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**JiaXing Gas Group Co., Ltd.\***  
**嘉興市燃氣集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 9908)**

**DISCLOSEABLE AND CONNECTED TRANSACTION IN  
RELATION TO PROPOSED ACQUISITION OF  
AN ADDITIONAL 10% EQUITY INTEREST IN TARGET COMPANY**

**PROPOSED ACQUISITION OF AN ADDITIONAL 10% EQUITY INTEREST IN  
TARGET COMPANY**

References are made to the announcement of the Company dated 8 May 2023 and the circular of the Company dated 24 May 2023 in relation to the Previous Acquisition. On 18 August 2023, the Equity Transfer Agreement was entered into between, *inter alia*, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor, pursuant to which the Purchaser has agreed to conditionally purchase from the Vendor an additional 10% equity interest in the Target Company for a Consideration of RMB32,689,388.89, which shall be satisfied by way of pro tanto set-off against an equivalent amount of the debt owed by Jiayuan Shencheng to the Purchaser, and the Vendor has agreed to settle such amount of debt on behalf of Jiayuan Shencheng given that the Vendor also owes an associated company of Jiayuan Shencheng a debt.

**Listing Rules Implications**

As one or more of the applicable percentage ratio(s) as set out in the Listing Rules in respect of the Acquisition, on a standalone basis and when aggregated with the Previous Acquisition which was completed within the past 12 months, exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Since the Company has already complied with the discloseable transactions requirements in respect of the Previous Acquisition, and aggregating the Acquisition with the Previous Acquisition will not result in a higher transaction classification under Chapter 14 of the Listing Rules, the Company is not required to aggregate the Acquisition with the Previous Acquisition and the implications of the applicable percentage ratios in respect of the Acquisition are determined on a standalone basis.

As at the date of this announcement, Mr. Sun Lianqing, as a controller (within the meaning under Rule 14A.28 of the Listing Rules) of the Company, is a substantial shareholder of the Target Company. The Acquisition therefore constitutes a connected transaction under Rule 14A.28 of the Listing Rules. As one or more of the applicable percentage ratio(s) as set out in the Listing Rules in respect of the Acquisition, on a standalone basis and when aggregated with the Previous Acquisition which was completed within the past 12 months, exceeds 5% and the Consideration exceeds HK\$10 million, the Acquisition is subject to the announcement, circular and the independent shareholders' approval requirements under the Listing Rules. Since the Company has already complied with the connected transactions requirements in respect of the Previous Acquisition, the Company is not required to aggregate the Acquisition with the Previous Acquisition and the implications of the applicable percentage ratios in respect of the Acquisition are determined on a standalone basis.

## **GENERAL**

The Company will convene the EGM to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement. A circular containing, among others, details of the Equity Transfer Agreement, the letter from the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement will be despatched to the Shareholders together with the notice of the EGM on or before 30 September 2023 which is more than 15 business days after the publication of this announcement as additional time is required for preparing and gathering the relevant information to be contained in the circular.

## **PROPOSED ACQUISITION OF AN ADDITIONAL 10% EQUITY INTEREST IN TARGET COMPANY**

### **The Acquisition**

References are made to the announcement of the Company dated 8 May 2023 and the circular of the Company dated 24 May 2023 in relation to the Previous Acquisition. The Board is pleased to announce that on 18 August 2023, the Equity Transfer Agreement was entered into between, *inter alia*, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor, pursuant to which the Purchaser has agreed to conditionally purchase from the Vendor an additional 10% equity interest in the Target Company for a Consideration of RMB32,689,388.89, which shall be satisfied by way of pro tanto set-off against an equivalent amount of the debt owed by Jiayuan Shencheng to the Purchaser, and the Vendor has agreed to settle such amount of debt on behalf of Jiayuan Shencheng given that the Vendor also owes an associated company of Jiayuan Shencheng a debt.

## **Equity Transfer Agreement**

Major terms of the Equity Transfer Agreement are set out below:

### ***Date***

18 August 2023

### ***Parties***

- a. The Purchaser (a wholly-owned subsidiary of the Company);
- b. Yancheng Xiangyuan (as registered owner of the Sale Interest); and
- c. The Vendor (as beneficial owner of the Sale Interest).

### ***Subject matter of the Acquisition***

The 10% equity interest in the Target Company.

### ***Consideration***

The Consideration for the Acquisition is RMB32,689,388.89 which shall be satisfied by way of pro tanto set-off against an equivalent amount of the debt owed by Jiayuan Shencheng to the Purchaser, on the basis that the Vendor has agreed to settle such amount of debt on behalf of Jiayuan Shengcheng, upon Completion.

### ***Basis of Consideration***

The Consideration was determined between the Purchaser and the Vendor after arm's length negotiations and on normal commercial terms after taking into account, among others, (i) value of the Sale Interest as at 30 June 2023 of approximately RMB37,469,453 as appraised by an independent asset valuer with asset-based approach; and (ii) the reasons and benefits set out in the section headed "Reasons for and Benefits of the Acquisition" in this announcement.

On the basis of the above factors, the Directors (excluding the independent non-executive Directors) consider that the Consideration is fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors will express their view through the letter from the Independent Board Committee to the Independent Shareholders after considering, among others, the advice from the Independent Financial Adviser.

## *Conditions*

Completion is subject to the satisfactory fulfillment and/or waiver of the following Conditions:

- (a) the passing of the necessary resolution by the Independent Shareholders pursuant to the Listing Rules at the duly convened EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder;
- (b) the Vendor and the Target Company having disclosed to the Purchaser in writing all information and materials related to transfer of the Sale Interest that are required by the Purchaser and there having been no material omissions, concealment or misleading statements;
- (c) the passing of the necessary resolutions by the shareholders or the board of directors of each of the Vendor and the Target Company approving the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder in the form and substance satisfactory to the Purchaser. The Vendor undertakes that (a) it has obtained all approvals and/or consents to enter into and perform its obligations under the Equity Transfer Agreement, (b) the entering into of the Equity Transfer Agreement does not violate any other documents it has signed, (c) the consent of all shareholders of the Target Company have been obtained in respect of the transfer of Sale Interest and the relevant shareholders have expressly waived their pre-emptive right to the transfer of the Sale Interest in writing;
- (d) all transitional obligations of Yancheng Xiangyuan, the Vendor and the Target Company under the Equity Transfer Agreement having been properly complied with;
- (e) all representations, warranties and undertakings of Yancheng Xiangyuan, the Vendor and the Target Company under the Equity Transfer Agreement having remained true, accurate, complete and not misleading;
- (f) apart from the registration with the market supervision and management authority on the Completion Date, having obtained all approvals and consents for the transfer of the Sale Interest and such approvals and consents having remained fully valid and there being no applicable laws or actions of government agencies that restrict, prohibit or cancel the transfer of the Sale Interest, nor being there any litigation or other disputes that would have a material adverse effect on the legality or otherwise of the transfer of the Sale Interest; and
- (g) the Target Company and the Vendor having delivered to the Purchaser a duly signed statement certifying that the above Conditions except Condition (a) have been satisfied.

The Purchaser may at any time waive in writing any Conditions (other than Conditions (a) and (f) above).

If the Conditions have not been fulfilled or waived by the Purchaser (as the case may be) on or before the date falling three months from the date of the Equity Transfer Agreement (or any later date agreed by the Purchaser) (the “**Long Stop Date**”), the Purchaser has the right to unilaterally terminate the Equity Transfer Agreement without any liability for breach of contract, and reserve the right to recover losses resulting from any breach by other parties.

### ***Completion***

When the Conditions have been fulfilled or waived by the Purchaser (as the case may be), Yancheng Xingzhou, the Vendor and the Target Company shall complete the necessary registration to have the Sale Interest registered under the name of the Purchaser at the competent market supervision and management authority.

The Completion shall take place no later than the Long Stop Date.

As at the date of this announcement, the Target Company is owned as to 10% by the Purchaser. Upon Completion, the Target Company will be owned as to 20% by the Purchaser. Therefore, the Company will, through its direct wholly-owned subsidiary, the Purchaser, be interested in the 20% equity interest of the Target Company and the results of which will not be consolidated into the financial statements of the Group.

### **Information about the parties to the Equity Transfer Agreement**

The Group is principally engaged in (i) the sales of gas, mainly piped natural gas, liquefied natural gas and liquefied petroleum gas in Jiaxing, the PRC; (ii) the provision of construction and installation services; and (iii) other activities, including the provision of natural gas transportation services, the sale of vapour and construction materials, and the leasing of properties.

The Purchaser is a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company, principally engaged in the provision of construction and installation services.

Yancheng Xiangyuan is a limited liability company established under the laws of the PRC which is principally engaged in property development, property management and the provision of carpark services. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Yancheng Xiangyuan is ultimately owned as to (i) 51% by Taiding, which is a company owned as to 65% by Mr. Sun Lianqing, the chairman of the Board and executive Director, and 35% by Ms. Xu Lili, the spouse of Mr. Sun Lianqing; and (ii) 49% by Shaoxing Buheng Real Estate Development Co., Ltd.\* (紹興步恒置業發展有限公司), which is a company ultimately owned as to 98% by Mr. Zhu Genshui and as to 2% by Ms. Zhu Lanzhen, who are Independent Third Parties.

The Vendor is a limited liability company incorporated in Singapore which is principally engaged in the provision of management consultancy services. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Vendor is ultimately owned by Mr. Chen Hongbing, Mr. Ma Tong, Mr. Zong Chong and Mr. Xu Dewei as to approximately 35.7%, 35.7%, 14.3% and 14.3%, respectively.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### **Information of Jiayuan Shencheng**

Jiayuan Shencheng is a limited liability company established under the laws of the PRC which is principally engaged in property development and the provision of corporate management consultancy services and corporate management services. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Jiayuan Shencheng is a subsidiary of Jiayuan Chuangsheng Holding Group Co., Ltd.\* (佳源創盛控股集團有限公司) which is 100% ultimately owned by Mr. Shum Tin Ching (also known by the alias of Mr. Shen Yuxing).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Jiayuan Shencheng and its ultimate beneficial owner are Independent Third Parties.

### **Information of the Target Company**

The Target Company is a company established in the PRC with limited liability, and is beneficially owned as to 65%, 10%, 15% and 10% by Yancheng Xiangyuan, the Vendor, Yancheng Chengnan Real Estate Development Co., Ltd.\* (鹽城市城南房地產開發有限責任公司) (“**Yancheng Chengnan**”) and the Purchaser, respectively, as at the date of this announcement. Yancheng Chengnan is ultimately wholly-owned by Yancheng People’s Government\* (鹽城市人民政府). The Target Company is principally engaged in property development, property management and carpark management. As at the date of this announcement, the Target Company possesses one land use right in relation to a piece of residential and commercial land with an aggregate site area of 130,827.0 square metres.

As at the date of this announcement, the Target Company has no subsidiary.

### ***Financial information of the Target Company***

Set out below is the summary of the key financial information of the Target Company for the two years ended 31 December 2021 and 31 December 2022, prepared in accordance with the generally accepted accounting principles in the PRC:

	<b>For the year ended 31 December 2021 (audited) RMB'000</b>	<b>For the year ended 31 December 2022 (unaudited) RMB'000</b>
Revenue	–	–
Net profit/(loss)	<u>(6,452.3)</u>	<u>(16,709.8)</u>

The audited net asset value of the Target Company as at 31 December 2021 was approximately RMB365.2 million and the unaudited net asset value of the Target Company as at 31 December 2022 was approximately RMB348.5 million.

The registered capital of the Target Company is RMB720 million, of which RMB468 million, RMB72 million, RMB108 million and RMB72 million are attributable to the 65%, 10%, 15% and 10% interest in the Target Company held by Yancheng Xiangyuan, the Vendor, Yancheng Chengnan and the Purchaser, respectively. As at the date of this announcement, the registered capital has not been fully paid. Set out below is the breakdown of responsibility for paying up of the registered capital as at the date of this announcement and immediately after Completion:

	<b>As at the date of this announcement</b>				<b>Immediately after Completion</b>		
	<b>Registered capital attributable to the equity interest owned RMB million</b>	<b>Percentage equity interest in the Target Company %</b>	<b>Registered capital paid up RMB million</b>	<b>Registered capital to be paid up RMB million</b>	<b>Percentage equity interest in the Target Company %</b>	<b>Registered capital paid up RMB million</b>	<b>Registered capital to be paid up RMB million</b>
Yancheng Xiangyuan	468	65	288	180	65	288	180
The Vendor	72	10	44.3	27.7	–	–	–
Yancheng Chengnan	108	15	–	108	15	–	108
The Purchaser	72	10	44.3	27.7	20	88.6	55.4
	<u>720</u>	<u>100</u>	<u>376.6</u>	<u>343.4</u>	<u>100</u>	<u>376.6</u>	<u>343.4</u>

## **Reasons for and Benefits of the Acquisition**

The Group has been exploring various opportunities for investments projects to broaden the scope of investment according to the market conditions with an aim to enhance Shareholders' value. Despite the slowdown of the PRC market in 2022, the PRC government has introduced various policies to stabilise the property market and reinforce the status of real estate being a major industry in the PRC. According to the Notice of the People's Bank of China and the China Banking and Insurance Regulatory Commission on Enhancing the Current Financial Support for the Steady and Healthy Development of the Real Estate Market\* (中國人民銀行中國銀行保險監督管理委員會關於做好當前金融支持房地產市場平穩健康發展工作的通知) published in November 2022, the PRC government will keep the real estate financing in a stable and orderly manner to support the healthy development of the real estate market. Further, based on the 2022 Central Economic Working Conference\* (2022中央經濟工作會議) took place in December 2022, the PRC government has made clear that the real estate industry is a pillar of the nation's economy, and the government will make strategies from the supply and demand aspects and to assist real estate corporations in their transformation into a new industry model. The meeting of the Political Bureau of the Central Committee held on 24 July 2023 continued to emphasize the need to adapt to the new situation of major changes in the supply and demand in China's real estate market by adjusting and optimizing real estate policies in a timely manner to foster the steady and healthy development thereof.

The Target Company is the developer of a real estate project concerning a piece commercial and residential land in Yancheng, Jiangsu Province with an aggregate site area of 130,827.0 square metres, and the real estate project involves the construction of 21 residential buildings offering approximately 1,792 residential units in total and commercial building(s), shop(s), hotel(s), of an aggregate gross floor area of approximately 471,880.67 square meters. As at the date of this announcement, the Target Company has commenced construction of 18 residential buildings and has sold 744 residential units in pre-sale. Given the firm support of the PRC government in the real estate market and the steady progress of the real estate project of the Target Company, the Directors are of the view that the investment in the Target Company will bring positive financial impacts to the Group. As the Group has also been providing landscape construction services to real estate developers, including the Target Company, as part of its business, the Directors believe that the Acquisition is in line with the overall business direction of the Group, and the property development business of the Target Company will create synergies with the existing municipal construction business of the Group.

Taking into account, among others, the above factors, the Directors (excluding the independent non-executive Directors who will express their view through the letter from the Independent Board Committee to the Independent Shareholders after considering, among others, the advice from the Independent Financial Adviser) are of the opinion that the terms and conditions of the Equity Transfer Agreement are on normal commercial terms or better after arm's length negotiations between the parties and are fair and reasonable, and the Acquisition and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.



## **Listing Rules Implications**

As one or more of the applicable percentage ratio(s) as set out in the Listing Rules in respect of the Acquisition, on a standalone basis and when aggregated with the Previous Acquisition which was completed within the past 12 months, exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Since the Company has already complied with the discloseable transactions requirements in respect of the Previous Acquisition, and aggregating the Acquisition with the Previous Acquisition will not result in a higher transaction classification under Chapter 14 of the Listing Rules, the Company is not required to aggregate the Acquisition with the Previous Acquisition and the implications of the applicable percentage ratios in respect of the Acquisition are determined on a standalone basis.

As at the date of this announcement, Mr. Sun Lianqing, as a controller (within the meaning under Rule 14A.28 of the Listing Rules) of the Company, is a substantial shareholder of the Target Company. The Acquisition therefore constitutes a connected transaction under Rule 14A.28 of the Listing Rules. As one or more of the applicable percentage ratio(s) as set out in the Listing Rules in respect of the Acquisition, on a standalone basis and when aggregated with the Previous Acquisition which was completed within the past 12 months, exceeds 5% and the Consideration exceeds HK\$10 million, the Acquisition is subject to the announcement, circular and the independent shareholders' approval requirements under the Listing Rules. Since the Company has already complied with the connected transactions requirements in respect of the Previous Acquisition, the Company is not required to aggregate the Acquisition with the Previous Acquisition and the implications of the applicable percentage ratios in respect of the Acquisition are determined on a standalone basis.

Mr. Sun Lianqing is considered to have a material interest in the Acquisition and he has therefore abstained from voting on the relevant Board resolution approving the Equity Transfer Agreement. Save as disclosed, none of the Directors has a material interest in the transactions contemplated under the Equity Transfer Agreement and none of them has abstained from voting on the relevant Board resolution.

As at the date of this announcement, Taiding, Zhuji Yujia New Energy Technology Company Limited\* (諸暨宇嘉新能源科技有限公司), Mr. Xu Songqiang and Ms. Xu Hua (collectively, the “**Concert Parties**”) together hold 44,939,477 Shares, representing 32.60% of the total issued share capital of the Company. Pursuant to the concert party agreement entered into between the Concert Parties dated 16 July 2023, Zhuji Yujia New Energy Technology Company Limited\* (諸暨宇嘉新能源科技有限公司), Mr. Xu Songqiang and Ms. Xu Hua have agreed to collectively entrust Taiding to exercise their voting rights at general meetings of the Company on their behalf. The Concert Parties further agreed that in the event Taiding is unable to exercise its voting rights at general meetings of the Company due to applicable laws and regulations, requirements under the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs and the articles of association of the Company, Taiding shall notify the other parties and the other parties shall not be required to act in concert with Taiding and may exercise their voting rights on the relevant matter as they think fit. As Mr. Sun Lianqing, a substantial shareholder of Taiding, is considered to have a material interest in the Acquisition, Taiding will abstain from voting on the resolution approving the Acquisition and the transactions contemplated thereunder in the EGM. Save for the aforesaid and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, no other Shareholder is materially interested in the Acquisition and the transactions contemplated thereunder and therefore has to abstain from voting on the relevant resolution at the EGM.

### **Establishment of the Independent Board Committee and Appointment of the Independent Financial Adviser**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Acquisition and the transactions contemplated thereunder. Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment and/or waiver of the Conditions. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

### **EGM**

The Company will convene the EGM to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement. A circular containing, among others, details of the Equity Transfer Agreement, the letter from the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement will be despatched to the Shareholders together with the notice of the EGM on or before 30 September 2023 which is more than 15 business days after the publication of this announcement as additional time is required for preparing and gathering the relevant information to be contained in the circular.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Interest by the Purchaser from the Vendor pursuant to the Equity Transfer Agreement
“associate(s)”	shall have the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	JiaXing Gas Group Co., Ltd.* (嘉興市燃氣集團股份有限公司), a joint stock liability company established under the laws of the PRC, whose issued H Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Completion Date”	the date of the Completion
“Condition(s)”	the conditions precedent to Completion pursuant to the Equity Transfer Agreement, a summary of which is set forth under the paragraph headed “Equity Transfer Agreement — Conditions” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of RMB32,689,388.89 for the Acquisition
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Acquisition and the transactions contemplated thereunder, and any adjournment of such extraordinary general meeting
“Equity Transfer Agreement”	the equity transfer agreement for the Acquisition entered into between, <i>inter alia</i> , the Vendor and Purchaser dated 18 August 2023
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder
“Independent Financial Adviser”	Altus Capital Limited, a licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who, under the Listing Rules, are not required to abstain from voting for the resolutions approving the Acquisition and the transactions contemplated thereunder
“Independent Third Party(ies)”	a third party or third parties independent of and not connected with (within the meaning of the Listing Rules) any directors, chief executive, substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Jiayuan Shencheng”	Zhejiang Jiayuan Shencheng Real Estate Group Co., Ltd.* (浙江佳源申城房地產集團有限公司), a limited liability company established under the laws of the PRC on 6 April 2016 and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“PRC”	the People’s Republic of China
“Previous Acquisition”	the acquisition of 10% equity interest in the Target Company that is registered under the name of Yancheng Xiangyuan while being beneficially owned by the Vendor by the Purchaser from the Vendor pursuant to the equity transfer agreement entered into between, <i>inter alia</i> , the Vendor and the Purchaser dated 8 May 2023 which was completed on 20 June 2023 upon registration with the market supervision and management authority

“Purchaser”	Jiaxing Jiaran Construction Co., Ltd.* (嘉興市嘉燃建設有限公司), a limited liability company established under the laws of the PRC on 19 December 2006, a direct wholly-owned subsidiary of the Company, which is the purchaser of the Sale Interest
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the 10% equity interest in the Target Company that is registered under the name of Yancheng Xiangyuan while being beneficially owned by the Vendor
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Shareholder(s)”	shareholder(s) of the Company
“Shares”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Taiding”	Zhejiang Taiding Investment Company Limited* (浙江泰鼎投資有限公司), a limited liability company established under the laws of the PRC on 26 January 2011 and owned as to 65% by Mr. Sun Lianqing and 35% by Ms. Xu Lili, the spouse of Mr. Sun Lianqing as at the date of this announcement
“Target Company”	Yancheng Xingzhou Jiayuan Real Estate Development Co., Ltd.* (鹽城星洲佳源房地產開發有限公司), a limited liability company established under the laws of the PRC on 19 November 2019, which is beneficially owned as to 65%, 10%, 15% and 10% by Yancheng Xiangyuan, the Vendor, Yancheng Chengnan Real Estate Development Co., Ltd.* (鹽城市城南房地產開發有限責任公司) and the Purchaser, respectively as at the date of this announcement
“Vendor”	Urban Economics Pte. Ltd. (新加坡城市經濟發展有限公司*), a limited liability company incorporated in Singapore, which is the beneficial owner of the Sale Interest and an Independent Third Party

“Yancheng Xiangyuan”

Yancheng Xiangyuan Real Estate Co., Ltd.\* (鹽城祥源房地產有限公司), a limited liability company established under the laws of the PRC on 20 December 2019, an associate of Mr. Sun Lianqing, the chairman of the Board and an executive Director, which is the registered owner of the Sale Interest

“%”

per cent

By order of the Board  
**JiaXing Gas Group Co., Ltd.\***  
**Sun Lianqing**  
*Chairman and Executive Director*

Jiaying, the PRC  
18 August 2023

*As at the date of this announcement, the Board comprises Mr. Sun Lianqing and Mr. Xu Songqiang as executive Directors; Mr. Xu Jiong, Mr. Zheng Huanli, Mr. Fu Songquan and Ms. Ruan Zeyun as non-executive Directors; Mr. Yu Youda, Mr. Cheng Hok Kai Frederick and Mr. Zhou Xinfu as independent non-executive Directors.*

\* For identification purpose only