

Towngas Smart Energy Company Limited (1083.HK)

2025 Interim Results

15 August 2025

Macro Environment

Uncertainty in tariff policies disrupts industrial energy consumption

Weak economy and slight decline in PMI affect exports

“Launching the Construction of Zero-Carbon Parks” brings positive impacts to green energy

The government boosts consumption through fiscal subsidies and consumer coupons

Group Strategy

Rising city gas dollar margin and reducing operating expenses

Expanding the gas resources pool

Pursuing Renewable Energy asset-light strategy

Digital and intelligent empowerment to enhance quality & efficiency

Gas Business

- Gas sales volume remained steady
- Dollar margin increased 0.01 RMB/m³
- Optimised the personnel structure and reduced operating expenses
- Gas sourcing diversification boosted cost efficiency & supply resilience
- Signed a 15 billion m³ (1.5 billion m³/year) pipeline gas LTA with the “Three Majors”
- Secured LNG import supply of 1.5 million tonnes/year (2.1 billion m³/year)

Renewable Energy

- Profits sustained steady growth, up 5% YoY
- Two tranches of quasi-REITs raised RMB1 billion
- PV power generation increased by 44% to 1.18 billion kWh
- ESS rapid growth with 775 MWh contracts secured



Gas Business

Gas Sales Volume:

8.75 billion m³ Remains Steady

Customers:

18.02 million **+0.38** million

City Gas Dollar Margin:

0.57 RMB/m³ **+0.01** RMB/m³



Renewable Energy

Accumulated PV Grid-connected:

2.6 GW **+0.3** GW

Power Generation Volume:

1.18 billion kWh **+44** %

Electricity Trading Volume:

3.64 billion kWh **+14** %

AGENDA

Financial Highlights **P. 6**

Business Review

- Gas Business **P. 10**
- Renewable Energy **P. 18**

ESG **P. 25**

Group Business Guidance **P. 28**

Financial Highlights

(RMB Exchange Rate: -1%)

(Unit: HK\$ million)	1H2024	1H2025	Changes (%)
Revenue	10,501	10,437	-1
Operating Profit	1,024	1,024	-
Gas Business Net Profit	860	852	-1
Renewable Energy Business Net Profit	164	172	+5
Corporate Financial Expenses	(276)	(264)	+4
Core Operating Profit	707	719	+2
Profit Attributable to Shareholders	743	758	+2
Basic Earnings per Share (HK Cents)	22.1	21.8	-1
Interim Dividend per Share (HK Cents)	-	5	-

(Unit: HK\$ billion)	31 Dec 2024	30 Jun 2025
Total Assets	53.0	55.2
Borrowings	17.3	18.2
Cash	2.7	3.3
Net Assets	25.8	26.6
Net Gearing Ratio*	36%	36%

*Note: Net Debt / (Net Debt + Equity)

Credit Rating:

 **BBB+**

 **Baa1**

 **AAA**

(Unit: HK\$ billion)	1H2024	1H2025
- Gas Business	0.8	0.7
- Renewable Energy Business	1.2	0.7
Capital Expenditure	2.0	1.4

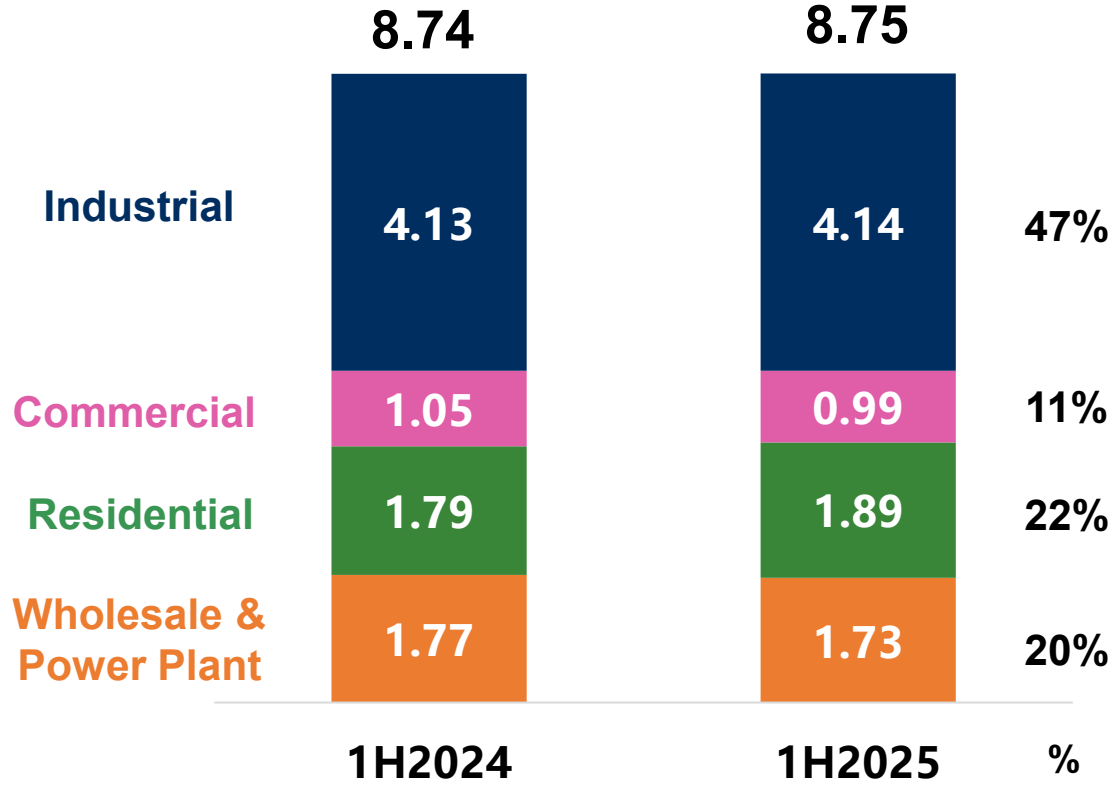
Business Review

- **Gas Business**
- **Renewable Energy**

Gas Sales Volume

(Unit: billion m³)

Remains
Steady



- Warm winter & macro pressures cut PRC NG usage by 0.9% YoY in 1H2025
- Steady increase of the Group's retail gas sales volume (Residential + Commercial + Industrial)
- Warm winter reduced commercial gas demand
- Affected by the weak real estate market, gas demand pivot from basic materials such as glasses and steels to new industries

Selling Price, Gas Cost and Dollar Margin

(Unit: RMB/m ³)		1H2024	1H2025	Changes
Selling Price	Residential	2.75	2.77	+0.02
	Commercial	3.65	3.60	-0.05
	Industrial	3.46	3.42	-0.04
Average Selling Price		3.36	3.33	-0.03
Gas Cost		2.80	2.76	-0.04
City Gas Dollar Margin		0.56	0.57	+0.01

- Dollar margin improved in 1H2025
- Residential gas price increased
- Non-residential cost pass-through completed
- Dynamic sourcing optimised gas supply costs
- Continuously promoting the residential cost pass-through; Xuzhou, Ma’anshan, and Yantai have successfully completed cost pass-through

National real estate market remained weak, new connections under pressure

Number of household connections
(Unit: thousands)

User Type	1H2024	1H2025	Changes (%)
Residential	335	330	-1
Industrial & Commercial	7	5	-25

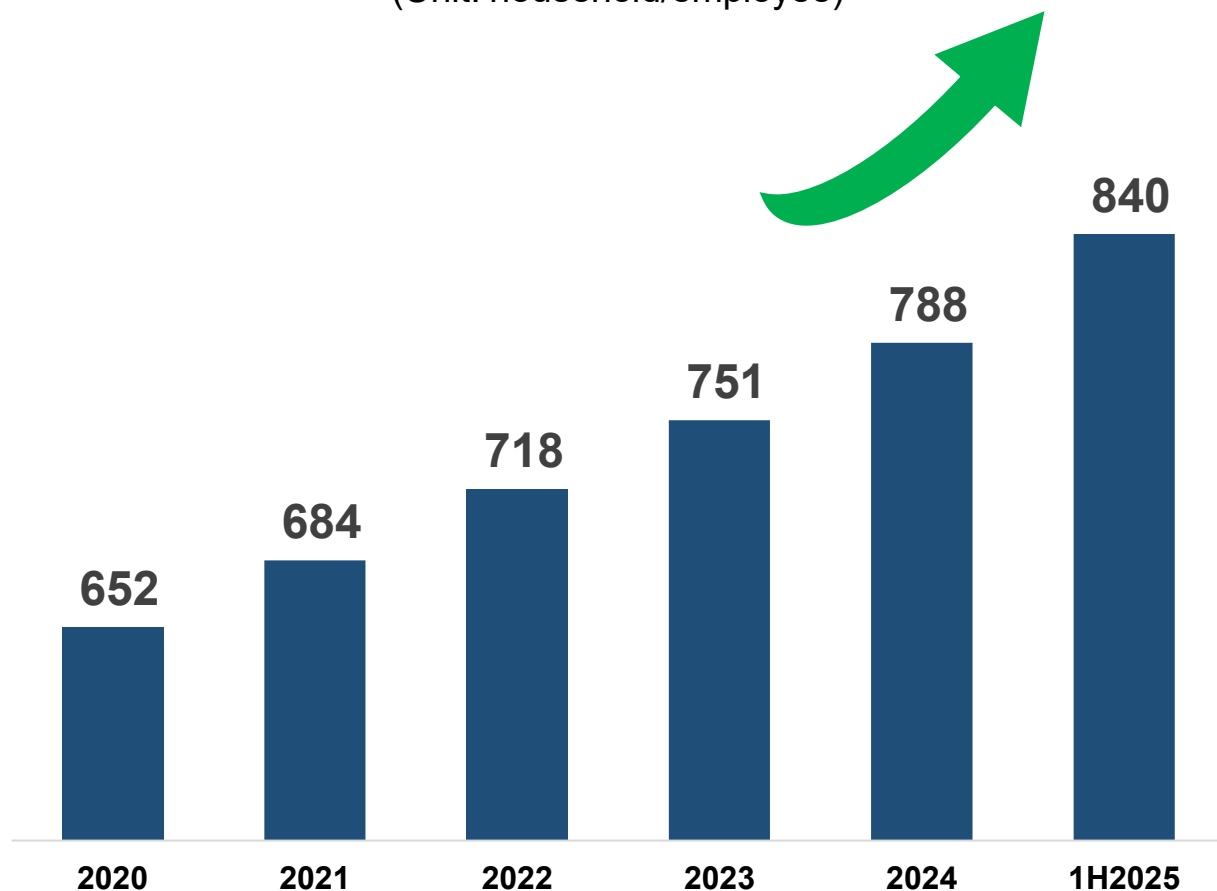
Unit residential connection fee
(Unit: RMB/household)

	1H2024	1H2025	Changes (%)
Residential Connection Fee	3,431	3,386	-1

- Affected by the weak real estate market, new connections declined
- Expanding coverage on township and old urban district renewal projects

Customer Service Efficiency Ratio

(Unit: household/employee)



- Optimised the personnel structure to increase the customer service efficiency ratio
- Centralised operations & AI applications amplified scale economies
- Operating expenses (excluding depreciation and amortisation) decreased by 6%

- Deepening existing markets, advancing gas-for-steam/electricity substitution
- Secured 55 major clients in 1H2025, adding 200 million m³ annual volume
- Gas+ business rapid growth, accelerated strategic deployment in emerging sectors such as energy trusteeship & industrial energy conservation
- Energy sales volume reached 0.69 billion kWh (equivalent to 70 million m³ of natural gas) in 1H2025

Jiangsu & Zhejiang Textile Industries Steam-to-gas Conversion



Energy Trusteeship for Hospital



Gas Supply Chain: Assurance of Gas Supply

- Enhance gas supply security & cost efficiency management to sustain business growth



The Group's total gas sales volume reached 17.2 billion m³ in 2024

1

Signed a 15 billion m³ (1.5 billion m³/year) pipeline gas LTA with the "Three Majors"

2

Secured LNG import supply of 1.5 million tonnes/year (2.1 billion m³/year), sufficient to meet decade-long demand from 2027 onward

3

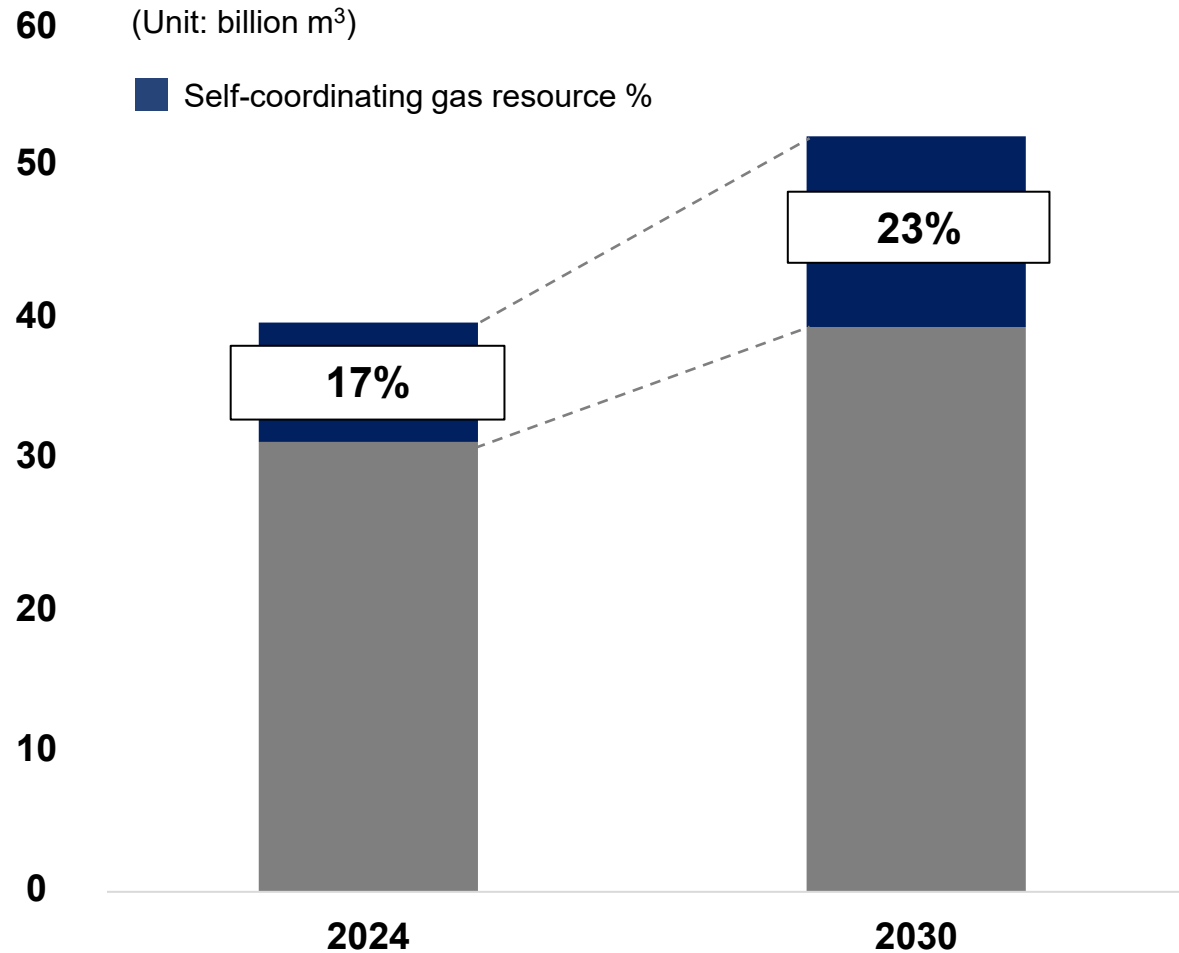
Self-coordinating gas resources:

- Shanxi Ganghua: 0.25 billion m³/year
- Sichuan Weiyuan: 0.17 billion m³/year

4

Coordinating an aggregate total gas volume of 6 billion m³/year with supply chain integration (asset pool includes gas storage facilities, LNG terminals and unconventional gas supply)

Steady Growth of Self-coordinating Gas Resource Volume



- **Group coordination target:**
 - 2025: ~6 billion m³
 - 2030: ~10 billion m³
- **Integrated gas supply operation across all platforms to mitigate market volatility & systemic risks**

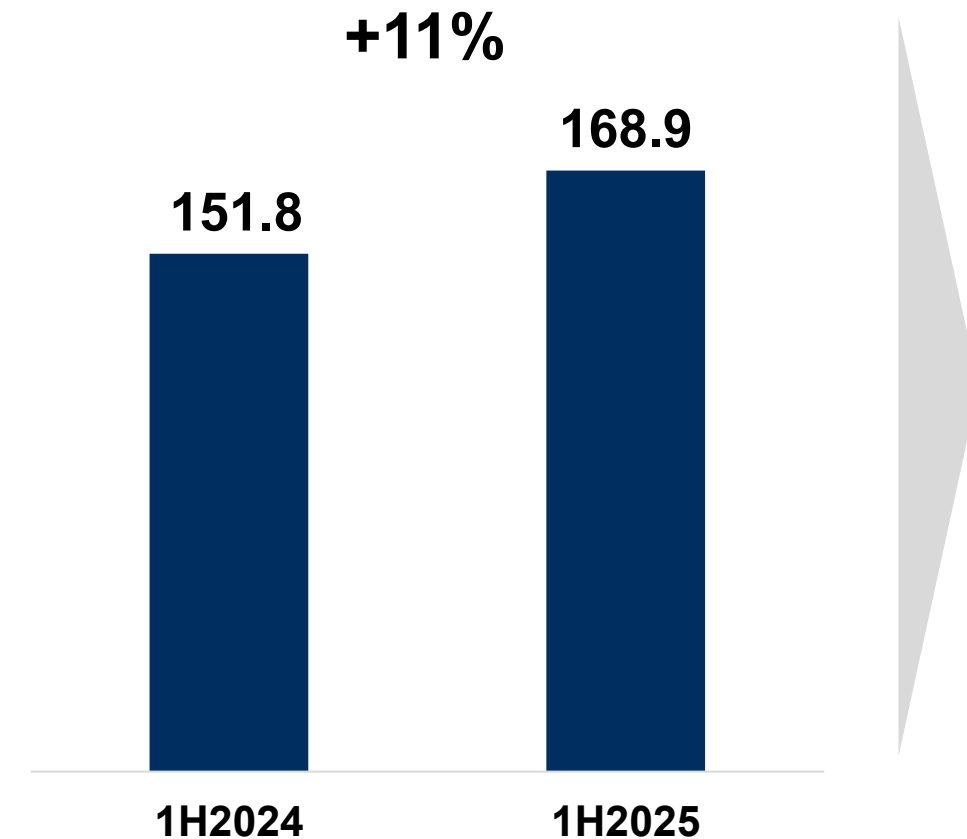
Business Review

- Gas Business
- Renewable Energy

Operational Data	1H2024	1H2025	Changes
PV Grid-connected (GW)	2.1	2.6	+0.5
Power Generation Volume (billion kWh)	0.82	1.18	+44%
Gross Margin per kWh (RMB/kWh)	0.30	0.26	-0.04
Financial Data (RMB million)			
BU Profit Contribution	223.2	230.1	+3%
PV Business Net Profit	151.8	168.9	+11%
AuM Disposal Gain	43.1	36.5	-15%
Energy & Carbon Management Services Net Profit	28.3	24.7	-13%
Net Profit (RMB million)	151.0	160.2	+6%
Net Profit (HK\$ million)	164.0	172.3	+5%

—— PV Business Net Profit ——

(Unit: RMB million)

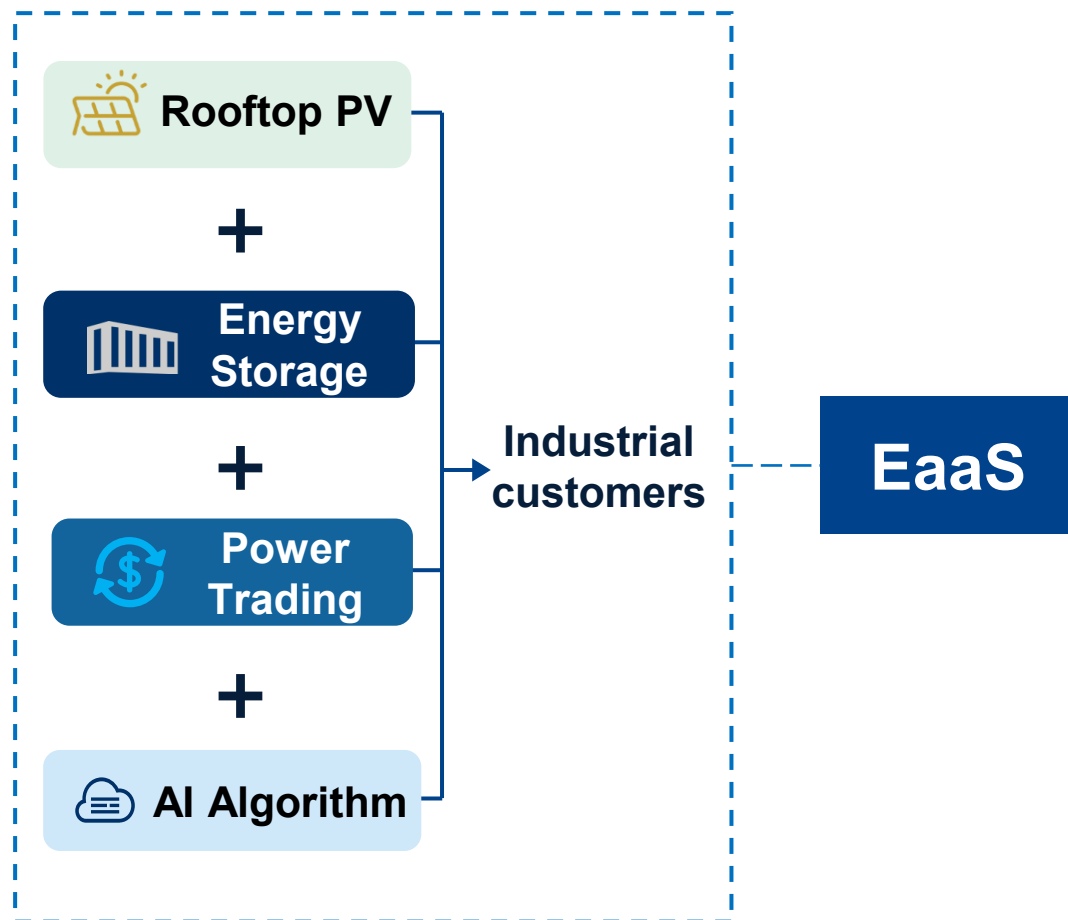


- 1** The gross margin per kWh declined by RMB0.04/kWh due to policy impacts
- 2** Achieved additional 280 MW grid connection, maintaining a return rate of 9%
- 3** Intelligent operation and maintenance management, improving power generation and utilisation efficiency by 5%



**Case: Ma'anshan Tianneng 100 MWh
Energy Storage Power Station
(Total investment: RMB0.13 billion;
Towngas's equity stake: 25%; IRR: over 15%)**

- 1** Energy storage investment under AuM model, delivering full lifecycle services including development, construction, and O&M
- 2** Energy storage contracted volume secured 775 MWh in 1H2025; 1 GWh annual target on track
- 3** Energy storage grid-connected capacity reached 260 MWh; 800 MWh annual target on track



- 1** Electricity market liberalisation creates opportunities for EaaS; accelerating electricity sales and AI algorithms deployment
- 2** The electricity trading volume reached 3.64 billion kWh, with approximately 1,500 industrial customers
- 3** Leveraging synergies with city gas operations and advancing bulk electricity sales contracts with gas customers in 2H2025



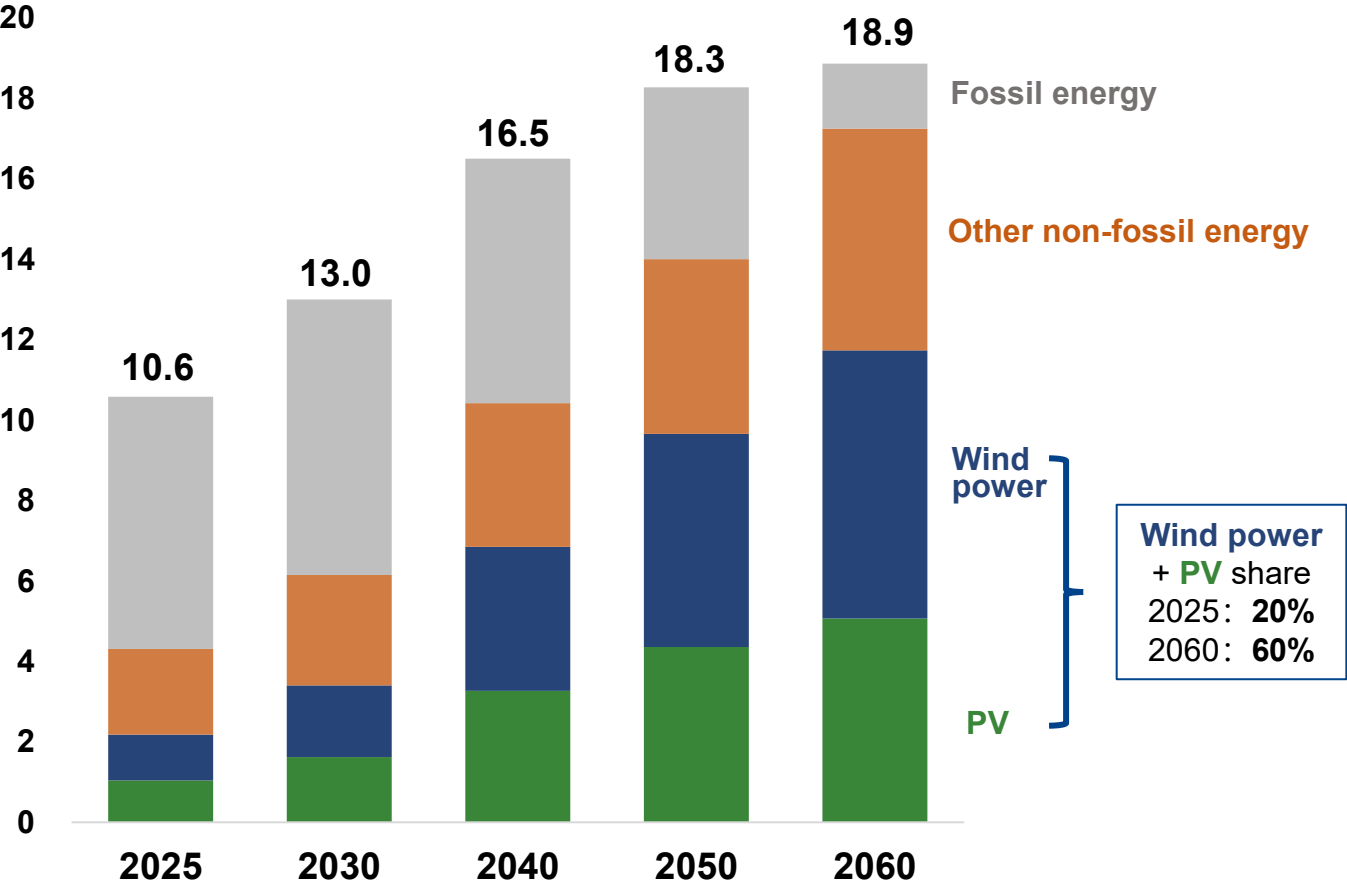
Successfully issued quasi-REITs

- 1** 560 MW AuM capacity achieved, leading industry in both generation performance and cost management
- 2** Two tranches of quasi-REITs (200 MW) secured cumulative financing of approximately RMB1 billion
- 3** Secured cumulative financing of approximately RMB1.9 billion, empowering PV/energy storage projects

Renewable Energy Becoming Main Source of Power Generation

Power Generation Structure Forecast

(Unit: trillion kWh)



Navigate Challenges & Seize Opportunities

1. Leverage “High-Return” Advantage

- Intensified focus on “Zero-Carbon Parks” customer cultivation

2. Pursue “PV + Energy Storage” Investment Approach

- Elevating investment in C&I storage assets

3. Expansion of “AI-Empowered” Electricity Sales

- Document No.136 presents opportunities
- Strategic alignment: electricity sales portfolio (PV + Power Trading + Energy Storage) & Gas operations

2030: A World-leading Intelligent Energy Aggregation Service Provider

- Manage 12 GW of PV & 6 GWh of energy storage
- AI Algorithms accelerate sustainable growth

ESG

	2024	2025
	3.0	3.1 ▲
 Hang Seng Corporate Sustainability Index Series	AA	AA
	A	A
	66	66 ●

Selected for inclusion in the Sustainability Yearbook (China Edition) for **three consecutive years**

TERA AWARD

The 4th TERA-Award Smart Energy Innovation Competition (2024)



- 785 submissions from 76 countries and regions in 2024
- Ceremony held at University of Cambridge
- A British startup (Barocal) won the Gold Award

Group Business Guidance



Gas Business

Gas Sales Volume:

17.3 billion m³ **+1%**

Customers:

18.27 million **+0.63** million

City Gas Dollar Margin:

0.57 RMB/m³ **+0.01** RMB/m³



Renewable Energy

Accumulated PV Grid-connected:

2.9 GW **+0.6** GW

Power Generation Volume:

2.58 billion kWh **+40%**

Electricity Trading Volume:

8.8 billion kWh **+5%**

THANK YOU

This presentation and corresponding discussion may contain certain forward-looking statements, including statements regarding our intent, belief or current expectations with respect to Towngas Smart Energy's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements in relation to holding, purchasing or selling securities or other financial products or instruments. Towngas Smart Energy does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof or the occurrence of unanticipated events. Past performance cannot be relied on as a guide for future performance.