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Wise Living Technology Co., Ltd

慧居科技股份有限公司

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

(Stock Code: 2481)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025
AND UPDATE IN EXPECTED TIMELINE FOR USE OF NET
PROCEEDS**

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows:

FINANCIAL PERFORMANCE HIGHLIGHTS

- Revenue for the Reporting Period was approximately RMB1,506.3 million, representing a decrease of approximately 8.6% as compared with approximately RMB1,648.3 million for the Corresponding Period.
- Gross profit for the Reporting Period was approximately RMB443.7 million, representing a decrease of approximately 3.4% as compared with approximately RMB459.3 million for the Corresponding Period.
- Profit attributable to owners of the Company was approximately RMB170.2 million, representing an increase of approximately 3.7% as compared with approximately RMB164.2 million for the Corresponding Period.
- The Board has resolved to recommend the payment of a final dividend of RMB0.170 per share (tax inclusive) for the year ended 31 December 2025 to all Shareholders whose names appear on the register of members of the Company on Thursday, 28 May 2026 (subject to the consideration and approval of the same via ordinary resolution by Shareholders at the forthcoming AGM to be held on Friday, 15 May 2026), with a total amount being approximately RMB51.27 million.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

Overview of the Heat Service Industry in the PRC

In the PRC, the demand for heat services has been increasing in recent years, with the total heat services area increased from 8.8 billion sq.m. in 2018 to 14.0 billion sq.m. in 2025. It is expected that the total heat service area in the PRC will increase to 14.5 billion sq.m. in 2027.

In line with the social-wide implementation of the “Dual Carbon” Goal (carbon peaking and carbon neutrality goals) and the background of accelerating development of a new-energy system in the PRC, clean heating has become a key area in the development of China’s new-energy system and also a critical part in achieving China’s green and low-carbon circular economic development system. The central government of the PRC encourages municipal governments to develop different ways of clean heating. In response to such industry trend, heat service companies have been innovating their heating technologies to achieve cleaner and more efficient heating services. Currently, the major measures for clean heating transformation in heat service industry are to optimise heat sources with commitment to vigorously promoting clean heat resources. The 14th Five-Year Plan for Renewable Energy Development of the PRC (《“十四五”可再生能源發展規劃》) jointly issued by nine ministries and commissions including the National Development and Reform Commission of the PRC sets that by 2025, the scale of non-electric usage of geothermal heating, biomass heating and fuel and solar heating should exceed 60 million tonnes of standard coal. Apart from heat sources optimisation, intelligent heating is also expected to play a crucial role in the transformation of clean heating. Through use of technologies such as artificial intelligence, cloud computing, big data, stimulation systems and Internet of Things, intelligent heating can realise unified management of production and allocation of heat supply system, real-time monitoring of the important facilities, equipment and their operating statistics within the system, achieve heat supply on actual and accurate demand, and accelerate the digitalisation, intellectualisation and green transformation of the heat service industry, thereby achieving the goals of energy conservation and carbon reduction.

Overview of the Engineering Construction Service Industry Specialising in Heat Facilities in the PRC

The development of the engineering construction service industry specialising in heat facilities in the PRC has benefited from the continuous development of the heating service industry, particularly the growing demand related to existing facility upgrades and new energy-efficient facility construction, and policy support from the PRC government. In anticipation of the continuous development of the heat services market in the PRC, it is expected that the market size of the engineering construction service industry specialising in heat facilities will increase to RMB70.8 billion in 2027.

Overview of the EMC Industry in the PRC

The EMC industry has developed rapidly in the PRC since the beginning of the “12th Five-Year Plan” (《中華人民共和國國民經濟和社會發展第十二個五年規劃綱要》). In line with the development of electricity and heat services industries in northern China, an increasing number of energy-related enterprises in this region are opting for EMC services as a way to fulfil their environmental protection objectives. The PRC government has also promulgated a series of regulations and policies to offer preferential tax treatments, interest subsidies and financial rewards for companies meeting energy conservation thresholds.

BUSINESS REVIEW

Overview

We are one of the leading non-State-owned cross-provincial heat service providers in the PRC in terms of actual heat services area in 2025. Since our inception in 2010, we have established a leading position in the heat service industry in the “Three North Region”. During the Reporting Period, our revenue was approximately RMB1,506.3 million, representing a decrease of approximately 8.6% as compared with approximately RMB1,648.3 million for the Corresponding Period. The profit attributable to owners of the Company during the Reporting Period was approximately RMB170.2 million, representing a growth of approximately 3.7% as compared with approximately RMB164.2 million for the Corresponding Period.

Business Model

During the Reporting Period, we were principally engaged in the provision of (a) heat services to residential and non-residential heat service customers under concession rights; (b) heat-related engineering construction services; and (c) heat-related EMC services.

(1) Heat Services

As at 31 December 2025, we had seven heat service projects under concession rights, three of the seven projects were in Shanxi Province, two were in Inner Mongolia Autonomous Region, one was in Gansu Province and one was in Henan Province. In respect of Baotou Project, the engineering construction and pipeline cleaning have been completed and trial operations have commenced in February 2026, representing a further milestone in strengthening the Group's regional heating service capabilities and project delivery capacity.

Our total actual heat service area was approximately 52.6 million sq.m. as at 31 December 2025, representing an increase of approximately 5.2% from approximately 50.0 million sq.m. as at 31 December 2024. For the Reporting Period, revenue generated from our heat services was approximately RMB1,352.7 million (Corresponding Period: RMB1,301.7 million), including (a) fees from customers for provision and distribution of heat of approximately RMB1,042.7 million (Corresponding Period: RMB1,011.1 million); (b) price subsidies from local government of approximately RMB192.3 million (Corresponding Period: RMB179.8 million); (c) pipeline connection fee of approximately RMB115.1 million (Corresponding Period: RMB106.4 million); and (d) heat transmission services fee of approximately RMB2.6 million (Corresponding Period: RMB4.4 million). The increase in the revenue generated from heat services for the Reporting Period was mainly attributable to (a) an increase in the revenue generated from provision and distribution of heat and pipeline connection fees due to an increase in actual heat service area; (b) an increase in price subsidies from local government; and (c) an increase in heat rates of certain concession project.

A. *Heat Service Customers*

During the Reporting Period, our heat service customers included both residential and non-residential heat service customers. As at 31 December 2025, we had approximately 409,379 heat service customers, representing an increase of 2.1% from approximately 400,797 for the Corresponding Period.

The table below sets out our revenue generated from customers for our provision and distribution of heat by customer type for the periods indicated.

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Residential	616,953	59.2	610,101	60.3
Non-residential	425,789	40.8	401,017	39.7
Total	<u>1,042,742</u>	<u>100.0</u>	<u>1,011,118</u>	<u>100.0</u>

B. *Heat Sources*

During the Reporting Period, our heat sources included (a) heat procured from third parties, and (b) heat self-produced by the Group (including heat produced by coal-fired boilers, residual heat collected at cogeneration plants and geothermal heat). Our different and diversified heat sources can ensure the provision of stable and reliable heat service to our heat service customers.

C. *Heat Distribution*

Our heat distribution network comprises two component networks: (a) the primary distribution network, and (b) the secondary distribution network. As at 31 December 2025, we operated and owned most of our primary distribution pipelines with an aggregate length of approximately 748.2 kilometers (31 December 2024: 644.4 kilometers).

(2) *Heat-related Engineering Construction Services*

During the Reporting Period, revenue generated from our engineering construction services was approximately RMB137.7 million, representing a decrease of 57.3% from approximately RMB322.2 million for the Corresponding Period, which was mainly due to the decrease in revenue from heat-related engineering construction services as a result of the decrease in pipeline network construction work and heat exchange station construction projects during the Reporting Period. The table below sets out the revenue generated from our engineering construction services by service type for the periods indicated.

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Engineering construction services for our concession operations	132,634	96.3	289,377	89.8
Engineering construction services provided to customers	5,033	3.7	32,790	10.2
Total	<u>137,667</u>	<u>100.0</u>	<u>322,167</u>	<u>100.0</u>

(3) *Heat-related EMC Services*

During the Reporting Period, we provided energy-conservation service to an energy consuming enterprise to achieve certain energy-saving goals. For the Reporting Period, revenue generated from the EMC project remained stable of approximately RMB2.5 million, as compared to the Corresponding Period, which was derived from the share of profit accrued from energy conserved as a result of the energy-conservation services provided by the Group.

(4) *Other Businesses*

During the Reporting Period, we also engaged in other businesses, including (a) provision of designing services, which mainly consisted of indoor heat operation designing and consulting services to some government authorities and commercial operators; (b) the sale of heat service facilities (including heat service equipment, devices and relevant parts) to operators who required such facilities for their business operation; and (c) provision of custody and operation services to heat service providers. The revenue generated from other businesses amounted to RMB13.4 million, representing a decrease of 38.8% from RMB21.9 million for the Corresponding Period.

This was mainly due to a revision in the fee standards for the custody and operation business. During the Reporting Period, the Group entered into a new agreement with the government, which stipulates a lower unit revenue rate compared to that of the Corresponding Period.

(5) *Honors and Awards*

In February 2025, the Company was awarded with the Jiangyin City's Outstanding Overseas Listed Companies in 2024* (江陰市2024年度優秀境外上市公司) by the Jiangyin Listed Companies Association* (江陰市上市公司協會); and Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited* (山西省隰縣雙良低碳環保清潔能源有限公司) ("**Shanxi Xixian Shuangliang**") was honoured as "Outstanding Contributor to County Economic Development 2024 (2024年度縣域經濟發展傑出貢獻企業)".

In March 2025, the Company received "2025 China ESG Digital Empowerment Brand (2025中國ESG數位化賦能品牌)" award; and Wise Living Tech-Thermal Power (Zhengzhou) Company limited* (慧居科技熱力(鄭州)有限公司) was awarded the "Outstanding Enterprise in Public Utilities" (公共事業優秀企業).

In April 2025, Shuozhou City Renewable Energy Thermal Company Limited* (朔州市再生能源熱力有限公司) ("**Shuozhou City Renewable Energy Thermal**") was awarded the May 1st Labor Award in Shanxi Province* (山西省五一勞動獎狀) jointly presented by the General Labor Union of Shanxi Province* (山西省總工會) and the Department of Human Resources and Social Security of Shanxi Province (山西省人力資源和社會保障廳).

In May 2025, Shanxi Xixian Shuangliang was awarded the May 1st Labor Award* (五一勞動獎狀) jointly presented by the General Labor Union of Linfen City* (臨汾市總工會) and the Human Resources and Social Security Bureau of Linfen City* (臨汾市人力資源和社會保障局); Shuozhou City Renewable Energy Thermal was honoured as the National Civilization Unit (全國文明單位) by the Central Public Communication and Culture Work Leading Group (中央宣傳思想文化工作領導小組); and Hulunbuir Shuangliang Energy System Company Limited* (呼倫貝爾雙良能源系統有限公司) ("**Hulunbuir Shuangliang**") was certified as an "Innovative SME (創新性中小企業)".

In June 2025, Shuozhou City Renewable Energy Thermal received multiple awards in the 2025 Shanxi Province “Five Small” Innovation Competition, jointly presented by the General Labor Union of Shuozhou City* (朔州市總工會), the Communist Youth League Shuozhou Municipal Committee* (共青團朔州市委), and the Association for Science and Technology of Shuozhou City* (朔州市科學技術協會), and four projects were awarded the Third Prize; and Lanzhou New Area Shuangliang Thermal Power Company Limited* (蘭州新區雙良熱力有限公司) was recognised as a “Specialized, Refined, Differential and Innovative Small and Medium-Sized Enterprise” (專精特新中小企業) by the Gansu Provincial Department of Industry and Information Technology* (甘肅省工業和信息化廳).

In November 2025, Hulunbuir Shuangliang was classified as High and New Technology Enterprise (高新技術企業) by the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition (全國高新技術企業認定管理工作領導小組辦公室).

In December 2025, the green energy island project of Shanxi Xixian Shuangliang was successfully selected as a demonstration project under the “Lucid Waters and Lush Mountains Are Invaluable Assets” Practice and Innovation Base* (「綠水青山就是金山銀山」實踐創新基地示範項目), as recognized by the Ministry of Ecology and Environment of the PRC; and Wise Living Times (Jiangsu) Technology Company Limited* (慧居時代(江蘇)技術有限公司) was classified as High and New Technology Enterprise (高新技術企業) by the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition (全國高新技術企業認定管理工作領導小組辦公室).

FINANCIAL REVIEW

The following table sets forth the comparative statement of comprehensive income for the year ended 31 December 2025 and the year ended 31 December 2024, respectively.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	1,506,290	1,648,287
Cost of sales	<u>(1,062,598)</u>	<u>(1,189,033)</u>
Gross profit	443,692	459,254
Administrative expenses	(169,809)	(167,350)
Reversal of/(provision for) impairment losses on financial assets and contract assets	9,464	(24,934)
Other income	33,253	36,940
Other losses — net	<u>(12,455)</u>	<u>(6,198)</u>
Operating profit	304,145	297,712
Finance income	15,565	18,522
Finance costs	<u>(39,782)</u>	<u>(43,743)</u>
Finance costs — net	(24,217)	(25,221)
Share of profit of associates accounted for using the equity method	<u>17,163</u>	<u>16,100</u>
Profit before income tax	297,091	288,591
Income tax expense	<u>(56,232)</u>	<u>(51,172)</u>
Profit and total comprehensive income for the year	<u>240,859</u>	<u>237,419</u>
Profit and total comprehensive income attributable to:		
— Owners of the Company	170,214	164,154
— Non-controlling interests	<u>70,645</u>	<u>73,265</u>
	<u>240,859</u>	<u>237,419</u>
Earnings per share (expressed in RMB per share)		
— Basic and diluted	<u>0.56</u>	<u>0.54</u>

Revenue

The following table sets out our revenue by type of service/product for the periods indicated.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Heat Services		
— Fees from customers for provision and distribution of heat	1,042,742	1,011,118
— Price subsidies from local government	192,345	179,853
— Pipeline connection fee	115,061	106,360
— Heat transmission services	2,559	4,385
	<hr/>	<hr/>
Sub-total	1,352,707	1,301,716
	<hr/>	<hr/>
Engineering construction services	137,667	322,167
EMC services	2,480	2,480
Others	13,436	21,924
	<hr/>	<hr/>
Total	1,506,290	1,648,287
	<hr/>	<hr/>

During the Reporting Period, our revenue was mainly generated from (a) fees from customers for provision and distribution of heat; (b) engineering construction services; and (c) price subsidies from local government, the majority of which were attributable to (a) and (b). For the Reporting Period, our revenue decreased by 8.6% from approximately RMB1,648.3 million for the Corresponding Period to approximately RMB1,506.3 million for the Reporting Period, primarily due to a decrease in the volume of engineering construction services during the Reporting Period.

Cost of Sales

During the Reporting Period, our cost of sales mainly includes (a) costs for purchases of heat; (b) construction costs; (c) amortisation of intangible assets; and (d) materials consumed. Our cost of sales decreased by 10.6% from approximately RMB1,189.0 million for the Corresponding Period to approximately RMB1,062.6 million for the Reporting Period, primarily attributable to a decrease in the volume of engineering construction services, which led to a decrease in the corresponding construction costs.

Gross profit and gross profit margin

The following table sets out our gross profit and gross profit margin by type of service/product for the periods indicated.

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Heat services	422,322	31.2	414,968	31.9
Engineering construction services	19,370	14.1	40,612	12.6
EMC services	(26)	(1.0)	(417)	(16.8)
Others	2,026	15.1	4,091	18.7
Total	<u>443,692</u>	<u>29.5</u>	<u>459,254</u>	<u>27.9</u>

For the Reporting Period, our gross profit was approximately RMB443.7 million, representing a decrease of 3.4% as compared with approximately RMB459.3 million, for the Corresponding Period.

For the Reporting Period, our gross profit margin was approximately 29.5% (Corresponding Period: 27.9%). The increase in gross profit margin was mainly attributable to a change in the revenue structure. Specifically, the revenue from low-margin engineering construction services decreased, while the pipeline connection area and heating area increased in the Track Record Period, leading to an increase in revenue in pipeline connection fees, heating fees and price subsidies.

Administrative Expenses

Our administrative expenses mainly consist of (a) employee benefit expenses; (b) business entertainment expenses; (c) depreciation of property, plant and equipment; and (d) travelling expenses. Our administrative expenses increased by 1.4% from approximately RMB167.4 million for the Corresponding Period to approximately RMB169.8 million for the Reporting Period, primarily attributable to an increase in accumulated fixed assets, which led to an increase in depreciation expenses of property, plant and equipment.

Reversal of/(Provision for) Impairment Losses on Financial Assets and Contract Assets

During the Reporting Period, we recorded reversal of impairment losses in respect of our trade, lease and other receivables and contract assets. For the Reporting Period, we recorded a reversal of impairment losses of approximately RMB9.5 million, as compared with a provision for impairment losses of approximately RMB24.9 million for the Corresponding Period, primarily due to a decrease in impairment made to the energy management services customer who had repaid their outstanding amount in accordance with the repayment schedule in current year.

Other Income

During the Reporting Period, our other income consisted of (a) government grants, and (b) rental income. For the Reporting Period, our other income was approximately RMB33.3 million, representing a decrease of approximately 9.8% from approximately RMB36.9 million for the Corresponding Period, primarily due to a decrease in rental income as certain tenants leased a smaller area of the properties during the Reporting Period as compared with the Corresponding Period.

Other Losses — net

During the Reporting Period, our other losses-net consisted of (a) fair value losses of investment properties; (b) net foreign exchange (losses)/gains; and (c) gains on extinguishment of account receivables. For the Reporting Period, our other losses-net was approximately RMB12.5 million, representing an increase of approximately 101.6% from approximately RMB6.2 million for the Corresponding Period, primarily due to (a) the continued fair value losses of investment properties, and (b) the net foreign exchange losses as a result of exchange rate fluctuations resulting from the appreciation of Renminbi against USD. during the Reporting Period, as compared to the net foreign exchange gains in the Corresponding Period.

Finance Income and Costs

For the Reporting Period, our finance income amounted to approximately RMB15.6 million, representing a decrease of approximately 15.7% from approximately RMB18.5 million for the Corresponding Period, primarily due to the lower bank interest rates and the reduced balance of remaining Net Proceeds during the Reporting Period, resulting in a decrease in interest income from bank deposits.

For the Reporting Period, our finance costs amounted to approximately RMB39.8 million, representing a decrease of approximately 8.9% from approximately RMB43.7 million for the Corresponding Period, primarily due to a decrease in interest expenses on instalment payable for acquisition of intangible assets.

Income Tax Expenses

For the Reporting Period, our income tax expenses amounted to approximately RMB56.2 million, representing an increase of approximately 9.8% from approximately RMB51.2 million for the Corresponding Period, primarily due to an increase in profit during the year.

Profit and Total Comprehensive Income for the Year

For the Reporting Period, profit for the period amounted to approximately RMB240.9 million, representing an increase of approximately 1.5% from approximately RMB237.4 million for the Corresponding Period, primarily due to an increase in gross profit margin and the optimisation of revenue restructure, which enhanced the overall profitability of the Group.

Profit Attributable to Owners of the Company

For the Reporting Period, profit attributable to owners of the Company amounted to approximately RMB170.2 million, representing an increase of approximately 3.7% from approximately RMB164.2 million for the Corresponding Period. Profit attributable to owners of the Company was basically in line with the increase in profit for the Reporting Period.

PROSPECTS

In 2026, the Company will continue to adopt a dual-driven strategy of “scale × quality”, focusing on expanding new heat services (including heat service of steam supply) and steadily advancing project implementation in major northern provinces in China. At the regional level, the Company will focus on the Bohai Economic Rim (which includes the Liaodong Peninsula, Shandong Peninsula, and the Beijing-Tianjin-Hebei region), while treating Inner Mongolia and Shanxi as key growth areas. The Company will also selectively launch pilot projects in other cities, depending on the business environment and project maturity.

On the operational side, the Company will continue to optimise its diversified heat sources, including the use of waste heat recovery, to promote clean operations and intelligent dispatching, reduce pipeline energy losses, and enhance service quality and operational effectiveness.

Looking ahead to 2026, the Company will continue to uphold the principles of safety, environmental protection and high-quality development. While ensuring the steady operation and continuous improvement in performance of existing projects, the Company will actively advance market expansion, operational efficiency and digital capability development, with a view to continuously enhancing the overall competitiveness.

In addition to sustaining the steady growth of existing projects and pursuing market expansion, the Group will focus on the following two key areas in 2026:

(1) To continuously enhance operational quality and accelerate digital and artificial intelligence development

The Group will further strengthen the refined operation and cost control of existing heat projects, pursue continuous cost reduction and efficiency improvement, elevate the operational and management standards, and support the steady development of existing businesses. Meanwhile, the Group will continue to promote the development and upgrading of digital platforms, further improve the intelligence level of production management, fee collection management, customer service and operational scheduling, and steadily advance the application of artificial intelligence technologies in operational management and heat service scenarios. For internal management, the Group will explore the application of artificial intelligence in business analysis, process optimization, risk identification, operational monitoring and decision support, so as to improve management efficiency and collaboration. For the heat business, the Group will apply artificial intelligence technologies to heating demand forecasting, operational parameter optimization, energy consumption analysis, equipment monitoring and early warning, and energy conservation regulation, so as to gradually enhance the operational efficiency of the heat supply system and energy conservation management capabilities, providing stronger technical support for the Group's business development.

(2) To continuously advance market expansion and consolidate the foundation for future growth

The Group will continue to prioritize market expansion. Focusing on heat supply, steam supply and related integrated energy service projects, the Group will intensify market development efforts, actively track the demand of key regions and key customers, and facilitate the reserve, conversion and implementation of high-quality projects. Meanwhile, the Group will further strengthen market research, project screening and preliminary feasibility studies, strive to improve the quality and implementation efficiency of project expansion, and steadily expand the business scale while controlling investment risks and operational risks, so as to further strengthen the Group's sustainable development capacity and market competitiveness.

Looking forward, the Group will remain committed to the principles of safety, environmental protection and high-quality development. While consolidating the foundation of the existing businesses, the Group will actively seize industry development opportunities, steadily advance all key initiatives, and strive to create long-term value for its shareholders.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	1,506,290	1,648,287
Cost of sales	6	<u>(1,062,598)</u>	<u>(1,189,033)</u>
Gross profit		443,692	459,254
Administrative expenses	6	(169,809)	(167,350)
Reversal of/(provision for) impairment losses on financial assets and contract assets		9,464	(24,934)
Other income	4	33,253	36,940
Other losses — net	5	<u>(12,455)</u>	<u>(6,198)</u>
Operating profit		304,145	297,712
Finance income	8	15,565	18,522
Finance costs	8	<u>(39,782)</u>	<u>(43,743)</u>
Finance costs — net	8	(24,217)	(25,221)
Share of profit of associates accounted for using the equity method		<u>17,163</u>	<u>16,100</u>
Profit before income tax		297,091	288,591
Income tax expense	9	<u>(56,232)</u>	<u>(51,172)</u>
Profit and total comprehensive income for the year		<u>240,859</u>	<u>237,419</u>
Profit and total comprehensive income attributable to:			
— Owners of the Company		170,214	164,154
— Non-controlling interests		<u>70,645</u>	<u>73,265</u>
		<u>240,859</u>	<u>237,419</u>
Earnings per share (expressed in RMB per share)			
— Basic and diluted	11	<u>0.56</u>	<u>0.54</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Notes	2025	2024
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		181,998	189,561
Investment properties		363,032	373,179
Right-of-use assets		10,198	23,596
Intangible assets		3,518,151	3,600,255
Investments accounted for using the equity method		146,333	126,232
Trade receivables	12	82,212	71,576
Prepayments and other receivables		22,980	27,013
Deferred income tax assets		100,115	85,268
		<u>4,425,019</u>	<u>4,496,680</u>
Current assets			
Inventories		35,502	33,038
Trade receivables	12	614,964	575,834
Prepayments and other receivables		130,915	129,259
Financial asset at fair value through profit or loss		—	12,002
Restricted cash		52,167	74,175
Cash and cash equivalents		856,483	645,680
		<u>1,690,031</u>	<u>1,469,988</u>
Total assets		<u>6,115,050</u>	<u>5,966,668</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		301,600	301,600
Other reserves		413,967	391,499
Retained earnings		579,907	481,623
		<u>1,295,474</u>	<u>1,174,722</u>
Non-controlling interests		<u>324,771</u>	<u>254,126</u>
Total equity		<u>1,620,245</u>	<u>1,428,848</u>

		As at 31 December	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		375,869	427,033
Other payables		8,043	29,442
Contract liabilities		1,789,355	1,980,399
Lease liabilities		2,440	14,739
Deferred income		131,437	111,316
Deferred income tax liabilities		27,699	23,616
Provision		49,144	38,113
		<u>2,383,987</u>	<u>2,624,658</u>
Current liabilities			
Borrowings		314,217	299,705
Trade and other payables	13	1,168,656	975,960
Contract liabilities		545,699	571,598
Lease liabilities		537	2,808
Current income tax liabilities		81,709	63,091
		<u>2,110,818</u>	<u>1,913,162</u>
Total liabilities		<u>4,494,805</u>	<u>4,537,820</u>
Total equity and liabilities		<u>6,115,050</u>	<u>5,966,668</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES

1. GENERAL INFORMATION

The Company was established in the People's Republic of China (the "PRC") on 3 September 2010. The address of its registered office is Room 202, 2/F, No.15 of Shuangliang Road, Ligang Sub-district, Jiangyin City, Jiangsu Province, the PRC.

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in the heat supply (including provision and distribution of heat and pipeline connection services), engineering construction services, design services and energy management services in the PRC. The Company's H shares have been listed on the Main Board of the Stock Exchange on 10 July 2023.

The ultimate holding company of the Company is Jiangsu Shuangliang Technology Company Limited (江蘇雙良科技有限公司) ("Shuangliang Technology"), which is a private-owned company established in Jiangsu Province, the PRC.

These consolidated financial statements are presented in thousands of unit of Renminbi (RMB'000), unless otherwise stated.

2. BASIC OF PREPARATION

2.1 Compliance with IFRS Accounting Standards and Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and related interpretations issued by the International Accounting Standards Board (the "IASB"), and requirements of the Hong Kong Companies Ordinance Cap. 622.

IFRS comprise the following authoritative literature:

- IFRS Accounting Standards
- International Accounting Standards
- Interpretations developed by the International Financial Reporting Interpretations Committee

2.2 Historical cost convention

The consolidated financial statements has been prepared under the historical cost convention, as modified by the investment properties and financial assets at fair value through profit or loss, which are carried at fair value.

2.3 Going concern

As at 31 December 2025, the Group had net current liabilities of RMB420,787,000. The net current liabilities included contract liabilities amounted to RMB545,699,000 which represented the advance receipts from customers in relation to heat supply and pipeline connection fees. Such contract liabilities will normally be recognised as revenue in subsequent years and will not involve cash outflow in the future. Meanwhile, the Group's total borrowings as at 31 December 2025 amounted to RMB690,086,000 of which RMB314,217,000 are classified as current liabilities, while its cash and cash equivalents amounted to RMB856,483,000 as at the same date.

Management closely monitors the Group's financial performance and liquidity position. As at 31 December 2025, the Group had unused banking facilities amounting to RMB421,534,000. The Group also planned its capital expenditure activities in a conservative manner to avoid an excessively high liquidity risk exposure. In addition, management proactively managed the financing structure of the Group and was able to renew the short-term borrowings and raise new borrowings during the year ended 31 December 2025 as necessary.

Based on the above, the Board is of the opinion that the Group will have sufficient financial resources to support its operations and to meet its financial obligations as and when they fall due in at least the coming twelve months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2.4 New accounting standard and accounting change

The Group has applied the following new and amended standard for its annual reporting period commencing 1 January 2025. The adoption of this new standard and amendment did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future periods.

		Effective for annual periods beginning on or after
IAS 21 (Amendments)	Lack of Exchangeability	1 January 2025

2.5 New and amended standards not yet adopted

Certain new accounting standards have been published that are not mandatory for the financial reporting periods commencing on or after 1 January 2025 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 annual periods beginning on or after
IAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 9 (Amendments) and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor its Associates or Joint Venture	to be determined
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue from contract with customers

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contract with customers:		
— Provision and distribution of heat	1,235,087	1,190,971
— Consideration from customers	1,042,742	1,011,118
— Price subsidies from local government	192,345	179,853
— Heat transmission services	2,559	4,385
— Engineering construction services	137,667	322,167
— Pipeline connection fees	115,061	106,360
— Energy management services	2,480	2,480
— Others	13,436	21,924
	<u>1,506,290</u>	<u>1,648,287</u>
Timing of revenue recognition:		
— At a point in time	15,995	18,116
— Over time	1,490,295	1,630,171
	<u>1,506,290</u>	<u>1,648,287</u>

Management considered the determination of operating segments based on the reports reviewed by the Chief Operating Decision-Maker (the “CODM”).

The Group is principally engaged in the heat supply and related services in the PRC. The CODM reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment and reviews the consolidated financial information of the Group accordingly.

The major operating entities of the Group are domiciled in the PRC. All of the Group’s revenues are derived in the PRC.

As at 31 December 2025, all of the non-current assets were located in the PRC or arisen from transactions as conducted in the PRC (2024: all).

Revenue from customers contributing over 10% of the Group’s total revenue is as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Customer 1	<u><u>242,575</u></u>	<u><u>247,022</u></u>

(b) Assets related to contracts with customers

Unsatisfied long-term service contract

The following table shows unsatisfied performance obligations resulting from fixed-price long-term energy management services contracts:

	Year ended 31 December	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Aggregate amount of the transaction price allocated to long-term energy management services contracts that are partially or fully unsatisfied		
— Within one year	2,480	2,480
— Over one year	<u>18,851</u>	<u>21,332</u>
	<u><u>21,331</u></u>	<u><u>23,812</u></u>

4. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Compensation income	1,334	—
Government grants (a)	20,441	21,090
Rental income	11,478	15,850
	<u>33,253</u>	<u>36,940</u>

- (a) There are no unfulfilled conditions or other contingencies attaching to these government grants. They were primarily in respect of the Group's heat service operation, subsidizing the Group's purchase/construction of heat service facilities or subsidising for losses of the Group's heat service projects. Government grants are not recurring in nature, there are no specific formulae for the determination of the government grants, they were determined by the local government on an incidental basis, and they are not directly related to heat rates. The types of government grants may differ each year and the income are recognised when they are received.

5. OTHER LOSSES — NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Fair value losses of investment properties	(10,147)	(12,292)
Net foreign exchange (losses)/gains	(767)	3,791
Gains on extinguishment of account receivables	—	2,043
Others	(1,541)	260
	<u>(12,455)</u>	<u>(6,198)</u>

6. EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed below:

	<i>Note</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Costs for purchases of heat		443,496	405,912
Construction costs		121,815	281,555
Amortisation of intangible assets		224,044	210,147
Materials consumed		115,332	117,364
Employee benefit expenses	7	95,017	105,228
Utility costs		94,370	95,526
Maintenance expenses		18,599	23,128
Depreciation of property, plant and equipment		21,447	17,882
Entertainment expenses		12,775	11,938
Travelling expenses		8,503	8,800
Other taxes and surcharges		6,999	7,113
Consulting and professional service fees		6,049	4,896
Cost of goods sold		4,404	4,545
Depreciation of right-of-use assets		829	3,140
Auditor's remuneration			
— Audit services		1,900	3,072
— Non-audit services		—	418
Office expenses		1,593	2,311
Short-term lease expenses		1,946	832
Others		53,289	52,576
		<u>1,232,407</u>	<u>1,356,383</u>

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages and bonuses	77,695	82,728
Pension costs — defined contribution plans	8,644	8,320
Other post-employment benefits	346	8,480
Other social security costs	8,332	5,700
	<u>95,017</u>	<u>105,228</u>

(a) Pensions — defined contribution plans

No forfeited contributions were available and utilised by the Group to reduce its future pension contributions for the year ended 31 December 2025 (2024: nil).

(b) Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group included 2 directors (2024: 3 directors), whose emoluments are reflected in the analysis shown in Note 7(c), while the emoluments payable to the remaining 3 (2024: 2) highest paid individuals are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	890	293
Contribution to pension scheme	44	47
Discretionary bonuses	2,480	1,720
	<u>3,414</u>	<u>2,060</u>

Emolument bands (HKD)	Year ended 31 December	
	2025	2024
Nil–1,000,000	—	1
1,000,001–2,000,000	3	1
	<u>3</u>	<u>1</u>

(c) **Directors' emoluments**

Year ended 31 December 2025	Fees	Salary	Discretionary	Allowance	Total
	<i>RMB'000</i>	<i>RMB'000</i>	bonuses	and benefits	<i>RMB'000</i>
			<i>RMB'000</i>	in kind	
				<i>RMB'000</i>	<i>RMB'000</i>
Executive directors					
Li Baoshan (李寶山) (Note (iii))	—	518	2,413	40	2,971
Luo Wei (羅偉)	—	300	453	105	858
Liu Zhigang (劉志剛) (Note (iv))	—	266	1,120	96	1,482
Non-executive directors					
Miao Wenbin (繆文彬)	—	—	—	—	—
Ma Fulin (馬福林)	—	—	—	—	—
Xu Lijie (許麗潔)	—	—	—	—	—
Cheung Ho Kong (張浩剛)	220	—	—	—	220
Tse Hiu Tung, Sheldon (謝曉東)	220	—	—	—	220
Zhu Qing (朱青)	220	—	—	—	220
Supervisors					
Ma Pelin (馬培林)	—	—	—	—	—
Wang Shuai (王帥) (Note (v))	—	165	344	58	567
Chen Zhen (陳振)	—	—	—	—	—
	<u>660</u>	<u>1,249</u>	<u>4,330</u>	<u>299</u>	<u>6,538</u>

Year ended 31 December 2024	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Allowance and benefits in kind RMB'000	Total RMB'000
Executive directors					
Li Baoshan (李寶山) (Note (iii))	—	517	2,162	39	2,718
Geng Ming (耿鳴) (Note (ii))	—	600	1,727	26	2,353
Luo Wei (羅偉)	—	192	600	105	897
Non-executive directors					
Miao Wenbin (繆文彬)	—	—	—	—	—
Ma Fulin (馬福林)	—	—	—	—	—
Xu Lijie (許麗潔)	—	—	—	—	—
Cheung Ho Kong (張浩剛)	219	—	—	—	219
Tse Hiu Tung, Sheldon (謝曉東)	219	—	—	—	219
Zhu Qing (朱青)	219	—	—	—	219
Supervisors					
Ma Pelin (馬培林)	—	—	—	—	—
Liu Zhigang (劉志剛) (Note (iv))	—	254	760	86	1,100
Wang Shuai (王帥) (Note (v))	—	164	280	48	492
Chen Zhen (陳振)	—	—	—	—	—
	657	1,727	5,529	304	8,217

- (i) No directors or supervisors waived any emoluments and no emoluments were paid by the Group to any directors or supervisors as an inducement to join or upon joining the Group or as a compensation for loss of office during the year ended 31 December 2025 (2024: nil).
- (ii) Mr. Geng Ming (耿鳴) resigned from his position as executive director on 9 December 2024; he also stepped down as chairman of the Board.
- (iii) Mr. Li Baoshan (李寶山) was appointed as Chairman of the Board on 9 December 2024.
- (iv) Mr. Liu Zhigang (劉志剛) resigned as supervisor on 22 January 2024 and was appointed as executive director on 6 March 2025.
- (v) Mr. Wang Shuai (王帥) was appointed as supervisor on 22 January 2024.

(d) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their services in connection with the management of the affairs of the Company or its subsidiary undertakings during the year ended 31 December 2025 (2024: nil).

(e) Directors' termination benefits

No termination benefits were paid to the directors as compensation for the early termination of appointment during the year ended 31 December 2025 (2024: nil).

(f) Consideration provided to or receivable by third parties for making available directors' services

No consideration was provided to or receivable by any third party for making available directors' services during the year ended 31 December 2025 (2024: nil).

(g) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Company in favor of any directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2025 (2024: nil).

8. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income derived from bank deposits	6,361	7,419
Interest income from financing arrangements	—	1,070
Interest income from finance lease to a related party	895	1,044
Interest income from lease receivables	8,309	8,989
	<u>15,565</u>	<u>18,522</u>
Finance costs:		
Interest expenses on borrowings	(32,963)	(35,373)
Interest expenses on lease liabilities	(183)	(1,134)
Interest expenses on installment payable for acquisition of intangible assets	(3,187)	(5,135)
Interest expenses on loans from government	(1,398)	(464)
Unwinding of provision	(2,051)	(1,637)
	<u>(39,782)</u>	<u>(43,743)</u>
Finance costs — net	<u>(24,217)</u>	<u>(25,221)</u>

9. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		
— PRC corporate income tax	66,996	71,626
Deferred income tax	(10,764)	(20,454)
	<u>56,232</u>	<u>51,172</u>

10. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Final dividend for 2024 declared and paid of RMB 0.164 (2024: RMB 0.150) per share	<u>49,462</u>	<u>45,240</u>

On 20 March 2026 (2024: 21 March 2025), the board of directors resolved to declare a final dividend of RMB0.170 (2024: RMB0.164) per share, amounting to RMB51,272,000 (2024: RMB49,462,400) for the year ended 31 December 2025. The final dividend is subject to approval by the Shareholders in the upcoming annual general meeting and these financial statements do not reflect the dividend payable.

11. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Profit attributable to the owners of the Company (RMB'000)	170,214	164,154
Weighted average number of ordinary shares in issue (thousands)	<u>301,600</u>	<u>301,600</u>
Basic earnings per share (RMB per share)	<u>0.56</u>	<u>0.54</u>

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding as at 31 December 2025 (2024: Nil).

12. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Included in current assets		
Trade receivables (a)		
— Related parties	1,741	2,712
— Third parties	<u>675,171</u>	<u>623,927</u>
	<u>676,912</u>	<u>626,639</u>
Notes receivables	1,254	—
Lease receivables	18,904	18,904
Less: allowance for impairment of trade receivables and lease receivables	<u>(82,106)</u>	<u>(69,709)</u>
	<u><u>614,964</u></u>	<u><u>575,834</u></u>
Included in non-current assets		
Lease receivables	82,464	93,576
Less: allowance for impairment of lease receivables	<u>(252)</u>	<u>(22,000)</u>
	<u><u>82,212</u></u>	<u><u>71,576</u></u>
Total trade receivables	<u><u>697,176</u></u>	<u><u>647,410</u></u>

- (a) The Group normally provides no credit period to its customers. The following is an aging analysis of trade receivables (excluding notes receivables and lease receivables) from the date of sales:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	476,282	389,079
1 to 2 years	127,323	176,229
2 to 3 years	44,642	37,291
Over 3 years	<u>28,665</u>	<u>24,040</u>
	<u><u>676,912</u></u>	<u><u>626,639</u></u>

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Included in current liabilities		
Trade payables		
— Related parties	2,883	1,551
— Third parties	<u>603,843</u>	<u>480,665</u>
	<u>606,726</u>	<u>482,216</u>

The following is an aging analysis of trade payables presented based on the goods/services receipt dates:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	424,556	376,207
1 to 2 years	93,519	44,523
2 to 3 years	28,254	21,560
Over 3 years	<u>60,397</u>	<u>39,926</u>
	<u>606,726</u>	<u>482,216</u>

OTHER INFORMATION

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Shares have been listed on the Main Board of the Stock Exchange since 10 July 2023. The Net Proceeds from the Global Offering, after deduction of the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$187.5 million.

The table below illustrates, among others, the original utilised and unutilised amount of the Net Proceeds from the Global Offering as at 22 August 2025.

Major uses	Percentage of Net Proceeds	Planned allocation of Net Proceeds (HKD million)	Planned allocation of Net Proceeds ⁽²⁾ (RMB million)	Utilised amount (as at 31 December 2024) (RMB million)	Proceeds brought forward (as at 1 January 2025) (RMB million)	Unutilised amount (from 1 January 2025 to 22 August 2025) (RMB million)	Unutilised amount (up to 22 August 2025) (RMB million)	Expected timeline for utilising the unutilised Net Proceeds from the Global Offering ⁽¹⁾
Lanzhou Peak-shaving Boiler Construction	50.0%	93.7	85.3	34.3	51.0	41.0	41.0	On or before 31 December 2025 ⁽³⁾
Xinmi Project Preparation and Expansion	40.0%	75.0	68.2	18.7	49.5	49.5	49.5	On or before 31 December 2026 ⁽³⁾
The Group's working capital and other general corporate purposes	10.0%	18.8	17.1	10	7.1	—	—	On or before 31 December 2025 ⁽³⁾
Total	100.0%	187.5	170.6	63.0	107.6	90.5	90.5	

CHANGE OF USE OF NET PROCEEDS

As disclosed in the interim results announcement for the six months ended 30 June 2025 and changes in use of net proceeds from the listing and the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report**”), after careful consideration and detailed evaluation by the overall business strategy of the Group, the Board has resolved to change the use of the unutilised portion of the Net Proceeds originally designated for “Xinmi Project Preparation and Expansion” to “Baotou Project Construction”.

As of 31 December 2025, details of the use of the proceeds subsequent to the change in use on 22 August 2025 and the extended expected timeline set out in the paragraph headed “Changes to the Expected Timeline for Use of Net Proceeds” below are as follows:

Major uses	Percentage of Net Proceeds subsequent to re-allocation	Planned	Proceeds		Unutilised amount (as at 31 December 2025)	Expected timeline for utilising the unutilised Net Proceeds from the Global Offering (as disclosed in the Interim Report) ⁽¹⁾	Extended expected timeline for utilising the unutilised Net Proceeds from the Global Offering ⁽¹⁾	
		allocation of Net Proceeds subsequent to re-allocation ⁽²⁾	Utilised amount (as at 31 December 2024)	brought forward (as at 1 January 2025)				Utilised amount (as at 31 December 2025)
		(RMB million)	(RMB million)	(RMB million)	(RMB million)			
Lanzhou Peak-shaving Boiler Construction	50.0%	85.3	34.3	51.0	49.8	35.5	On or before 31 December 2025 ⁽³⁾	On or before 31 December 2026 ⁽³⁾
Xinmi Project Preparation and Expansion	11.0%	18.7	18.7	—	18.7	—	Not applicable (Net Proceeds already fully utilised)	Not applicable (Net Proceeds already fully utilised)
Baotou Project Construction	29.0%	49.5	—	49.5	49.5	—	On or before 30 June 2026 ⁽³⁾	Not applicable (Net Proceeds already fully utilised)
The Group’s working capital and other general corporate purposes	10.0%	17.1	10.0	7.1	17.1	—	Not applicable (Net Proceeds already fully utilised)	Not applicable (Net Proceeds already fully utilised)
Total	100.0%	170.6	63.0	107.6	135.1	35.5		

Notes:

- (1) The expected timeline for utilising the unutilised Net Proceeds is based on the best estimation of the market conditions made by the Group.
- (2) Net Proceeds from the Global Offering were received in Hong Kong dollars and translated to Renminbi for application planning.

- (3) The unutilised net proceeds will be used for their respective disclosed purposes and following the expected implementation timetable. The Company will deposit the unutilised Net Proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institution (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or the Commercial Banking Law of the PRC (中華人民共和國商業銀行法) and other relevant laws in the PRC).

CHANGES TO THE EXPECTED TIMELINE FOR USE OF NET PROCEEDS

The original expected timeline for using the Net Proceeds for “Baotou Project Construction” is on or before 30 June 2026. However, as the Baotou Project Construction was completed earlier than expected, we fully utilised the relevant Net Proceeds by the end of the Reporting Period, ahead of the originally planned schedule of 30 June 2026.

The original expected timeline for using the Net Proceeds for “Lanzhou Peak-shaving Boiler Construction” is on or before 31 December 2025, which has matured. For the reasons set out in the paragraph headed “Reasons for Extension of Expected Timeline for Use of Net Proceeds” below, the Board considered and approved the extension of the expected timeline to use the unutilised Net Proceeds for “Lanzhou Peak-shaving Boiler Construction” to on or before 31 December 2026.

REASONS FOR EXTENSION OF EXPECTED TIMELINE FOR USE OF NET PROCEEDS

The progress of the Lanzhou Peak-shaving Boiler Construction is progressing steadily as planned. Recently, the Company has negotiated more favorable payment terms with the suppliers, allowing relevant costs to be paid in accordance with the actual project progress. As a result, the Net Proceeds for the Lanzhou Peak-shaving Boiler Construction have not been fully utilised according to the originally expected timetable.

The Company considers that all such work remain beneficial to the growth and development of the Group’s business and will continue to be carried out, therefore it decided to extend the expected timeline for utilising the remaining Net Proceeds to on or before 31 December 2026.

The Board is of the view that the extension of timeline will not have any material adverse impact on the operations of the Company and is in the best interests of the Company and its Shareholders as a whole.

Save for the foregoing, there is no change in the intended use of Net Proceeds as previously disclosed. The Company will provide update regarding the progress of the use of the Net Proceeds to its Shareholders through disclosures in its annual report and interim report going forward.

FINAL DIVIDEND AND WITHHOLDING OF INCOME TAX

The Board has resolved to recommend the payment of a final dividend of RMB0.170 per share (tax inclusive) for the year ended 31 December 2025 (2024: RMB0.164 per share (tax inclusive)) to all Shareholders whose names appear on the register of members of the Company on Thursday, 28 May 2026 (subject to the consideration and approval of the same via ordinary resolution by Shareholders at the forthcoming AGM to be held on Friday, 15 May 2026), with a total amount being approximately RMB51.27 million. Subject to approval by the AGM, the final dividend is expected to be paid on or before Friday, 26 June 2026.

Such proposed dividends will be denominated in RMB. Dividends for H Shares will be paid in Hong Kong dollars. The relevant exchange rate for conversion shall be calculated by the average central parity rate of the relevant foreign exchange posted by China Foreign Exchange Trading Centre for one calendar week immediately preceding the date of declaration of such dividend at the AGM.

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008, and was amended on 24 February 2017, 29 December 2018 and 6 December 2024, the Provision for Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) which took effect on 1 January 2008 and was amended on 23 April 2019, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, where a Chinese resident enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to H-share holders which are overseas non-resident enterprises (such term shall have the meaning as defined under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》)), it is required to withhold 10% enterprise income tax for such overseas non-resident enterprise H-share holders. Therefore, for a non-resident enterprise Shareholder of the H Shares (i.e., any Shareholder holding the H Shares in the name of a non-individual Shareholder, including but not limited to any holders of H Shares registered in the name of HKSCC Nominees Limited, or any other nominee or trustee, or any other organisation or group), the Company shall withhold the enterprise income tax for the final dividend at the tax rate of 10% on its behalf. After receiving dividends, the non-resident enterprise Shareholder may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or

by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Taxation on 28 June 2011, dividends to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and China. Thus, 10% individual income tax will be withheld from the dividend payable to any individual Shareholders of H Shares whose names appear on the H Share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》).

The Company assumes no responsibilities whatsoever in respect of and will not entertain for any claim arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholdings.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares of the Company in the PRC and in Hong Kong and other tax effects involved.

ANNUAL GENERAL MEETING

The AGM is scheduled to be held on Friday, 15 May 2026. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 11 May 2026. The record date for determining Shareholders' eligibility is Friday, 15 May 2026.

For determining the entitlement to the proposed final dividend (subject to approval by the shareholders of the Company at the AGM), the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 21 May 2026. The record date for determining entitlement to the final dividend is Thursday, 28 May 2026.

CORPORATE GOVERNANCE

The Company has adopted the CG Code as its own code of corporate governance. Continuous efforts are made to review and enhance its internal controls and procedures in light of changes in regulations and developments in best practices.

In the opinion of Directors, the Company has complied with all the principles and code provisions as set out in the CG Code during the year ended 31 December 2025.

In response to the amendments to the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules came into effect on 1 July 2025, the following changes in the composition of the Nomination Committee: (i) Mr. Li Baoshan, chairman of the Board and an executive Director, ceased to be the chairman and a member of the Nomination Committee; (ii) Dr. Zhu Qing, an independent non-executive Director and a member of the Nomination Committee, has been appointed as the chairman of the Nomination Committee; and (iii) Ms. Xu Lijie, a non-executive Director, has been appointed as a member of the Nomination Committee, all were with effect from 22 August 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Listing Date, the Company has adopted a code of conduct regarding Directors' and supervisors' securities transactions on terms no less exacting than the Model Code.

Having made specific enquiries with all the Directors and supervisors, each of the Directors and supervisors confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 December 2025. Meanwhile, the Company was not aware of any events of non-compliance with the Model Code by the relevant employees during the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined under the Listing Rules)) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Company has established the Audit Committee with the terms of reference in compliance with relevant laws and regulations of the PRC, Rule 3.21 of the Listing Rules and paragraph D.3.3 of part 2 of the CG Code. The Audit Committee consists of two independent non-executive Directors, namely Mr. Cheung Ho Kong (being the chairman of the Audit Committee), Dr. Zhu Qing and one non-executive Director, namely Mr. Miao Wenbin.

The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 December 2025, the accounting principles and practices adopted by the Company and the Group, and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

AUDITOR

PricewaterhouseCoopers (“**PwC**”) has resigned as the auditor of the Company with effect from 28 October 2025. HLB Hodgson Impey Cheng Limited (“**HLB**”) has been appointed as the auditor of the Company with effect from 24 November 2025 to fill the casual vacancy following the resignation of PwC. For further details regarding the change of auditor of the Company, please refer to the announcements of the Company dated 28 October 2025 and 24 November 2025 and the circular of the Company dated 4 November 2025.

The consolidated financial statements of the Group have been audited by HLB, certified public accountants, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, HLB, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB on the preliminary announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, as at the date of this announcement, the Company did not have any future plans for material investments or additions of capital assets.

EVENTS AFTER THE REPORTING PERIOD

Change of Company name

Reference is made to the Company's announcements dated 21 January 2026 and 26 February 2026 and the Company's circular dated 3 February 2026.

The Board proposed to change the Chinese name of the Company from “慧居科技股份有限公司” to “江蘇雙良睿能能源股份有限公司” and to change the English name of the Company from “Wise Living Technology Co., Ltd” to “SL Gemini Energy Co., Ltd” (the “**Change of Company Name**”) to align with the long-term business strategy. A special resolution has been passed by the Shareholders at EGM for approval of the Change of Company Name on 26 February 2026.

The Company is going through the registration procedures with the relevant governmental authorities in the PRC and will make further announcement on the effective date of the proposed Change of Company Name.

Abolition of the Supervisory Committee

Reference is made to the Company's announcements dated 21 January 2026 and 26 February 2026 and the Company's circular dated 3 February 2026.

The Board proposed to abolish the Supervisory Committee pursuant to the Company Law of the People's Republic of China (the “**PRC Company Law**”) and the Relevant Transitional Arrangements for the Implementation of Supporting Systems and Rules for the New Company Law (《關於新〈公司法〉配套制度規則實施相關過渡期安排》), and with reference to the Guidelines on the Articles of Association of Listed Companies (as amended in 2025) and other applicable laws, regulations and normative documents, and having regard to the actual circumstances of the Company (the “**Abolition of the Supervisory Committee**”). The functions and powers of the Supervisory Committee as stipulated under the PRC Company Law will be assumed by the Audit Committee. A special resolution has been passed by the Shareholders at EGM for approval of the proposed Abolition of the Supervisory Committee on 26 February 2026. As a result, Mr. Ma Peilin, Mr. Chen Zhen and Mr. Wang Shuai ceased to serve as Supervisors on the same day.

Amendment to the Articles of Association

Reference is made to the Company's announcements dated 21 January 2026 and 26 February 2026 and the Company's circular dated 3 February 2026.

The Board proposed to make certain amendments to the Articles of Association (the "**Proposed Amendments**"), in order to, among other things, reflect the Change of the Company Name and the proposed Abolition of the Supervisory Committee (the "**Amendment to the Articles of Association**"). A special resolution has been passed by the Shareholders at EGM for approval of the Proposed Amendment to the Articles of Association on 26 February 2026 and the Proposed Amendments have become effective on the same date.

Save as disclosed above, the Board is not aware of any significant event occurred that materially affect the Group's financial condition or operation following the Reporting Period and up to the date of this announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual results announcement was published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.hjkj.cn>). The annual report of the Group for the year ended 31 December 2025, which contains all the information required under the Listing Rules, will be despatched to Shareholders and available on the above websites by the end of April 2026.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held on Friday, 15 May 2026
“Audit Committee”	the audit committee of the Board
“Baotou Project”	Baotou Tuyou New Industrial Park Chemical Concentration Zone of Inner Mongolia Autonomous Region Heat Services of Steam Supply Project* (內蒙古包頭土右新型工業園區化工集中區供熱(氣)項目), a project established pursuant to the concession agreement dated 19 September 2023 entered into between Wise Living Energy (Baotou) and the Management Committee of Baotou Tuyou New Industrial Park of Inner Mongolia Autonomous Region* (內蒙古包頭土右新型工業園區管理委員會)
“Board”	the board of Directors of the Company
“CG Code”	The Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“China” or “PRC”	The People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”	Wise Living Technology Co., Ltd (慧居科技股份有限公司) (stock code: 2481), a company with limited liability established in the PRC on 3 September 2010 and converted into a joint stock company with limited liability on 29 December 2015
“Corresponding Period”	the period from 1 January 2024 to 31 December 2024
“Director(s)”	the director(s) of the Company
“EGM”	the first extraordinary general meeting of the Company in 2026 held on Thursday, 26 February 2026
“EMC”	energy-conservation service contract

“Global Offering”	the Hong Kong public offering and the international offering
“Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time, their predecessors (as the case may be)
“H Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Stock Exchange
“Hong Kong” or “HK”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” or “HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Date”	Monday, 10 July 2023, being the date on which the H Shares were listed on the Stock Exchange and from which dealings in the H Shares are permitted to take place on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel to the GEM operated by the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Net Proceeds”	the net proceeds from the Global Offering after deducting the underwriting fees and commissions and related expenses
“Prospectus”	the prospectus of the Company dated 28 June 2023
“Reporting Period”	the period from 1 January 2025 to 31 December 2025

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of RMB1.00, comprising of 301,600,000 H Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company who exists before the Supervisory Committee was abolished
“Supervisory Committee”	the supervisory committee of the Company, which was abolished on 26 February 2026
“USD”	the United States dollar, the lawful currency of the the United States of America
“Wise Living Energy (Baotou)”	Wise Living Energy (Baotou) Company Limited* (慧居能源(包頭)有限公司), a company with limited liability established in the PRC on 26 November 2020, an indirect wholly-owned subsidiary of the Company
“Xinmi Project”	Xinmi City Centralised Heat Services Project (新密市集中供熱項目)
“%”	percent

The English names of the PRC established companies or entities and the PRC laws and regulations mentioned herein are translation from their Chinese names. If there is any inconsistency, the Chinese names shall prevail.

By Order of the Board
Wise Living Technology Co., Ltd
LI BaoShan
Chairman and Executive Director

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises Mr. Li Baoshan, Mr. Liu Zhigang and Mr. Luo Wei as executive Directors, Mr. Miao Wenbin, Mr. Ma Fulin and Ms. Xu Lijie as non-executive Directors, and Mr. Cheung Ho Kong, Dr. Tse Hiu Tung, Sheldon and Dr. Zhu Qing as independent non-executive Directors.

* For identification purpose only