港華智慧能源
Towngas Smart Energy

Towngas Smart Energy Company Limited (1083.HK)

2026 Interim Results

17 August 2026

1H2026 Business Highlights

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Gas Business

- Diversified sourcing optimised gas supply costs
- Cost pass-through steadily completed with dollar margin increased by 0.02 RMB/m³ to 0.59 RMB/m³. Incremental revenue: ~RMB0.13 billion
- "Gas+" energy efficiency business momentum sustained, driving gas sales volume up to 0.07 billion m³. Incremental revenue: ~RMB0.28 billion

Renewable Energy

- Completed 0.24 GW of AuM, bringing cumulative AuM to 1.5 GW with total financing of RMB5.5 billion
- Developed high-quality projects. Annual target: 1 GW PV grid-connected
- Asset-light business achieved rapid growth

1H2026 Overview of Business Operations

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Gas Business

Gas Sales Volume:

8.54 billion m^3 **-2** %

Customers:*

18.66 million **+0.27** million

City Gas Dollar Margin:

0.59 RMB/m^3 **+0.02** RMB/m^3

Incremental revenue: ~RMB0.13 billion

Renewable Energy

Accumulated PV Grid-connected:*

3.0 GW **+0.2** GW

Power Generation Volume:

1.32 billion kWh **+12** %

Electricity Trading Volume:

7.23 billion kWh **+99** %

*Note: growth in customers and accumulated PV grid-connected is based on end-2025 figures

AGENDA

Financial Highlights

2026 Interim Results

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(Unit: HK$ million)	1H2025	1H2026	Changes (%)
Revenue	10,437	11,328	+9
Operating Profit	1,024	992	-3
- Gas Business Net Profit	852	912	+7
- Renewable Energy Business Net Profit	172	80	-53
Corporate Financial Expenses	(264)	(258)	+2
Core Operating Profit	**719**	**690**	**-4**
Profit Attributable to Shareholders	**758**	**690**	**-9**

Basic Earnings per Share (HK Cents)	**21.8**	**18.8**	**-14**
Interim Dividend per Share (HK Cents)	**5**	**5**	**Remains Steady**

Financial Position

(Unit: HK$ billion)	Dec 2025	Jun 2026
Total Assets	55.2	57.7
Net Assets	28.2	29.1
Total Borrowings	17.2	18.3
Less: Cash	2.6	3.4
Net Borrowings	14.6	14.9
Net Gearing Ratio*	34%	34%

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

Credit Rating: Standard & Poor's Ratings Services BBB+ Moody's Baa1 中诚信国际 CCXI AAA

Financial Prudence & Capital Discipline

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(Unit: HK$ billion)	1H2025	1H2026
- Gas Business	0.7	0.5
- Renewable Energy Business	0.7	0.3*
Capital Expenditure	1.4	0.8

***Note: supported by AuM financing to meet funding requirements**

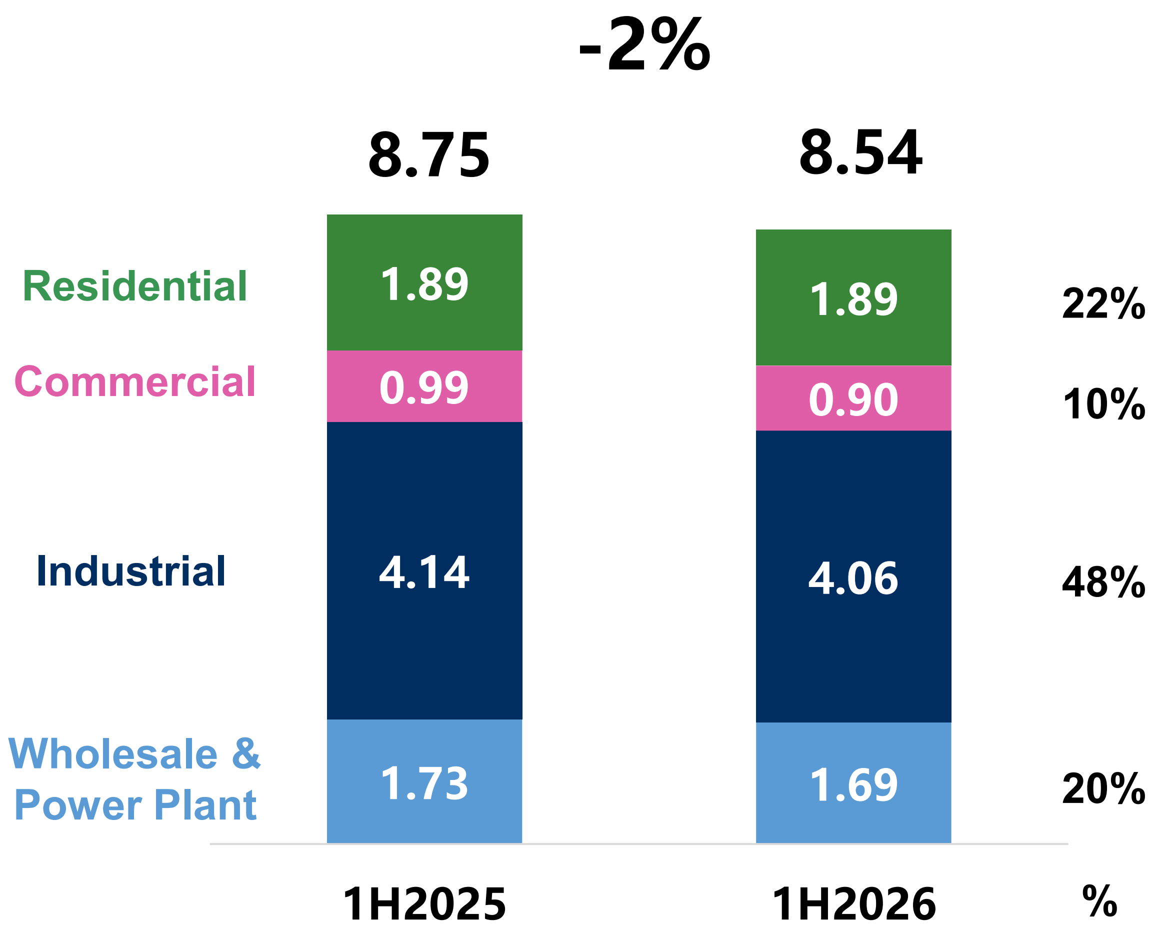
Business Review

- Gas Business
- Renewable Energy

Gas Sales Volume Analysis

Gas Sales Volume

(Unit: billion m^3)



- PRC NG usage dropped by 2.4% YoY in 1H2026
- Notable impact due to mild winter: average winter temperature increased by 1.5°C, second-highest on record
- Affected by the mild winter, commercial gas sales volume dropped

Steadily Rising Dollar Margin

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Selling Price, Gas Cost and City Gas Dollar Margin

(Unit: RMB/m^3)		1H2025	1H2026	Changes
Selling Price	Residential	2.77	2.78	+0.01
	Commercial	3.60	3.60	-
	Industrial	3.42	3.41	-0.01
Average Selling Price		3.33	3.32	-0.01
Gas Cost		2.76	2.73	-0.03
City Gas Dollar Margin		0.57	0.59	+0.02

Incremental revenue: ~RMB0.13 billion

- Dollar margin improved
- Dynamic sourcing countered market fluctuations, optimised costs and secured gas supply
- C&I cost pass-through is completed; over 90% of the enterprises completed residential cost pass-through

Connection Business Revenue

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PRC real estate market remained weak, new connections under pressure

The number of residential connections

(Unit: thousands)

1H2025	1H2026	Changes (%)
330	278	-16

Unit residential connection fee: ~RMB3,300 /household

- Affected by weak PRC real estate market, new connections declined
- Expanded coverage on resettlement housing and old urban district renewal projects
- Real estate stabilisation policies continuously eased downward pressure on the market

Advancing “Gas+” Energy Efficiency Business Expansion

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(Unit: RMB)

Captured Incremental C&I Gas Demand and Integrated Energy Revenue

- Advancing gas-for-steam/electricity substitution. Secured 67 major customers in 1H2026, adding 0.1 billion m^3 gas volume
- “Gas+” delivered integrated energy supply, energy trusteeship and energy-saving services. Energy sales: 0.81 billion kWh (+23%), driving gas sales volume up to 0.07 billion m^3
- Integrated energy revenue: 0.39 billion (+14%); gross profit: 0.09 billion (+10%). Business scale and profitability improved simultaneously
- Jointly developed 240 C&I customers with annual contracted electricity sales volume 1.5 billion kWh

“Gas+” featured extensive application scenarios and vast market potential

Food	Chemicals	Pharmaceuti-cals
Textiles	Machinery	Electronics
Advanced Materials	Automotive Manufacturing	Building Materials

Gas Supply Chain: Assurance of Gas Supply

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

LNG terminal

Underground gas storage

Upstream self-owned resource projects

国家管网 PipeChina | 中国石化 SINOPEC
中国海油 CNOOC | 中国石油

- Total gas sales volume reached 17.4 billion m³ in 2025, including coordinated gas volume of 3.1 billion m³ (accounting for 18%). Cost saving: ~RMB0.3 billion
- Implemented a 15 billion m³ (1.5 billion m³/year) pipeline gas LTA with the “Three Majors”; average unit price is ~RMB0.30/m³ below standard contract price
- Gas storage: working gas volume of 0.34 billion m³; strengthened coordination with national pipeline networks on peak-shaving and emergency supply-security, optimised transportation routes and added over 100 injection-offtake points
- Coordinated and secured gas supply of 1.56 billion m³ in 1H2026

Business Review

- Gas Business
- Renewable Energy

Consolidated Leading Position in C&I PV

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- Covered 128 zero-carbon industrial parks
- Invested and managed PV installed capacity of 3 GW
- Invested and managed energy storage installed capacity of 0.85 GWh
- 3,500 industrial electricity customers with electricity sales of 7.2 billion kWh in 1H2026

Electricity Price Stabilised; Promising Growth Ahead

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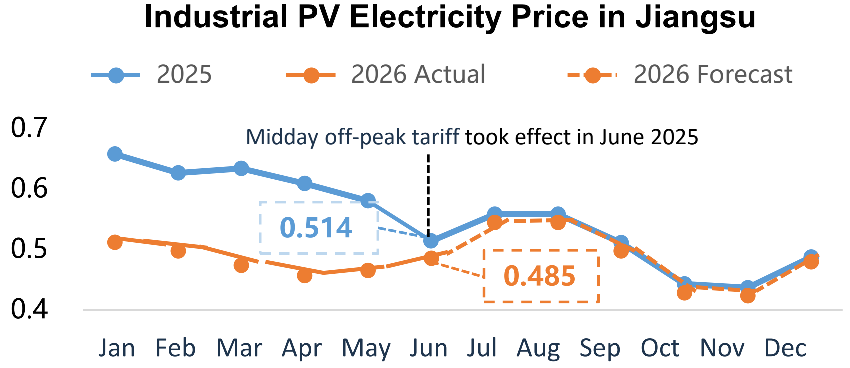
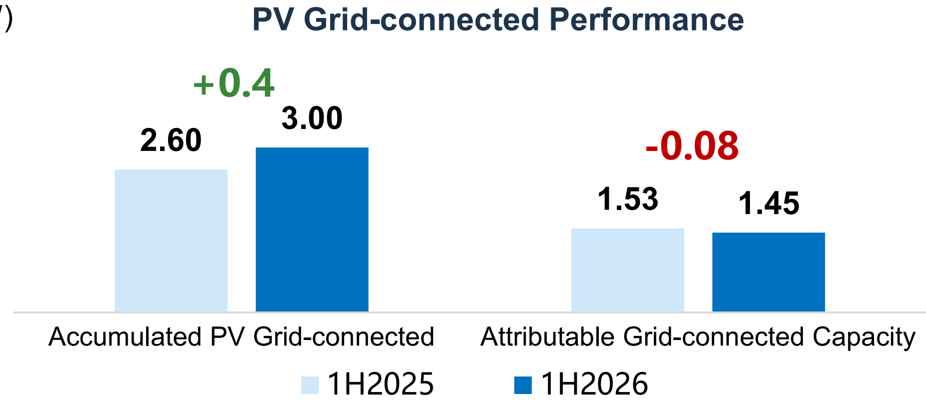
(Unit: RMB)



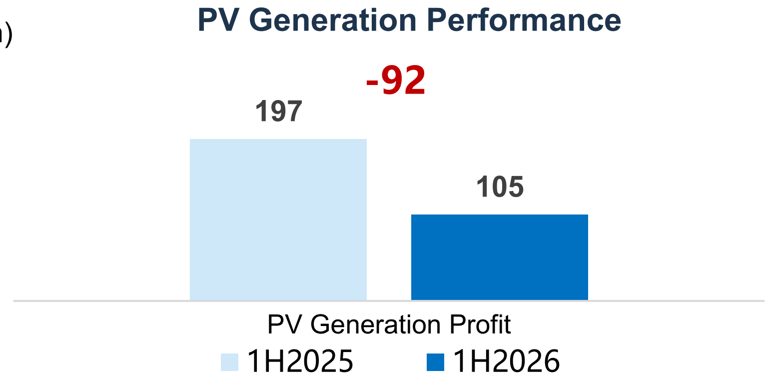
- Major PV provinces implemented “midday off-peak tariff” in 1H2025
- Gross margin per kWh narrowed by RMB0.11 to RMB0.158, with a smaller margin decline in 2H2026

(Unit: GW)



- Accumulated PV grid-connected increased by 0.4 GW YoY
- AuM increased by 0.66 GW YoY, driving lower attributable grid-connected capacity for the Group

(Unit: RMB million)



- Electricity price & attributable capacity dropped; PV generation profit dropped by RMB92 million YoY
- Electricity price stabilised, targeting 0.8 GW new PV grid-connected in 2H2026

Rapid Growth of Asset-light Business

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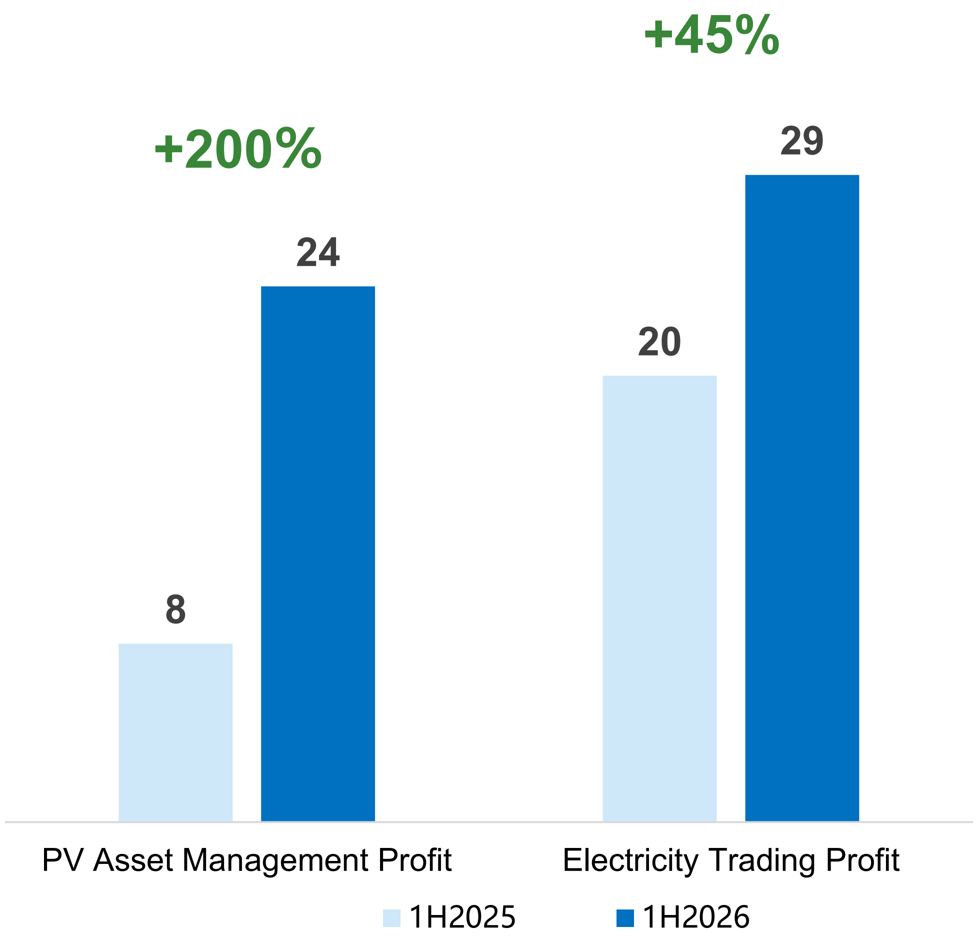
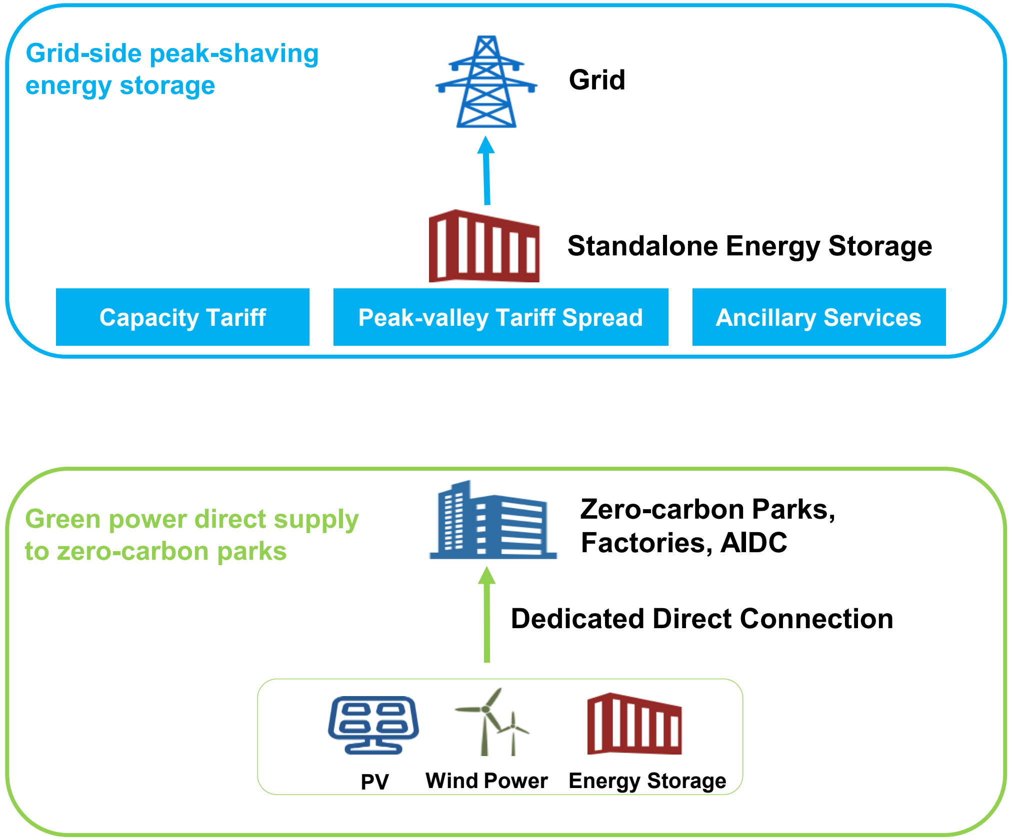
(Unit: RMB million)



- Rapidly expanded AuM scale, delivering asset management profit of RMB24 million
- Rapid growth in electricity trading: electricity sales of 7.2 billion kWh, with profit of RMB29 million in 1H2026
- Gas synergy & AI algorithms helped counter electricity trading competition and boosted profitability

Standalone Energy Storage & Green Power Direct Connection Expansion



- Under the AuM model, accumulated PV grid-connected C&I energy storage reached 0.85 GWh
- Marketisation of TOU tariff and higher C&I energy storage return risks slowed investment
- Expanded standalone energy storage and **green power direct connection**, and provided asset-light services

Capital Recycling via AuM for New Project Investment

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Issued 4 tranches of Quasi-REITs and 1 tranche of inter-institutional REIT, totalling 581 MW

Inter-institutional REIT Launch Ceremony (May 2026, Shenzhen Stock Exchange)

Cumulative AuM Scale (GW)	**1.5**
Average Equity Disposal Ratio	**70%**
Cumulative AuM Financing (RMB Billion)	**5.5**

Note：

1. Retained full asset management rights over AuM and charged annual management fees of over 2% of asset value
2. Captured one-off premium from equity disposals

Key Priorities

- Accelerate high-quality PV investment and M&A; targeting grid-connected capacity of 0.8 GW in 2H2026 and 1 GW for the full year
- Broaden channels to achieve annual target of 0.8 GW incremental AuM, securing ~RMB2.8 billion in financing for rolling reinvestment
- Through the deployment of AI algorithms, the Group targets electricity sales in excess of 15 billion kWh, annual revenue of ~RMB 0.23 billion, and a customer base of 3,500 industrial customers
- Advance investments in standalone energy storage and green power direct connection

ESG

Industry-leading ESG Performance

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	2025	2026
MSCI	A	AA ▲
Hang Seng Corporate Sustainability Index Series	AA+	AA+
S&P Global	69	69

ESG Rating Improved

Demonstrating robust HSE management and prudent carbon management capabilities

2026:

- Group Challenges & Opportunities
- Full-year Business Guidance

Gas Business

Challenges

Global warming

Downturn in mainland real estate market; declining new customer connections

Geopolitical instability affecting production and energy supply

Opportunities

Seizing opportunities under the 15th Five-Year Plan, fostering cross-segment synergy, scaling up "Gas+" energy efficiency businesses and engaging in local urban "green transition"

National initiative to expand domestic demand and upgrade housing quality, supporting the Group's value-added services

The Group is deploying "Gas+" and Towngas Lifestyle across the country

Diversified gas resources. China's natural gas consumption: from ~430 billion m^3 (2025) to 570 billion m^3 (2030E)

Renewable Energy Business

Challenges

Implementation of "midday off-peak tariff" drives down returns of existing PV assets

Abolition of TOU tariffs affects C&I energy storage investment

Intense price competition among electricity retailers squeezes profit margins and triggers industry shakeout

Opportunities

Electricity prices stabilised; policies drive full industrial PV rollout with reinvestment financed via AuM

Capturing trillion-yuan investment opportunities in standalone energy storage, green power direct connection and zero-carbon parks, and assisting customers with EU CBAM compliance

Leveraging gas-electricity synergy & AI algorithms to capture electricity retail market consolidation opportunities

2026 Full-year Business Guidance

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Gas Business

Gas Sales Volume:

17.54 billion m^3 **+1**%

Customers:

18.89 million **+0.50** million

City Gas Dollar Margin:

0.59 RMB/m^3 **+0.01** RMB/m^3

Incremental annual revenue: ~RMB0.2 billion

Renewable Energy

Accumulated PV Grid-connected:

3.8 GW **+1.0** GW

Power Generation Volume:

3.05 billion kWh **+23**%

Electricity Trading Volume:

15.0 billion kWh **+78**%

THANK YOU

Disclaimer

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