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Wasion Holdings Limited
威勝控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3393)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Turnover amounted to RMB4,390.41 million (Period 2024: RMB3,741.54 million), representing an increase of 17%.
- Revenue from Power AMI increased by 30% to RMB1,883.57 million as compared with Period 2024.
- Revenue from Communication and Fluid AMI increased by 13% to RMB1,298.50 million as compared with Period 2024.
- Revenue from ADO increased by 6% to RMB1,208.34 million as compared with Period 2024.
- Net profit for the period attributable to owners of the Company increased by 33% to RMB439.65 million (Period 2024: RMB331.03 million).
- Basic earnings per share for the period amounted to RMB44.5 cents (Period 2024: RMB33.5 cents).
- The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (Period 2024: Nil).

The board of directors (the “**Board**”) of Wasion Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereafter collectively referred to as the “**Group**”) for the six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding period in 2024 (“**Period 2024**”), as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	<i>Notes</i>	2025	2024
		RMB’000	RMB’000
		(unaudited)	(unaudited)
Revenue	3	4,390,409	3,741,537
Cost of sales		(2,848,131)	(2,413,807)
Gross profit		1,542,278	1,327,730
Other income, gains and losses, net		146,396	141,214
Administrative expenses		(196,888)	(173,100)
Selling expenses		(358,237)	(309,320)
Research and development expenses		(314,491)	(308,187)
Impairment losses on financial assets and contract assets, net		(70,256)	(55,328)
Finance costs		(59,296)	(62,690)
Share of profits of an associate		190	296
Profit before tax	4	689,696	560,615
Income tax expense	5	(103,949)	(94,943)
PROFIT FOR THE PERIOD		585,747	465,672
Profit for the period attributable to			
— Owners of the parent		439,649	331,030
— Non-controlling interests		146,098	134,642
		585,747	465,672
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic		RMB44.5 cents	RMB33.5 cents
Diluted		RMB44.4 cents	RMB33.4 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	585,747	465,672
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	(121)	(1,298)
Tax effect	13	65
	(108)	(1,233)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	37,814	(35,443)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	37,706	(36,676)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	623,453	428,996
Attributable to:		
Owners of the parent	476,906	293,866
Non-controlling interests	146,547	135,130
	623,453	428,996

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	<i>Notes</i>	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,287,144	2,167,583
Investment properties		4,406	4,460
Right-of-use assets		200,797	203,809
Goodwill		330,636	330,636
Other intangible assets		504,486	511,578
Investment in a joint venture		—	—
Investment in an associate		9,616	9,426
Equity investments designated at fair value through other comprehensive income		82,179	82,222
Financial assets at fair value through profit or loss		232,497	232,497
Prepayments, other receivables and other assets		257,703	256,835
Deferred tax assets		167,130	153,786
		4,076,594	3,952,832
CURRENT ASSETS			
Inventories		1,269,120	1,264,093
Trade and bills receivables	8	6,304,304	5,821,016
Contract assets	9	431,824	388,495
Loan receivables		85,000	85,000
Prepayments, other receivables and other assets		952,311	860,615
Structured deposits		210,000	50,000
Pledged deposits		371,510	514,547
Cash and bank balances		2,316,611	2,790,300
		11,940,680	11,774,066
CURRENT LIABILITIES			
Trade and bills payables	10	5,297,135	5,081,672
Other payables and accruals		457,441	537,619
Financial liabilities at fair value through profit or loss		11,067	14,580
Interest-bearing bank borrowings		1,941,056	1,615,723
Lease liabilities		16,322	15,721
Tax payable		95,663	110,795
		7,818,684	7,376,110
NET CURRENT ASSETS		4,121,996	4,397,956
TOTAL ASSETS LESS CURRENT LIABILITIES		8,198,590	8,350,788

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

AT 30 JUNE 2025

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	719,609	971,473
Lease liabilities	17,738	19,515
Deferred tax liabilities	42,355	38,872
	<hr/> 779,702 <hr/>	<hr/> 1,029,860 <hr/>
Net assets	<hr/> 7,418,888 <hr/>	<hr/> 7,320,928 <hr/>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	9,906	9,906
Reserves	5,562,499	5,422,701
	<hr/> 5,572,405 <hr/>	<hr/> 5,432,607 <hr/>
Non-controlling interests	1,846,483	1,888,321
	<hr/> 7,418,888 <hr/>	<hr/> 7,320,928 <hr/>
Total equity	<hr/> 7,418,888 <hr/>	<hr/> 7,320,928 <hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The directors consider the immediate and ultimate holding company to be Star Treasure Investments Holdings Limited, a limited liability company incorporated in the British Virgin Islands (the “**BVI**”). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the Company’s head office and principal place of business is located at Units 706–707, 7/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. The interim financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. REVENUE AND OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- Power advanced metering infrastructure segment, which engages in the development, manufacture and sale of smart power meters and provision of respective system solution;
- Communication and fluid advanced metering infrastructure segment, which engages in the development, manufacture and sale of communication terminals and water, gas and heat metering products and provision of respective system solution; and
- Advanced distribution operations segment, which engages in the manufacture and sale of smart power distribution devices and provision of smart power distribution solution and energy efficiency solution.

During the period, management has reviewed the development of three segments and considered products manufacturing by the Group have penetrated into artificial intelligence usage.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs, dividend income, as well as unallocated corporate income, expenses, gains and losses are excluded from such measurement.

Six months ended 30 June 2025 (unaudited)

	Power advanced metering infrastructure <i>RMB'000</i>	Communication and fluid advanced metering infrastructure <i>RMB'000</i>	Advanced distribution operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:				
Sales to external customers	1,883,569	1,298,502	1,208,338	4,390,409
Intersegment sales	6,469	62,915	9,889	79,273
	<u>1,890,038</u>	<u>1,361,417</u>	<u>1,218,227</u>	<u>4,469,682</u>
Reconciliation:				
Elimination of intersegment sales				(79,273)
				<u><u>4,390,409</u></u>
Segment results	312,143	281,930	121,199	715,272
Reconciliation:				
Interest income				31,643
Finance costs (other than interest on lease liabilities)				(59,292)
Unallocated corporate gains and expenses, net				<u>2,073</u>
Profit before tax				<u><u>689,696</u></u>

3. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2024 (unaudited)

	Power advanced metering infrastructure <i>RMB'000</i>	Communication and fluid advanced metering infrastructure <i>RMB'000</i>	Advanced distribution operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:				
Sales to external customers	1,451,123	1,151,120	1,139,294	3,741,537
Intersegment sales	9,166	66,420	—	75,586
	<u>1,460,289</u>	<u>1,217,540</u>	<u>1,139,294</u>	<u>3,817,123</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(75,586)</u>
				<u><u>3,741,537</u></u>
Segment results	200,157	261,938	111,017	573,112
<i>Reconciliation:</i>				
Interest income				49,963
Finance costs (other than interest on lease liabilities)				(62,455)
Unallocated corporate gains and expenses, net				<u>(5)</u>
Profit before tax				<u><u>560,615</u></u>

3. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

An analysis of revenue is as follows:

		Six months ended 30 June		
		2025	2024	
		RMB'000	RMB'000	
		(unaudited)	(unaudited)	
Revenue from contracts with customers		4,390,409	3,741,537	
Revenue from contracts with customers				
(i) Disaggregated revenue information				
For the six months ended 30 June 2025 (unaudited)				
Segments	Power advanced metering infrastructure RMB'000	Communication and fluid advanced metering infrastructure RMB'000	Advanced distribution operations RMB'000	Total RMB'000
Types of goods or services				
Smart power meters	1,883,569	—	—	1,883,569
Communication terminals, water, gas and heat metering products	—	1,298,502	—	1,298,502
Smart power distribution devices	—	—	1,198,225	1,198,225
System solution services	—	—	10,113	10,113
	1,883,569	1,298,502	1,208,338	4,390,409
Geographic markets				
PRC	975,761	1,015,040	1,155,788	3,146,589
America	678,515	—	—	678,515
Africa	135,771	95,900	58	231,729
Asia, except for PRC	54,255	187,562	49,263	291,080
Europe	39,267	—	3,229	42,496
	1,883,569	1,298,502	1,208,338	4,390,409
Timing of revenue recognition				
Goods transferred at a point in time	1,883,569	1,298,502	1,198,225	4,380,296
Services rendered over time	—	—	10,113	10,113
	1,883,569	1,298,502	1,208,338	4,390,409

3. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the six months ended 30 June 2024 (unaudited)

Segments	Power advanced metering infrastructure RMB'000	Communication and fluid advanced metering infrastructure RMB'000	Advanced distribution operations RMB'000	Total RMB'000
Types of goods or services				
Smart power meters	1,451,123	—	—	1,451,123
Communication terminals, water, gas and heat metering products	—	1,151,120	—	1,151,120
Smart power distribution devices	—	—	1,101,329	1,101,329
System solution services	—	—	37,965	37,965
	<u>1,451,123</u>	<u>1,151,120</u>	<u>1,139,294</u>	<u>3,741,537</u>
Geographic markets				
PRC	638,193	925,705	1,133,783	2,697,681
America	536,047	—	2,450	538,497
Africa	215,855	117,407	—	333,262
Asia, except for PRC	56,499	108,008	717	165,224
Europe	4,529	—	—	4,529
Oceania	—	—	2,344	2,344
	<u>1,451,123</u>	<u>1,151,120</u>	<u>1,139,294</u>	<u>3,741,537</u>
Timing of revenue recognition				
Goods transferred at a point in time	1,451,123	1,151,120	1,101,329	3,703,572
Services rendered over time	—	—	37,965	37,965
	<u>1,451,123</u>	<u>1,151,120</u>	<u>1,139,294</u>	<u>3,741,537</u>

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories sold	2,829,085	2,362,706
Cost of services rendered	9,824	29,135
Depreciation of property, plant and equipment	70,973	59,184
Depreciation of right-of-use assets	11,746	7,435
Depreciation of investment properties	54	86
Amortisation of other intangible assets (excluding the deferred expenditure amortised)*	14,295	10,428
Research and development costs:		
Research and development expenses	314,812	296,723
Less: capitalised development costs	(61,539)	(56,241)
	253,273	240,482
Amortisation of capitalised development costs	61,218	67,705
	314,491	308,187
Provision of impairment losses on financial assets and contract assets, net:		
Trade receivables	69,615	54,925
Contract assets	641	403
	70,256	55,328
Fair value losses, net:		
Derivative instruments — transactions not qualifying as hedges	1,634	4,369
Gain on disposal of items of property, plant and equipment	(97)	(141)
Write-down of inventories to net realisable value**	9,222	21,966
Foreign exchange gains, net	(34,266)	(272)

* Amortisation of other intangible assets (excluding capitalised development costs) for the period is included in “Selling expenses” and “Administrative expenses” in profit or loss.

** Included in “Cost of inventories sold”.

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income that was subject to Hong Kong Profits Tax during the periods ended 30 June 2025 and 2024.

Tax on profits assessable in the People's Republic of China ("PRC") has been calculated at the applicable PRC corporate income tax ("CIT") rate of 25% (30 June 2024: 25%), except that certain PRC subsidiaries which are approved as enterprises that satisfied the condition as high technology development enterprises and obtained the Certificate of High New Technology Enterprise can continue to enjoy the preferential tax rate of 15% for a consecutive three years from years 2022 to 2025, years 2023 to 2026 or years 2024 to 2027.

In addition, according to relevant laws and regulations promulgated by the State Administration of Tax of the PRC, certain subsidiaries established in the PRC engaging in research and development activities are entitled to claim an additional 100% of their qualified research and development expenses as tax deductible expenses when determining their assessable profits for the period.

Macau Complementary Tax has been provided at the rate of 12% (six months ended 30 June 2024: 12%) on the assessable profits arising in Macau during the period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current		
Charge for the period	104,267	108,088
(Overprovision)/under-provision in prior periods	(4,373)	1,279
	99,894	109,367
Deferred tax	4,055	(14,424)
Total tax charge for the period	103,949	94,943

6. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Final declared and paid — HK38 cents (31 December 2024: HK28 cents) per ordinary share	348,614	253,332

The directors of the Company do not recommend the payment of a dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share attributable to owners of the parent is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to owners of the parent, used in the basic earnings per share calculation	439,649	331,030
Effect of dilutive potential ordinary shares arising from adjustment to the share of profit of a subsidiary based on dilution of its earnings per share	(198)	(257)
Profit attributable to owners of the parent, used in the diluted earnings per share calculation	439,451	330,773
	Six months ended 30 June	
	2025	2024
	Number of	Number of
	shares	shares
	(unaudited)	(unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	988,656,004	988,210,675
Effect of dilutive potential ordinary shares arising from share awarded	587,746	1,988,785
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	989,243,750	990,199,460

Note:

During the periods ended 30 June 2025 and 2024, the weighted average number of ordinary shares for the calculation of basic and diluted earnings per share have been adjusted for the effect of a pool of shares maintained by a trustee.

During the period ended 30 June 2025 and 2024, the calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted for changes in the Group's share of results of a non-wholly-owned subsidiary that was attributable to the increase in the number of ordinary shares of the subsidiary as a result of the restricted share award granted by the subsidiary.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares (denominator) outstanding to assume conversion of all potential dilutive ordinary shares arising from share award granted by the Company. The inclusion of potential ordinary shares from the share option for the period ended 30 June 2024 does not assume the effect of certain Company's share options because the exercise price of those share options was higher than the average market price for shares. All share options were lapsed, the Company had no share options outstanding under the share option scheme as at 30 June 2025.

8. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables	6,672,247	6,052,550
Bills receivable	101,492	179,869
	6,773,739	6,232,419
Less: Impairment loss on trade receivables	(469,435)	(411,403)
	6,304,304	5,821,016

Due to the nature of business, the settlement terms of trade receivables are based on the achievement of certain milestones of each sales transaction. There were no uniform credit terms granted to customers, but the Group allows credit periods ranging from 90 days to 365 days to its customers, except for certain customers, where the credit periods may be beyond 365 days.

Included in the Group's trade receivables are amounts due from the Group's joint venture of RMB50,774,000 (31 December 2024: RMB30,299,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0–90 days	2,485,434	2,827,374
91–180 days	1,550,511	1,284,054
181–365 days	1,569,661	1,097,616
1–2 years	523,809	483,380
Over 2 years	174,889	128,592
	6,304,304	5,821,016

9. CONTRACT ASSETS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Contract assets	435,309	391,339
Less: Impairment loss on contract assets	(3,485)	(2,844)
	<u>431,824</u>	<u>388,495</u>

The contract assets primarily relate to the Group's right to consideration for goods delivered and not billed for the sales contracts because the rights are conditional on the completion of the retention period. The contract assets are transferred to trade receivables when the rights become unconditional. The balance will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

10. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade payables	3,733,760	3,403,289
Bills payable	1,563,375	1,678,383
	<u>5,297,135</u>	<u>5,081,672</u>

10. TRADE AND BILLS PAYABLES (CONTINUED)

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0–90 days	2,813,433	3,052,922
91–180 days	1,429,182	1,380,301
181–365 days	856,816	442,954
Over 1 year	197,704	205,495
	<u>5,297,135</u>	<u>5,081,672</u>

The trade payables are non-interest-bearing and are normally settled within terms of 90 days. For some suppliers with long business relationship, a credit term of 181 to 365 days is granted.

Included in the Group's trade payables are amounts due to the Group's joint venture of RMB6,108,000 (31 December 2024: RMB5,684,000), which are repayable on credit terms similar to those offered by the major suppliers of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Macro Environment

In the first half of 2025 (“**period under review**”), the global economy demonstrated resilience amid escalating trade conflicts and geopolitical tensions. While growth moderated, overall performance exceeded expectations as inflationary pressures showed signs of easing. Turning to the domestic market, China’s economy exhibited stable resilience against the complex external environment. The transformation between old and new growth drivers continued to deepen, and high-quality development achieved positive results. However, further optimization is still needed for balancing domestic and external demands. According to economic data released by the National Bureau of Statistics of China, the GDP in the first half of the year reached RMB66,053.6 billion, representing a 5.3% increase year-on-year (“**YoY**”). During the period under review, China’s high-end manufacturing and clean energy sectors showed robust development momentum. Exports of domestically produced industrial robots reached 94,200 units, valued at USD746 million, marking a 59.74% increase YoY and accounting for 52.3% of the global market share. The clean energy sector saw further structural optimization. Clean energy power generation from national large-scale industrial facilities reached 3.1 trillion kWh, representing a 11.6% increase YoY. Hydropower output stood at 127.761 billion kWh, with a 9.1% increase YoY; wind power at 22.119 billion kWh, with a 14.4% decrease YoY; and solar power at 19.934 billion kWh, with a 40.5% increase YoY. The share of non-fossil energy in total consumption grew by 1.8 percentage points YoY, while natural gas and hydro-nuclear-solar-wind power collectively increased by 2.2 percentage points YoY. Retail sales of new energy passenger vehicles reached 4.11 million units, representing a 33.1% increase YoY. Production of supporting products including lithium-ion batteries and charging piles increased by 53.3% and 25.6%, respectively.

Review of the Power Grid Industry

During the period under review, China’s overall electricity consumption was 4.8418 trillion kWh, representing a 3.7% increase YoY. The electricity transmitted from west to east by the China Southern Power Grid Company Limited (“**Southern Grid**”) reached 102.4 billion kWh, marking a 10.2% YoY increase and hitting the highest level for the same period since the launch of the 14th Five-Year Plan. During the period, the bidding activities of the State Grid Corporation of China (“**State Grid**”) and Southern Grid focused on the two main lines of ultra-high voltage infrastructure and digital upgrading. State Grid centered on the procurement of ultra-high voltage equipment worth RMB1.959 billion, deepened the regional joint procurement model for distribution network materials, and meanwhile invested over RMB270 billion in fixed assets to support the grid connection of new energy with an 11.7% increase YoY. Southern Grid strengthened the expansion of its main grid and the construction of a digital base, including the framework procurement of Artificial Intelligence (“**AI**”) servers and network security equipment. It is learned that Southern Grid plans to invest RMB175 billion in fixed assets in 2025, setting a new record high.

Review of Major Policies for the Power Grid Industry

Green low-carbon transformation and digital grid construction remained core development directions for the power grid industry in the first half of 2025 and beyond. During the period under review, State Grid and Southern Grid announced multiple policies and development strategies, further specifying the industry's transformation targets.

In January, the National Energy Administration issued the “Special Action Plan for Optimizing Power System Regulation Capabilities”, establishing mandatory requirements including a minimum 90% utilization rate for new energy and a maximum 30% minimum technical output for coal power, thereby creating an institutional framework to support the construction of new power systems. In February, the “2025 Energy Work Guidance” mandated raising non-fossil energy's installed capacity share to 60% and required accelerating cross-regional transmission projects such as the Shaanxi-Anhui ultra-high voltage line. In April, Southern Grid released the “Southern Grid Company Digital Operation Upgrade Work Plan”, introducing an “all-business online” initiative to establish a dual-driven management system powered by processes and data. During the same period, Guangxi's Fulin Sodium-ion Battery Energy Storage Station (2.5 MW/10 MWh) officially commenced operations, achieving four breakthroughs including energy density exceeding 145 Wh/kg and 90% low-temperature capacity retention at -40°C , making it the world's first large-capacity sodium-ion battery energy storage project. In May, the National Energy Administration launched the “First Batch of Pilot Projects for New Power System Construction”, targeting seven key areas including grid-forming technology and pure new energy transmission. The program mandated that pilot projects maintain a minimum 10% guaranteed output from new energy during peak periods and achieve waste heat recovery rates exceeding 60% in data centres, while qualifying these projects for preferential access to ultra-long-term special national bond financing. State Grid achieved significant technological progress by demonstrating grid-forming technology in Qinghai's Haixi Prefecture to address weak grid broadband oscillation issues. In the same month, China's first overseas ultra-high voltage (“UHV”) transmission project commenced construction in Brazil. State Grid's Belo Monte UHV project in Brazil transmitted 28 billion kWh of clean hydropower during the period, accounting for 16% of the electricity consumption in Northeast Brazil. This project is State Grid's first successful bid for a UHV transmission project abroad and China's first overseas UHV transmission project, marking a significant milestone in the global expansion of China's UHV technology. In June, Southern Grid finalized its acquisition of Peruvian power distribution company Luz del Sur, accelerating the international adoption of China's standards on smart metering and distributed photovoltaic dispatch technologies. Its wholly-owned subsidiary, Southern Grid Digital Grid Research Institute Co., Ltd., invested RMB1.45 billion to initiate the construction of the Guiyang Energy Big Data Centre. The first batch of 500 10kW cabinets is scheduled for operation by the end of the year. This project exemplifies how Chinese enterprises have been proactively fostering mutually beneficial partnerships in global power markets over recent years. Both parties will leverage this project to support Peru's socioeconomic development and accelerate energy transformation in Latin American countries.

Review of the Group's Overall Performance

As an expert in managing energy metering and energy efficiency, the Group recorded a total turnover of RMB4,390.41 million (first half of 2024: RMB3,741.54 million) in its three main business segments during the period under review, representing a 17% increase YoY; and a gross profit of RMB1,542.28 million (first half of 2024: RMB1,327.73 million), representing a 16% increase YoY. The Group's overall gross profit margin was 35.13% (first half of 2024: 35.49%), representing a decrease of 0.36 percentage points YoY. Net profit attributable to the Company's owners was RMB439.65 million (first half of 2024: RMB331.03 million), representing a 33% increase YoY.

BUSINESS REVIEW

Power Advanced Metering Infrastructure (“Power AMI”)

Business Overview

Power AMI focuses on the research and development (“**R&D**”), production and sale of smart power meters while also offering energy-efficient management solutions with a product range mainly comprising single-phase and three-phase power meters, high-end smart power meters, power transformers, online monitoring and other smart metering devices. Power AMI primarily serves power grid and non-power grid industrial customers, both domestically and overseas. Power customers include State Grid, Southern Grid, Inner Mongolia Power Group, China Three Gorges Power Corporation, local power companies, five major power generation groups, power plants, overseas power companies and overseas engineering, procurement and construction (“**EPC**”) general contractors. Non-power grid industrial customers range from telecommunication operators to large-scale public infrastructures, petroleum & petrochemicals, transportation, machine manufacturing, iron and steel metallurgical industries, and residential users.

Review of Business

During the period under review, the Group's Power AMI business recorded a turnover of RMB1,883.57 million (first half of 2024: RMB1,451.12 million), representing an increase of 30% YoY, accounting for 43% of the Group's total turnover (first half of 2024: 39%). Gross profit margin was 38% (first half of 2024: 40%). The Group's domestic customers and overseas customers accounted for 52% and 48% of turnover, respectively (first half of 2024: 44% and 56%, respectively).

Order Data in the Period under Review

During the period under review, the Group's Power AMI business secured domestic orders totaling approximately RMB776.37 million (first half of 2024: RMB869.86 million), representing a 11% decrease YoY. Of this total, bids from power grid customers were worth approximately RMB415.31 million (first half of 2024: RMB692.13 million), representing a 40% decrease YoY. This was mainly due to the continuous decline in national procurement prices, the ongoing equalization of State Grid's tenders, and Southern Grid not issuing any bidding notices in the first half of the year. Benefiting from the growing demand for high-precision power meters driven by the development of new energy, bids from non-power grid customers were worth approximately RMB361.05 million (first half of 2024: RMB177.73 million), representing a 103% increase YoY. During the period under review, the Group's subsidiary Wasion Group Limited ("**Wasion Group**") won contracts worth approximately RMB185.71 million in the centralized tenders organized by State Grid in the first half of the year, ranking first in the industry in terms of market share.

Review of Development of Power AMI Business and Relevant Policies

During the period under review, the contribution of the power grid business to total revenue declined. The first half of the year saw just one bidding event — State Grid's first centralized tender, in which the Group ranked first in the industry by securing contracts worth RMB186 million, maintaining its leading position. The Group further demonstrated its significant business expansion capabilities in the metering transformer sector by winning its first RMB14.88 million contract in this category through State Grid's first tender in 2025, advancing into the top ranks of the industry. In the first half of the year, the Group secured contracts worth RMB145 million from provincial grid companies and local power utilities. This was primarily driven by sustained growth in power meter procurement demand from local power companies in Inner Mongolia and Shanxi and increased procurement volumes of high-end power meters, intelligent equipment, and transformer online monitoring devices by provincial power companies within State Grid and Southern Grid's coverage areas. For the non-power grid business, due to the national "Dual Carbon" strategy and the surging market demand for new energy development and energy efficiency management in the "Dual Carbon" context, the Group's new products, such as photovoltaic products for communication base stations, secured orders in the first half of 2025 and achieved mass production. Subsequent annual market order demand is expected to exceed RMB100 million.

Regarding government policies, in February, the National Energy Administration ("**NEA**") issued the "2025 Energy Work Guidance", requiring comprehensive renewable energy adoption across key sectors including industry, transportation, construction, and data centres, and actively supporting zero-carbon industrial park construction and building-integrated photovoltaics. In the first half of 2025, the Group launched zero-carbon industrial park solutions targeting carbon metering businesses. In May, the "Notice on Orderly Promoting Green Power Direct Connection Development" jointly released by the National Development and Reform Commission ("**NDRC**") and the NEA specified that grid-connected green power direct connection projects must use project access points as metering and settlement reference points to establish unified electricity settlement with public grids. This requirement will directly drive demand for high-end power meters in green power direct connection scenarios. The Group anticipated substantial expansion in the non-grid high-end power meter market starting from the second half of 2025, with year-on-year growth potentially doubling.

Prospects for Power AMI Business

For the power grid market, the centralized tenders of State Grid and Southern Grid will remain the main source of the Group's revenue, with the Group expecting to secure orders worth over RMB500 million. In addition, benefiting from local power companies' ongoing metering equipment procurement plans in the second half of the year, the Group's power grid business performance is projected to steadily improve. The Group is anticipated to win approximately RMB150 million orders from provincial power grid companies and local power utilities. Additionally, by actively participating in electricity-carbon research, the Group is well-positioned to secure related orders in the power grid market.

For the non-power grid market, aligned with energy infrastructure demands along the "Belt and Road", with the ongoing dual-carbon strategy, and with future investment trends in new energy, the Group will focus on infrastructure, new energy, and major industrial projects and drive continued breakthroughs and product deployment across seven non-power grid industries. Specifically, the Group will address critical needs of both the market and customers in the telecommunications operator sector, using energy metering and efficiency management as entry points for business expansion and new product development. In the second half of the year, the Group will further develop the electric appliance transformer market, providing new momentum for business growth. Against the backdrop of rapidly growing demands in the new energy power generation market and the self-dependent and controllable market, the Group will strengthen its comprehensive high-end power meter solutions while continuing to expand power plant market, further consolidating its leading position in domestic market share.

Communication and Fluid Advanced Metering Infrastructure ("Communication and Fluid AMI")

Business Overview

As a leading comprehensive solution provider in energy digitalization, the Group takes "Connecting the World with Internet of Things ("IoT"), Linking the Future with Chips" as its development strategy. Leveraging "IoT + Chips + AI" as the core competitive advantage, the Group is driving industry advancement while delivering comprehensive energy digitalization solutions worldwide. Driven by opportunities presented by the "Dual Carbon" goals, new power systems, and global energy transformation, the Group is committed to co-developing new power systems and digital twin cities, promoting green low-carbon energy transition and continuous upgrades of the global energy IoT ecosystem.

This business is operated by Willfar Information Technology Co., Ltd. (stock code: 688100, a 59.55% shareholding subsidiary of the Group, hereinafter referred to as "**Willfar Information**"), which is the first company in Hunan Province listed on the STAR Market of the Shanghai Stock Exchange ("**SSE**"). Willfar Information is a constituent stock of the STAR Market New Generation Information Technology Index and has been shortlisted as a constituent of several heavyweight indexes including CSI 500 Index, SSE 380 Index, SSE STAR 100 Index, SSE STAR ESG Index, SSE SRDI (Specialized, Refined, Differential, and Innovative) Enterprises Index, SSE STAR Private Enterprises Index and SSE STAR Artificial Intelligence Index.

Review of Business

During the period under review, the Group's Communication and Fluid AMI business recorded a turnover of RMB1,298.50 million (first half of 2024: RMB1,151.12 million), representing a 13% increase YoY and accounting for 30% of the Group's total turnover (first half of 2024: 31%). Revenue contributions from domestic customers and overseas customers were 78% and 22%, respectively (first half of 2024: 80% and 20%, respectively).

Order Data in the Period under Review

As of 30 June 2025, the value of signed contracts on hand for the Communication and Fluid AMI business reached RMB3,956 million, representing a 13% YoY increase. And the value of the newly signed contracts reached RMB1,627 million, strongly underpinning the Group's future performance.

Review of Development of Communication and Fluid AMI Business and Relevant Policies

During the period under review, in January and March, the NDRC and the NEA successively issued the "Notice on Deepening the Market Reform of New Energy On-Grid Electricity Prices and Promoting the High-Quality Development of New Energy" and the "Guidelines on Promoting the High-Quality Development of the Renewable Energy Green Certificate Market". These documents stipulated that all grid-connected new energy generation must participate in power markets, with pricing determined through medium-to-long term contracts and spot trading, while inter-provincial transactions will be conducted in accordance with existing regulations. They established a clear target for enhancing the green certificate market trading mechanism in 2027 to facilitate international standardization of green certificates. In March, the Ministry of Ecology and Environment released the "Work Plan for Expanding the Coverage of the China Carbon Emission Trade Exchange to Steel, Cement, and Aluminum Smelting Industries", bringing these three industries under the national carbon emission market. Entities with annual emissions reaching 26,000 tons of carbon dioxide equivalent shall be designated as key emission entities under management. In May, the NDRC and the NEA issued the "Notice on Orderly Promoting Green Power Direct Connection Development". The document explicitly defines green power direct connection as new energy supplying power to a single user via dedicated transmission lines to meet corporate green energy demands. Existing loads may operate under specific preconditions, and new energy projects with consumption and absorption limitations will be supported. In July, the NDRC, the Ministry of Industry and Information Technology, and the NEA jointly issued the "Notice on Developing Zero-Carbon Industrial Parks", outlining eight key tasks including accelerating energy structure transformation, enhancing and upgrading infrastructure, applying advanced technologies, enhancing energy-carbon management capabilities, and supporting transformation and innovation.

In view of the above, the Group continued to expand its presence within its leading sectors, actively engaged in and promoted global energy digitalization and intelligent transformation, and consistently improved operation performance and operational efficiency. (I) Digital power grids: The Group leveraged its expertise and experience in power IoT technology and focused on critical core technologies to deliver diversified solutions for power system digitalization transformation. Through “IoT + Chips + AI”, the Group established comprehensive domestic and international standards, technology platforms, and product ecosystems to facilitate global power grid digitalization and intelligentization and achieve sustainable development. The Group continued to serve State Grid and Southern Grid’s new power system construction, consistently maintaining its industry-leading position in terms of procurement tenders for power consumption data collection equipments. The new NPU-embedded SoC chip developed by the Group and a national laboratory will be used in application scenarios such as smart power distribution and transparent power grids. The next-generation dual-mode communication chip has obtained certification from State Grid and Southern Grid, with a steadily growing market penetration rate. (II) Smart cities: The Group will extend its core technologies and project experience in power grids to more sectors. With a focus on technologies including big data management, edge computing, and AI applications, the Group aims to reshape efficient management of electricity, water, gas, and heat energy via IoT technology. By building an IoT smart cloud platform, the Group will deliver comprehensive solutions for energy, smart water services, smart fire protection, and smart industrial parks, so as to empower sustainable urban development. (III) Overseas markets: The Group significantly expanded its presence across the ten ASEAN nations, the six GCC countries, and the African markets and countries demonstrating political stability and strong economic performance. Amid global energy shortages and manufacturing restructuring, the digital transformation and intelligent upgrading of energy, power, water, and gas infrastructure have become both an imperative and prevailing trend across these countries. Willfar Information currently maintains connectivity for more than 10 million IoT devices in international markets. With globally certified products and active participation in international exchanges during the period under review, Willfar Information continuously strengthened overseas market penetration and brand influence, striving to become the world’s leading provider of comprehensive solutions for global energy intelligentization and digitalization.

Prospects for Communication and Fluid AMI Business

With the rapid acceleration of large models, AI is redefining power system operations. “AI + Power” represents not only technological advancement but systemic productivity transformation. With a two-pronged strategy targeting both energy consumption and supply sides, the Group will establish a multi-energy, multi-tiered energy IoT platform that can maximize IoT’s core advantages including ubiquitous sensing, reliable communication, flexible data exchange, and smart control. Through this platform, energy IoT will be integrated into cities, industrial parks, buildings, and enterprises to cover urban infrastructures including electricity, water services, water conservation, gas, heating, power consumption, and charging, thereby enabling digitalization and low-carbon operations. AI has now been extensively applied in the energy sector and poised to reshape the global energy landscape over the next decade. On one hand, expanding global data centres that support AI infrastructure will further increase electricity demand. On the other, AI’s rapid development will create opportunities to reduce production costs, enhance product competitiveness, and decrease greenhouse gas emissions. In the future, power supply that is affordable and sustainable will become critical for AI advancement, placing the energy industry at the forefront of technological revolution.

Given that State Grid and Southern Grid continue to increase their investments in digitalization, the investments driven by the digitalization efforts of these two major grids are projected to reach hundreds of billions of renminbi during the 14th Five-Year Plan period. The Group will leverage its extensive power IoT expertise and technical capabilities to actively support national new power system development goals and plans, looking to sustainably benefit from this high-growth market cycle. Furthermore, amid green and low-carbon development trends, the global demand for clean energy and continuous technological breakthroughs are highlighting two key shifts: new energy electrification and global AMI 2.0 adoption. The Group will seize these worldwide opportunities and accelerate global market penetration, seeking breakthroughs amid this wave.

Advanced Distribution Operations (“ADO”)

Business Overview

The Group’s ADO business, operated by its subsidiary Wasion Energy Technology Co., Ltd. (hereinafter referred to as “**Wasion Energy**”), focuses on advanced power distribution products, new energy, energy storage, green travel, and artificial intelligence data centre (“**AIDC**”) products and solutions. The business revolves around four main directions, namely clean energy, smart grids, electric transportation and energy storage industrialization. Together, they form an integrated solution for energy sourcing, networking, loading and storage in different scenarios and sectors, providing advanced technologies, products and solutions to meet the “Peak Emissions” and “Carbon Neutrality” national goals. The business’ customers primarily fall into three categories: domestic power grids (including State Grid and Southern Grid), domestic non-power grids (including telecommunication operators, data centres, rail transport, petroleum & petrochemicals, power generation groups, other new energy investors, etc.) and overseas customers.

Review of Business

The Group’s ADO business recorded a turnover of RMB1,208.34 million (first half of 2024: RMB1,139.29 million) during the period under review, representing an increase of 6% YoY, and accounting for 27% of the Group’s total turnover (first half of 2024: 30%). Gross profit margin was 27% (first half of 2024: 26%). The turnover contributions from domestic customers and overseas customers were 96% and 4%, respectively (first half of 2024: 99.5% and 0.5%, respectively).

Order Data in the Period under Review

During the period under review, the Group’s ADO business secured orders worth RMB2,227 million (first half of 2024: RMB1,875 million), increased by 19% YoY. Of these orders, contracts won from the power grid market had a combined value of over RMB910 million (first half of 2024: RMB751 million), increased by 21% YoY. This upswing in orders was mainly attributable to the outstanding performance of Wasion Energy in the centralized procurement of Southern Grid in the first half of 2025 (an increase of 28% YoY), while it also maintained steady growth in the contracts signed with State Grid.

Contracts won from the non-power grid market had a combined value of over RMB838 million (first half of 2024: RMB1,064 million), decreased by 21% YoY. This decrease was mainly due to the decline in orders caused by the fierce competition in China's photovoltaic-storage industry, whose downward range has outpaced the growth in data centres, communication operators and other non-power grid industries. In the second half of the year, the Group will continue to optimize its strategic layout and adjust the ADO business layout in non-power grid markets.

Contracts won from the overseas market had a combined value of over RMB479 million (first half of 2024: RMB59.5 million), marking a 706% YoY increase. The main reason for the increase in orders was that the Group has established in-depth strategic cooperation with core overseas customers in the data centre industry, securing orders of nearly RMB373 million in the first half of the year. Meanwhile, the Group has continued to expand in overseas power distribution and energy storage markets, with total orders registering a significant YoY increase.

Review of Development of ADO Business and Relevant Policies

During the review period, due to the sustained rapid growth of State Grid and Southern Grid's investments in power grid construction, the Group's ADO business maintained strong competitive advantages in the domestic power grid market, steadily expanding its market share. This benefited primarily from the Group's continuous wins in substation projects under State Grid's headquarters and from its outstanding performance in joint provincial bidding in the first half of 2025. Additionally, the Group's flagship integrated primary-secondary products achieved substantially higher allocation in Southern Grid's tenders, ranking among the top in the industry.

As for the domestic non-power grid market, in the first half of 2025, the Group focused on the data centre sector, actively participating in the national "East Data, West Computing" project and securing multiple large-scale data centre contracts in Hunan and Beijing. Due to its continued partnership with GDS Holdings ("GDS"), the Group secured the first order from ByteDance, a leading internet enterprise. The Group also continued to expand its presence in the domestic telecommunications sector, securing contracts from the headquarters of both China Mobile and China Telecom as well as 11 provincial companies of China Mobile nationwide. In addition, the Group continued to expand market shares in water conservation and water services, rail transit, and petroleum and chemical industries.

As for overseas markets, as an energy solution provider for data centres, the Group has collaborated with Siemens and GDS to combine global resources and offer overseas clients one-stop services from planning to operation. The Group has now established subsidiaries and factories in Malaysia and Mexico to deliver rapid-response support for modular power units and medium/low-voltage switchgear to clients in Southeast Asian and North American markets. During the period under review, the Group actively advanced UL and TUV certifications for the smart distribution business, achieved major breakthroughs in North and South America, and deepened strategic ties with key clients. In the field of smart energy, the Group's multiple commercial and industrial energy storage pilot projects in North America, Europe, and Australia are operating stably, serving hotels, water utilities, commercial, and industrial segments.

As for industry policies, top-tier policies further accelerated in the first half of 2025, with frequent releases of electricity-related regulations. In February, the NDRC and the NEA jointly issued the “Notice on Deepening the Market Reform of New Energy On-Grid Electricity Prices and Promoting the High-Quality Development of New Energy”, proposing to fully integrate new energy-generated electricity into the power market, where prices would be determined through market transactions, thereby accelerating the overall progress of power marketization. In April, the NDRC and the NEA successively released the “Guidance on Accelerating the Development of Virtual Power Plants” and the “Notice on Comprehensively Accelerating the Construction of the Spot Power Market”. These documents set clear targets, including virtual power plant regulation capacity reaching over 20 million kW by 2027 and 50 million kW by 2030, and full spot power market coverage with continuous settlement operations fully implemented by the end of 2025. In June, the NEA issued the “Notice on Organizing the First Batch of Pilot Projects for New Power System Construction”, which included smart microgrids, computing power-electricity synergy, and virtual power plants in the first batch of pilot initiatives for new power systems. Regarding new energy policies, in February, eight national departments including the Ministry of Industry and Information Technology jointly released the “Action Plan for High-Quality Development of New Energy Storage Manufacturing”. This plan announced six specialized actions: advocating for new energy storage systems to participate in power markets as independent entities, accelerating the application of grid-forming energy storage, encouraging diversified development of energy storage technologies, facilitating to achieve breakthroughs in high-efficiency integration and smart control technologies, focusing on multi-dimensional safety technologies throughout the lifecycle, and integrating international cooperation in new energy storage into frameworks such as the “Belt and Road” Initiative and BRICS cooperation mechanisms. In the same month, the NDRC and the NEA jointly issued the “Notice on Deepening the Market Reform of New Energy On-Grid Electricity Prices and Promoting the High-Quality Development of New Energy”. This notice stipulated full market integration for new energy-generated electricity, ended fixed feed-in prices or subsidies for new energy power producers, and required pricing determined by market demand and competition. Furthermore, it stipulated that energy storage allocation must no longer serve as a precondition for approving, integration, or grid-connecting of new energy projects, signifying the formal abolition of compulsory energy storage policies.

Prospects for ADO Business

In the second half of 2025, for overseas markets, the Group will fully expand its smart distribution business in Southeast Asia, North America, and South America while actively exploring markets in Europe and Africa. For data centre business, the Group will align closely with the “high efficiency, low carbon, and globalization” trend and build core competitiveness through technological innovation and strategic partnerships. In niche segments, the Group will leverage its technological expertise and rapid business scaling to become a key player in energy management for data centres. In smart energy business, the Group will focus on various application scenarios such as off-grid, grid-connected/off-grid hybrid systems, PV-storage microgrids and PV-storage-charging integrated systems to achieve a comprehensive capability of “high-quality hardware + high-level application software + professional EPC engineering capabilities + photovoltaic microgrid solutions”.

For the domestic power grid market, in the second half of 2025, the Group will focus on the “New Power System” and aim to increase product coverage and market share. It will fully commit to establishing new power system business lines, building comprehensive capabilities to support power grid transformation across transmission, generation, distribution, and consumption. The Group will seize growth opportunities in digital low-voltage networks and continuously strengthen brand influence.

For the domestic non-power grid market, the Group will expand its presence in data centres, telecommunications operators, water conservation and water utilities, and petrochemical sectors. While focusing on integrated equipment and modular power units for AIDC, the Group will explore new markets in the electronic chip industry, develop solutions for key industries, and enhance sector-specific expertise. Additionally, for electric mobility, the Group will concentrate on two-wheel battery-charging and battery-swapping cabinets, charging power supplies, and cabinet control core components. With a focus on major clients such as central government-owned enterprises and state-owned enterprises, the Group will leverage its competencies to expand the high-quality client portfolio.

International Markets

Global Smart Power Meter Information

Markets and Markets’ data reveals that the market scale of the global smart power meter is expected to increase from USD26.3 billion in 2024 to USD46.1 billion in 2030, with a compound annual growth rate of 9.8%. This indicates that the installation volume of smart power meters continues to rise, showing a strong growth momentum. Governments around the world have formulated strict policies to improve energy efficiency and strengthen power grid management. In addition, the increasing awareness of the drawbacks of carbon footprints, the convenience of non-contact billing, the strong demand for data analysis in the power industry, as well as the promotion of infrastructure modernization and utility digitalization, have all become important driving factors for market growth. Currently, there are significant differences in the development stages of power meters across regions worldwide, and the demand for metering devices such as prepaid power meters and smart power meters remains widespread.

Review of Business

During the period under review, overseas business turnover was RMB1,243.83 million (first half of 2024: RMB1,043.86 million), representing a 19% YoY increase.

Order Data in the Period under Review

During the period under review, the Group secured approximately RMB2,130 million worth of overseas orders, representing an increase of 23% YoY.

Market Developments in Each Country

In the Latin American market, the Group's subsidiary in Mexico has successfully entered into two large-scale power meter supply agreements with the Federal Electricity Commission of Mexico ("CFE"), achieving a milestone in the expansion of the Latin American market. During the period under review, the Group has secured supply contracts from CFE with a total value exceeding RMB790 million, fully demonstrating the Group's leading brand position in the local market. In Brazilian market, the Group has maintained a stable market position, with steady power meter supplies. Its new energy and power distribution equipment businesses are developing continuously, and the organizational and operational capabilities of the Group's subsidiary in Brazil are constantly strengthening, laying a solid foundation for further expanding the overall business share in the Brazilian market. In other Latin American markets, the Group has made positive progress in the power meter sector, with continuous and stable deliveries in markets such as Ecuador, Colombia, and Chile, and also achieved results in markets including Peru, Argentina, and Costa Rica, further expanding its market coverage.

In the African market, during the period under review, the Group's subsidiary Wasion Group (Tanzania) Limited, as a key participant in the Tanzanian market, maintained stable supply to local power companies. In June 2025, it secured a power meter contract worth approximately RMB61 million from Tanzania Electric Supply Company Limited. In addition, as the Group's business hub in the East African market, the Group's subsidiary in Tanzania also stepped up efforts to expand business in surrounding markets in the first half of 2025, participating in important market activities in countries such as Uganda, Kenya, and Mozambique. In the South African market, the Group's metering products continued to achieve operational growth, with increased market share in areas such as AMI solutions, smart power meters, and water meters, and the brand influence is growing day by day. As one of the major suppliers in the West African market, the Group continued to enhance cooperation in the supply of metering products, with the cumulative market share expanding steadily.

In the Asian market, the Group has accelerated the implementation of its strategic layout, achieving a synergistic advancement of manufacturing capacity expansion and business revenue growth. In April 2025, the new factories of Willfar Information and Wasion Energy, located in Indonesia and Malaysia respectively, were officially put into operation. The launch of these two factories marks a key step in the Group's efforts to deepen its layout in the Southeast Asian market, effectively enhancing its comprehensive competitiveness in the regional market. As one of the major suppliers of smart power meters for local residents in Indonesia, Willfar Information has not only consolidated its leading position in Indonesia's industrial and commercial market but also actively expanded its market share. Meanwhile, as one of the main suppliers, the Group has continued to complete large-scale deliveries in other Southeast Asian markets such as Malaysia and Singapore, steadily advancing regional business development. Willfar Information has actively expanded its market presence and localized layout in Middle Eastern countries such as Saudi Arabia and the United Arab Emirates ("UAE"). During the period under review, it successfully advanced more strategic collaborations with key clients and partners.

In the European market, the Group's local factory in Hungary maintained stable operations during the first half of 2025. Serving as the Group's base in Europe, the factory commenced its regular operations and deliveries in 2024. During the period under review, it focused primarily on efficiently fulfilling existing contracts while providing support for further expansion into other markets.

In other markets, Wasion Energy continued to actively explore new business opportunities in other potential markets during the period under review. Specifically, in the Australian market, the Group has been advancing cooperation and promotion of new energy storage business, with initial results achieved, laying the groundwork for expanding its business scale in the future.

Future Development of International Markets

Regarding the Latin American market, building on the solid foundation of the large-scale supply contracts signed in the first half of the year, the Group's Mexican subsidiary will continue to consolidate its position as a leading brand in the regional power meter market and ensure high-quality delivery of projects. The Group will actively explore business opportunities in Colombia, Peru, Chile, and Central American countries, continuously expand its market share, and strive to extend its presence into broader fields such as power distribution and energy efficiency management. The Brazilian subsidiary has maintained stable operations, with its market share further expanding, and has achieved remarkable results in developing new energy and power distribution equipment. The Group will also leverage its presence in Ecuador, Colombia, and Chile to further increase its market share in Peru, Argentina, etc., continue to make efforts in markets such as Costa Rica, Dominica and Panama, and deepen the strategic layout and optimize services in the region to achieve continuous breakthroughs.

Regarding the African market, the Group will continue to expand its presence in the local business. On the basis of steadily securing power meter procurement orders, it will actively promote the expansion of new projects such as energy storage, so as to further enhance market coverage and business diversification. Building on the market achievements in the first half of 2025, the Group will take Tanzania as the hub to access surrounding countries such as Uganda, Kenya and Mozambique, further expanding its influence in the East African market. From its base in Egypt, the Group will gradually expand its business into neighboring North African countries. In the West African market, the Group will focus on Côte d'Ivoire, Nigeria, Ghana and Morocco, gradually expanding into neighboring countries such as Benin, Niger, Mali, Mauritania, and Sierra Leone. In the Southern African market, the Group will further deepen and expand its presence in the regional market and strive to expand into surrounding markets such as Botswana.

Regarding the Asian market, the Group focuses on Indonesia as a base from where it can develop adjacent markets. It operates steadily in existing markets such as Malaysia and Singapore, while actively expanding into markets like Thailand and the Philippines to broaden its business footprint across the region. With the official commissioning of its factories in Indonesia and Malaysia, the Group's localized service capabilities in the Southeast Asian market have been significantly enhanced, laying a solid foundation for the Group to further expand its market share and influence in the region. In South Asia, the Group will take Bangladesh as another base, further expanding to surrounding countries, including Pakistan, Nepal, and Sri Lanka, aiming to gain a foothold in more markets and pursue new business development. In the Middle East, with Saudi Arabia as its hub, the Group is steadily penetrating into the UAE, Jordan, Iraq and Oman, continuously advancing the layout and business expansion in the local market.

Regarding the European market, the Hungarian subsidiary will serve as the cornerstone of the Group's business in Europe. The Group will fully leverage its advantages in localized production, actively participate in key market projects across Europe, enhance cooperation with local utility companies, and proactively expand new businesses related to energy transition, thereby consolidating its existing market position and exploring new growth avenues.

Regarding other markets, the Group will strive to continuously advance strategic initiatives in relevant potential markets. In particular, it will intensify efforts to expand new energy businesses in the Australian market, further scale up its operations on the basis of existing cooperation and increase its share in the local renewable energy market.

Research and Development (“R&D”)

The Group has consistently adhered to R&D-driven approach and technological innovation, aligning with the national “Dual Carbon” development policy while adapting to the market transformation of digital grids. It vigorously develops digital smart city initiatives and new energy businesses, addressing customer needs while proactively advancing its own technological revolution. During the period under review, the Group was granted 100 patents, including 35 patents of invention, and authored 86 software copyrights, boosting the total number of valid patents to 2,042, software copyrights to 1,986, and intellectual property rights to 4,029.

During the period under review, the Group secured contracts totalling over RMB180 million in the centralized procurement of State Grid's headquarters, ranking among the top in the industry. Notably, the Group won its first bid in power transformers, marking a milestone in the Group's product diversification strategy. The project, "Key Technologies for High Spatiotemporal Resolution Measurement of Power Carbon Emissions and Carbon Reduction Applications", completed jointly by the Group and the Guangdong Power Grid Co., Ltd., passed the scientific and technological project outcome appraisal organized by the China Instrument and Control Society, with the expert review panel unanimously recognizing the project's outcomes as world leading. In addition, the Group launched the new-process epoxy resin cast electromagnetic current/voltage transformer product and the Southern Grid smart gateway single/three-phase smart power meter product. As for high-end gateway metering, the Group introduced competitive products including Southern Grid new-specification high-stability power meters, State Grid new-specification high-end power meters, and East China gateway meters. The online monitoring equipment for voltage and current transformer error characteristics successfully obtained the full-performance test certification from the Wuhan High Voltage Research Institute. These products have been delivered and deployed in multiple provinces. The Group also supported petrochemical companies in advancing energy-saving and cost-reducing initiatives through newly launched key solutions, including "Smart Metering", "Distributed Microgrids for Oilfields", "Enterprise Energy Efficiency Management", and "Shared Electricity Usage". Furthermore, the Group-led technical specification "Reliability of Embedded Software for Power Measurement Equipment" was formally adopted as a national standard. The expanded management meeting for Subcommittee 1 under the National Standardization Committee for Electrical Measuring Instruments (SAC/TC104), which was co-hosted by the Group, concluded successfully. This significantly enhanced the Group's role in industry standardization of electrical measuring instruments. Additionally, the Group received honours from Hunan Xiangjiang New Area, including "Top 100 R&D Investment Enterprises", "Top 100 Industrial Enterprises", and "High-Level Corporate R&D Centre". The Group's "AI and Big Data-Driven Product and Management Integration Innovation" project was listed as one of the "Hunan 'Digital New Infrastructure' Top 100 Flagship Projects (2025)". The Group's power-carbon integration smart meter was honoured as one of the "2025 Energy Product Brand Achievement Top 100 Model Cases". The Group's energy-saving carbon-reducing management system based on power-carbon monitoring was included in the recommendation catalogue of the "Green, Low-Carbon, Advanced Applicable Technologies, Equipment and Products Encouraged for Development in Hunan's Industrial Sector" released by the Industry and Information Technology Department of Hunan Province.

During the period under review, the Group proactively addressed emerging market opportunities and challenges while continually strengthening technological innovation. Willfar Information integrated AI into its operations. Through in-depth research on advanced technologies such as load forecasting, photovoltaic power generation capacity prediction, and operational optimization control, Willfar Information improved prediction accuracy of electricity demand and new energy, while supporting intelligent coordinated control of massive generation, supply and usage objects in wide area. Willfar Information conducted research on critical technologies including intelligent topology identification and ground fault protection to enhance distribution network efficiency and operational reliability. As for digital smart cities, the Group developed the AI edge computing gateways and smart security management platform, significantly enhancing capabilities in edge computing and security management. The RTU developed by Willfar Information achieved the IEC60870-5-101/104 protocol certification at Europe's KEMA Laboratory, meeting internationally recognized advanced standards. The DCU and communication module obtained multiple international certifications including SGS Wi-SUN, DLMS, and G3-PLC. The full series of smart ultrasonic water meters secured three major international certifications: OIML (International Organization of Legal Metrology), MID (EU Measuring Instruments Directive), and WRAS (UK Water Regulations Advisory Scheme).

As for power IoT, the high-speed broadband carrier communication technology and chips developed independently by Willfar Information gained international recognition during the period under review. The new-generation dual-mode communication chips passed certification testing with State Grid and Southern Grid, steadily increasing market share. The new NPU-embedded SoC chips, developed jointly with a national laboratory, enabled application scenarios including smart power distribution and transparent power grids. The Wi-SUN communication module technology passed scientific and technological achievement evaluations. The Group's proprietary chips now comply with the power AMI communication standards of over 70% of countries worldwide. Additionally, Willfar Information progressively completed the research and development of new technologies and products, including the new-generation multi-mode communication chips that are compatible with both domestic and international standards, the integrated sensing-computing-communication SoC chips, the dual-mode + topology + BeiDou communication modules, the G3-PLC and Prime-PLC communication modules, and the LoRaWAN communication modules. This provided robust technical support for enabling green, low-carbon development of digital power grids and digital smart cities. Furthermore, the Group's overseas smart grid products secured multiple international certifications. The smart terminal RTU achieved internationally advanced performance, capable of detecting residual voltage fault signals as brief as 5ms, thus significantly improving grid fault protection selectivity. They have now been deployed at scale in Middle Eastern countries. The DCU obtained multiple authoritative global certifications and became a reliable cornerstone for smart grid data transmission worldwide. Fault indicators designed for overseas markets can achieve an accuracy rate exceeding 95% in ground fault diagnosis, with an equipment online rate of up to 99%, providing reliable protection for the safe and efficient operation of overseas power grids.

ADO Business

As for new power systems, the Group focused on developing comprehensive digital solutions spanning energy production, transmission, consumption, and storage. It has developed an entirely independent and controllable AI collaborative development platform, while building distribution network automation solutions centered on medium/low-voltage integrated primary-secondary intelligent switches. In advancing its global strategy, the Group acquired a precise understanding of regional market dynamics, successfully penetrating North and South American markets with its smart distribution products.

As for data centres, the Group focused on R&D in intelligent, integrated, and prefabricated technologies. For AIDC operators, leveraging its mature medium/low-voltage switchgear complete equipment, uninterruptible power supply for energy storage, transformer technologies, and advanced industrial control technologies, the Group actively promoted technological innovation and integration and has successfully developed modular power distribution technology with deep integration of structural design and electrical functions, forming a power distribution product system for data centres and computer rooms, which can provide customers with one-stop customized solutions. Further, the Company made use of its long-term reserved direct current control technology, sealing technology, and micro-channel heat dissipation technology, actively developed high-voltage direct current power supply solutions and liquid cooling heat dissipation control solutions, enriching and deepening its product series, and gradually establishing a leading position in the power distribution of AIDC.

As for intelligent charging and battery swapping, with a focus on intelligent charging and swapping products and the two core control systems, the Group launched a series of products with independent intellectual property, including charging/swapping cabinets, smart power supplies, and intelligent IoT platforms. Furthermore, the Group participated in the development of national standards for charging and swapping equipment, and continuously strengthened its core technological capabilities, aiming to become an industry leader in charging and swapping equipment manufacturing. Through its modular vehicle-power-cabinet integrated system and operational platform, the Group reinforced its leadership in the intelligent charging and battery swapping ecosystem.

International Markets

During the period under review, the Group fully accomplished its semi-annual product delivery targets and profit goals. The core technical capacities of the Group's AMI comprehensive solutions were continuously strengthened, with multiple AMI-related products obtaining Brazil's ANATEL certification. In addition, the Group continued to improve its AMI field operation and service capabilities and enhance the functionality of the MDR system and applications on Android and Windows Mobile handheld devices. The Group achieved breakthroughs in integrated innovation operations in the North American market to ensure stable market growth. In the European market, the Group significantly improved its localized product adaptability and integrated delivery services. The Group's subsidiary in Hungary achieved stable production. Its Europe-targeted smart meters secured the required local certifications, including MID, DLMS, and IDIS, while successfully passing IEC 62052-11:2020 type testing. The public network communication module received the TUV certification in German. The Group's global brand influence consistently expanded. The "AI-Optimized NMS Smart Network Management System Architecture and Implementation" proposed by the Group was selected as a mode case for digital economy collaboration among SCO member states, scheduled for release at the 2025 SCO Digital Economy Forum.

Financial Review

Revenue

During the period under review, revenue increased by 17% to RMB4,390.41 million (Period 2024: RMB3,741.54 million).

Gross Profit

The Group's gross profit increased by 16% to RMB1,542.28 million for the six months ended 30 June 2025 (Period 2024: RMB1,327.73 million). The overall gross profit margin is 35.13% in the first half of 2025 (Period 2024: 35.49%).

Other Income

Other income of the Group amounted to RMB125.21 million (Period 2024: RMB147.17 million) which was mainly comprised of interest income, government grants and refund of value-added tax.

Other gains and losses

Other gains for the six months ended 30 June 2025 amounted to RMB21.18 million (Period 2024: other losses amounted to RMB5.96 million) which comprised mainly of net foreign exchange gains, fair value losses on forward currency contracts, not designated at hedging and customer penalty paid for delay of product delivery.

Operating Expenses

In the first half of 2025, the Group's operating expenses amounted to RMB869.62 million (Period 2024: RMB790.61 million). Operating expenses accounted for 20% of the Group's revenue in the first half of 2025 (Period 2024: 21%).

Finance Costs

For the six months ended 30 June 2025, the Group's finance costs amounted to RMB59.30 million (Period 2024: RMB62.69 million). The decrease was mainly to the decrease of bank borrowings and interest rate during the period.

Operating Profit

Earnings before finance costs and tax for the six months ended 30 June 2025 amounted to RMB748.99 million (Period 2024: RMB623.31 million), representing an increase of 20% as compared with the same period of last year.

Profit Attributable to Equity Shareholders of the Company

The profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 increased by 33% to RMB439.65 million (Period 2024: RMB331.03 million) as compared with the corresponding period of last year.

Liquidity and Financial Resources

The Group's primary sources of working capital and long-term funding needs have been cash flows from operation and financing activities.

As at 30 June 2025, the Group's current assets amounted to approximately RMB11,940.68 million (31 December 2024: RMB11,774.07 million), with cash and cash equivalents totaling approximately RMB2,316.61 million (31 December 2024: RMB2,790.30 million).

As at 30 June 2025, the Group's total bank borrowings amounted to approximately RMB2,660.67 million (31 December 2024: RMB2,587.20 million), of which RMB1,941.06 million (31 December 2024: RMB1,615.72 million) will be due to repay within one year and the remaining RMB719.61 million (31 December 2024: RMB971.47 million) will be due after one year. In the first half of 2025, the interest rate for the Group's bank borrowings ranged from 1.23% to 10.18% per annum (31 December 2024: 1.00% to 12.12% per annum).

The gearing ratio (total borrowings divided by total assets) increased from 16% on 31 December 2024 to 17% on 30 June 2025.

Exchange Rate Risk

Most of the businesses of the Group are settled in Renminbi while businesses in foreign currencies are mainly settled in USD. The fluctuation of exchange rate of both currencies will have certain impact on the Group's business which are settled in foreign currencies. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts. During the period under review, the Group has entered into foreign exchange forward contracts with notional amounts of USD7.50 million and EUR5.00 million with a commercial bank to minimise the exposure to fluctuations in foreign currency exchange rates of USD and EUR revenue received from overseas customers.

Charge on Assets

As at 30 June 2025, the pledge deposits are denominated in Renminbi and are pledged to banks as security for bills facilities granted to the Group. In addition, the Group's land and buildings are pledged to banks as security for bank loans to the Group.

Capital Commitments

As at 30 June 2025, the capital commitments in respect of the acquisition of property, plant and equipment and investments in financial instruments contracted for but not provided in the condensed consolidated financial information amounted to RMB89.27 million (31 December 2024: RMB61.29 million) and RMB56.40 million (31 December 2024: RMB56.00 million), respectively.

Contingent Liabilities

As at 30 June 2025, the Group had no material contingent liabilities.

OTHER INFORMATION

Employees and Remuneration Policies

As at 30 June 2025, the Group had 5,214 (31 December 2024: 5,280) staff. Employee remuneration is determined on performance, experience and prevailing market conditions, with compensation policies being reviewed on a regular basis. The Company has adopted a share option scheme to recognise and acknowledge the contributions made or will be made to the Group by the eligible participants. The Company has also adopted a share award plan in which the eligible employees will be entitled to participate. The purposes of the share award plan are to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group and also to attract suitable personnel for further development of the Group.

Interim Dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (Period 2024: Nil).

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2025, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

Compliance with the Corporate Governance Code of the Listing Rules

During the six months ended 30 June 2025, the Company has applied the principles of and has complied with all code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

There has been no deviation from the code provisions of the Corporate Governance Code as set forth in the Appendix C1 of the Listing Rules for the six months ended 30 June 2025.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made with all the directors and the directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2025.

The Company has also established written guidelines on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board.

All the members of the Audit Committee are independent non-executive directors of the Company.

The interim results of the Group for the six months ended 30 June 2025 have been reviewed by the auditors of the Company, Ernst & Young, and the Audit Committee.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

The electronic version of this announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.wasion.com. An interim report of the Company for the six months ended 30 June 2025 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

As at the date of this announcement, the directors are:

Executive Directors

Ji Wei
Kat Chit
Li Hong
Zheng Xiao Ping
Tian Zhongping

Independent non-executive Directors

Chan Cheong Tat
Jiang Xinjian
Wang Yaonan

Non-executive Director

Cao Zhao Hui

By order of the Board
Wasion Holdings Limited
Ji Wei
Chairman

Hong Kong, 26 August 2025