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Tianjin Tianbao Energy Co., Ltd.*

天津天保能源股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1671)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- In 2025, the Company and its subsidiaries recorded consolidated operating income of RMB773.853 million, representing a decrease of 6.1% as compared to the same period of the previous year of RMB824.050 million.
- The profit attributable to equity shareholders of the Company increased by 84.4% from RMB4.530 million for 2024 to RMB8.355 million for 2025.
- In 2025, basic and diluted earnings per Share was RMB5.22 cents.

OPERATION HIGHLIGHTS

The Board of Directors of Tianjin Tianbao Energy Co., Ltd.* announces the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2025 prepared in accordance with the IFRS Accounting Standards.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	2	773,853	824,050
Cost of sales		<u>(713,950)</u>	<u>(764,860)</u>
Gross profit		59,903	59,190
Other net (loss)/income	3	(390)	2,236
Administrative expenses		(31,210)	(28,280)
Reversal of impairment loss/(impairment loss) on financial assets	4(c)	<u>881</u>	<u>(491)</u>
Profit from operations		29,184	32,655
Interest income		158	161
Finance costs	4(a)	<u>(12,150)</u>	<u>(17,073)</u>
Profit before taxation	4	17,192	15,743
Income tax	5(a)	<u>(5,654)</u>	<u>(4,326)</u>
Profit for the year		<u>11,538</u>	<u>11,417</u>
Profit Attributable to:			
Equity shareholders of the Company		8,355	4,530
Non-controlling interests		<u>3,183</u>	<u>6,887</u>
Profit for the year		<u>11,538</u>	<u>11,417</u>
Earnings per share	6		
Basic (Cents)		<u>5.22</u>	<u>2.83</u>
Diluted (Cents)		<u>5.22</u>	<u>2.83</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	7	618,370	653,726
Right-of-use assets for properties		65,016	66,786
Intangible assets		7,807	8,264
Deferred tax assets		6,760	7,181
Other receivables and assets	10	—	1,612
Goodwill	8	1,614	1,614
		699,567	739,183
Current assets			
Inventories		914	720
Trade and bill receivables	9	126,253	126,354
Other receivables and assets	10	60,039	69,122
Cash and cash equivalents	11	71,551	128,795
Restricted deposits	11	4,520	6,600
		263,277	331,591
Current liabilities			
Trade and other payables	12	79,320	92,459
Loans and borrowings		184,322	218,199
Contract liabilities		8,799	9,663
Salary and welfare payables		7,695	8,047
Current taxation		5,348	5,992
Lease liabilities		361	407
		285,845	334,767
Net current liabilities		(22,568)	(3,176)
Total assets less current liabilities		676,999	736,007

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities		
Loans and borrowings	156,348	216,086
Lease liabilities	954	1,184
Deferred income	40,401	42,585
Contract liabilities	4,006	4,493
Deferred tax liabilities	5,846	6,018
	<u>207,555</u>	<u>270,366</u>
NET ASSETS	<u>469,444</u>	<u>465,641</u>
CAPITAL AND RESERVES		
Share capital	159,921	159,921
Reserves	162,543	156,424
Total equity attributable to equity shareholders of the Company	322,464	316,345
Non-controlling interests	146,980	149,296
TOTAL EQUITY	<u>469,444</u>	<u>465,641</u>

NOTES TO THE CONSOLIDATED STATEMENTS OF FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in RMB unless otherwise indicated)

1. MATERIAL ACCOUNTING POLICY INFORMATION

(a) General

Tianjin Tianbao Energy Co., Ltd (the “**Company**”) was established as a joint stock company in the PRC with limited liability on 28 February 2017. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate and ultimate holding company is Tianjin Tianbao Holdings Limited and Tianjin Free Trade Zone Investment Holdings Group Co., Ltd. respectively, which were incorporated in Tianjin City, the People’s Republic of China (“**PRC**”).

The address of the registered office and head office of the Company is located at No. 35 Haibinba Road, Tianjin Port Free Trade Zone, (Tianjin Port Free Trade Zone), PRC.

The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in provision of integrated energy solution. Particulars of the subsidiaries have been set out in note 13.

The consolidated financial statements are presented in Renminbi (“**RMB**”) which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, ISA Standards and IFRIC Interpretations issued by the International Accounting Standards Board (the “**IASB**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the requirements of the Hong Kong Companies Ordinance.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

In determining the appropriate basis of preparation of consolidated financial statements, the directors of the Company are required to consider whether the Group could continue in operational existence for the foreseeable future.

The liquidity of the Group is dependent on its ability to maintain adequate cash flow from operations and obtain adequate external financing to meet its debt obligations as and when they fall due, and to meet its committed future capital expenditures.

As at 31 December 2025, the Group has net current liabilities of RMB22,568,000.

Notwithstanding the net current liabilities, the directors of the Company do not consider that material uncertainties related to events or conditions exist which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern, in light of the forecasted cash flow and available unutilised bank facilities amounting to RMB251,431,000 as of 31 December 2025.

Consequently, the directors of the Company are of the opinion that it is appropriate to prepare the Group’s consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these consolidated financial statements for the current accounting period:

- Amendments to IAS21, Lack of Exchangeability

The Group has not applied any new and amendments that is not yet effective for the current period.

The application of the amendments to IFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

	Effective for accounting period beginning on or after
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS Accounting Standards, <i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	1 January 2026
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date not yet determined
Amendments to IFRS 9 and IFRS 7, <i>Contracts referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IAS 21, <i>Translation to a Hyperinflationary</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2. REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's senior management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Electricity dispatch and sale business: selling electricity purchased from the local branch of State Grid to end-users in various industries in Tianjin Port Free Trade Zone (Seaport) and relevant service fee.
- Power generation and supply business: selling electricity to the local branch of State Grid, and providing steam, heating and cooling to the industrial and commercial customers in Tianjin Port Free Trade Zone (Seaport), steam to the industrial and commercial customers in Tianjin Port Free Trade Zone (Lingang).
- Photovoltaic power generation and selling business: photovoltaic power generation and selling electricity to customers in Yangzhou and Tianjin Port Free Trade Zone (Seaport).
- Others: construction and operation maintenance of industrial facilities, trading of electronic components.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
— Electricity dispatch and sale	218,231	220,582
— Power generation and supply	518,858	563,723
— Photovoltaic power generation and selling	8,961	8,188
— Others	27,803	31,557
	<u>773,853</u>	<u>824,050</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 2(b).

Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 December 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately RMB66,091,700 (2024:RMB11,790,400). The amount represents revenue expected to be recognised in the future from provision of service from energy management project, which was included in “others” segment.

The Group will recognise this revenue as the service is completed, which is expected to occur over the next 30 months (2024: 6 months).

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period and the expected timing of recognition are, as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	26,437	11,790
More than one year	39,655	—
	<u>66,092</u>	<u>11,790</u>

(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group’s senior management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets, except for cash and cash equivalents, building and structure for general management use and other corporate assets. Segment liabilities include segment loan and borrowings, trade and other payables, lease liabilities, contract liabilities, salary and welfare payables and deferred income, except for loan and borrowings and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Other than reporting inter-segment sales of electricity dispatch and sale, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”. where “interest” is regarded as including the interest on loan and borrowings and interest on lease liabilities. To arrive at adjusted EBITDA, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as directors’ and auditors’ remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning inter-segment sales, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the Group’s senior management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

For the year ended	Electricity		Power generation		Photovoltaic power		Others		Total	
	dispatch and sale		and supply		generation and selling					
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
31 December	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition										
Point in time	218,231	220,582	518,858	563,723	8,961	8,188	1,450	2,819	747,500	795,312
Over time	—	—	—	—	—	—	26,353	28,738	26,353	28,738
Revenue from external customers	218,231	220,582	518,858	563,723	8,961	8,188	27,803	31,557	773,853	824,050
Inter-segment revenue	404	1,815	—	—	—	—	—	—	404	1,815
Reportable segment revenue	218,635	222,397	518,858	563,723	8,961	8,188	27,803	31,557	774,257	825,865
Reportable segment profit (adjusted EBITDA)	10,009	10,899	85,595	87,610	8,087	6,718	8,856	8,434	112,547	113,661
Depreciation and amortisation (Reversal of impairment loss)/ impairment loss on financial assets	7,019	7,309	37,737	38,533	4,405	4,087	1,965	1,921	51,126	51,850
Reportable segment assets	(64)	(38)	(24)	(66)	(600)	600	(193)	(5)	(881)	491
Additions to non-current segment assets	62,940	61,942	681,260	726,421	77,515	45,542	45,656	77,907	867,371	911,812
Reportable segment liabilities	1,478	94	2,933	5,238	7,939	52,982	1,588	—	13,938	58,314
	31,022	30,379	92,332	114,455	4,330	2,527	15,820	17,990	143,504	165,351

(c) **Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue		
Reportable segment revenue	774,257	825,865
Elimination of inter-segment revenue	<u>(404)</u>	<u>(1,815)</u>
Consolidated revenue	<u><u>773,853</u></u>	<u><u>824,050</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit		
Reportable segment profit	112,547	113,661
Other net income	184	221
Interest income	158	161
Interest expense	(12,150)	(17,073)
Depreciation and amortisation	(51,126)	(51,850)
Unallocated head office and corporate expenses	<u>(32,421)</u>	<u>(29,377)</u>
Consolidated profit before taxation	<u><u>17,192</u></u>	<u><u>15,743</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Assets		
Reportable segment assets	867,371	911,812
Unallocated head office and corporate assets	<u>95,473</u>	<u>158,962</u>
Consolidated total assets	<u><u>962,844</u></u>	<u><u>1,070,774</u></u>

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Liabilities		
Reportable segment liabilities	143,504	165,351
Unallocated head office and corporate liabilities	349,896	439,782
Consolidated total liabilities	<u>493,400</u>	<u>605,133</u>

(d) Geographic information

Since all the revenue from customers is derived from the customers located in Tianjin and Yangzhou in PRC and the non-current assets are located in Tianjin and Yangzhou in PRC, no information separated by different geographical locations is presented.

(e) Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A ¹	100,308	97,374
Customer B ¹	85,756	94,212
Customer C ¹	82,355	N/A ²
Customer D ¹	<u>N/A²</u>	<u>88,027</u>

¹ Revenue from power generation and supply segment

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

3. OTHER NET (LOSS)/INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants (<i>note</i>)	3,339	3,109
Net foreign exchange gains	146	194
Others	(3,875)	(1,067)
	<u>(390)</u>	<u>2,236</u>

Note:

The Group received grants of RMB3,184,000 from the local government on the construction and upgrade of the heating pipelines and discharge facilities which have been recognised as deferred income and are subsequently recognised in profit or loss over the useful life of the related assets. During the year, the Group received a one-off grants of RMB155,000 from the local government related to environment of protection project.

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank loans	11,585	16,200
Interest on other borrowings	455	777
Interest on lease liabilities	55	62
Other financial costs	55	34
	<u>12,150</u>	<u>17,073</u>

(b) Staff costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contributions to defined contribution retirement plan (<i>note</i>)	3,590	3,430
Salaries, wages and other benefits	24,865	27,513
	28,455	30,943

Note: As at 31 December 2025, the Group had no significant forfeited contributions available to reduce its contributions to the retirement scheme in future years (2024: Nil).

The employees of the Group's subsidiaries are members of a state-managed retirement benefit scheme operated by the government of PRC. The subsidiaries are required to contribute 16% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

(c) Other items

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Reversal of impairment loss)/impairment loss of financial assets	(881)	491
Amortisation of intangible assets	987	968
Depreciation of right-of-use assets for properties	1,770	1,770
Depreciation	48,369	49,112
Auditors' remuneration	868	868
Purchase of electricity (include in cost of sales)	195,955	200,732
Amount of inventories recognised as an expense	360,884	403,043
Outsourcing operation (include in cost of sales)	37,733	39,325
Loss/(gain) on disposal of property, plant and equipment	222	(119)
Loss on written off of property, plant and equipment	130	—
Gain on early termination of a lease	(19)	—

5. INCOME TAX

(a) Taxation in profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for the year	5,405	4,434
Deferred tax		
Provision for/(reversal of) temporary differences	249	(108)
	<u>5,654</u>	<u>4,326</u>

The companies in the Group are subject to the statutory income tax rate of 25% for the year ended 31 December 2025 (2024: 25%), except for two subsidiaries Tianjin Tianbao New Energy Co., Ltd. and Yangzhou Qingchang, which is eligible for preferential income tax policies for small and low-profit enterprises and subject to tax rate of 5% (2024: 5%) for the year ended 31 December 2025.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation	<u>17,192</u>	<u>15,743</u>
Notional tax on profit before taxation	4,298	3,936
Others	1,356	390
Income tax expenses	<u>5,654</u>	<u>4,326</u>

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the year ended 31 December 2025 of RMB8,355,000 (2024: RMB4,530,000) and the weighted average of 159,921,000 (2024: 159,921,000) ordinary shares in issue during the year.

There was no difference between basic and diluted earnings per share as there were no potential dilutive shares during the year.

7. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Buildings and structure RMB'000	Power generation plant and electric utility in service RMB'000	Motor vehicles RMB'000	Others RMB'000	Construction in progress (CIP) RMB'000	Total RMB'000
Cost:						
Balance at 1 January 2024	174,888	955,931	1,147	15,911	1,511	1,149,388
Acquisition of a subsidiary	—	37,462	—	—	—	37,462
Additions	—	3,512	—	345	6,258	10,115
Decrease-early termination of lease	—	(2,300)	(270)	(221)	—	(2,791)
Transfer from CIP	—	4,791	—	1,031	(5,822)	—
Balance at 31 December 2024 and 1 January 2025	174,888	999,396	877	17,066	1,947	1,194,174
Additions	—	1,389	—	1,432	10,707	13,528
Decrease-disposal	—	(2,166)	(159)	(74)	—	(2,399)
Written-off	—	—	—	—	(130)	(130)
Decrease-early termination of lease	—	(282)	—	—	—	(282)
Transfer from CIP	505	7,193	—	—	(7,698)	—
Balance at 31 December 2025	175,393	1,005,530	718	18,424	4,826	1,204,891
Accumulated depreciation:						
Balance at 1 January 2024	(29,794)	(456,322)	(957)	(6,943)	—	(494,016)
Charge for the year	(6,011)	(41,322)	(48)	(1,731)	—	(49,112)
Decrease-disposal	—	2,206	258	216	—	2,680
Balance at 31 December 2024 and 1 January 2025	(35,805)	(495,438)	(747)	(8,458)	—	(540,448)
Charge for the year	(5,970)	(40,716)	(48)	(1,635)	—	(48,369)
Decrease-early termination of lease	—	143	—	—	—	143
Decrease-disposal	—	1,932	151	70	—	2,153
Balance at 31 December 2025	(41,775)	(534,079)	(644)	(10,023)	—	(586,521)
Net book value:						
Balance at 31 December 2025	133,618	471,451	74	8,401	4,826	618,370
Balance at 31 December 2024	139,083	503,958	130	8,608	1,947	653,726

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets included in property, plant and equipment by class of underlying asset is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Buildings and structure leased for own use, carried at depreciated cost	<u>1,022</u>	<u>1,251</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation of buildings and structure leased for own use	173	149
Depreciation of right-of-use assets for properties	1,770	1,770
Interest on lease liabilities	55	62
Additions of right-of-use assets	83	295
Gain on early termination of a lease	19	—
Expense relating to short-term leases	<u>—</u>	<u>286</u>

8. GOODWILL

	<i>RMB'000</i>
Cost	
At 1 January 2024	537
Arising on acquisition of a subsidiary	<u>1,077</u>
At 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,614</u>
Carrying amounts	
At 31 December 2025	<u>1,614</u>
At 31 December 2024	<u>1,614</u>

9. TRADE AND BILL RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accounts receivable, net of loss allowance	<u>126,253</u>	<u>126,354</u>

As of the end of the reporting period, the ageing analysis of trade debtors and bill receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	123,237	123,649
4 to 6 months	2,763	1,365
7 to 9 months	202	789
10 to 12 months	51	506
Over 12 months	—	45
	<u>126,253</u>	<u>126,354</u>

The Group allows credit period of 90 days to its trade debtors.

10. OTHER RECEIVABLES AND ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Price subsidy	36,089	38,689
Value added tax recoverable	614	2,106
Advance to suppliers	21,747	27,857
Others	1,589	470
	<u>60,039</u>	<u>69,122</u>
Non-current		
Deposits with third parties	—	1,612

11. RESTRICTED DEPOSITS/CASH AND CASH EQUIVALENTS

Restricted deposits

Restricted deposits represent deposits placed in banks as warranty to suppliers for the purchase of electricity.

Cash and cash equivalents comprise:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash at bank	<u>71,551</u>	<u>128,795</u>

12. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payable to third parties	67,834	56,923
Bills payable	—	20,000
Retention payable	2,866	6,059
Payables for value added tax and other taxes	3,680	3,138
Payables for purchase of property, plant and equipment	4,931	6,331
Others	9	8
	<u>79,320</u>	<u>92,459</u>

All of the other trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade and bills payable, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	52,898	60,510
4 to 6 months	4,755	13,198
7 to 12 months	7,723	849
Over 12 months	2,458	2,366
	<u>67,834</u>	<u>76,923</u>

13. DIVIDENDS

- (a) Dividends payable to equity shareholders of the Company attributable to the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period of RMB0.026 per ordinary share (2024: RMB0.014)	<u>4,158</u>	<u>2,239</u>

The final dividend proposed after the end of the reporting year has not been recognised as a liability at the end of the reporting year.

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of RMB0.014 per ordinary share (2024: nil)	<u>2,236</u>	<u>—</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

2025 marked a critical year for concluding the “14th Five-Year Plan” and formulating the strategic framework for the “15th Five-Year Plan”. Amidst a complex and ever-changing domestic and international economic environment and the challenges of energy transition, China’s ability to guarantee energy security has been continuously strengthened. The green and low-carbon transformation has been advanced in depth, with the new energy industry shifting from scale expansion to a new stage of high-quality development. China continued to deepen reforms in the electricity marketization, with the marketization mechanism for the on-grid prices of new energy being fully implemented. The large-scale development of new types of energy storage has been accelerated. Green power trading, green certificates and the carbon market have been promoted in a coordinated manner. The proportion of non-fossil energy power generation installed capacity has steadily increased. The application of integrated source-grid-load-storage and multi-energy complementary models have been accelerated. These developments have created structural opportunities for regional integrated energy service companies, guiding the industry to move steadily toward cleanliness, security, efficiency and marketization.

The “15th Five-Year Plan” proposed to realize the core objectives of accelerating the construction of a new energy system and building China into an energy powerhouse by building a diversified energy supply system, developing a new-type power system, promoting green consumption and transformation, and deepening the systematic and mechanism reform.

Relying on its advantages in talent, technology and experience accumulated over more than 30 years of development, and actively leveraging regional resources and platforms, the Group focused on its development positioning as a comprehensive energy service provider. Taking the demand of users for green and low-carbon energy as a starting point, the Group deeply explored and integrated business resources within the Free Trade Zone and the Binhai New Area, vigorously introduced external green power resources, made innovations in business models, and provided comprehensive energy solutions where multiple energy sources and technologies develop in a coordinated and complementary way, with a view to developing new core competitiveness. On this basis, through mergers and acquisitions and in-depth business cooperation, the Group actively expanded projects in other regions and sought strategic partners to develop together and expand our business. Meanwhile, in response to market changes, and based on its existing traditional energy supply of cooling, heating and electricity and new energy power generation, the Group took innovative development as the driving force, deepened industry-university-research cooperation, put efforts on developing new quality productive forces and extended the energy industrial chain, so as to achieve the high-quality transformation and development of the Company and further enhance its market competitiveness.

BUSINESS REVIEW FOR THE YEAR OF 2025

1. Steadily expanded new energy businesses

In 2025, leveraging regional advantages and fully developing local resources, the Group successfully won the bid for the Smart Street Lamp Contract Energy Management Project (Phase 2) in Tianjin Port Free Trade Zone. Collaborative efforts completed the investment and construction of a new energy heavy-duty truck charging project, while the construction of Lingang Thermal Power distributed photovoltaic project has been completed and put into operation. Huaxiang Automotive Interior Customization Plant Distributed Photovoltaic Project and Tianbao Logistics' warehouse distributed photovoltaic project have entered the construction stage.

As of now, the installed capacity of the Group's clean energy power generation has reached 49.24 MW, comprising 30 MW of gas-fired power and 19.24 MW of photovoltaic power generation. The installed capacity of clean energy power generation accounted for 62.14% of the Group's total installed capacity.

2. Successfully commenced operation of 1.72 MWh energy storage power station project

1.72 MWh energy storage power station project was completed in the second half of 2025, achieving commissioning one month ahead of schedule and fulfilling the dual objectives of cost reduction and revenue enhancement. The successful completion of this project has accumulated operational experience in energy storage projects for the Group, laying a foundation for further expansion of energy storage projects in the future.

3. Opened up new prospects for electricity transaction

In 2025, the Company vigorously advanced its green power trading business. Within the Tianjin region, annual trading volume achieved a breakthrough from zero. The monthly green power transactions totalled 8.02 million kilowatt hours through bidding, with full-year green power trading reached 18.02 million kilowatt hours, representing an increase of 430% compared to 2024. At the same time, the Company actively explored thermal power trading outside the region and completed 6 million kilowatt hours of thermal power transactions outside the region for the year.

4. Deepened core business and unlock potential in traditional energy businesses

In 2025, the Group continued to tap into the potential of traditional energy businesses, actively explored pathways for integrated construction of source, grid, load and storage, and studied and determined the preliminary plans for integrated construction of source, grid, load and storage and upgrades on dispatching automation system. The Group also fully explored the potential of the regional industrial steam market, and proactively expanded new clientele.

5. Diversified measures to reduce costs and increase efficiency

Through diversified measures including implementing energy-saving technology transformation projects, reducing financing costs, and strictly controlling raw material procurement prices, the Group has elevated its profitability across all dimensions. These efforts have effectively resisted various risks and challenges, enabling steady progress towards a new phase of high-quality development.

OPERATING RESULTS AND ANALYSIS

According to the Group's statistics, in 2025, sales of steam amounted to 1.55 million tons, representing a decrease of 3.0% from 1.598 million tons over the corresponding period of the previous year. Sales of electricity amounted to 286.404 million kilowatt hours, representing a decrease of 1.2% from 289.900 million kilowatt hours over the corresponding period of the previous year. During the year, the Group's on-grid power generation amounted to 231.769 million kilowatt hours, representing an increase of 1.2% from 229.052 million kilowatt hours over the corresponding period of the previous year. The decrease in sales of electricity and steam was primarily due to reduced demands for electricity and steam consumption as a result of the drop in orders from users in the park; the increase in on-grid power generation was driven by the growth in PV power generation.

Taking into account the changing trend of operating income and profit before tax in 2024 and 2025, we have analyzed the indicators which significantly affected the operating income and profit before tax of the Company in 2025, details of which are as follows:

1. Operating income

In 2025, the Group recorded a consolidated operating income of RMB773.853 million, representing a decrease of 6.1% from RMB824.050 million over the corresponding period of the previous year, which was primarily due to the decrease in coal prices in 2025, which, under the price linkage mechanism, led to a reduction in the unit price of steam during the year.

Electricity dispatch and sale segment

In 2025, the Group recorded revenue from our electricity dispatch and sale segment of RMB218.231 million, representing a decrease of 1.1% from RMB220.582 million over the corresponding period of the previous year, which was primarily due to reduced electricity demand as a result of the drop in orders from users in the park.

Power generation and supply segment

In 2025, the Group recorded revenue from our power generation and supply segment of RMB518.858 million, representing a decrease of 8.0% from RMB563.723 million over the corresponding period of the previous year, which was primarily due to the decrease in coal purchase prices in 2025, which, under the price linkage mechanism, led to a reduction in the unit price of steam during the year.

PV power generation segment

In 2025, the Group recorded revenue from our PV power generation segment of RMB8.961 million, representing an increase of 9.4% from RMB8.188 million over the corresponding period of the previous year, which was primarily due to the commissioning of the Group's new energy project.

Other segments

In 2025, the Group recorded revenue from other segments of RMB27.803 million, representing a decrease of 11.9% from RMB31.557 million over the corresponding period of the previous year, which was primarily due to the decline in revenue from the maintenance services.

2. Other net income

In 2025, the Group recorded other net loss of RMB0.390 million, while the Group recorded other net income of RMB2.236 million for the whole year of 2024, which was primarily due to the payment of environmental protection tax by the subsidiaries of the Company, leading to an increase in non-operating expenses and a decrease in other net income.

3. Segment costs

Electricity dispatch and sale segment

In 2025, the costs of the Group's electricity dispatch and sale segment amounted to RMB212.096 million, representing a decrease of 1.5% from RMB215.226 million over the corresponding period of the previous year, which was primarily due to the completion and commissioning of energy storage and other energy-saving facilities, which effectively reduced costs.

Power generation and supply segment

In 2025, the costs of the Group's power generation and supply segment amounted to RMB475.850 million, representing a decrease of 8.4% from RMB519.246 million over the corresponding period of the previous year, which was primarily due to the decrease in costs as a result of the decrease in coal purchase prices in 2025.

PV power generation segment

In 2025, the costs of the Group's PV power generation segment amounted to RMB5.092 million, representing a decrease of 4.7% from RMB5.343 million over the corresponding period of the previous year, which was primarily due to the Group's efforts to promote cost reduction and efficiency improvement, which led to a decrease in outsourcing expenses.

Other segments

In 2025, the costs of the Group's other segments amounted to RMB20.912 million, representing a decrease of 16.5% from RMB25.045 million over the corresponding period of the previous year, which was primarily due to the decrease in maintenance costs in line with the decrease in revenue.

4. Segment gross profit

Electricity dispatch and sale segment

In 2025, the gross profit from the Group's electricity dispatch and sale segment amounted to RMB6.134 million, representing an increase of 14.5% from RMB5.356 million over the corresponding period of the previous year, which was primarily due to the completion and commissioning of energy storage and other energy-saving facilities, which effectively reduced costs.

Power generation and supply segment

In 2025, the gross profit from the Group's power generation and supply segment amounted to RMB43.008 million, representing a decrease of 3.3% from RMB44.477 million over the corresponding period of the previous year, which was primarily due to reduced customer demand for steam in the first half of 2025, leading to a decrease in gross profit.

PV power generation segment

In 2025, the gross profit from the Group's PV power generation segment amounted to RMB3.869 million, representing an increase of 36.0% from RMB2.845 million over the corresponding period of the previous year, which was primarily due to the commissioning of a new energy projects, leading to an increase in gross profit.

Other segments

In 2025, the gross profit from the Group's other segments amounted to RMB6.892 million, representing an increase of 5.8% from RMB6.512 million over the corresponding period of the previous year, which was primarily due to the Group's further measures to reduce costs and enhance efficiency, leading to lower cost expenditures.

5. EBITDA

In 2025, the Group's EBITDA amounted to RMB112.547 million, representing a decrease of 1.0% from RMB113.661 million over the corresponding period of the previous year, which was primarily due to reduced customer demand for steam in the first half of 2025, leading to a decrease in EBITDA.

6. Finance costs

In 2025, the Group recorded finance costs of RMB12.150 million, representing a decrease of 28.8% as compared with the corresponding period of the previous year of RMB17.073 million, which was primarily due to the decrease in external financing of the Group to reduce finance costs.

7. Fuel costs

In 2025, the Group recorded fuel costs of RMB360.884 million, representing a decrease of 10.5% as compared with the corresponding period of the previous year of RMB403.043 million, which was primarily due to the decrease in coal purchase prices in 2025.

8. Profit before tax

In 2025, the Group's profit before tax amounted to RMB17.192 million, representing an increase of 9.2% from RMB15.743 million over the corresponding period of the previous year, which was primarily due to the reduction in financial expenses by the Group through strengthening receivables collection management to enhance the efficiency of internal fund utilization and reduce debt scale in 2025; meanwhile, the Company further promoted its cost reduction and efficiency improvement initiatives to reduce costs. As a result of the above factors, the Group's profit before tax increased.

9. Income tax expenses

In 2025, the Group recorded income tax expenses of RMB5.654 million, representing an increase of 30.7% as compared with the year of 2024 of RMB4.326 million, which was in line with the increase in profit before tax.

10. Profit for the year attributed to the parent company

In 2025, the Group's profit for the year attributed to the parent company amounted to RMB8.355 million, representing an increase of 84.4% from RMB4.530 million over the corresponding period of the previous year, which was primarily due to the increase in the profit from the new energy business segment driven by the successful expansion of new energy business such as energy storage and photovoltaic power station operations by the Group, as well as the further promotion of cost reduction and efficiency improvement initiatives to reduce costs.

FINANCIAL POSITION

1. Assets and liabilities

As of the end of 2025, total assets amounted to RMB962.844 million, representing a decrease of 10.1% from RMB1,070.774 million for the end of 2024, mainly due to a reduction in the balance of cash and cash equivalents as the Group utilized surplus funds to repay external financing to reduce finance costs, as well as the decrease in natural gas prepayments received by the Group. Total liabilities amounted to RMB493.400 million, representing a decrease of 18.5% from RMB605.133 million for the end of 2024, mainly due to the decrease in external financing of the Group.

As of the end of 2025, our current assets amounted to RMB263.277 million, representing a decrease of 20.6% as compared with the end of 2024 of RMB331.591 million, of which cash and cash equivalents amounted to RMB71.551 million (end of 2024: RMB128.795 million), trade and bill receivables amounted to RMB126.253 million (end of 2024: RMB126.354 million), which mainly included receivables from steam sales. Our current liabilities amounted to RMB285.845 million (end of 2024: RMB334.767 million), of which trade and other payables amounted to RMB79.320 million (end of 2024: RMB92.459 million), and non-current liabilities amounted to RMB207.555 million (end of 2024: RMB270.366 million).

2. Cash and cash equivalents

As at the end of 2025, the Group recorded cash and cash equivalents of RMB71.551 million in aggregate, representing a decrease of 44.4% as compared with the end of the previous year of RMB128.795 million, which was primarily due to a reduction in the balance of cash and cash equivalents as a result of the use of surplus funds to repay external financing.

3. Gearing ratio

The gearing ratio is calculated as the balance of liabilities as at the end of the Reporting Period divided by the balance of Shareholders' equity as at the end of the Reporting Period.

At the end of 2025, the Group recorded a gearing ratio of 1.05, representing a decrease of 19.2% as compared with the end of the previous year of 1.30, which was primarily due to the repayment of external financing by the Group with surplus funds.

OTHER SIGNIFICANT EVENTS

1. Capital expenditure and capital commitment

In 2025, cash capital expenditure of the Group was RMB14.058 million, of which, the expenditure of Tianbao Logistics' warehouse distributed photovoltaic project was RMB2.783 million; the expenditure for the second phase of Tianbao New Energy Storage Project was RMB1.926 million; the expenditure for Huaxiang Automotive Interior Customization Plant Distributed Photovoltaic Power Generation Project was RMB1.716 million; the expenditure for New Energy Heavy Truck Integrated Energy Station Project was RMB1.390 million; the expenditure for gas distributed energy station project was RMB2.849 million; the expenditure for Tianbao Lingang Ground and Carport Photovoltaic Project was RMB1.150 million; and the expenditure for other projects was RMB2.244 million.

On 31 December 2025, the Group's provision for capital commitment was approximately RMB0.705 million, which was expected to be used for the payment of distributed photovoltaic projects.

If the Group has other new projects requiring additional capital expenditure or capital commitment, the Group will use its own funds or bank loans to finance the implementation of such projects.

2. Liquidity and financial resources

As at 31 December 2025, the Group had cash and cash equivalents amounting to RMB71.551 million in aggregate; loans and borrowings of RMB340.670 million which include short-term borrowings of RMB184.322 million and the non-current portion of long-term borrowings of RMB156.348 million, while secured and guaranteed borrowings amounted to RMB188.370 million and unsecured borrowings amounted to RMB152.300 million, of which RMB175.300 million were fixed rate borrowings and RMB165.370 million were floating interest rate borrowings. There were no financial instruments entered into by the Group for hedging purpose. In addition, the Group had no investments in foreign currency.

3. Material acquisitions and disposals

During the Reporting Period, the Group did not undertake any material acquisitions and disposals of subsidiaries, associates and joint ventures.

4. Significant investments

During the Reporting Period, the Group did not have any significant investment in any investees outside the Group that accounted for 5% or more of the Company's total assets as at the end of the Reporting Period.

5. Contingent liabilities

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

6. Loans and borrowings of the Group

As at 31 December 2025, the Group had loans and borrowings of RMB340.670 million which include short-term borrowings of RMB184.322 million, including long-term borrowings due within one year of RMB88.522 million, and the non-current portion of long-term borrowings of RMB156.348 million, while secured and guaranteed borrowings amounted to RMB188.370 million and unsecured borrowings amounted to RMB152.300 million, of which RMB175.300 million were fixed rate borrowings and RMB165.370 million were floating interest rate borrowings.

7. Other debts of the Group

As at 31 December 2025, the Group had lease liabilities of RMB1.315 million in addition to the loans and borrowings of the Group.

8. Charges and pledges on the Group's assets

As at 31 December 2025, the equity of Lingang Thermal Power held by the Company was used as collateral for the bank loan with balance of RMB8.500 million as at 31 December 2025.

As at 31 December 2025, the assets of the Yangzhou Kaixiang Precision Casting Technology Phase II 4.0 MW rooftop distributed PV power generation project of Yangzhou Qingchang (including but not limited to modules, inverters, and support equipment) held by the Group was used as collateral for the bank loan with balance of RMB11.580 million. As at 31 December 2025, the carrying amount of the pledged assets was RMB14.850 million.

As at 31 December 2025, the tariff collection rights of PV project of Tianjin Aviation Logistics held by the Group was used as collateral for the bank loan with balance of RMB7.671 million. As at 31 December 2025, the aggregate carrying amount of the receivables related to the relevant contracts was RMB10.000 million.

As at 31 December 2025, the tariff collection rights of Tianbao Logistics' Warehouse Distributed Photovoltaic Project held by the Group was used as collateral for the bank loan with balance of RMB2.097 million. As at 31 December 2025, the aggregate carrying amount of the receivables related to the relevant contracts was RMB12.680 million.

9. Capital structure

The H Shares of the Company were listed on the Main Board of the Stock Exchange on 27 April 2018. Upon completion of the H Share “full circulation” programme on 29 July 2020, all Domestic Shares had been converted into H Shares and became listed on the Main Board of the Stock Exchange. As at the date of this announcement, the capital structure of the Company consists of H Shares only.

10. Share scheme

For the year ended 31 December 2025, the Company had not implemented any share scheme.

11. Foreign exchange and exchange rate risk

The Group mainly operates in China. Other than bank deposits denominated in foreign currencies (including bank deposits denominated in Hong Kong dollars and US dollars), the Group was not exposed to material foreign exchange rate risk. The Directors expect that fluctuation in the exchange rate of RMB will not have a material adverse effect on the operation of the Group. Accordingly, the Group did not enter into any hedging arrangement for reducing the exchange rate fluctuation risk during the Reporting Period.

RISK FACTORS AND RISK MANAGEMENT

Currently, the operation and development of the Group are not exposed to any significant risk factors. The results of the Group's annual risk assessment showed that the top three important risks are mainly policy risk, safety risk and performance appraisal management risk.

1. Policy risk

The slowdown in macro-economic growth may lead to a decrease in the demand for electricity and heating, affecting the production, operation and profitability of the Group. Changes in industrial policies, such as the increasingly stringent environmental protection requirements and the adjustment of the energy structure, may subject traditional cogeneration projects to the pressure of transformation or upgrading.

To address the above-mentioned risks, the Group took the following measures: Firstly, the Group kept a close eye on the policy trends of the state and local governments, and promptly grasped the impact of policy changes on the thermal power industry. Secondly, the Group spurred technological innovation and upgrading by ramping up investments in technological research and development. Meanwhile, the Group enhanced the energy efficiency of cogeneration projects and actively promoted and adopted advanced energy-saving and emission-reduction technologies to cut down production costs and mitigate environmental pollution. Thirdly, the Group optimized the energy structure and business model. In response to policy changes and market demand, the Group reconfigured the energy structure and business model and launched new energy projects.

2. Safety risk

As a public utility enterprise, the Group shoulders a crucial responsibility as its safe production and operation are directly intertwined with the normal production rhythms of all industrial users in the park. Inadequate training and safety education, combined with the inexperience of front-line staff or their non-compliant operations, can not only undermine operational efficiency but also potentially trigger accidents. Moreover, the absence of fire-prevention and pollution-prevention equipment, along with the lack of well-crafted contingency plans for emergencies or insufficient emergency drills, will render the Group ill-equipped to safeguard its assets and equipment when unexpected events occur. Furthermore, the failure to maintain machinery, equipment, and pipelines in optimal condition can damage the Group's interests and disrupt normal production and operation.

In response to the aforementioned risks, the relevant responsible departments within the Group organized a total of 50 training and educational sessions during the Reporting Period, encompassing fire safety training, emergency rescue training, and warning education. These activities clearly defined the necessary precautions and facilitated the accumulation of technical experiences, thereby enhancing the professional skills and safety-consciousness of the operators. Simultaneously, regular checks were carried out on fire-prevention and pollution-prevention equipment at scheduled intervals, and records were maintained for each inspection. In addition, the Group standardized the emergency operation processes by formulating emergency response procedures specifically tailored for equipment-related incidents. In addition, a total of 48 emergency drills were conducted during the Reporting Period. Each drill was structured around different hypothetical scenarios, enabling employees are well-equipped to safeguard their own well-being and protect the Group's assets in emergency situations. Moreover, the Group placed great emphasis on the proper maintenance of its fixed assets. Both routine maintenance tasks and major overhauls were documented. Additionally, the Group conducted regular impairment tests.

3. Performance appraisal management risk

If the appraisal criteria lack clarity or deviate from the actual work tasks, or if they are either too stringent or too lenient, they will fail to accurately reflect employees' job performance. This can dampen employees' enthusiasm and team morale. Moreover, the lack of an effective communication and feedback mechanism means that employees cannot promptly understand their performance and areas for improvement.

Improper utilization of appraisal results occurs when the results are solely used as the basis for salary adjustments and fail to be integrated with employees' promotion opportunities, training needs, and other aspects. This situation leads to a decrease in employees' sense of identity with the performance appraisal.

During the year, the Group revised the Remuneration Management Rules for Appointed Management (《聘任制經理層人員薪酬管理規則》), the Performance Management Rules for Appointed Management (《聘任制經理層人員績效管理規則》), the Integrated Labour Employment Management System (《勞動用工管理制度》), the Employee Remuneration Management System (《員工薪酬管理制度》) and the Employee Performance Management System (《員工績效管理制度》). Based on the Group's strategic objectives and actual work tasks, specific and measurable performance appraisal criteria were formulated to ensure that the appraisal criteria were aligned with employees' job responsibilities and post requirements, reflecting fairness and impartiality. The Group adopted a monthly monitoring and quarterly appraisal approach by conducting a performance appraisal of each functional department and employees once a quarter. After the completion of the performance appraisal, the results were communicated. Performance bonuses were distributed according to the appraisal scores. For those who failed the appraisal, face-to-face interviews were conducted to continuously drive improvement.

SUBSEQUENT EVENTS

No significant subsequent events have occurred since the Reporting Period and up to the date of this announcement.

BUSINESS OUTLOOK FOR 2026

1. Vigorously expand new energy businesses

In 2026, the Group will accelerate the construction of distributed photovoltaic project of Huaxiang Automotive Interior Customization Plant and Tianbao Logistics' warehouse, as well as Airbus (Tianjin) Final Assembly Co., Ltd. and other companies, promoting the early completion and operation of the projects; promote the implementation progress of new energy projects to continuously expand the installed capacity of new energy power generation; focus on material scenarios such as government offices, hospitals, schools and industrial parks, and actively explore leads for contract energy management projects, making every effort to achieve project implementation and operation effectively.

2. Promote the implementation of equity acquisitions under tracking

The Company will devote full effort to promoting the implementation of key equity acquisition projects under tracking, complete the acquisition of the target, steadily increase the proportion of clean energy business within the Group's overall businesses, further expand the industry scale and strengthen the Group's overall profitability.

3. Improve the quality and efficiency of production and operation with all strength

The Group will strengthen communication with customers and guarantee service to precisely control the steam demand and scientifically coordinate maintenance plan and operation model of boilers, ensuring economical and efficient production and operation; advance the completion of several renovation and maintenance efforts to effectively reduce the unit consumption of fuel, water, electricity, and other productions; collaborate with universities and research institutions to carry out technological cooperation, deeply integrate mature AI technology into intelligent control on boiler combustion, with the membrane-based deaeration and waste heat recovery project having been put into operation by Lingang Thermal Power, and achieve substantial breakthroughs in coal-saving, gas-saving and consumption reduction, cost reduction and efficiency increase, thereby laying a solid foundation for the high-quality development of the Group.

4. Expand the green power trading and electricity maintenance business

The Group will capture the development opportunities presented by green energy, actively expand its green power trading business and increase the scale of its market-based electricity transactions. At the same time, it will further develop in the area of the operation and maintenance of power facilities, strengthen the electricity maintenance service, enhance professional operation and maintenance capabilities as well as value-added services and further optimize the business structure, so as to cultivate new profit growth points.

OVERVIEW OF HUMAN RESOURCES

As at 31 December 2025, the Group had 72 employees. The education level of employees is generally high, and the employees with a bachelor degree or above accounted for 90.3% of the total. The number of employees in each business segment and the specific age and academic structure of employees are as follows:

Business Segment Structure

Function	Number of employees	Percentage
Management, administration, finance	25	34.7%
Marketing	7	9.7%
Procurement	5	7.0%
Engineering and technology	35	48.6%
Total	72	100.0%

To cope with its development, the Group, on the basis of the position-oriented accountability system, has established a sound performance appraisal mechanism covering all employees to assess employees quarterly. Guided by assessment and incentive, we added special rewards for new project development, continuously optimized the evaluation methods for performance appraisal of all posts, and practically exerted the role of assessment, so as to stimulate the enthusiasm of employees.

Employees' remuneration includes position salary and performance-based salary, among which, the performance-based salary is related to both the performance evaluation of the Group and the performance evaluation results of the respective employees. During the Reporting Period, the Group had incurred labour cost (including salary, welfare and bonus) of RMB28.455 million.

The Group attaches great importance to employees' trainings and development. For the Group's sound development and employees' development, the Group provides continuous education and training programs for managers and other employees to continuously improve their skills and knowledge. The employees' internal trainings of the Group are conducted by the management and the head of relevant departments of the Group, or by external training institutions regarding professional trainings, ensuring that our employees can continue to have the required skills, gain relevant knowledge and capability required in their work, thereby helping the Group to maintain its market competitiveness.

In 2025, the Group carried out comprehensive and diversified trainings for management personnel, technical personnel and skilled personnel according to different layers and segments so as to improve the professional capacity and management level of the employees. In 2025, the Company organized 50 safety education trainings for internal employees, and 114 professional skills trainings for the employees from different departments which involving work standards, continuing education, finance, taxation, legal and information system.

The Group strictly complies with the PRC Labor Law, the PRC Employment Contract Law, the PRC Social Insurance Law and the Regulations on Management of Housing Provident Fund, paying social insurance, housing provident fund as well as enterprise annuity to reinforce employees' sense of belonging and happiness.

Employees of the Group are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The Group contributes to the employees' retirement benefit scheme, the amount of which is calculated based on the applicable average wage and according to a certain percentage agreed by the local municipal government. The Group's contributions to the defined contribution plan, including the social pension insurance schemes and the annuity, are recognised as expenses when incurred. Forfeited contributions could not be utilized to reduce the existing level of contribution, thus, as at 31 December 2025, there were no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group is committed to achieve gender equality by providing fair recruitment, training and promotion opportunities for all employees. By the end of 2025, women represented 26.4% of the Group's total workforce. The Group adheres to the principle of gender equality in employment, actively increases the number of female employees, protects the legitimate rights and interests of female employees, provides equal opportunities for female employees in recruitment, training, promotion and career development, and actively creates a respectful, open and inclusive corporate culture. In addition, the Group is committed to fostering a working environment that is professional, inclusive and non-discriminatory for employees to unleash their potential. In our workplaces, differences are understood, appreciated and encouraged. Each employee, without regard to religion, age, gender or gender identity, disability, sexual orientation, is provided with fair opportunity on the Group's diverse platform.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Group always strives to maintain a high level of corporate governance and has complied with the code provisions as set out in the Part 1 and Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules for the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Company by the Directors, Supervisors and relevant employees of the Company. Upon making specific enquiries to all of the Directors, Supervisors and relevant employees of the Company, all Directors, Supervisors and relevant employees confirmed that during the Reporting Period, each of the Directors, Supervisors, and relevant employees has strictly complied with the required standards set out in the Model Code.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Director, Supervisor or relevant employee during the Reporting Period.

PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDERS

The Controlling Shareholders of the Company did not pledge any of their Shares in the Company to secure the Company’s debts or to secure guarantees or other support of the Company’s obligations for the year ended 31 December 2025.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company has no affiliated companies and the Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended 31 December 2025 which gives rise to disclosure obligation under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its Controlling Shareholders nor breach the terms of any loan agreements for the year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has formulated terms of reference in written form in accordance with the requirements of the Listing Rules. It comprises three members, namely, Mr. CHAN Wai Dune (independent non-executive Director), Ms. YANG Wei (independent non-executive Director) and Ms. SHI Wei (non-executive Director). Mr. CHAN Wai Dune currently serves as the chairperson of the Audit Committee.

The Audit Committee has reviewed the Group’s 2025 annual results and the audited financial statements for the year ended 31 December 2025 prepared in accordance with the IFRSs.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR REDEEMABLE SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) or redeemable securities during the year ended 31 December 2025.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company at the AGM to be held on 6 May 2026, for their consideration and approval of the payment of a final dividend of RMB0.026 per share (tax inclusive) for the year ended 31 December 2025 (the “**2025 Final Dividends**”) to the shareholders of the Company, whose names are listed in the register of members of the Company on 18 May 2026, in an aggregate amount of approximately RMB4.158 million. The 2025 Final Dividends will be denominated and declared in RMB and paid in RMB or Hong Kong dollars. Subject to the passing of the relevant resolution at the AGM, the 2025 Final Dividends are expected to be paid on or around 2 July 2026.

Pursuant to the PRC Enterprise Income Tax Law and its implementation rules, which came into force since 1 January 2008 and were amended on 29 December 2018 and other relevant rules, where the Company distributes the dividends to non-resident enterprise Shareholders whose names appear on the register of members of H Shares of the Company, it is required to withhold enterprise income tax at a rate of 10%. Any H Shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as Shares being held by non-resident enterprise Shareholders, and consequently the dividends payable (if any) on such Shares will be subject to the withholding of the enterprise income tax.

Pursuant to the PRC Individual Income Tax Law, the PRC Regulations for Implementation of the Individual Income Tax Law and other relevant laws and regulations, the foreign individuals who are the holders of H Shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H Shares, which shall be withheld and paid by such domestic enterprises on behalf of such individual H Shareholders. However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (《財政部·國家稅務總局關於個人所得稅若干政策問題的通知》) effective from 13 May 1994 (the “**1994 Notice**”) grants exemption to foreign individuals from PRC individual income tax on dividend from foreign-invested enterprises. Since the Company has obtained the record-filing receipt for the incorporation of foreign-invested enterprises and has completed registration processes with relevant industrial and commercial administration in November 2018, it is classified as a foreign-invested enterprise, the foreign individual Shareholders who hold the Company’s H Shares and whose names appear on the register of members of H Shares of the Company (the “**Individual H Shareholders**”) are not required to pay PRC individual income tax when the Company distributes the dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the dividends (if any) to be distributed to the Individual H Shareholders to pay the PRC individual income tax.

Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H Shares of the Company.

According to the Articles of Association, the Hong Kong dollars to be used by the Company to pay cash dividends and other payments to the Individual H Shareholders shall be handled in accordance with the relevant foreign exchange administration regulations of the PRC.

The Company was not aware of any Shareholders that had waived or agreed to waive any dividend arrangement for the year ended 31 December 2025.

All Directors have confirmed that the proposed 2025 Final Dividends of the Group was in line with its dividend policy.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain Shareholders’ entitlement to attend and vote at the AGM and Shareholders’ entitlement to the proposed 2025 Final Dividends, the H Share register of members of the Company will be closed from 30 April 2026 to 6 May 2026 (both days inclusive) and from 13 May 2026 to 18 May 2026 (both days inclusive), during such periods no transfer of H Shares will be registered.

In order to qualify for attending and voting at the forthcoming AGM, holders of H Shares of the Company must lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on 29 April 2026.

In order to qualify for the proposed 2025 Final Dividends, which are subject to the approval of the Shareholders at the forthcoming AGM, holders of H Shares of the Company must lodge their transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at the above address for registration no later than 4:30 p.m. on 12 May 2026.

THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Company amended the Articles of Association in accordance with the Transitional Arrangements for the Implementation of Rules and Regulations Related to the New Company Law, the Guidelines for Articles of Association of Listed Companies, and other relevant laws and regulations issued by the China Securities Regulatory Commission, and in light of the actual circumstances and needs of the Company. Such amendments were approved by the shareholders by a special resolution at the first extraordinary general meeting in 2025 of the Company held on 22 September 2025. Details of the amendments are set out in the circular of the extraordinary general meeting of the Company dated 2 September 2025.

The latest version of the Articles of Association is available on the Company's website and the website of the Stock Exchange.

After the Reporting Period, in accordance with the relevant requirements of the Listing Rules and the Guidance on Arrangements for Listed Issuers to Hold or Deposit Treasury Shares in CCASS, and taking into account the actual situation of the Company, corresponding amendments have been made to the Articles of Association. Such amendments have been approved by the Board but are still subject to approval by the Shareholders by way of special resolution at the AGM. Details of the amendments are set out in the announcement of the Company dated 26 March 2026.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

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 preliminary results announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited (“SHINEWING”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with HKSAs, Hong Kong Standard on Review Engagements or Hong Kong Standard on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKEXnews websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.tjtbny.com>). The Company’s 2025 annual report containing all the information required under the Listing Rules will be despatched to the Shareholders and will be available on the websites of the Company and the Stock Exchange in due course.

DEFINITIONS

“AGM”	the 2025 annual general meeting of the Company to be held on 6 May 2026
“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Company”, “our Company”, “we” or “us”	Tianjin Tianbao Energy Co., Ltd.* (天津天保能源股份有限公司)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in this announcement refers to Tianbao Holdings and TFIHC
“Director(s)”	director(s) of the Company
“Domestic Shares”	the ordinary shares issued in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB

“Group” or “our Group”	the Company and its subsidiaries
“H Shares”	the overseas listed ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board, and International Accounting Standards and Interpretations issued by the International Accounting Standards Board
“Lingang Thermal Power”	Tianjin Tianbao Lingang Thermal Power Co., Ltd.* (天津天保臨港熱電有限公司) (formerly known as Tianjin Jinneng Lingang Thermal Power Co., Ltd.* (天津津能臨港熱電有限公司)), a limited liability company established in the PRC on 8 May 2009, a non-wholly-owned subsidiary of our Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies
“PRC” or “China”	the People’s Republic of China
“Reporting Period”	from 1 January 2025 to 31 December 2025, being the financial year of this announcement
“RMB”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of our Company
“Shareholders(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

- “Supervisor(s)” supervisors of the Company and the board of supervisors of the Company was abolished at the first extraordinary general meeting of the Company in 2025 held on 22 September 2025
- “TFIHC” Tianjin Free Trade Zone Investment Holdings Group Co., Ltd.* (天津保稅區投資控股集團有限公司), a limited liability company established in the PRC on 17 December 2008 and a non-wholly owned holding company of the Finance Bureau of Tianjin Port Free Trade Zone* (天津港保稅區財政局), one of our Controlling Shareholders
- “Tianbao Holdings” Tianjin Tianbao Holdings Limited* (天津天保控股有限公司), a limited liability company established in the PRC on 28 January 1999 and a wholly-owned subsidiary of TFIHC, one of our Controlling Shareholders
- “Yangzhou Qingchang” Yangzhou Qingchang Solar Energy Technology Co., Ltd.* (揚州晴昌太陽能科技有限公司), a limited liability company established in the PRC on 16 July 2019 and a non-wholly owned subsidiary of the Company

By Order of the Board
Tianjin Tianbao Energy Co., Ltd.*
Zhou Shanzhong
Chairman

Tianjin, the People’s Republic of China, 26 March 2026

As of the date of this announcement, the Board comprises Mr. ZHOU Shanzhong, Mr. MAO Yongming, Mr. YAO Shen and Mr. WANG Geng as executive directors; Ms. YANG Dingjing and Ms. SHI Wei as non-executive directors; and Mr. CHAN Wai Dune, Ms. ZHANG Huan and Ms. YANG Wei as independent non-executive directors.

* *For identification purpose only*