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濱海投資有限公司

BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

Year ended 31 December

	2025	2024	<i>Changes</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>Percentage</i>
		<i>(Restated)</i>	
Revenue	5,606,422	5,804,697	-3%
Gross profit	519,533	585,695	-11%
Profit for the year	211,968	193,564	10%
Profit for the year attributable to owners of the Company	206,149	184,790	12%
	<i>RMB' cents</i>	<i>RMB' cents</i>	<i>Percentage</i>
		<i>(Restated)</i>	
Earnings per Ordinary Share			<i>Percentage</i>
— Basic	15.0	13.5	11%
— Diluted	15.0	13.5	11%
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
		<i>(Restated)</i>	<i>point</i>
Gross profit margin <i>(Note)</i>	9.3%	10.1%	-0.8
Profit margin for the year <i>(Note)</i>	3.8%	3.3%	0.5

As at 31 December

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(Restated)</i>	<i>Changes</i> <i>Percentage</i>
Current assets	882,152	1,054,816	-16%
Total assets	7,395,422	7,290,224	1%
Total equity	2,241,258	2,167,508	3%
Current liabilities	3,194,032	2,843,427	12%
Total liabilities	5,154,164	5,122,716	1%
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i> <i>Point</i>
Average finance costs <i>(Note)</i>	4.4%	5.3%	-0.9
Return on average equity <i>(Note)</i>	9.7%	9.0%	0.7

Note:

Definitions

- **Gross profit margin**
Gross profit divided by Revenue
- **Average finance costs**
Interest expenses divided by Weighted average borrowings
- **Profit margin for the year**
Profit for the year divided by Revenue
- **Return on average equity**
Profit attributable to owners of the Company for the year divided by Average equity attributable to owners of the Company

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Binhai Investment Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Results Announcement**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Revenue from contracts with customers	4	5,606,422	5,804,697
Cost of sales and services	8	(5,086,889)	(5,219,002)
Gross profit		519,533	585,695
Administrative expenses	8	(200,878)	(199,231)
Research and development expenses	8	(84,064)	(104,107)
Other income	5	69,035	94,651
Other gains and losses	6	71,172	19,200
Impairment losses on financial assets and contract assets, net of reversal	7	(16,225)	(10,991)
Operating profit		358,573	385,217
Finance income	9	2,789	16,522
Finance costs	9	(75,180)	(128,167)
Finance costs — net	9	(72,391)	(111,645)
Share of results of associates and joint ventures accounted for using the equity method		15,665	13,508
Profit before income tax		301,847	287,080
Income tax expense	10	(89,879)	(93,516)
Profit for the year		211,968	193,564
Profit for the year attributable to:			
— Owners of the Company		206,149	184,790
— Non-controlling interests		5,819	8,774
		211,968	193,564
		<i>RMB' cents</i>	<i>RMB' cents (Restated)</i>
Earnings per share attributable to owners of the Company:			
— Basic earnings per share	12	15.0	13.5
— Diluted earnings per share	12	15.0	13.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025.12.31 RMB'000	2024.12.31 RMB'000 (Restated)	2024.1.1 RMB'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment		5,872,151	5,630,559	5,461,990
Right-of-use assets		192,522	178,236	176,770
Investment properties		343	5,486	11,384
Intangible assets		62,064	64,229	66,445
Investments in associates and joint ventures		310,806	284,826	269,943
Prepayments	14	44,957	14,788	79,533
Deferred tax assets		25,552	28,948	30,362
Restricted bank deposits		4,875	10,448	9,933
Term deposits		—	17,888	—
		<u>6,513,270</u>	<u>6,235,408</u>	<u>6,106,360</u>
Current assets				
Inventories		99,624	91,498	98,069
Trade and other receivables	13	223,912	286,539	316,713
Notes receivable		33,074	34,277	31,557
Contract assets		13,477	4,208	14,462
Prepayments	14	315,145	276,123	393,859
Restricted bank deposits		231	—	—
Term deposits		20,570	900	115,500
Cash and cash equivalents		163,273	361,271	734,965
		<u>869,306</u>	<u>1,054,816</u>	<u>1,705,125</u>
Assets classified as held for sale		<u>12,846</u>	—	—
		<u>882,152</u>	<u>1,054,816</u>	<u>1,705,125</u>
Total assets		<u><u>7,395,422</u></u>	<u><u>7,290,224</u></u>	<u><u>7,811,485</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	<i>Notes</i>	2025.12.31 RMB'000	2024.12.31 <i>RMB'000</i> <i>(Restated)</i>	2024.1.1 <i>RMB'000</i> <i>(Restated)</i>
EQUITY AND LIABILITIES				
Equity				
Share capital		223,098	244,261	286,358
— Ordinary shares		117,455	117,455	114,641
— Redeemable preference shares		105,643	126,806	171,717
Treasury Stocks		(11,595)	(6,676)	—
Share premium		34,053	34,053	1,410
Contributed surplus		—	—	35,304
Other reserves		337,926	291,117	251,196
Retained earnings		1,593,139	1,527,233	1,446,245
Equity attributable to owners of the Company		2,176,621	2,089,988	2,020,513
Non-controlling interests		64,637	77,520	79,547
Total equity		2,241,258	2,167,508	2,100,060
Liabilities				
Non-current liabilities				
Borrowings	<i>16</i>	1,798,697	2,124,262	1,872,394
Deferred income		135,697	136,651	129,762
Lease liabilities		8,867	6,839	5,830
Deferred tax liabilities		16,871	11,537	8,764
Trade and other payables		—	—	103
		1,960,132	2,279,289	2,016,853
Current liabilities				
Trade and other payables	<i>15</i>	1,260,145	1,132,990	1,214,669
Financial liabilities at FVTPL		26	—	—
Contract liabilities		729,136	639,667	747,023
Current income tax liabilities		55,936	58,183	47,779
Borrowings	<i>16</i>	1,128,103	1,007,821	1,678,605
Lease liabilities		8,463	4,766	6,496
		3,181,809	2,843,427	3,694,572
Liabilities directly associated with assets classified as held for sale		12,223	—	—
		3,194,032	2,843,427	3,694,572
Total liabilities		5,154,164	5,122,716	5,711,425
Total equity and liabilities		7,395,422	7,290,224	7,811,485

NOTES TO THE RESULTS ANNOUNCEMENT

For the year ended 31 December 2025

1. GENERAL INFORMATION

Binhai Investment Company Limited (the “**Company**”) was incorporated in Bermuda on 8 October 1999. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**HKE**x”).

The Company is an investment holding company. The Company and its subsidiaries are hereafter together referred to as the Group.

As at 31 December 2025, TEDA Hong Kong Property Company Limited (“**TEDA HK**”) (an indirect subsidiary of Tianjin TEDA Investment Holding (Group) Co., Ltd. (“**TEDA**”)), together with TEDA’s other subsidiaries, held approximately 42.23% of the total ordinary shares of the Company in issue (excluding treasury shares), and Great Wall Energy Investment (Hong Kong) Limited (“**Great Wall Energy HK**”) (a wholly-owned subsidiary of China Petroleum & Chemical Corporation (“**Sinopec**”)) held approximately 29.55% of the total ordinary shares of the Company in issue (excluding treasury shares). TEDA is the largest ultimate shareholder of the Company and Sinopec is the second largest ultimate shareholder of the Company.

The consolidated financial statements of the Group are presented in Renminbi (“**RMB**”) and the functional currency of the Company and its subsidiaries is RMB.

2. GOING CONCERN CONSIDERATIONS

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by approximately RMB2,312 million. The Group’s current liabilities as at 31 December 2025 primarily included trade and other payables, contract liabilities and current borrowings of approximately RMB1,260 million, RMB729 million and RMB1,128 million, respectively.

The management of the Company has concluded that the Group will have sufficient financial resources to support its operations and to meet its financial obligations and commitments as and when they fall due in the coming twelve months from 31 December 2025 based on the following considerations: 1) the Group will remain profitable and generate net cash from its operations; and 2) the Group has already arranged or secured other loan facilities totaling approximately RMB1,747 million from certain banks and other financial institutions which are readily available for the Group as of the date of approval of the consolidated financial statements.

The Directors have reviewed the management’s assessment together with the underlying basis and are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared on a historical cost basis, except for certain notes receivable which are classified as financial assets at fair value through other comprehensive income which are measured at fair values.

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New or revised standards that have been issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFR Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of the other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Change of presentation currency

During the year, the Company changed its presentation currency from Hong Kong dollar (“**HK\$**”) to RMB. Taking into account that the major business and assets of the Group are located in Mainland of the People’s Republic of China (the “**PRC**”), and its subsidiaries mainly use RMB as their presentation currency, the Board considers that it is more appropriate to use RMB as the presentation currency for the Group’s consolidated financial statements. The change of presentation currency will enable the shareholders and potential investors of the Company to have a more accurate picture of the Group’s financial performance. The comparative information has been restated to reflect the change in presentation currency to RMB accordingly. The Group has also presented the consolidated statement of financial position as at 1 January 2024 without related notes.

This change in presentation currency is applied retrospectively and affects only the presentation of the financial statements. It does not impact the measurement of assets, liabilities, income, or expenses, nor does it result in any gain or loss. The comparative figures have been represented in RMB for consistency and comparability.

4. SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company (the “**Executive Directors**”) that makes strategic decisions.

During the year, the segmental information presented to the CODM was enhanced. For the purposes of future business development, the Group enhanced its sales of gas appliances, provision of small-scale assembling services, maintenance services and activities of insurance agency services, which subsequently combined into a new segment named “value-added services” and became part of the Group’s principal activities. Accordingly, income generated from these services have been included in revenue. Accordingly, the Group’s operating and reportable segments under HKFRS 8 “Operating Segments” are sales of piped natural gas, construction and gas pipeline installation service, gas passing through service and value added service. The segment profit reviewed by the CODM represents the operating results earned by each segment. The Group has restated the corresponding segment information for the year ended 31 December 2024.

The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources of the Group. The Executive Directors have determined the following operating segments based on these internal reports:

Sales of piped natural gas	—	Sales of piped natural gas through the Group’s pipeline networks to industrial and commercial and residential customers
Construction and gas pipeline installation service	—	Construction of gas pipelines and installation of appliances to connect customers to the Group’s pipeline networks under gas construction and installation service contracts
Gas passing through service	—	Transportation of natural gas to customers through the Group’s pipeline networks
Value-added services	—	Including the sales of gas appliances, small-scale assembling services, maintenance services, and insurance agency services

The Executive Directors assess the performance of the operating segments based on segment results. Segment results are measured as gross profit of each segment. The segment revenue, results and other segment information are analysed as follows:

	Year ended 31 December 2025				
	Construction and gas				
	Sales of piped natural gas <i>RMB'000</i>	pipeline installation service <i>RMB'000</i>	Gas passing through service <i>RMB'000</i>	Value-added service <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue from external customers	5,253,944	223,982	52,350	76,146	5,606,422
<i>Recognised at a point in time</i>	5,253,944	—	52,350	76,146	5,382,440
<i>Recognised over time</i>	—	223,982	—	—	223,982
Segment results	<u>305,928</u>	<u>118,678</u>	<u>44,467</u>	<u>50,460</u>	<u>519,533</u>
Other income					69,035
Administrative expenses					(200,878)
Research and development expenses (“R&D”)					(84,064)
Other gains and losses					71,172
Impairment losses on financial assets and contract assets, net of reversal					(16,225)
Finance income					2,789
Finance costs					(75,180)
Shares of results of associates and joint ventures accounted for using the equity method					15,665
Profit before income tax					<u>301,847</u>
Other segment information					
Depreciation (included in cost of sales and services)	153,916	521	5,703	184	160,324
Amortization (included in cost of sales and services)	2,136	—	—	—	2,136
Depreciation (included in administrative expenses and R&D)					57,359
					<u>219,819</u>
Impairment loss on property, plant and equipment included in other gains and losses					12,890

	Year ended 31 December 2024				
	Construction and gas		Gas passing	Value-added	Total
	Sales of piped natural gas	pipeline installation service	through service	service	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
Total segment revenue from external customers	5,372,101	302,770	63,317	66,509	5,804,697
<i>Recognised at a point in time</i>	5,372,101	—	63,317	66,509	5,501,927
<i>Recognised over time</i>	—	302,770	—	—	302,770
Segment results	<u>307,776</u>	<u>178,916</u>	<u>54,250</u>	<u>44,753</u>	<u>585,695</u>
Other income					94,651
Administrative expenses					(199,231)
Research and development expenses					(104,107)
Other gains and losses					19,200
Impairment losses on financial assets and contract assets, net of reversal					(10,991)
Finance income					16,522
Finance costs					(128,167)
Shares of results of associates and joint ventures accounted for using the equity method					13,508
Profit before income tax					<u>287,080</u>
Other segment information					
Depreciation (included in cost of sales and services)	131,606	795	6,567	125	139,093
Amortization (included in cost of sales and services)	2,276	—	—	—	2,276
Depreciation (included in administrative expenses and R&D)					<u>62,820</u>
					<u>204,189</u>
Impairment loss on property, plant and equipment					<u>10,880</u>

The Executive Directors have not made reference to any geographical information for assessing the Group's performance and allocating resources, as all of the Group's operations are conducted in the PRC.

There is no single customer contributing more than 10% of the total revenue of the Group for both years.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. OTHER INCOME

	2025 RMB'000	2024 RMB'000 (Restated)
Government grants (i)	61,628	90,432
Income from service of maintenance and renovation	1,664	3,572
Rental income	5,743	647
	<u>69,035</u>	<u>94,651</u>

- (i) Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchases of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

6. OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(Restated)</i>
Net gains from compensation for damaged gas stations and gas pipelines (i)	69,447	46,075
Net gains/(losses) on disposal of property, plant and equipment	497	(2,210)
Net gains on gas pipeline service	13,243	5,876
Impairment loss on property under construction	(5,558)	(4,627)
Impairment loss on property, plant and equipment	(7,332)	(6,253)
Net gains on disposal of subsidiaries	—	1,817
Impairment loss on investment in joint venture	—	(5,300)
Net foreign exchange gains/(losses) (ii)	24,864	(24,614)
Net loss on financial instrument measured at fair value through profit or loss (“FVTPL”) (iii)	(76)	—
Others	(23,913)	8,436
	<u>71,172</u>	<u>19,200</u>

- (i) In 2025, eight (2024: seven) subsidiaries relocated their gas stations or gas pipelines in accordance with the road repair and construction requirements of the municipal governments of Zhuozhou county, Deqing county, Lishui county, Jizhou district, Yizheng county, Rizhao county, Gaoan county and Tianjin (2024: Anxin county, Haiyan county, Deqing county, Gaoan county, Jiaozhou county, Dezhou county and Tianjin). The compensation amounts in excess of the carrying amounts of the pipelines being relocated have been recognised as net gains from compensation for damaged gas pipelines for the years ended 31 December 2025 and 2024.
- (ii) The net foreign exchange gains primarily comprised the net exchange gains of RMB24,972,000 (2024: net exchange losses RMB24,473,000) arising from the retranslation of the USD-denominated syndicated borrowing during the years.
- (iii) The agreement signed between the Group and Huatai Securities Co., Ltd. incorporates a risk control scheme linked to gas supply conditions, namely entering into 18,000 barrels of front-month average price swap contracts on Brent crude oil at a price not exceeding USD65 per barrel. The Group records this derivative financial instrument in its accounts as FVTPL.

7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS, NET OF REVERSAL

	2025 RMB'000	2024 <i>RMB'000</i> <i>(Restated)</i>
Impairment losses on trade and other receivables	(9,416)	(11,789)
Impairment (losses)/reversal on contract assets	(1,022)	637
Impairment (losses)/reversal on prepayments	(5,787)	161
	(16,225)	(10,991)

8. EXPENSES BY NATURE

	2025 RMB'000	2024 <i>RMB'000</i> <i>(Restated)</i>
Cost of gas purchased	4,645,458	4,773,226
Employee benefit expenses	285,147	277,817
Depreciation	214,582	199,405
— Property, plant and equipment	197,646	183,098
— Right-of-use assets	16,918	16,087
— Investment properties	18	220
Subcontractor and other costs	53,703	61,142
Safety production expenses	67,724	75,265
Costs of pipelines and other materials purchased	46,642	49,640
Repair expenses	13,881	16,426
Other professional fees	13,069	11,812
Expenses relating to short-term leases	4,607	4,889
Amortisation — intangible assets	5,237	4,784
Auditor's remuneration	2,770	2,770
Others	19,011	45,164
Total cost of sales and services, administrative and R&D expenses	5,371,831	5,522,340

9. FINANCE INCOME AND COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(Restated)</i>
Finance income:		
Interest income on bank deposits (i)	<u>2,789</u>	<u>16,522</u>
Finance costs:		
Interest expenses	(146,233)	(190,158)
Less: Amounts capitalised as construction in progress (ii)	<u>71,053</u>	<u>61,991</u>
	<u>(75,180)</u>	<u>(128,167)</u>
Finance costs — net	<u><u>(72,391)</u></u>	<u><u>(111,645)</u></u>

- (i) Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.
- (ii) The capitalisation rate used to determine capitalised amounts of interests incurred in 2025 was 4.94% (2024: 5.32%) per annum.

10. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(Restated)</i>
Current income tax	81,149	88,663
Deferred taxation	<u>8,730</u>	<u>4,853</u>
	<u><u>89,879</u></u>	<u><u>93,516</u></u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

Binhai Investment Hong Kong Company Limited (“**Binhai HK**”) is a resident of the Hong Kong Special Administrative Region under the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income” for the calendar year 2025 to 2027.

According to the PRC Corporate Income Tax Law (the “**CIT Law**”), the dividends as declared by PRC incorporated subsidiaries to their foreign immediate holding companies (incorporated outside Mainland China) relating to the profits made subsequent to 1 January 2008 are subject to withholding income tax on dividend (“**Dividend Tax**”) at the rate of 10% with reduced rates available under certain conditions according to relevant international tax treaties.

The Group is liable to Dividend Tax on dividends actually declared and distributed from the unremitted earnings of the PRC incorporated subsidiaries as accumulated subsequent to 1 January 2008. As Binhai HK has acquired Certificate of Resident Status for years from 2022, the reduced rate of Withholding Tax was applied.

In accordance with the “Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Corporate Income Tax”, New and High Technical Enterprise was subject to income tax at a preferential tax rate of 15%. Tianjin TEDA Binhai Clean Energy Group Company Limited* (“**Tianjin Clean Energy**”) (天津泰達濱海清潔能源集團有限公司) was recognised as a New and High Technical Enterprises on 8 December 2025 in accordance with the CIT Law for 3 years and hence is subject to the preferential tax rate of 15% for the years from 2025 to 2027. Tianjin Bintou Xinzhi Technology Company Limited was recognised as a New and High Technical Enterprises on 3 December 2024 in accordance with the CIT Law for 3 years and hence is subject to the preferential tax rate of 15% for the years from 2024 to 2026.

Other subsidiaries established in the PRC are subject to income tax at the statutory tax rate of 25% for the year ended 31 December 2025 (for the year ended 31 December 2024: 25%).

The Company was established in Bermuda, which is a tax free country.

11. DIVIDENDS

	2025 RMB'000	2024 RMB'000 (Restated)
Final dividend for the year ended 31 December 2024 of HK\$0.076 (2023: HK\$0.076) per ordinary share declared and paid	<u>95,594</u>	<u>93,597</u>

The final dividend of HK\$104,428,000 (equivalent to RMB95,594,000) relating to the year ended 31 December 2024, representing HK\$0.076 per ordinary share was approved by the shareholders of the Company at the annual general meeting on 9 May 2025 and was fully paid in June 2025.

Subsequent to the end of reporting period, a dividend in respect of the year ended 31 December 2025 of HK\$0.0836 per ordinary share (equivalent to RMB0.0769 per ordinary share) is proposed by the Directors on 20 March 2026. This proposed dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. These consolidated financial statements do not reflect this proposed dividend.

The final dividend of HK\$102,827,000 (equivalent to RMB93,597,000) relating to the year ended 31 December 2023, representing HK\$0.076 per ordinary share was approved by the shareholders of the Company. Shareholders was given the option to elect to receive the final dividend entirely in new ordinary shares, partly in new ordinary shares and partly in cash, or entirely in cash. Based on the election by the shareholders, 30,262,195 ordinary shares were issued for a total consideration of approximately HK\$38,130,000 (equivalent to RMB35,457,000), and the remaining was paid in cash.

12. EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,
- by the weighted-average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

	2025	2024 <i>(Restated)</i>
Profit attributable to owners of the Company <i>(RMB'000)</i>	<u>206,149</u>	<u>184,790</u>
Weighted-average number of ordinary shares for basic earnings per share <i>(thousand)</i>	<u>1,374,222</u>	<u>1,368,949</u>
Basic earnings per share <i>(RMB cents)</i>	<u>15.0</u>	<u>13.5</u>

(ii) Diluted earnings per share

No diluted earnings per share for the year ended 31 December 2025 and 31 December 2024 is calculated since the exercise price of share option is higher than the average market price of ordinary shares during the year.

13. TRADE AND OTHER RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Trade receivables from third parties	213,529	281,045
<i>Less:</i> Provision for impairment loss allowance	(85,562)	(90,260)
	127,967	190,785
Trade receivables from related parties	7,389	10,435
<i>Less:</i> Provision for impairment loss allowance	(5,642)	(4,593)
	1,747	5,842
Other receivables	105,539	98,313
<i>Less:</i> Provision for impairment loss allowance	(11,341)	(8,401)
	94,198	89,912
Total trade and other receivables	223,912	286,539

The Group grants credit period of 90 days for its customers of piped natural gas sales, customers of gas passing through service and customers of value-added services whereas a longer credit period of 180 days after the completion of relevant stage of contract work is granted to customers of construction and gas pipeline installation service. A longer credit period may be granted on a discretionary basis to certain selected customers with good repayment histories or settlement by bills.

The ageing analysis of trade receivables presented based on the revenue recognition date is set out below:

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Within 90 days	66,052	61,827
91 – 180 days	8,581	18,870
181 – 365 days	9,237	26,130
Over 365 days	<u>137,048</u>	<u>184,653</u>
	<u>220,918</u>	<u>291,480</u>

14. PREPAYMENTS

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Prepayments for natural gas purchases	284,829	233,184
Prepayments for construction projects	39,382	53,493
Prepayments for others	<u>43,951</u>	<u>6,507</u>
	368,162	293,184
Less: Provision for impairment	<u>(8,060)</u>	<u>(2,273)</u>
	<u>360,102</u>	<u>290,911</u>
Representing:		
— Non-current portion	44,957	14,788
— Current portion	<u>315,145</u>	<u>276,123</u>
	<u>360,102</u>	<u>290,911</u>

The non-current portion of prepayments mainly represented the prepayments for the constructions of the gas pipeline network of the Group.

15. TRADE AND OTHER PAYABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000 <i>(Restated)</i>
Trade payables	656,315	608,924
Note payables	30,000	—
Other payables	568,027	517,841
Accrued expenses	5,803	6,225
	<hr/>	<hr/>
Total trade and other payables	1,260,145	1,132,990
Less: Non-current portion of trade and other payables	—	—
	<hr/>	<hr/>
Current portion	1,260,145	1,132,990
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, the ageing of the trade payable based on suppliers' invoice date is set out below:

	31 December 2025 RMB'000	31 December 2024 RMB'000 <i>(Restated)</i>
Within 90 days	167,121	163,967
91 – 180 days	48,883	48,696
181 – 365 days	99,277	95,737
Over 365 days	341,034	300,524
	<hr/>	<hr/>
	656,315	608,924
	<hr/> <hr/>	<hr/> <hr/>

16. BORROWINGS

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Non-current		
Secured:		
— Bank borrowings	225,712	274,520
— Other borrowings	—	374,641
	<u>225,712</u>	<u>649,161</u>
Unsecured:		
— Bank borrowings	1,572,985	672,677
— Syndicated borrowing	—	802,424
	<u>1,572,985</u>	<u>1,475,101</u>
Total non-current borrowings	<u><u>1,798,697</u></u>	<u><u>2,124,262</u></u>
Current		
Secured:		
— Bank borrowings	57,495	665,719
— Other borrowings	174,629	124,945
	<u>232,124</u>	<u>790,664</u>
Unsecured:		
— Syndicated borrowing	572,282	27,484
— Bank borrowings	323,697	189,673
	<u>895,979</u>	<u>217,157</u>
Total current borrowings	<u><u>1,128,103</u></u>	<u><u>1,007,821</u></u>
Total borrowings	<u><u>2,926,800</u></u>	<u><u>3,132,083</u></u>

Note:

The Group's syndicated borrowings with the amount of USD114 million (equivalent to approximately RMB839 million) under the facility agreement dated 10 June 2021 (as amended) was due to be repaid in June 2024. The Company entered into a new syndicated term loan facility agreement on 20 March 2024, and subsequently in June 2024 drew down syndicated borrowings of USD85 million (equivalent to approximately RMB626 million) and RMB220 million which bore interest at the Secure Overnight Financing Rate (“SOFR”) plus 2.35% and fixed at 6%, respectively to refinance its then outstanding borrowings. Such new syndicated borrowings are guaranteed by Tianjin Clean Energy, Binhai Investment (Tianjin) Company Limited and Taicheng Clean Energy Group Company Limited. Interests on such borrowings are payable quarterly and the principals would be due for repayment by instalments until June 2026. In April 2025, the Group fully prepaid the RMB portion of its syndicated borrowings.

17. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

No material subsequent events were noted as at the date of approval of this Results Announcement.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this Results Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 20 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this Results Announcement.

PERFORMANCE REVIEW

In 2025, the global economy faced multiple geopolitical challenges, including a deadlock in the Russia-Ukraine conflict, the rise of unilateralism and protectionism in the U.S. leading to escalating global trade frictions, and drastic changes in the international economic and trade environment. Global trade growth slowed, and tensions in the Middle East worsened as compared with 2024. Against this backdrop, China's economy maintained a steady pace, effectively implementing trade and economic strategies to inject more stability into trade cooperation. With moderately relaxed monetary policies and more proactive fiscal policies, China's gross domestic product ("GDP") grew by 5% year-on-year, demonstrating strong resilience. The international natural gas market is undergoing a critical period of transformation and reshaping, gradually returning to balance after supply tensions caused by the aforesaid geopolitical factors. The domestic gas industry is experiencing profound changes under a mix of policy support and market challenges mentioned above. Due to factors such as unusually warm temperatures, slow recovery in the real economy, and the rapid development of renewable energy, the growth of apparent natural gas consumption has slowed. In 2025, the national apparent natural gas consumption reached a cumulative 426.55 billion cubic meters, a slight year-on-year increase of 0.1%. In 2025, China's domestic natural gas production was 263.8 billion cubic meters, liquefied natural gas imports were 68.43 million tons, and piped natural gas imports were 59.43 million tons, ensuring a sufficient supply of resources. Overall, the supply and demand in the natural gas market were relatively relaxed.

In response to the ever-changing new circumstances, in 2025, the Group adopted the overall strategy of "safety as the foundation, improving quality in three areas, focusing on key challenges, and seeking steady progress amid stability" to actively and prudently develop various businesses. With a solid operational strategy and flexible market responses, the Group demonstrated resilient operations in its businesses. The Group implemented such overall strategy in its various businesses as elaborated below.

In terms of natural gas business, the Group continued to improve the integration of its industrial chain, continuing to optimise the upstream and downstream industrial chain as one of its development priorities during the “14th Five-Year Plan” period. In the upstream resources aspect, the Group adopted a diversified gas procurement strategy. In addition to signing conventional annual procurement contracts, the Group actively collaborated with social resources to ensure a sufficient gas supply and to secure competitive gas prices. These helped maintain stable costs, thus allowing the Group to possess greater advantages in developing downstream customers. On the downstream market side, the Group actively explored new users’ gas demand, The expansion of the end-user market was highly successful, with gas supply projects including the Yunhai Project Phase I and Zhaoyuan Thermal Power Plant, resulting in a total gas sales volume of approximately 2.44 billion cubic meters, of which piped natural gas sales volume amounted to approximately 1.79 billion cubic meters, an increase of 4.5% compared to last year, showing strong growth resilience. The Group’s natural gas sales benefitted from a favorable customer structure, with industrial and commercial customers accounting for 82%, and residential customers accounting for 18%. Since industrial and commercial customers consume larger volumes of gas, revenue and gross profit derived from them are higher, thereby demonstrating the advantages of the Group’s customer structure.

In 2025, the sales area of newly built residential properties in Mainland China decreased by 9.2%, and sales revenue fell by 13.0%. In terms of construction and installation services business of the Group, affected by the continued adjustment of the real estate market, the growth of new customers had slowed, with the growth rate decreasing by 1 percentage point compared to 2024. However, the Group seized the opportunity presented by the old residential area renovation policy of the PRC government. In 2025, the Group developed 120 new industrial customers, 723 new commercial customers, and 45,000 new residential customers, with the total number of customers reaching approximately 2.484 million by the end of 2025, representing a year-on-year growth of approximately 2%.

In terms of value-added services, the Group actively expanded its business categories, upgrading and iterating the product range under its self-owned brand “Taiyuejia (泰悦佳)” by launching kitchen beautification services during the year. At the same time, the Group continuously innovated and expanded its service boundaries by launching the “Taiyuejia (泰悦家)” e-commerce platform and opening a live-streaming sales channel. Through innovative and collaborative promotional models and precision marketing, the Group had achieved simultaneous growth in both business scale and profitability. In the year, the Group achieved a segmental turnover of RMB76.15 million, a year-on-year increase of 14.5%, with segmental profit amounting to RMB50.46 million, a year-on-year increase of 12.8%. In the year, the Group also entered into a strategic cooperation agreement with Tianjin TEDA Urban Renewal and Construction Development Company Limited* (天津泰達城市更新建設發展有限公司), a wholly-owned subsidiary of TEDA (the controlling shareholder of the Company), to start collaborating on overseas expansion based on the “Good Housing” construction standards and connotations.

The Group accelerated the implementation of integrated energy projects. During the year, the Group engaged in strategic cooperation with Tianjin Huade Intelligent Technology Group Co., Ltd.* (天津華德智慧科技集團有限公司), the People’s Government of Deqing County in Zhejiang Province, and Zhejiang Taineng Smart Power Co., Ltd.* (浙江泰能智慧電力有限公司), to explore the development of integrated energy and help accelerate the Group’s transformation into a comprehensive energy supplier.

The Group also continued to explore diversified financing channels, optimized financing structures, and focused on reducing overall financing costs. In 2025, interest expenses of the Group decreased by RMB43.93 million compared to the previous year. During the year, a wholly-owned subsidiary of the Company obtained medium-term working capital loans from several banks, with interest rates significantly lower than the one-year Loan Prime Rate. The Group also received financing benefits such as RMB credit from Sinopec Finance Company Limited Tianjin Branch Company* (中國石化財務有限責任公司天津分公司) (“**Sinopec Finance Tianjin**”), a subsidiary of Sinopec (a substantial shareholder of the Company), laying a solid financial foundation for the Group’s future strategic development.

BUSINESS REVIEW

The Group is principally engaged in the sales of piped natural gas, construction and gas pipeline installation service, gas passing through service and value-added services.

Sales of Piped Natural Gas

For the natural gas sales business, the Group continued to improve the integration of its industrial chain. In the upstream resources segment, the Group adopted a diversified gas procurement strategy. In addition to signing conventional annual procurement contracts, the Group actively collaborated with social resources to ensure a stable and sufficient gas supply at a stable cost. On the downstream market side, the Group actively explored new users’ gas demand. The Group expanded its end-user market with gas supply projects including the Yunhai Project Phase I and Zhaoyuan Thermal Power Plant, resulting in a total gas sales volume of approximately 2.44 billion cubic meters, of which piped natural gas sales volume amounted to approximately 1.79 billion cubic meters, an increase of 4.5% compared to last year, showing strong growth resilience. The Group has an advantageous customer structure for its sales of gas with industrial and commercial customers accounting for 82%, and residential customers accounting for 18%. For the year ended 31 December 2025, consumption of piped natural gas by domestic and industrial users amounted to approximately 11,146 x 10⁶ and 51,724 x 10⁶ megajoules respectively, as compared to 11,588 x 10⁶ and 48,591 x 10⁶ megajoules respectively for the year ended 31 December 2024. During the year, the Group’s revenue from sales of piped natural gas amounted to RMB5,253,944,000, representing a decrease of RMB118,157,000 or approximately 2.2% compared to the amount of RMB5,372,101,000 recorded for the year ended 31 December 2024. The decline in piped natural gas sales revenue in 2025 was mainly attributable to the downward adjustment of upstream natural gas procurement prices, which led to a reduction in the composite average sales price. The average sales price of piped natural gas in 2025 (calculated as piped natural gas sales revenue divided by piped natural gas sales volume) was RMB2.93 per cubic meter, representing a decrease of RMB0.20 per cubic meter from RMB3.13 per cubic meter in the prior year.

Construction and Gas Pipeline Installation Service

The Group constructs gas pipelines for its clients and connects such pipelines to the Group’s main gas pipeline networks. The Group then charges construction and gas pipeline installation service fees from industrial and commercial customers, property developers and property management companies. These services are integral to the Group’s operations, ensuring seamless gas distribution and expanding its network reach.

In 2025, the sales area of newly built residential properties in Mainland China decreased by 9.2%, and sales revenue fell by 13.0%. In terms of engineering construction and installation services business, affected by the continued downward adjustment of the real estate market in Mainland China, the growth of new customers of the Group had slowed down in 2025, with the growth rate decreasing by 1 percentage point compared to 2024. In spite of this, the Group took advantage of the old residential area renovation policy of the PRC government. In 2025, the Group developed 120 new industrial customers, 723 new commercial customers, and 45,000 new residential customers, with the total number of customers reaching approximately 2.484 million by the end of 2025, representing a year-on-year growth of approximately 2%.

As at 31 December 2025, the aggregate length of city medium-pressure gas pipeline networks was approximately 4,116 kilometers, representing an increase of 140 kilometers from the length of 3,976 kilometers as at 31 December 2024. Meanwhile, the aggregate length of city high-pressure and sub-high-pressure gas pipeline networks was approximately 703 kilometers, representing an increase of 46 kilometers from the length of 657 kilometers as at 31 December 2024. For the year ended 31 December 2025, the revenue of the Group from construction and gas pipeline installation service amounted to approximately RMB223,982,000, representing a decrease of RMB78,788,000 or approximately 26% compared to the amount of RMB302,770,000, recorded for the year ended 31 December 2024. Affected mainly by the continued downward adjustment of the real estate market, the growth of new customer slowed down in 2025, resulting in a decrease in revenue from engineering construction and natural gas pipeline installation services.

Gas Passing Through Service

The Group transports gases for clients through gas pipeline networks and charges passing through fees. Natural gas is the primary energy source utilized in the Group's gas passing through service. As a clean and efficient energy resource, natural gas plays a critical role in addressing environmental pollution by significantly reducing carbon emissions and other harmful pollutants compared to traditional fossil fuels. Its inherent advantages, such as safety, reliability, and cost-effectiveness, make it an attractive option for both industrial and residential use across the country. Furthermore, natural gas has emerged as a cornerstone in global clean energy strategies, contributing to the transition toward sustainable and environmentally friendly energy systems. This aligns with the nation's efforts to combat climate change and promote greener energy solutions, solidifying its importance in the development of clean energy initiatives in Mainland China. For the year ended 31 December 2025, the volume of gases transported by the Group for its clients amounted to 649,052,000 cubic metres and gas passing through service income amounted to approximately RMB52,350,000, representing a decrease of approximately RMB10,967,000 or 17% compared to the amount of approximately RMB63,317,000 recorded for the year ended 31 December 2024. Revenue from gas passing through service decreased in 2025, primarily due to a reduction in the volume of gases transported by the Group for its clients.

Value-added Services

The Group provides customers with a variety of value-added services, including the sales of gas appliances, the provision of small-scale assembling services, maintenance services and insurance agency services. For this segment, starting from 2025, value-added services have become one of the Group's core businesses and important profit growth engines. The Group actively expanded its business categories, upgrading and iterating the product range under its self-owned brand "Taiyuejia (泰悦佳)" by launching kitchen beautification services during 2025. At the same time, the Group continuously innovated and expanded its service boundaries by launching the "Taiyuejia (泰悦家)" e-commerce platform and opening a live-streaming sales channel. Through innovative and collaborative promotional models and precision marketing, the Group simultaneously achieved growth in both business scale and profitability. During 2025, the Group's gross profit from value-added services amounted to RMB50.46 million, representing a year-on-year increase of 12.8%. In the year, the Group achieved a turnover from value-added services of RMB76.15 million, a year-on-year increase of 14.5%. In particular, income of the Group from the sales of gas appliances amounted to approximately RMB20,267,000, representing an increase of RMB5,270,000 or 35% compared to the amount of RMB14,997,000 recorded for the corresponding period last year. Income of the Group from the provision of small-scale assembling services amounted to approximately RMB36,836,000, representing an increase of RMB84,000 or 0.2% compared to the amount of RMB36,752,000 recorded for the corresponding period last year. Income of the Group from maintenance services amounted to approximately RMB8,463,000, representing an increase of RMB2,096,000 or 33% compared to the amount of RMB6,367,000 recorded for the corresponding period last year. Income of the Group from insurance agency services amounted to approximately RMB10,580,000, representing an increase of RMB2,187,000 or 26% compared to the amount of RMB8,393,000 recorded for the corresponding period last year. In the year, the Group also entered into a strategic cooperation agreement with Tianjin TEDA Urban Renewal and Construction Development Company Limited* (天津泰達城市更新建設發展有限公司), a wholly-owned subsidiary of TEDA (the controlling shareholder of the Company), to collaborate on overseas expansion based on the "Good Housing" construction standards and connotations.

Property Development

As at 31 December 2025, the Group held a piece of land under development of approximately 15,899.6 square metres located to the east of Central West Road, west of Central Road, north of Xi San Road and south of Xi Er Road in the Tianjin Airport Economic Area in the Binhai New Area of the PRC, under land use rights for commercial use for a term of 40 years from 31 December 2009.

In view of the Group's current strategic direction which focuses on the development of the gas business, the Group plans to dispose of the above property under construction.

FINANCIAL REVIEW

Gross Profit Margin

Gross profit of the Group for the year ended 31 December 2025 was approximately RMB520 million (2024: RMB586 million) and the gross profit margin for the Group was approximately 9% (2024: 10%). The decrease in the gross profit margin is predominantly attributable to the reduction in gross profit from construction and gas pipeline installation service.

Administrative Expenses

Administrative expenses of the Group for the year ended 31 December 2025 was approximately RMB201 million, representing an increase of approximately RMB2 million or 1% compared to approximately RMB199 million for the year ended 31 December 2024.

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2025 was approximately RMB206 million, as compared to approximately RMB185 million for the year ended 31 December 2024. The increase in profit attributable to owners of the Company was mainly attributable to the decrease of finance costs for the year ended 31 December 2025.

Basic earnings per share for the year ended 31 December 2025 was RMB15.0 cents, as compared to RMB13.5 cents for the year ended 31 December 2024.

Liquidity and Financial Resources

The Group financed its liquidity requirements primarily through cash flow generated from operating activities and proceeds from interest-bearing bank loans and other borrowings.

As at 31 December 2025, the total borrowings of the Group amounted to approximately RMB2,926,800,000 (2024: RMB3,132,083,000) and the cash and bank deposits of the Group amounted to approximately RMB188,949,000 (2024: RMB390,507,000), which included cash and cash equivalents of approximately RMB163,273,000, term deposits of approximately RMB20,570,000 and restricted bank deposits of approximately RMB5,106,000. As at 31 December 2025, the Group had consolidated current assets of approximately RMB882,152,000 and its current ratio was approximately 0.28. As at 31 December 2025, the Group had a gearing ratio of approximately 55%. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents and term deposits. Total capital is calculated by adding total equity and net debt. To effectively manage the Group's liquidity risks, the Company is reviewing the existing loans of the Group to be repayable in 2026 and will negotiate with potential funding parties, when appropriate, to secure more competitive interest rates to refinance its borrowings under the current financing arrangements.

Borrowings Structure

As at 31 December 2025, the total borrowings of the Group amounted to approximately RMB2,926,800,000, of which 20% were denominated in USD and 80% denominated in RMB (2024: RMB3,132,083,000, of which 20% were denominated in USD and 80% denominated in RMB). Syndicated borrowing was denominated in USD carrying interest at the rate of 2.35% plus SOFR per annum. Secured borrowings from PRC banks were denominated in RMB and carried interest rates from 3.74% to 4.8% per annum. Unsecured borrowing from bank was denominated in RMB, carrying interest rates from 2.4% to 5.00% per annum. Other secured borrowings carry interests at the rates ranging from 3.4% to 3.5% per annum. 25% of the borrowings are in fixed interest rate and 75% of the borrowings are in floating rates. As at 31 December 2025, short-term borrowings and the current portion of long-term borrowings amounted to approximately RMB1,128,103,000, while the remainder were long-term borrowings falling due after one year or above.

Particulars of bank and other borrowings of the Group as at 31 December 2025 are set out in note 16 to this Results Announcement. The net loan proceeds are for refinancing the indebtedness and for financing general corporate funding requirements of the Group.

Directors' Opinion on Sufficiency of Working Capital

As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB2,311,880,000. The Group's ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2025.

Exposure to Exchange Rate Fluctuations

The Company's presentation currency for its consolidated financial statements has been changed from Hong Kong Dollars to RMB from 1 January 2025. As the Group has been adopting RMB as its functional currency with its major business and assets located in Mainland China and denominated and settled in RMB, and its subsidiaries mainly use RMB as their presentation currency, the Board considers that the change of presentation currency will enable the shareholders and potential investors of the Company to gain a more accurate and transparent understanding of the Group's financial performance. During the reporting period, the majority of the Group's transactions are denominated in the functional currency of the respective group entities. Part of the deposits and bank borrowings of the Group are denominated in Hong Kong Dollars and USD which expose the Group to certain foreign currency risks. For the year ended 31 December 2025, net foreign exchange gains for the financing activities amounted to approximately RMB25 million.

The Group has adopted various measures to manage exchange rate fluctuation risks. As at 31 December 2025, the balance of the syndicated loan drawn down by the Company in June 2024 was approximately USD82 million, which will mature on 5 June 2026. To repay such loan, on 6 March 2026, the Company entered into a term loan facility agreement (the “**2026 Facility Agreement**”) with a syndicate to draw down syndicated loans of not more than USD45,000,000 and RMB172,500,000. The syndicated loans are each for a period of 24 months after the utilisation date under the respective facility by the Company. For further details regarding the 2026 Facility Agreement, please refer to the announcement of the Company dated 6 March 2026. The Group has strategically reduced its borrowings denominated in USD to mitigate the impact of exchange rate fluctuations.

The Group does not currently have a foreign currency hedging policy. However, the management of the Company has been monitoring foreign exchange risks and will consider hedging significant foreign currency exposure should the need arise.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and remained steadfast in its commitment to prudent capital and cash flow management to maintain a strong and healthy liquidity position for the year ended 31 December 2025.

Charge on the Group’s Assets

As at 31 December 2025, 50% of the equity interest of Tianjin Clean Energy were pledged amounting to approximately RMB601,866,751 as security for other borrowing. In addition, as at 31 December 2025, the Group had restricted bank deposits of RMB5,106,000 (2024: RMB10,448,000). The net carrying amount of pipelines and equipment as at 31 December 2025 amounting to approximately RMB311,843,000 were pledged as security for the other borrowings.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities.

PROSPECTS

Entering 2026, as the international order accelerates its evolution, multiple factors such as geopolitical conflicts and trade protectionism are becoming increasingly intertwined. In particular, the military conflict between the U.S., Israel and Iran has caused disruptions in the passage of the Strait of Hormuz, a crucial energy transport route. As the conflict drags on, pressure on the global oil supply chain could trigger a sharp rise in international oil prices. Similarly, international natural gas prices, which are linked to international crude oil prices, are also expected to rise, leading to a deepening impact of the external environment on the domestic economy and a rise in uncertainties. As a result, domestic natural gas sales prices in Mainland China could be affected as well. However, the long-term supportive fundamentals and underlying positive trend of Mainland China's economy — characterized by a solid foundation, numerous advantages, strong resilience, and significant potential — remain unchanged. The Organisation for Economic Co-operation and Development forecasts Mainland China's economic growth rate in 2026 to be 4.4%. The 2026 annual plenary session of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference focused on the green and low-carbon transformation, proposing five indicators related to carbon reduction, pollution control, and environmental protection, etc. Among them, the carbon reduction target for 2026 is a 3.8% decrease in carbon dioxide emissions per unit of GDP, with a cumulative reduction of 17% over the "15th Five-Year Plan" period. The PRC government will continue to push for the green and low-carbon transformation in key areas, and natural gas will continue to play an important role during this process, which is expected to continue to provide strong support for the Group's natural gas business. Meanwhile, the Central Economic Work Conference of China proposed a series of strategies, including adhering to the principle of pursuing progress while maintaining stability, improving quality and efficiency, leveraging the combined effects of existing and incremental policies, strengthening countercyclical and cross-cyclical adjustments, enhancing the effectiveness of macroeconomic governance, and continuing to implement a more proactive fiscal policy. We believe that these measures will further boost the momentum of domestic economic development, thereby providing a more favorable macroeconomic environment for the Group's business development. The increase in end-users' gas demand and living needs brought by the aforementioned measures will benefit all of the Group's core businesses.

In 2026, as the macroeconomy gradually recovers, and in response to changes and challenges in the market environment, the Group will seize government policy opportunities such as the "dual carbon" goals and the market-oriented reform and transformation of the gas industry, focusing on three key directions: "consolidating the core city gas business, vigorously developing value-added services, and accelerating the transformation into a comprehensive energy supplier". The Group will extend its supply chain, enhance its industrial chain, promote intelligent upgrades and technological empowerment, and strengthen the foundation for performance growth. By continuously exploring and cultivating new profit growth drivers, the Group will make every effort to promote high-quality development and deliver long-term sustainable returns to shareholders of the Company.

The Group will strive to make improvements in its businesses on various fronts. For the segment of natural gas business, the Group will analyse the volume and pricing policies for natural gas procurement contracts from 2026 to 2027, and continue to optimize its gas supply structure, reduce overall procurement costs, actively promote the implementation of price pass-through mechanisms for residential users, and steadily restore gross profit margin levels. At the same time, it will further consolidate its advantages in customer gas consumption structure, increase gas sales to industrial customers, and safeguard the profitability of its natural gas sales business. As the Group's business structure continues to improve, the impact of the slowdown in the growth of the engineering construction and installation services business on overall profitability is gradually diminishing. Nevertheless, the Group will continue to seize opportunities arising from urban renewal and renovation of old residential communities, actively intensify market development efforts, and continuously expand its customer base.

The Group aims to build a “comprehensive urban living services provider integrating gas services, household services, and community services” under its value added services business. Leveraging its proprietary brand development, the Group will adhere to a strategy that combines deepening its presence in core regions with expansion into new markets. Through online e-commerce platforms and offline experience stores, the Group will continue to extend its service chain, enrich product and service scenarios, fully unlock the growth potential of value-added services, accelerate the expansion of business scale and market share, and strive to make value-added services business a core pillar of the Group's profit structure as soon as possible.

In addition, the Group will accelerate its transformation into a comprehensive energy service provider by leveraging its industrial customer resources and existing pipeline network, aligning with customers' industry characteristics to provide customized energy management solutions, and expediting the implementation of pilot projects, thereby laying an important milestone for the Group's transition into a comprehensive energy service provider.

While steadily advancing the growth of its core businesses, the Group actively practices the philosophy of green development and earnestly fulfills its responsibilities for sustainable development. In daily operations and supply chain management, the Group adheres to the principle of giving equal importance to safe operations and green development, prioritizes environmentally certified suppliers, continuously promotes energy-saving technological upgrades, optimizes resource allocation, enhances energy efficiency, strengthens comprehensive utilization of waste and pollution prevention and control, and builds an efficient and energy-saving operating system. Furthermore, the Group actively responds to the national clean energy development strategy and the “dual carbon” goals, seizes opportunities arising from the energy transition, and systematically advances energy conservation, emission reduction, and low-carbon transformation through measures such as the implementation of comprehensive energy solutions, low-carbon technology research and development and application, and the establishment of carbon asset management systems. The Group will continue to enhance its “dual carbon” management capabilities and green governance standards, contributing sustained momentum to its long-term high-quality development and the improvement of social and environmental benefits.

EMPLOYEES

As at 31 December 2025, the Group had 1,786 employees (2024: 1,746 employees). For the year ended 31 December 2025, the salaries and wages of the employees of the Group amounted to approximately RMB203 million (2024: RMB193 million) and among these, approximately RMB40 million were recorded in research and development expenses (2024: RMB49 million).

REMUNERATION POLICY

We recognize that our Group's success depends on the contributions of our employees, whom we consider invaluable assets to the Group. The Group is committed to offering competitive remuneration packages while fostering a fair, inclusive, and safe working environment for all employees. The Group prioritizes work safety and occupational health by adhering to laws and regulations, implementing a comprehensive safety management system, and fostering a culture of safety through training and performance assessments.

The remuneration of the employees of the Group is determined by reference to the market rates, and the performance, qualification and experience of the relevant employee. In addition, a discretionary bonus based on individual performance during the year is distributed to reward the contributions of employees to the Group. The Group provides training opportunities and other benefits to its employees, including pension insurance, unemployment insurance, injury insurance, medical insurance, maternity insurance and housing fund, etc.

Furthermore, a share option scheme was adopted by the Company on 13 January 2021 as an incentive and award plan for directors, senior management personnel and eligible employees of the Group.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2025, the Company did not hold any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2025, there were no material acquisitions or disposals of subsidiaries and associated companies by the Group.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

There are no important events affecting the Group which have occurred after the end of the financial period ended 31 December 2025 and up to the date of this Results Announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently does not have any future plans for material investments or capital assets.

CORPORATE GOVERNANCE PRACTICES

The Board is in charge of the management of the entire business of the Group and assumes overall responsibility for the leadership and control of the Group, collectively being responsible for promoting the success of the Group through giving instructions and supervising its business. The Board believes that good corporate governance practices would strengthen investors' confidence, facilitate the development of the Group, and increase transparency of the operation of the Group, all of which are in the long-term interest of the Group and the Shareholders. During the year ended 31 December 2025, the Company had fully complied with the code provisions that were in force set out in Part 2 of the Appendix C1 (Corporate Governance Code) of the Rules Governing the Listing of Securities on HKEx (the "**Listing Rules**").

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in accordance with Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors, namely Mr. LAU Siu Ki, Kevin (chairman), Mr. IP Shing Hing, *B.B.S., J.P.*, Professor Japhet Sebastian LAW and Dr. TANG Lai Wah, and Mr. LAU Siu Ki, Kevin and Dr. TANG Lai Wah are qualified accountants.

The Audit Committee has reviewed the consolidated financial results of the Group for the year ended 31 December 2025 and has provided advice and comments on the financial statements.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under Appendix C3 to the Listing Rules. Trading of securities by Directors shall be approved by the chairman of the Board and shall be conducted in accordance with the time frame and the number of securities approved.

All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard of dealings as set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors during the year ended 31 December 2025.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2025, pursuant to the general mandates to repurchase shares approved by the holders of ordinary shares of the Company at the 2024 annual general meeting and 2025 annual general meeting respectively, the Company repurchased a total of 4,798,000 ordinary shares of the Company (“**Repurchased Shares**”) on HKEx for an aggregate consideration of approximately HK\$5,296,100 after deducting expenses. The Repurchased Shares were subsequently held by the Company as treasury shares. The repurchases were effected for the enhancement of the net asset value per share and/or earnings per share of the Company. Details of the Repurchased Shares are as follows:

Month of purchase in 2025	Purchase consideration per Repurchased Share			
	No. of Repurchased Shares	Highest price paid (HK\$)	Lowest price paid (HK\$)	Aggregate consideration paid (HK\$)
January	816,000	1.16	1.06	918,080
March	1,060,000	1.12	1.05	1,155,020
April	806,000	1.14	1.02	875,820
May	256,000	1.04	1.01	262,620
June	200,000	1.06	1.01	205,980
November	322,000	1.15	1.09	360,620
December	1,338,000	1.18	1.10	1,517,960
Total	<u>4,798,000</u>			<u>5,296,100</u>

During the year ended 31 December 2025, in view of the fulfillment of the conditions for redemption of the redeemable non-voting preference shares at par value of HK\$50 each (“**Redeemable Preference Shares**”) under the bye-laws of the Company and having considered the financial position of the Group, the Company redeemed and cancelled 480,650 Redeemable Preference Shares from TEDA HK on 26 August 2025, at the redemption amount of HK\$50 per Redeemable Preference Share, amounting in aggregate to HK\$24,032,500.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities or transferred any of the Company's treasury shares during the year ended 31 December 2025.

FINAL DIVIDEND

The Board has recommended a final dividend for the year ended 31 December 2025 of HK\$0.0836 per ordinary share (final dividend for the year ended 31 December 2024: HK\$0.076 per ordinary share) (the “**Final Dividend**”).

After approval by the holders of ordinary shares at the forthcoming annual general meeting proposed to be held on 8 May 2026, the Final Dividend is expected to be paid on or around 10 June 2026 to those holders of ordinary shares whose names appear on the register of members of the Company as at 19 May 2026, being the record date for such dividend.

As at the date of this announcement, the Company holds a total of 11,676,000 treasury shares of which 9,204,000 treasury shares are registered in the name of the Company and 2,472,000 treasury shares are still deposited with Central Clearing and Settlement System (“CCASS”). The Company will withdraw the 2,472,000 treasury shares from CCASS to re-register them in the Company’s own name before the record date for the Final Dividend. Accordingly, all the said total 11,676,000 treasury shares would not be entitled to receive the Final Dividend.

The dates of closure of register of members of the Company for the purpose of determining the identity of the holders of ordinary shares entitled to the Final Dividend and to attend and vote at the forthcoming annual general meeting will be announced later.

ISSUANCE OF ANNUAL REPORT

The Annual Report for the year ended 31 December 2025 will be published on or about 9 April 2026.

By Order of the Board
Binhai Investment Company Limited
Gao Liang
Executive Director

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Zhang Wang, Mr. Wang Xin and Mr. Gao Liang, three non-executive Directors, namely, Mr. Zhang Chang Liang, Mr. Shen Hong Liang and Mr. Xia Bin Hui, and four independent non-executive Directors, namely, Mr. Ip Shing Hing, B.B.S., J.P., Mr. Lau Siu Ki, Kevin, Professor Japhet Sebastian Law and Dr. Tang Lai Wah.

** For identification purpose only*