

Towngas Smart Energy Company Limited (1083.HK)

2025 Annual Results

18 March 2026

Gas Business

- Gas sales volume remained steady growth
- Dollar margin increased by 0.02 RMB/m³
- “Gas+” momentum sustained: ~0.16 billion m³ annual volume
- AI drove quality & efficiency across engineering, operations, and customer service
- Signed a 15 billion m³ (1.5 billion m³/year) pipeline gas LTA with the “Three Majors”
- Flexible overseas LNG resourcing and proactive value hedging

Renewable Energy

- Strengthened AuM cooperation to self-balance cash flow and issued 259 MW quasi-REITs in 2025
- Electricity trading licenses cover 9 provinces (+4); gas-electricity synergy signed: over 3 billion kWh (total 15.7 billion kWh signed)
- Offline AI & on-site O&M upgraded deliver GW-scale annual management



Gas Business

Gas Sales Volume:

17.37 billion m³ **+1%**

Customers:

18.39 million **+0.75** million

City Gas Dollar Margin:

0.58 RMB/m³ **+0.02** RMB/m³



Renewable Energy

Accumulated PV Grid-connected:

2.8 GW **+0.5** GW

Power Generation Volume:

2.48 billion kWh **+36%**

Electricity Trading Volume:

8.4 billion kWh **Remains Steady**

AGENDA

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Business Review

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Financial Highlights

(Unit: HK\$ million)	2024	2025	Changes (%)
Revenue	21,314	20,912	-2
Operating Profit	2,319	2,176	-6
- Gas Business Net Profit	1,840	1,763	-4
- Renewable Energy Business Net Profit	479	413	-14
Corporate Financial Expenses	(566)	(519)	+8
Core Operating Profit	1,601	1,573	-2
Profit Attributable to Shareholders	1,606	1,585	-1
Basic Earnings per Share (HK Cents)	47.1	44.5	-6
Annual Dividend per Share (HK Cents)	19 (including 3 HK cents special dividend)	19	Maintains Unchanged

(Unit: HK\$ billion)	2024	2025
Total Assets	53.0	55.2
Net Assets	25.8	28.2
Borrowings	17.3	17.2
Net Gearing Ratio*	36%	34%

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

Credit Rating:



BBB+ **MOODY'S** **Baa1**



AAA

(Unit: HK\$ billion)	2024	2025
- <i>Gas Business</i>	2.1	1.2
- <i>Renewable Energy Business</i>	1.2	1.2*
Capital Expenditure	3.3	2.4

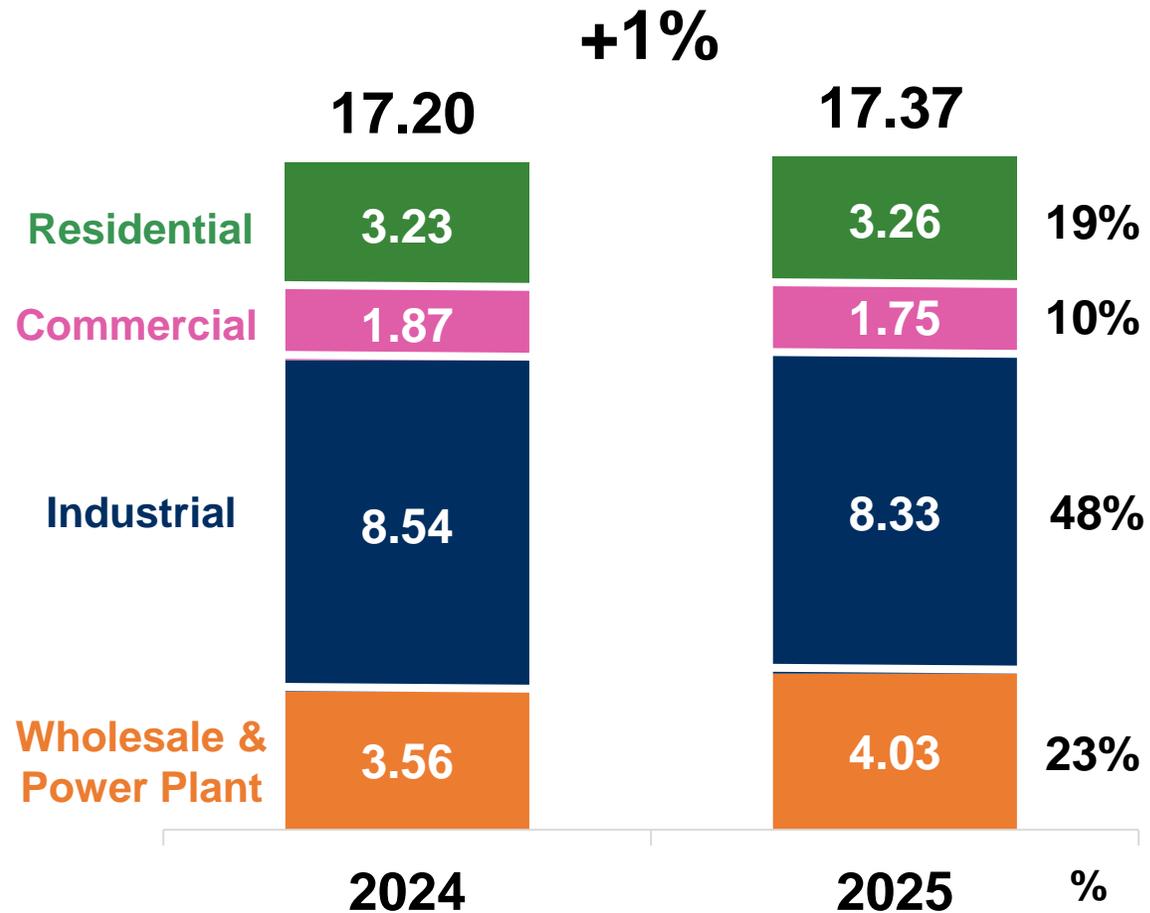
*Note: AuM financing enough to cover capital expenditure

Business Review

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

Gas Sales Volume

(Unit: billion m³)



- PRC NG usage remains steady YoY
- Warm winter, real estate market downturn and traditional industry production cuts reduced C&I gas volume
- Gas demand for emerging industries (such as the new energy vehicle industry) increased, driving overall gas volume growth

Selling Price, Gas Cost and City Gas Dollar Margin

(Unit: RMB/m ³)		2024	2025	Changes
Selling Price	Residential	2.80	2.82	+0.02
	Commercial	3.59	3.58	-0.01
	Industrial	3.42	3.39	-0.03
Average Selling Price		3.31	3.28	-0.03
Gas Cost		2.75	2.70	-0.05
City Gas Dollar Margin		0.56	0.58	+0.02

- Dollar margin improved
- Dynamic sourcing optimised gas supply costs
- C&I cost pass-through is completed; 90% of the enterprises completed residential cost pass-through

PRC real estate market remained weak, new connections under pressure

Number of household connections

(Unit: thousands)

User Type	2024	2025	Changes (%)
Residential	845	690	-18
Industrial & Commercial	18	14	-21

Unit residential connection fee

(Unit: RMB/household)

	2024	2025	Changes (%)
Residential Connection Fee	3,395	3,319	-2

- Affected by weak PRC real estate market, new connections declined
- Expanding coverage on resettlement housing and old urban district renewal projects
- Policy support gains momentum, easing downward pressure on real estate market

- Deepening existing markets, advancing gas-for-steam/electricity substitution. Secured 89 major clients in 2025, adding 0.3 billion m³ annual volume
- Gas+ business rapid growth; strategic push into energy trusteeship & industrial conservation. 2025 energy sales: 1.63 billion kWh (equivalent to 0.16 billion m³ of natural gas)
- Leveraged HK expertise to expand in mainland market. Piloted electricity-to-gas conversion for commercial dishwashers
- Secured 3.2 billion kWh in C&I electricity sales contracts

Introduced HK Experience - Dishwasher “Electricity-to-gas” Retrofit, Saving 30% Energy



Gas Boiler + Air Source Heat Pump; Expanding the Market through Integrated Energy Supply - Chaoyang Ganghua



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 17.4 billion m³ in 2025

1

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

2

Secured demand via optimised LNG mix & domestic resourcing, balancing risk and creating value

3

Self-coordinating gas resources:
Working gas volume of gas storage: 0.22 billion m³

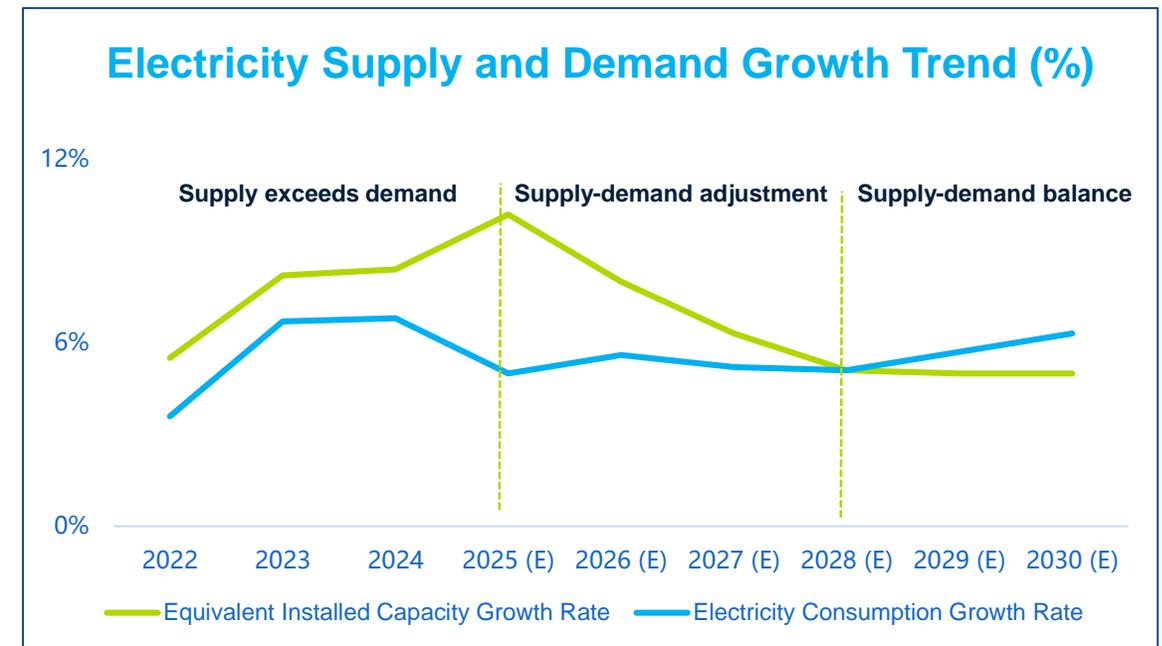
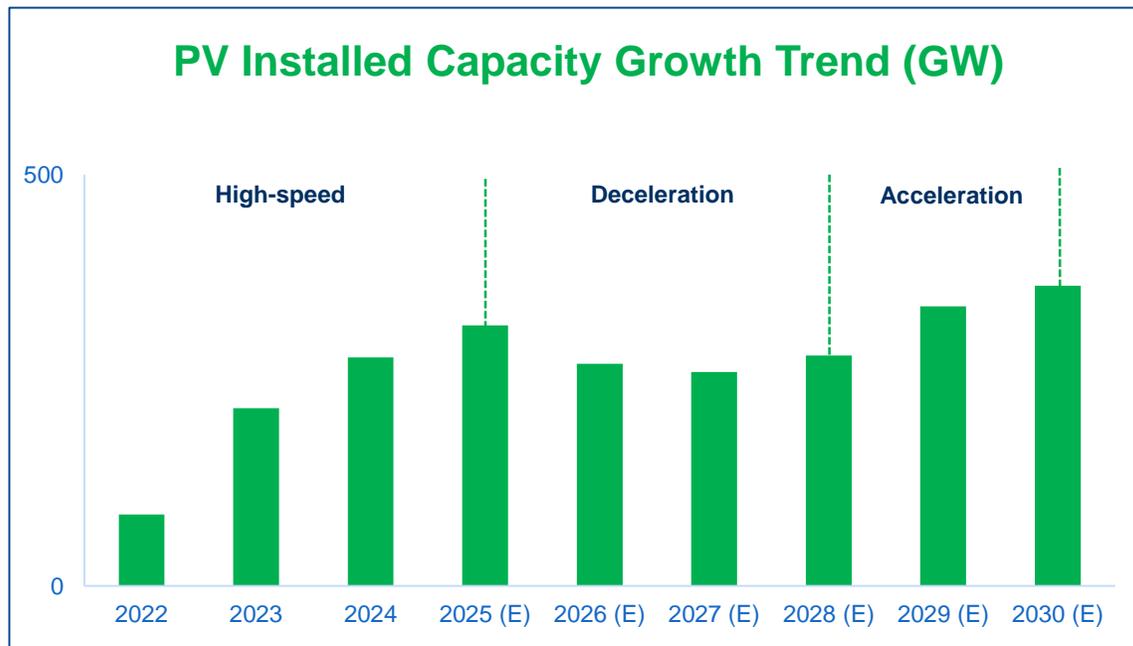
- Shanxi Ganghua: 0.25 billion m³/year
- Sichuan Weiyuan: 0.17 billion m³/year

4

Continuously integrate gas supply chain resources to coordinate and secure an annual gas supply of 6.4 billion m³ for the Group in 2025

Business Review

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



Challenges

- “Midday Off-peak Tariff” erodes returns of existing PV projects
- Document No.136 promotes market selection and helps rebalance supply & demand
- Market-driven TOU pricing transforms the energy storage investment model

Opportunities

- “Midday Off-peak Tariff” drives high returns for new PV projects in 28 provinces
- Favorable opportunities for PV M&A to scale AuM
- Massive AI electricity demand lifts PV volume & price

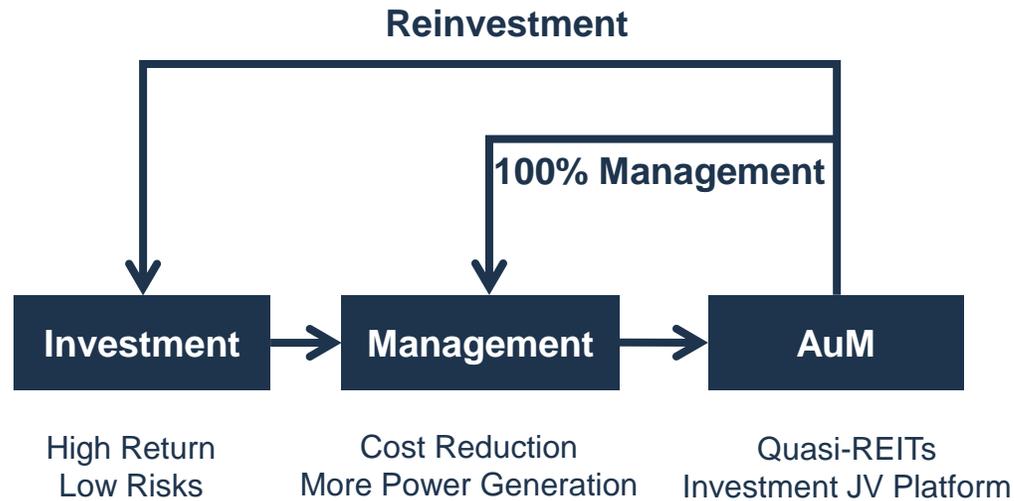
Operational Data	2024	2025	Changes
PV Grid-connected (GW)	2.3	2.8	+0.5
Power Generation Volume (billion kWh)	1.83	2.48	+36%
Energy Storage Grid-connected Capacity (MWh)	60	487	+712%
Gross Margin per kWh (RMB/kWh)	0.294	0.242	-0.052
Financial Data (RMB million)			
BU Profit Contribution	589	523	-11%
PV Business Net Profit	353	314	-11%
AuM Disposal Gain	134	161	+20%
Energy & Carbon Management Services Net Profit	102	48	-53%
Net Profit (RMB million)	441	381	-14%
Net Profit (HK\$ million)	479	413	-14%

**PV Business Net Profit
Decreased by RMB39 million**

- Equity scale: +200 MW YoY; power generation profit: up RMB50 million
- PV AuM management fees: RMB33 million (up RMB27 million)
- With implementation of “Midday Off-peak Tariff” in 28 provinces, gross margin decreased by RMB0.052/kWh and profit decreased by RMB90 million

**Energy & Carbon Management
Services Net Profit Decreased
by RMB54 million**

- The gross margin per kWh narrowed by RMB0.004 to RMB0.01. Electricity trading volume: 8.4 billion kWh, with profit of RMB42 million (down RMB35 million)
- Market-driven TOU pricing triggered cautious energy storage investment; profit from energy storage development down RMB20 million
- In 2025, electricity trading signed 15.7 billion kWh, up 87%, which will contribute to electricity trading profit in 2026



AuM Model:

- Collaborate with external investors;
- Sell $\geq 50\%$ equity in PV/energy storage assets;
- Management retention driving fee collection;
- Recycle capital to reinvest in high-return assets

1

457 MW of PV assets sold under AuM model, with a cumulative total of 910 MW

2

AuM financing in 2025: RMB1.8 billion, including RMB1.3 billion from 2 tranches of Quasi-REITs. Cumulative AuM financing: RMB3.5 billion

3

2025 one-off gain from AuM disposal: RMB0.16 billion. Management fee ($>2\%$ of AuM) positioned as sustainable core revenue growth

- **Mitigated PV investment risks; investment in high-return 1 GW PV projects requires RMB3.5 billion**
- **Expand AuM cooperation; dispose 0.8 GW AuM to meet RMB3.5 billion financing needs**
- **Strengthen gas collaboration; electricity trading signed exceed 20 billion kWh, supporting 2027 electricity trading**
- **Increasing investment in AI to enhance returns on PV & energy storage asset management**

ESG

In 2025, the Group's ESG practices received widespread recognition, securing over **11** prestigious ESG awards from various authoritative institutions



Bloomberg Businessweek
ESG Leading Enterprises 2025



Ta Kung Wen Wei
Best ESG Disclosure Award

	2024	2025
 Hang Seng Corporate Sustainability Index Series	AA	AA+ ↑
S&P Global	66	69 ↑
MSCI ESG RATINGS	A	A
 FTSE Russell	3.0	3.1 ↑
 SUSTAINALYTICS	Medium Risk	Medium Risk
CDP	B	B

2025 Challenges & Solutions

2026 Business Guidance

Macro Environment

Mainland real estate market downturn, industrial energy transition, and slower economic growth

Market-driven electricity pricing reshaped PV & energy storage investment landscape

Group Strategy

Optimising gas resources structure, improving dollar margin, and vigorously developing “Gas+” business

Strengthen AuM cooperation and gas-electricity synergy to drive high growth in PV and electricity trading



Gas Business

Gas Sales Volume:

17.54 billion m³ **+1%**

Customers:

18.89 million **+0.50** million

City Gas Dollar Margin:

0.59 RMB/m³ **+0.01** RMB/m³



Renewable Energy

Accumulated PV Grid-connected:

3.8 GW **+1.0** GW

Power Generation Volume:

3.2 billion kWh **+29%**

Electricity Trading Volume:

15.0 billion kWh **+78%**

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.