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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)**

**CONNECTED TRANSACTION IN RELATION TO  
LANDSCAPE CONSTRUCTION AGREEMENT**

**LANDSCAPE CONSTRUCTION AGREEMENT**

On 28 March 2023, Jiaran Construction entered into the Landscape Construction Agreement with Yancheng Xingzhou. Pursuant to the Landscape Construction Agreement, Jiaran Construction agreed to provide landscape construction services to Yancheng Xingzhou at a consideration of RMB15,900,000.

**Listing Rules Implications**

As at the date of this announcement, Yancheng Xingzhou is a 30%-controlled company of Mr. Sun Lianqing, the chairman of the Board and an executive Director. As such, Yancheng Xingzhou is regarded as an associate of Mr. Sun Lianqing, and hence a connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the transaction contemplated under the Landscape Construction Agreement exceed 0.1% but are less than 5%, such transaction is subject to announcement requirement but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## LANDSCAPE CONSTRUCTION AGREEMENT

On 28 March 2023, Jiaran Construction entered into the Landscape Construction Agreement with Yancheng Xingzhou. Pursuant to the Landscape Construction Agreement, Jiaran Construction agreed to provide landscape construction services to Yancheng Xingzhou at a consideration of RMB15,900,000, subject to and in accordance with the terms and conditions of the Landscape Construction Agreement.

The principal terms of the Landscape Construction Agreement are as follows:

- Date:** 28 March 2023
- Parties:** (1) Jiaran Construction (as contractor)  
(2) Yancheng Xingzhou
- Scope of work:** Jiaran Construction shall provide landscape construction services within the scope of construction drawings in relation to a residential property being developed by Yancheng Xingzhou in Yancheng, Jiangsu Province.
- Duration of work:** Construction works shall commence on 5 April 2023 and shall be completed within 90 calendar days unless otherwise agreed by the parties.
- Contract price:** RMB15,900,000, subject to adjustments arising from change of construction works or fluctuations in published price of labour, materials and machineries.

The contract price shall be payable in cash by Yancheng Xingzhou in the following manner:

- (a) up to 40% of the total service fee shall be payable within 15 days after completion of all earthwork slope and road hardening works and 90% of the arbor planting works;
- (b) up to 75% of the total service fee shall be payable within 15 days after completion of arbor, shrubs, lawns, hard ground paving, intelligent pipe network and sanitation cleaning, and equipment debugging works;
- (c) up to 85% of the total service fee shall be payable within 15 days after completion of inspection and acceptance of the construction;
- (d) up to 95% of the total service fee shall be payable within 1 month after the passing of site audit upon completion of the landscape construction project; and

- (e) the remaining 5% of the total service fee shall be retained as the quality warranty fee, of which 3%, 1% and 1% will be paid on the first, second and third anniversary, respectively, of the date of passing of site audit.

The total service fee is determined in accordance with normal commercial terms with reference to market prices and price guidelines for similar services issued by local governments.

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

Jiaran Construction has been expanding its business from municipal engineering construction services such as pipeline installation and maintenance to landscape construction for property projects. The Directors believe that entering into the Landscape Construction Agreement enables Jiaran Construction to further accumulate project experience and consolidate its business expansion and development in the field of construction works.

The Directors (including the independent non-executive Directors) are of the view that the Landscape Construction Agreement and the transactions contemplated thereunder were entered in the ordinary and usual course of business of the Group and on normal commercial terms and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

### **Information about the Parties to the Landscape Construction 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 gas storage services, the provision of natural gas transportation services, the sale of vapour, electricity and construction materials, and the leasing of properties.

Jiaran Construction 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 Xingzhou is a limited liability company established under the laws of the PRC which is principally engaged in property development, property management and carpark management. As at the date of this announcement, according to publicly available information, Yancheng Xingzhou is held as to (i) 85% by Yancheng Xiangyuan which is ultimately owned as to 51% by Zhejiang Taiding Investment Company Limited\* (浙江泰鼎投資有限公司) (“**Taiding**”) and as to 49% by Shaoxing Buheng Real Estate Development Co., Ltd.\* (紹興步恒置業發展有限公司) (“**Shaoxing Buheng**”); and (ii) 15% by Yancheng Chengnan Real Estate Development Co., Ltd.\* (鹽城市城南房地產開發有限責任有限公司) which is ultimately wholly-owned by Yancheng People’s Government\* (鹽城市人民政府). Taiding is ultimately beneficially owned as to 65% by Mr. Sun Lianqing, the chairman of the Board and an executive Director, and as to 35% by Ms. Xu Lili, the spouse of Mr. Sun Lianqing. Shaoxing Buheng is ultimately beneficially owned as to 98% by Mr. Zhu Genshui and as to 2% by Ms. Zhu Lanzhen, who are Independent Third Parties. To the best

knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, 20% out of the 85% equity interest in Yancheng Xingzhou that is registered under the name of Yancheng Xiangyuan is held on trust for and on behalf of Urban Economics Pte. Ltd. (新加坡城市經濟發展有限公司\*), a limited liability company incorporated in Singapore 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, who are Independent Third Parties.

### **Listing Rules Implications**

As at the date of this announcement, Yancheng Xingzhou is a 30%-controlled company of Mr. Sun Lianqing, the chairman of the Board and an executive Director. As such, Yancheng Xingzhou is regarded as an associate of Mr. Sun Lianqing, and hence a connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the transaction contemplated under the Landscape Construction Agreement exceed 0.1% but are less than 5%, such transaction is subject to announcement requirement but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

### **DEFINITIONS**

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

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“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
“Jiaran Construction”	Jiaxing Jiaran Construction Co., Ltd.* (嘉興市嘉燃建設有限公司) (formerly known as Jiaxing Jia’an Gas Technology Service Company Limited* (嘉興市佳安燃氣技術服務有限公司)), 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 contractor under the Landscape Construction Agreement
“Landscape Construction Agreement”	the landscape construction agreement dated 28 March 2023 entered into between Jiaran Construction and Yancheng Xingzhou for in relation to the provision of landscape construction services to Yancheng Xingzhou by Jiaran Construction
“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
“RMB”	Renminbi, the lawful currency of the PRC
“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
“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

“Yancheng Xingzhou” 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%, 20% and 15% by Yancheng Xiangyuan, Urban Economics Pte. Ltd. (新加坡城市經濟發展有限公司\*) and Yancheng Chengnan Real Estate Development Co., Ltd.\* (鹽城市城南房地產開發有限責任公司), respectively, and is a 30%-controlled company of Mr. Sun Lianqing, the chairman of the Board and an executive Director, and the developer of the residential property to which the Landscape Construction Agreement relates

“%” per cent

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

Jiaxing, the PRC  
28 March 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 Mr. Ruan Hongliang as non-executive Directors; and Mr. Yu Youda, Mr. Cheng Hok Kai Frederick and Mr. Zhou Xinfa as independent non-executive Directors.*

\* For identification purpose only