procurement volume, together with a buffer to cater for additional trading volume for the Group's wholesale customers and unplanned gas consumption of major customers; and (iii) the latest price quotations obtained from Independent Third Party suppliers, the increase in natural gas prices in 2026, inflation and the possible fluctuation in natural gas prices.

The relatively low utilisation rates of the Historical Annual Caps were mainly due to (i) natural gas prices being lower than anticipated when the Historical Annual Caps were determined, as the supply and demand situation in the international natural gas market subsequently changed; and (ii) industrial gas demand was being lower than anticipated, as a result of, among others, the slower macroeconomic recovery, the rectification of traditional energy-intensive industries such as printing and dyeing in Nanxun District, the closure or relocation of certain industrial enterprises and the slower than expected development of new customers. Taking into account the above, a lower annual cap was adopted under the 2027–2029 Natural Gas Framework Agreement as compared to the Historical Annual Caps.

Based on the foregoing, the Directors are of the view that the New Annual Caps for the transactions contemplated under the 2027–2029 Natural Gas Framework Agreement are reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2027–2029 NATURAL GAS FRAMEWORK AGREEMENT

Ningbo Intercity has been a principal natural gas supplier of the Group since September 2020 as Ningbo Intercity was the designated pilot natural gas supplier for the Group during the early stage of natural gas supply chain reform under《關於印發2020年浙江省能源領域體制改革工作要點的通知》浙發改能源[2020]12號 (Notice on Issuing of the Summary of Structural Reforms in Energy Sector in 2020 Zhefagai Energy [2020] No. 12*) issued by the Zhejiang Provincial Development and Reform Commission (浙江省發展和改革委員會) and Zhejiang Energy Regulatory Office of National Energy Administration (浙江省能源局) on 20 January 2020. As the 2024–2026 Natural Gas Framework Agreement will expire on 31 December 2026, the Company has entered into the 2027–2029 Natural Gas Framework Agreement to maintain a stable and reliable supply of PNG and LNG.

Ningbo Intercity has an in-depth understanding of the Group's gas supply requirements and benefits from a superior geographical location and well-developed pipeline network facilities. It maintains stable long-term contracted gas sources together with gas storage and peak-shaving infrastructure, and has strong capabilities in contract performance and emergency supply assurance. If an Independent Third Party were to be engaged as a replacement, there would generally be issues such as insufficient stability of gas sources, limited peak-shaving capability, increased ancillary costs, and uncertainties in gas supply arising from reconnection and running-in. Based on a comprehensive assessment of gas supply safety, costs and business continuity, the Company has chosen to continue cooperation with Ningbo Intercity, which is commercially reasonable.

After reviewing the terms of the 2027–2029 Natural Gas Framework Agreement, the Directors (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser in respect of the 2027–2029 Natural Gas Framework Agreement and the transactions contemplated thereunder (including the New Annual Caps)) are of the view that the 2027–2029 Natural Gas Framework Agreement has been entered into in the ordinary and usual course of business of the Group, and the terms of the 2027–2029 Natural Gas Framework Agreement and the transactions contemplated thereunder (including the New Annual Caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL AND PRICING POLICY

The Group will implement the following measures to monitor the pricing and other terms of the continuing connected transactions contemplated under the 2027–2029 Natural Gas Framework Agreement:

(i) In order to understand the market price and ensure that the purchase prices and terms of PNG and LNG provided by Ningbo Intercity to the Group are fair and reasonable (on normal commercial terms) and comparable to the purchase prices and terms offered by Independent Third Parties, the Group shall obtain quotations from at least two Independent Third-Party suppliers, such as Zhejiang Zheneng Natural Gas Trading Co., Ltd.* (浙江浙能天然氣貿易有限公司) and the Zhejiang Natural Gas Sales Center of the

China Petroleum and Chemical Corporation Natural Gas Branch*(中國石油化工股份有限公司天然氣分公司浙江天然氣銷售中心), for PNG and LNG of similar quantity and price composition supplied from time to time, provided that in any event not less than twice per year, once for heating season pricing and once for non-heating season pricing. If the gas price quotation provided by Ningbo Intercity comprises a gas procurement price (which should ultimately be retained by the gas supplier as revenue) and a pipeline gas transmission price (which the gas supplier passes to the pipeline network company providing pipeline gas transmission services), the quotations obtained from Independent Third-Party suppliers should also comprise such price components, so as to enable a more direct comparison. After obtaining the quotations, the Group shall go through an internal contract approval process involving different departments and managers, and the chairman of the Board shall be responsible for making the final decision on which supplier to engage for the procurement of the required quantities of PNG and LNG. The quotations obtained from Ningbo Intercity and Independent Third Party suppliers will be evaluated according to multiple selection criteria, such as the above price components, payment methods, delivery arrangements and duration of business relationship, etc., and the supplier with the best overall quotation will be selected. As a condition precedent, Ningbo Intercity will only be selected if it agrees to set its final price at a level not exceeding the quotations of any Independent Third Party supplier. The above evaluation and approval procedures are intended to ensure that the prices and terms offered by Ningbo Intercity are fair and reasonable, comparable to the prices and terms offered by Independent Third Party suppliers, and in any event no less favourable to the Group than the prices and terms offered by Independent Third Party suppliers. Accordingly, the continuing connected transactions will be conducted on normal commercial terms in a manner that does not prejudice the interests of the Company or any of the Shareholders. Thereafter, a gas purchase contract specifically for such transaction will be entered into, and all relevant documents for the execution of the contract and the recording of the approval process will be kept on file;

(ii) the head of the finance department will review, at least monthly, the tables prepared by the relevant business units setting out the actual transaction amounts and prices;

(iii) connected transactions of the Group will be reported to the audit committee of the Company (comprising all non-executive Directors) at least twice a year;

(iv) the audit committee of the Company will review connected transactions of the Group at least twice a year, including, among other things, whether the transactions are entered into in the ordinary and usual course of business of the Group on normal commercial terms or better and whether they are conducted in accordance with the relevant agreements and on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and

(v) by reviewing the information collected from the finance department of the Company, the external auditors of the Company will report to the Board at least annually in accordance with the Listing Rules on continuing connected transactions of the Group, including, among other things, whether the transactions are entered into in accordance with the relevant agreements (including the pricing policy) and whether the transactions have exceeded the annual caps.

The Directors are of the view that the above internal control measures enable the Company to effectively monitor the transactions under the 2027–2029 Natural Gas Framework Agreement, and ensure that the transactions under the 2027–2029 Natural Gas Framework Agreement are entered into on normal commercial terms, and that the terms of such transactions are fair and reasonable and in the overall interests of the Company and the Shareholders.

INFORMATION ON THE PARTIES TO THE 2027–2029 NATURAL GAS FRAMEWORK AGREEMENT

The Group is principally engaged in (i) the sale of gas in Huzhou City, mainly PNG (under the concessions) and LNG; (ii) the 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 (iii) other businesses, including the sale of household gas appliances and relevant equipment, energy, distributed photovoltaic power and leasing of properties in the PRC.

Ningbo Intercity is a company established in the PRC which is primarily engaged in the upstream supply of natural gas. As at the date of this announcement, Ningbo Intercity is wholly owned by ENN Gas Development Co., Ltd.* (新奧燃氣發展有限公司), which is wholly owned by ENN (China). ENN (China) is wholly owned by ENN Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is listed on the Main Board of the Stock Exchange (Stock Code: 2688).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Intercity is wholly owned by ENN Gas Development Co., Ltd.*, which is wholly owned by ENN (China), a substantial Shareholder of the Company. Accordingly, Ningbo Intercity is an associate of ENN (China) under Rule 14A.13(1) of the Listing Rules, and hence a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the 2027–2029 Natural Gas Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more of the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the New Annual Caps under the 2027–2029 Natural Gas Framework Agreement exceed 5%, the 2027–2029 Natural Gas Framework Agreement and the transactions contemplated thereunder (including the New Annual Caps) are subject to the announcement, annual review, annual reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Wang Tao (an executive Director) and Mr. Gong Luojian (a non-executive Director), hold management positions at ENN (China). For good corporate governance and in accordance with the provisions of the Articles of Association of the Company, each of Mr. Wang Tao and Mr. Gong Luojian has abstained from voting on the Board resolutions approving the 2027–2029 Natural Gas Framework Agreement. None of the other Directors has any material interest in the 2027–2029 Natural Gas Framework Agreement

and the transactions contemplated thereunder (including the New Annual Caps) and accordingly none of them is required to abstain from voting on the relevant Board resolutions.

The Company has established an Independent Board Committee comprising all independent non-executive Directors to advise the Independent Shareholders on the 2027–2029 Natural Gas Framework Agreement and the transactions contemplated thereunder (including the New Annual Caps). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. The Company will seek the approval of the Independent Shareholders for the 2027–2029 Natural Gas Framework Agreement by way of an ordinary resolution at the EGM.

DESPATCH OF CIRCULAR

An EGM of the Company will be convened for the Independent Shareholders to consider and, if thought fit, approve the 2027–2029 Natural Gas Framework Agreement. A circular containing, among other things, (i) details of the 2027–2029 Natural Gas Framework Agreement and the New Annual Caps; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM is expected to be despatched to the Shareholders on or before 20 December 2026.

DEFINITIONS

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

"2024–2026 Natural Gas Framework Agreement"	The agreement dated 27 November 2023 entered into between the Company (for itself and on behalf of its subsidiaries) and Ningbo Intercity (for itself and on behalf of its subsidiaries), pursuant to which the Group shall purchase from Ningbo Intercity, and Ningbo Intercity shall sell to the Group, PNG and LNG within the Operating Area, for the term from 1 January 2024 to 31 December 2026
"2027–2029 Natural Gas Framework Agreement"	The agreement dated 6 November 2026 entered into between the Company (for itself and on behalf of its subsidiaries) and Ningbo Intercity (for itself and on behalf of its subsidiaries), pursuant to which the Group shall purchase from Ningbo Intercity, and Ningbo Intercity shall sell to the Group, PNG and LNG within the Operating Area, for the term from 1 January 2027 to 31 December 2029
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of directors of the Company

"Company"	Huzhou Gas Co., Ltd.* (湖州燃氣股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed thereto under the Listing Rules
"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	The extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve, the 2027–2029 Natural Gas Framework Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"ENN (China)"	ENN (China) Gas Investment Co., Ltd.* (新奧(中國)燃氣投資有限公司), a limited liability company established under the laws of the PRC, and a substantial shareholder of the Company
"Group"	collectively, the Company and its subsidiaries from time to time
"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 listed on the Stock Exchange
"Historical Annual Caps"	the annual caps for the transactions conducted under the 2024–2026 Natural Gas Framework Agreement for the three years ending 31 December 2024, 2025 and 2026
"Independent Board Committee"	The Independent Board Committee, comprising all independent non-executive Directors, to advise the Independent Shareholders on the 2027–2029 Natural Gas Framework Agreement (including the New Annual Caps)
"Independent Financial Adviser"	Central China International Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the 2027–2029 Natural Gas Framework Agreement (including the New Annual Caps)
"Independent Shareholders"	Shareholders other than ENN (China)

"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LNG"	Liquefied natural gas
"New Annual Caps"	the proposed annual caps for the transactions contemplated under the 2027–2029 Natural Gas Framework Agreement for the three years ending 31 December 2027, 2028 and 2029
"Ningbo Intercity"	Ningbo Chengji Energy Trading Co., Ltd.*(寧波城際能源貿易有限公司), a limited liability company established under the laws of the PRC, an indirect wholly-owned subsidiary of ENN (China) and, unless the context otherwise requires, including its subsidiaries
"Operating Area"	the Operating Area in Wuxing and Nanxun in respect of which the Group has been granted exclusive operating rights, as set out in the prospectus of the Company dated 29 June 2022
"PNG"	Piped natural gas
"PRC" or "China"	the People's Republic of China, which for the purposes of this announcement only, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company, 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

"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"%"	percentage

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

Huzhou City, Zhejiang Province, the PRC, 6 November 2026

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

* *For identification purposes only*