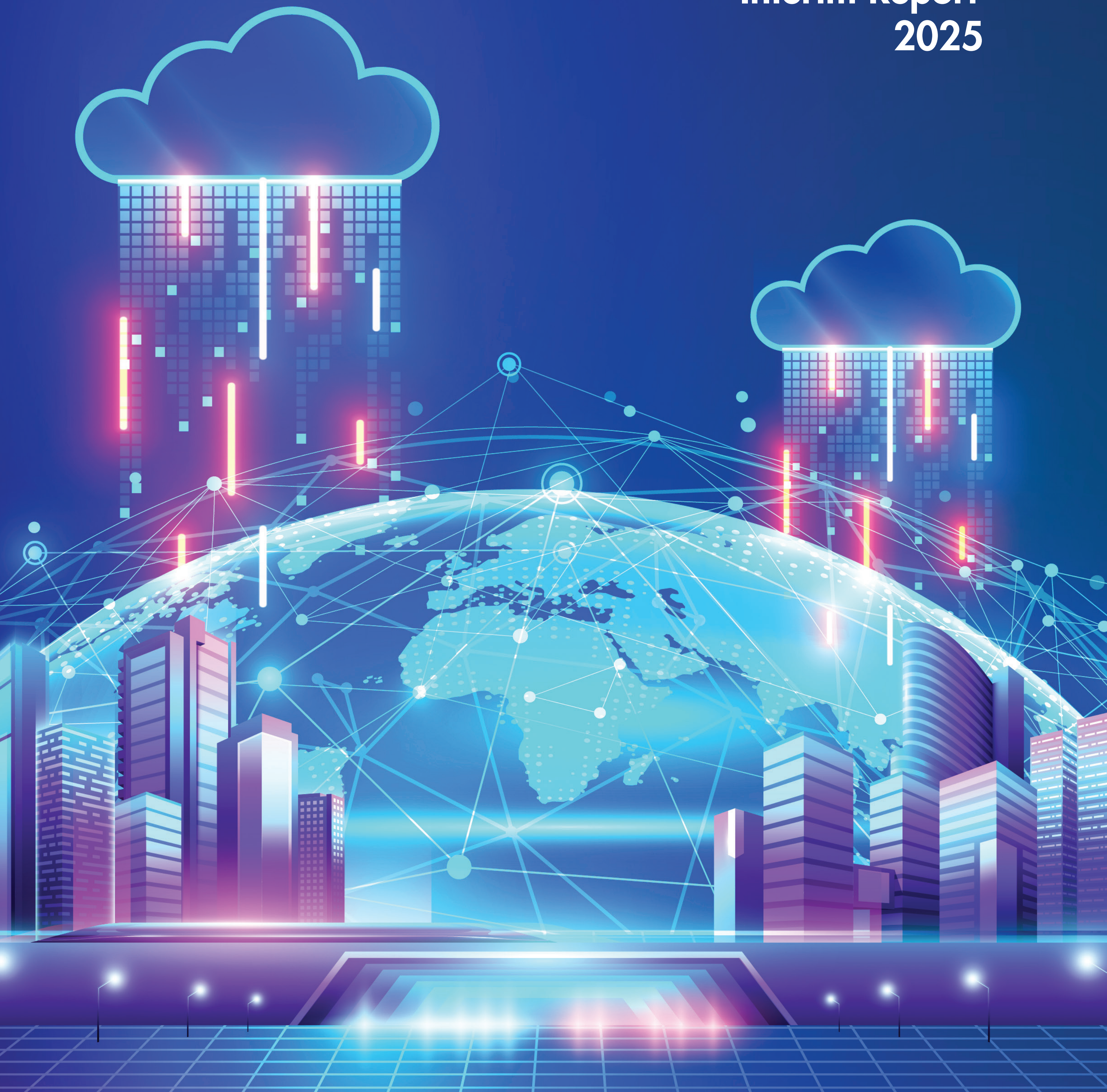
ENERGY METERING & ENERGY SAVING EXPERT

Wasion Holdings Limited
威勝控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 3393)

Interim Report 2025



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Ji Wei *(Chairman)*
Mr. Kat Chit
Ms. Li Hong
Ms. Zheng Xiao Ping
Mr. Tian Zhongping

NON-EXECUTIVE DIRECTOR

Ms. Cao Zhao Hui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Cheong Tat
Mr. Luan Wenpeng (retired on 15 May 2025)
Mr. Jiang Xinjian (appointed on 15 May 2025)
Mr. Wang Yaonan

COMPANY SECRETARY

Mr. Choi Wai Lung Edward *FCCA, FCPA*

AUTHORISED REPRESENTATIVES

Mr. Ji Wei
Mr. Choi Wai Lung Edward *FCCA, FCPA*

AUDIT COMMITTEE

Mr. Chan Cheong Tat *(Chairman)*
Mr. Luan Wenpeng (retired on 15 May 2025)
Mr. Jiang Xinjian (appointed on 15 May 2025)
Mr. Wang Yaonan

NOMINATION COMMITTEE

Mr. Ji Wei *(Chairman)*
Mr. Chan Cheong Tat
Mr. Luan Wenpeng (retired on 15 May 2025)
Mr. Jiang Xinjian (appointed on 15 May 2025)

REMUNERATION COMMITTEE

Mr. Chan Cheong Tat *(Chairman)*
Mr. Ji Wei
Mr. Luan Wenpeng (retired on 15 May 2025)
Mr. Jiang Xinjian (appointed on 15 May 2025)

INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE

Mr. Chan Cheong Tat *(Chairman)*
Mr. Luan Wenpeng (retired on 15 May 2025)
Mr. Jiang Xinjian (appointed on 15 May 2025)
Mr. Wang Yaonan
Ms. Li Hong
Mr. Kat Chit

PRINCIPAL BANKERS

In Hong Kong:

Hang Seng Bank
China Construction Bank (Asia) Corporation Limited
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
Dah Sing Bank, Limited
China Everbright Bank Hong Kong Branch
Bank of Communications Hong Kong Branch

In the People's Republic of China (the "PRC"):

China Construction Bank
Bank of Communications

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AUDITOR

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COMPANY WEBSITE

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STOCK CODE

3393

CORPORATE PROFILE

LEADING TOTAL SOLUTION PROVIDER OF ADVANCED METERING, ADVANCED DISTRIBUTION AND ENERGY EFFICIENCY MANAGEMENT

Wasion Holdings Limited ("Wasion Holdings" or the "Group") is the leading total solution provider of advanced metering, advanced distribution and energy efficiency management in China, and is committed to becoming an "Energy Metering and Energy Saving Expert" in China and across the world. The Group was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") in December 2005, which was the first professional syndicate engaged in energy metering and energy efficiency management in China listed overseas, as well as the first company in Hunan Province listed on the Main Board overseas.

Wasion Holdings has long been focusing on the research and development, production and sales of total solutions relating to energy metering and energy efficiency management, the products and services of which have been extensively applied in energy supply industries for electricity, water, gas and heat, and large energy-consuming units of large-scale public infrastructure, petroleum and chemical, transportation, 5G communication, machine manufacturing, metallurgical and chemical fields and residents.

The advanced smart metering business of the Group mainly comprises of comprehensive smart meters, smart water meters, smart gas meters and ultrasonic calorimeters; various meters and power quality monitoring devices; comprehensive energy data collection terminals, load management terminals and user management devices; measurement automation systems and various application systems, services and energy data mining. The Group, with more than 20% of the domestic market share of high-end metering products, has built up its leading position in China and is the only professional manufacturer in China which provides various advanced energy metering products, systems and services for electricity, water, gas and heat, as well as satisfies the demand of the whole process from energy production, transmission and distribution to consumers.

The products and solutions of advanced distribution and energy efficiency management business of the Group covers new energy storage system solutions for comprehensive scenarios such as large energy storage, industrial and commercial energy storage, household photovoltaic-storage integration and mobile energy storage, high- and low-voltage complete equipment, primary and secondary integration complete equipment, smart low-voltage components, tower energy and communication products and services, EMS system application, hydrogen production, new energy connection, industrial automation, battery swap and preparation, sales of power and supply-side management, etc. The Group is devoted to becoming the leading total solution provider for advanced distribution system in China.

In January 2020, the Group's "Communication and Fluid AMI" business — Willfar Information Technology Company Limited (Stock Code: 688100), a 59.55% owned subsidiary of the Group — received approval from the China Securities Regulatory Commission to become the first company in Hunan Province to list on the STAR Market, and was included in the "STAR 50 Index" in August 2020. The Communication and Fluid AMI business mainly focuses on reshaping the energy management methods of electricity, water, gas and heat with the IoT technology, and provides a full-level integrated solution for the IoT of energy from data perception, network transmission to application management, with communication technology from basic chip design, data perception and data acquisition to high-speed data transmission and stable connection, as well as the capability to provide users with such digital solutions as software management.

In 2024, the Group made significant achievements in the development of its overseas business. The Group established its international department in 2000 and began to expand overseas markets. After development for more than two decades, the Group has successively set up production lines in Tanzania, Brazil, Mexico and Hungary, and proactively established production bases in Australia, Indonesia and Malaysia, truly realizing “localization” of its business mode, while covering surrounding countries and regions. This layout not only enhances the market competitiveness of Wasion Holdings globally, but also lays a solid foundation for the in-depth promotion of its internationalization strategy.

With green and low-carbon transformation of the global energy structure, the overseas layout of the Group also closely follows the development policies and market changes of various countries, and actively expands into various fields such as power distribution, energy storage, photovoltaic and battery swap. Wasion Holdings diversifies its business segments by exploring and exploiting new business areas, thus to inject new impetus into the Group’s long-term growth.

The goals of “Carbon Neutrality” and “CO2 Emission Peak” are driving substantial changes in energy production and energy consumption mode in China and even the world. Amidst the material social responsibility and development opportunities arisen from energy saving and carbon reduction as well as the substantial demand arisen from the transformation and upgrading of smart power grids to the internet of energy, Wasion Holdings will adhere to its corporate motto “Energy Metering and Energy Saving Expert” while upholding its core value “Perfect Work with Passion, and Success Achieved with Integrity” by continuous innovation and improvement in order to become the pioneer in smart power grids and smart metering in China, one of the major international smart power grids and smart metering provider and a well-known international brand.

In the future, every city, every enterprise and every family will be benefited from the use of the technology, products and services of Wasion.

A REVIEW OF THE GROUP'S TECHNOLOGICAL INNOVATION JOURNEY

TO ALL SHAREHOLDERS,

On behalf of the board of directors (the "**Board**") of Wasion Holdings Limited (the "**Company**"), I would like to specially review the technology innovation journey of the Company and its subsidiaries (collectively referred to as the "**Group**") over the past two decades. The Group has consistently actively responded to the national technology innovation strategy and continuously enhanced its core competitiveness. Since 2003, the Group has persistently increased its research and development ("**R&D**") investment. The Group cumulatively holds 2,042 valid patents, 1,986 software copyrights, and 4,029 intellectual property rights in total. Over the past three years, the R&D expenditure has consistently accounted for over 8% of the operating revenue, providing a solid guarantee for the Group's continued leading position in the field of technological innovation.

The Group's current related businesses and technological innovations are highly aligned with the industry scope defined by the Hang Seng Internet & Information Technology Index, under the business sub-category classification code 7020: Software & Services. The Group's three core businesses encompass innovative fields such as artificial intelligence technology applications, big data, Internet of Things, smart manufacturing, and new energy technology, comprehensively covering the development areas of innovative technology enterprises.

ARTIFICIAL INTELLIGENCE ("AI") AND BIG DATA TECHNOLOGY APPLICATIONS

The Group independently develops and applies AI algorithms and big data analysis technologies, widely empowering products such as smart meters, AI energy, and AI water utilities. This enables AI-based identification of energy usage data, anomaly analysis, energy consumption prediction, and carbon emission tracking, driving the digital transformation of the industry. Based on the AI big data analysis platform, the Group has provided AI decision-making support for various local governments and enterprise customers, assisting them in achieving green and low-carbon operation goals.

- The self-developed Wi-SUN Cloud energy cloud platform integrates machine learning algorithms and has provided services to State Grid and China Southern Power Grid for load forecasting (accuracy >97%) and electricity theft identification (detection rate increased by 40%).

- The AI metrology detection laboratory established in Changsha, Hunan, enables intelligent analysis of quality data throughout the entire lifecycle of electricity meters, reducing the failure rate to below 0.2‰.

- The Electricity-Carbon Synergy Metering Terminal launched in 2024 calculates carbon emission factors in real-time through an embedded AI chip.

INTERNET OF THINGS ("IOT") AND SMART MANUFACTURING

The Group focuses on R&D of "AI + chips + IoT" technologies, promoting the continuous upgrade of core products such as smart meters, AI power distribution, and remote meter reading, while continuously expanding in the fields of AI manufacturing and the Energy Internet of Things (EIoT). The new generation "Integrated Electricity-Carbon AI Power Meter" innovatively integrates dynamic measurement functions for both electricity and carbon emissions. It has passed certifications from State Grid and IEC standards, and is being piloted in Hunan, Guangdong, and other regions, placing it at the industry's technological forefront.

- Constructed the Wasion IoT Industrial Park, achieving full automation in SMT placement and modular assembly, with single-shift production capacity exceeding 200,000 units/day, recognized as a Hunan Provincial Smart Manufacturing Demonstration Workshop.

- The self-developed HPLC + RF dual-mode communication module achieves a meter reading success rate of 99.9% in complex grid environments, covering over 30 million users domestically.

- The smart production line at the Hungary factory utilizes digital twin technology, reducing order delivery cycles for the European market to 15 days.

NEW ENERGY AND ENERGY CONSERVATION & ENVIRONMENTAL PROTECTION

Centered around the national "Carbon Peak, Carbon Neutrality" strategy, the Group actively deepens the integration of AI with IoT, big data, and other technologies in scenarios such as photovoltaic microgrids, energy storage, and integrated energy management. It has built comprehensive capabilities encompassing "high-quality hardware + high-level application software + professional EPC capability + integrated solar-storage-microgrid solutions" to serve emerging markets like smart cities and green energy.

- The integrated solar-storage-charging solution has been implemented in the Boao Zero-Carbon Demonstration Zone in Hainan, achieving a photovoltaic penetration rate exceeding 60% and an energy storage system round-trip efficiency of 92%.

- Participated in formulating the national standard "GB/T 34120-2023 Technical Requirements for Microgrid Connection to Distribution Network Systems"; the multi-port energy router led by the Group supports 100ms-level grid-connected and islanding switching.

VIRTUAL REALITY ("VR")/AUGMENTED REALITY ("AR")

The Group actively develops innovative products combining AI with cutting-edge technologies such as VR/AR, offering integrated solutions in fields like smart cities, digital twins, and smart firefighting, enhancing the intelligence and digitalization level of urban infrastructure management, energy monitoring, and safety assurance.

- The distribution network AR operation and maintenance system developed for China Southern Power Grid, utilizing HoloLens 2, enables overlay display of equipment parameters and remote expert guidance, improving fault handling efficiency by 50%.

- The Wasion Digital Energy Brain digital twin platform accesses models of over 100,000 distribution network nodes, supporting virtual power plant dispatch in the Changsha Meixi Lake area.

All the above innovative fields, including AI technology applications, big data, IoT, smart manufacturing, and new energy technology, are fully reflected in the products and services of the Group's three operating segments.

POWER ADVANCED METERING INFRASTRUCTURE ("POWER AMI") BUSINESS

In the Power AMI business, the Group has built an industry-leading smart meter product matrix and energy management platform. The self-developed fourth-generation AI smart meter adopts an edge computing architecture, integrates a neural network acceleration engine, and can perform real-time electricity anomaly detection, load forecasting, and energy efficiency analysis. Notably, the Group's innovatively developed "Integrated Electricity-Carbon Smart Meter" successfully breaks through traditional metering boundaries, achieving synchronous and precise measurement of electricity usage data and carbon emission data. This technology has obtained 21 international patents and has been deployed at scale in the first batch of State Grid's "Zero-Carbon Park" demonstration projects. The energy big data platform, built based on massive metering data, provides load forecasting services for 28 provincial grid companies across China, achieving an industry-leading forecasting accuracy rate of 98.3%. The smart manufacturing level in this business segment is equally outstanding. The digitalized factory in Hungary has achieved full-process automation from raw materials to finished products, with the localization rate of smart manufacturing equipment for key processes exceeding 85%.

COMMUNICATION & FLUID ADVANCED METERING INFRASTRUCTURE ("COMMUNICATION & FLUID AMI") BUSINESS

The Communication & Fluid AMI business demonstrates the Group's profound accumulation in cross-domain metering technologies. In the water sector, the Group's developed ultrasonic smart water meter employs an original "time-difference" flow measurement technology, maintaining a measurement accuracy of ±1% within a flow velocity range of 0.01m/s to 15m/s, which thoroughly resolving the issue of low-flow under-registration in traditional mechanical water meters. The supporting smart water utility cloud platform utilizes deep learning algorithms to achieve intelligent pipeline leak location, reducing leakage rates by up to 12 percentage points in pilot cities. In gas metering, the Group innovatively combines MEMS sensors with LoRa communication technology and launched smart gas meter which features methane concentration monitoring and automatic valve shut-off functionality, providing a revolutionary solution for urban gas safety. In smart firefighting, the electrical fire warning system based on multi-spectral sensing and AI algorithms has successfully early warned of over 2,000 potential fire hazards.

ADVANCED DISTRIBUTION OPERATIONS ("ADO") BUSINESS

The ADO business marks the Group's strategic upgrade toward becoming a critical digital energy infrastructure service provider. In the field of AIDC (AI Data Center), the Group focuses on "prefabrication, intelligence, and low-carbonization" as its core technological principles, deepening its involvement in critical digital energy infrastructure operations and supporting the sustainable development of the AI era. It has now become a core supplier for multiple internet and cloud computing giants. In the renewable energy sector, thanks to its outstanding practice of "driving global sustainable energy development through diversified smart new energy technologies," the Group was successfully selected as a national case study in technological trade innovation practices. This recognition was jointly published by the China Chamber of Commerce for Import and Export of Machinery and Electronic Products and the Chinese Academy of International Trade and Economic Cooperation under the Ministry of Commerce.

As the Group's innovative technologies continue to advance, its self-developed AI + chip + IoT metering devices are constantly being upgraded, which will bring new market opportunities. The Group highly values the rapid iteration of industry technology and will continue to increase investment in innovation and R&D to ensure its innovative technology products maintain a leading technological position. By continuously consolidating and enhancing its core competitiveness in the field of technological innovation, the Group's business foundation is becoming increasingly solid, and its market competitiveness is further strengthened. For details regarding the business development and future prospect of each business segment, please refer to the **Management Discussion and Analysis section**.

Sincerely,
Ji Wei
Chairman

Hong Kong, 26 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Financial Highlights

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Turnover	**4,390,409**	3,741,537
Gross profit	**1,542,278**	1,327,730
Profit from operations	**748,992**	623,305
Net profit attributable to owners of the Company	**439,649**	331,030
Total assets	**16,017,274**	14,338,121
Shareholders' equity attributable to owners of the Company	**5,572,405**	5,205,015
Basic earnings per share (RMB cents)	**44.5**	33.5
Diluted earnings per share (RMB cents)	**44.4**	33.4

Key Financial Figures

	Six months ended 30 June	
	2025	2024
Gross profit margin	**35%**	35%
Operating profit margin	**17%**	17%
Net profit margin (Net profit attributable to owners of the Company divided by turnover)	**10.0%**	8.8%
Trade receivable turnover period (Days)	**250**	231
Inventory turnover period (Days)	**80**	93
Trade payable turnover period (Days)	**330**	296
Gearing ratio (Total borrowings divided by total assets)	**17%**	21%
Interest coverage (Profit before finance costs and tax divided by finance costs)	**12.63**	9.94

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 amount 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.

Employees and Remuneration Policies

As at 30 June 2025, the Group had 5,214 (31 December 2024: 5,280) staff. The staff costs (including other benefits and contributions to defined contribution retirement plan) amounted to RMB596.82 million in the first half of 2025 (Period 2024: RMB494.58 million). Employee remuneration is determined on performance, experience and prevailing market conditions, with compensation policies being reviewed on a regular basis. The aggregate amount of the emoluments of the Company's directors was RMB4.52 million for the six months ended 30 June 2025 (Period 2024: RMB4.14 million).

The Group's employees in the People's Republic of China (the "PRC") have enrolled in the mandatory central pension scheme operated by the State. The Group also provides housing allowances and benefits for medicine, employment injury and retirement for its staff in the PRC in accordance with the relevant PRC rules and regulations. The directors of the Company (the "Directors") confirm that the Group has fulfilled its obligations under the relevant PRC employment laws. The Group also set up the mandatory provident fund scheme for the employees in Hong Kong.

Share Option Scheme

The Company has adopted a share option scheme (the "Share Option Scheme") on 16 May 2016 whereby the Directors are authorised, at their discretion, to invite eligible participants, including directors of any company in the Group, to take up options to subscribe for ordinary shares in the Company.

The exercise price of options granted, as specified in the rules governing the Share Option Scheme, is to be not less than the highest of the official closing price of the ordinary shares of the Company on the Stock Exchange on the date of the offer of grant of the options, the average of the official closing price of the ordinary shares on the Stock Exchange for the five trading days immediately preceding the date of the offer of grant of the options and the nominal value of an ordinary share of the Company. For acceptance of options granted by the Company, an eligible participant is required to duly sign the duplicate offer document constituting acceptance of the options and remit HK$1 to the company within 30 days from the date of receiving the offer of the options.

The Company has no outstanding share options during the period ended 30 June 2025.

Share Award Scheme

The Company adopted a share award scheme (the "Share Award Scheme") on 3 May 2016. The purpose of the Share Award Scheme is to recognise the contribution 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. The Share Award Scheme became effective on 3 May 2016 and, unless otherwise terminated or amended, will remain in force for 10 years.

The Share Award Scheme is administered by a trustee which is independent of the Group and its connected persons through the purchase of secondary shares. The maximum number of shares subject to the Share Award Scheme shall not exceed 10% of the total number of shares in issue. The maximum number of shares that may be awarded to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

No new shares would be allotted and issued to satisfy the awards granted under the Share Award Scheme. As at 30 June 2025, 5,026,000 (Period 2024: 6,994,000) ordinary shares of the Company were held by the trustee for the Share Award Scheme.

Details of movements of awarded shares of the Group ("Awarded Shares") during the six months ended 30 June 2025 are as follows:

				Number of Awarded Shares				
Name and category of participants	Number of Awarded Shares granted	Grant date	Vesting period	As at 1 January 2025	Granted during the period	Vested during the period	Lapsed/ forfeited during the period	As at 30 June 2025
Tian Zhongping	300,000	20 March 2024	12 months from date of grant	300,000	–	(300,000)	–	–
	200,000	24 February 2025	12 months from date of grant	–	200,000	–	–	200,000
Employees	270,000	31 August 2023	12 months from date of grant	270,000	–	(270,000)	–	–
	2,750,000	20 March 2024	12 months from date of grant	2,750,000	–	(2,750,000)	–	–
	120,000	19 September 2024	12 months from date of grant	120,000	–	–	–	120,000
	2,540,000	24 February 2025	12 months from date of grant	–	2,540,000	–	–	2,540,000
Total				3,440,000	2,740,000	(3,320,000)	–	2,860,000

Notes:

(i) Tian Zhongping is an executive director of the Company.

(ii) The purchase price of all Awarded Shares in the above table is nil.

(iii) For employees of the Group, the weighted average closing price of the Shares immediately before the date on which the Awarded Shares were vested during the period was HK$7.29 per Share.

(iv) No Awarded Shares granted were cancelled or lapsed in accordance with the terms of the Share Award Scheme during the six months ended 30 June 2025.

The following grants were made during the six months ended 30 June 2025:

Date of grant:	24 February 2025
Grantees:	Tian Zhongping, who is an executive director of the Company and 116 employees of the Group, being eligible participants under the Share Award Scheme
Number of Awarded Shares granted:	2,740,000 share awards (“Awards”)
Purchase price:	Each Award represents a conditional right upon vesting to obtain one share of the Company (“Share”) at nil purchase price
Closing price of the Shares immediately before date of grant:	HK$9.02 per Share
Vesting period:	Twelve months from date of grant
Performance target:	There is no performance target attached to the Awards granted
The fair value of the Awards at the date of grant:	HK$24,386,000

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted by the Group. The fair value of the share award granted is measured as the market value at the grant date and expensed over the relevant vesting period. The expected dividends during the vesting period had been taken into account when assessing the fair value of these awarded shares.

The number of Shares available for grant under the Share Award Scheme as at 1 January 2025 and 30 June 2025 were 89,147,968 and 86,407,968 respectively. The number of Shares that may be granted under the Share Award Scheme during the six months ended 30 June 2025 divided by the weighted average number of shares in issue for the six months ended 30 June 2025 was 8.68%.

Charge on Assets

As at 30 June 2025, the pledged deposits denominated in Renminbi 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.

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 nationalwide. 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 primary 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.

Power AMI Business

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.

Communication and Fluid AMI Business

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.

OTHER INFORMATION

INTERIM DIVIDEND

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

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2025, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions

Ordinary shares of HK$0.01 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Ji Wei	Interest of controlled corporation (Note 1)	538,988,888	54.12%
Cao Zhao Hui	Beneficial owner	2,000,000	0.20%
Li Hong	Beneficial owner	580,000	0.06%
Zheng Xiao Ping	Beneficial owner (Note 2)	3,682,000	0.37%
Tian Zhongping	Beneficial owner	300,000	0.03%
Chan Cheong Tat	Beneficial owner	100,000	0.01%

Notes:

(1) The shares are held by Star Treasure Investments Holdings Limited ("Star Treasure"), a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Ji Wei.

(2) 1,990,000 shares and 1,692,000 shares are held by Ms. Zheng Xiao Ping and Mr. Wang Xue Xin respectively. Mr. Wang Xue Xin is the spouse of Ms. Zheng Xiao Ping.

Other than as disclosed above, none of the directors, chief executives nor their associates had any interest or short positions in any shares or underlying shares of the Company or any of its associated corporations, as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as at 30 June 2025.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed in the section headed "Directors' interests in shares and underlying shares" above, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions — Ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued capital of the Company
Ji Wei	Interest in controlled corporation	538,988,888	54.12%
Star Treasure	Beneficial owner	538,988,888	54.12%

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2025.

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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (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.

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.

APPRECIATION

The Board would like to take this opportunity to express gratitude to our shareholders, customers, banks, professional parties and employees for their continuous patronage and support.

By order of the Board

Ji Wei
Chairman

Hong Kong, 26 August 2025

INDEPENDENT REVIEW REPORT

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To the board of directors of Wasion Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 70, which comprises the condensed consolidated statement of financial position of Wasion Holdings Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

26 August 2025

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

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
		Six months ended 30 June	
Revenue	4	**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	4	**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	6	**(70,256)**	(55,328)
Finance costs	5	**(59,296)**	(62,690)
Share of profit of an associate		**190**	296
Profit before tax	6	**689,696**	560,615
Income tax expense	7	**(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
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)

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

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 RMB'000 (unaudited)	 2024 RMB'000 (unaudited)
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
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
— Basic (in RMB cents)		**44.5**	33.5
— Diluted (in RMB cents)		**44.4**	33.4

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**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	11	**82,179**	82,222
Financial assets at fair value through profit or loss	12	**232,497**	232,497
Prepayments, other receivables and other assets	16	**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	13	**6,304,304**	5,821,016
Contract assets	14	**431,824**	388,495
Loan receivables	15	**85,000**	85,000
Prepayments, other receivables and other assets	16	**952,311**	860,615
Structured deposits	17	**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	18	**5,297,135**	5,081,672
Other payables and accruals	19	**457,441**	537,619
Financial liabilities at fair value through profit or loss	20	**11,067**	14,580
Interest-bearing bank borrowings	21	**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

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	21	719,609	971,473
Lease liabilities		17,738	19,515
Deferred tax liabilities		42,355	38,872
Total non-current liabilities		779,702	1,029,860
Net assets		7,418,888	7,320,928
EQUITY			
Equity attributable to owners of the parent			
Issued capital	22	9,906	9,906
Reserves		5,562,499	5,422,701
		5,572,405	5,432,607
Non-controlling interests		1,846,483	1,888,321
Total equity		7,418,888	7,320,928

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent											
	Issued capital RMB'000	Share premium RMB'000	Merger reserve RMB'000 (Note 23(i))	Exchange reserve RMB'000	PRC statutory reserves RMB'000 (Note 23(ii))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Shares held for share award scheme RMB'000	Other reserve RMB'000 (Note 23(iii))	Retained profits RMB'000 (Note 23(iv))	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	9,906	217,752*	49,990*	(102,791)*	814,358*	(46,024)*	(20,045)*	161,637*	4,347,824*	5,432,607	1,888,321	7,320,928
Profit for the period	–	–	–	–	–	–	–	–	439,649	439,649	146,098	585,747
Other comprehensive income for the period:												
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	(108)	–	–	–	(108)	–	(108)
Exchange differences on translation of foreign operations	–	–	–	37,365	–	–	–	–	–	37,365	449	37,814
Total comprehensive income for the period	–	–	–	37,365	–	(108)	–	–	439,649	476,906	146,547	623,453
Transfer to PRC statutory reserves	–	–	–	–	92,339	–	–	–	(92,339)	–	–	–
Shares granted under the share award scheme	–	–	–	–	–	–	11,809	–	–	11,809	–	11,809
Repurchase of shares by a listed subsidiary	–	–	–	–	–	–	–	–	–	–	(127,519)	(127,519)
Release of restricted shares under the share award scheme of a listed subsidiary	–	–	–	–	–	–	–	(4,669)	–	(4,669)	35,741	31,072
Equity-settled share-based arrangements of a listed subsidiary (Note 24)	–	–	–	–	–	–	–	4,366	–	4,366	2,906	7,272
Proportional capital injection by non-controlling interests	–	–	–	–	–	–	–	–	–	–	2,884	2,884
Appropriation of maintenance and production funds	–	–	–	–	2,497	–	–	–	(2,497)	–	–	–
Utilisation of maintenance and production funds	–	–	–	–	(707)	–	–	–	707	–	–	–
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(102,397)	(102,397)
Dividend paid (note 8)	–	(200,000)	–	–	–	–	–	–	(148,614)	(348,614)	–	(348,614)
At 30 June 2025 (unaudited)	9,906	17,752*	49,990*	(65,426)*	908,487*	(46,132)*	(8,236)*	161,334*	4,544,730*	5,572,405	1,846,483	7,418,888

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2025

	Attributable to owners of the parent												
	Issued capital RMB'000	Share premium RMB'000	Merger reserve RMB'000 (Note 23(i))	Exchange reserve RMB'000	PRC statutory reserves RMB'000 (Note 23(ii))	Share option reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Shares held for share award scheme RMB'000 (Note 23(iii))	Other reserve RMB'000 (Note 23(iv))	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 January 2024 (audited)	9,906	472,004	49,990	(5,335)	682,367	27,730	(60,075)	(27,498)	271,074	3,746,473	5,166,636	1,609,985	6,776,621
Profit for the period	–	–	–	–	–	–	–	–	–	331,030	331,030	134,642	465,672
Other comprehensive income for the period:													
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	(1,233)	–	–	–	(1,233)	–	(1,233)
Exchange differences on translation of foreign operations	–	–	–	(35,931)	–	–	–	–	–	–	(35,931)	488	(35,443)
Total comprehensive income for the period	–	–	–	(35,931)	–	–	(1,233)	–	–	331,030	293,866	135,130	428,996
Transfer to PRC statutory reserves	–	–	–	–	59,984	–	–	–	–	(59,984)	–	–	–
Shares granted under the share award scheme	–	–	–	–	–	–	–	5,083	–	–	5,083	–	5,083
Equity-settled share-based arrangements of a listed subsidiary (Note 24)	–	–	–	–	–	–	–	–	10,019*	–	10,019	–	10,019
Transfer of share option reserve upon the expiry of share options	–	–	–	–	–	(27,730)	–	–	–	27,730	–	–	–
Partial acquisition of interests in a subsidiary (Note 23(v))	–	–	–	–	–	–	–	–	(17,257)	–	(17,257)	(12,743)	(30,000)
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(85,516)	(85,516)
Dividend	–	(253,332)	–	–	–	–	–	–	–	–	(253,332)	–	(253,332)
At 30 June 2024 (unaudited)	9,906	218,672	49,990	(41,266)	742,351	–	(61,308)	(22,415)	263,836	4,045,249	5,205,015	1,646,856	6,851,871

* These reserve accounts comprise the consolidated reserves of RMB5,562,499,000 (31 December 2024: RMB5,422,701,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	381,492	47,712
Income tax paid	(129,561)	(133,143)
Net cash flows from/(used in) operating activities	251,931	(85,431)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(169,242)	(198,706)
Additions to other intangible assets	(68,391)	(83,266)
Investment in structured deposits	(1,454,000)	(360,000)
Withdrawal of structured deposits	1,294,000	120,000
Placement in bank deposits with maturity over 3 months	(80,000)	(100,000)
Withdrawal of bank deposits with maturity over 3 months	10,000	120,000
Placement in pledged deposits	(327,392)	(697,696)
Withdrawal of pledged deposits	470,429	832,384
Other investing cash flows	34,872	3,032
Net cash flows used in investing activities	(289,724)	(364,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	2,352,204	1,682,109
Repayment of bank loans	(2,220,176)	(1,262,525)
Dividend paid	(348,614)	(253,332)
Dividend paid to non-controlling shareholders	(102,397)	(85,516)
Repurchase of shares by a listed subsidiary	(127,519)	—
Proportional capital injection by non-controlling interests	2,884	—
Principal portion of lease payments	(9,314)	(4,326)
Acquisition of non-controlling shareholders	—	(30,000)
Other financing cash flows	(58,473)	(62,455)
Net cash flows used in financing activities	(511,405)	(16,045)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(549,198)**	(465,728)
Cash and cash equivalents at the beginning of period	**2,425,300**	2,204,896
Effect of foreign exchange rate changes, net	**5,509**	(1,598)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**1,881,611**	1,737,570
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1,881,611**	1,737,570
Time deposits	**435,000**	420,000
Cash and bank balances as stated in the interim condensed consolidated statement of financial position	**2,316,611**	2,157,570
Less: Time deposits with original maturity over three months	**(435,000)**	(420,000)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**1,881,611**	1,737,570

NOTES TO 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, Wan Chai, 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	*Lack of Exchangeability*

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. 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.

3. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2025 (unaudited)

	Power advanced metering infrastructure RMB'000	Communication and fluid advanced metering infrastructure RMB'000	Advanced distribution operations RMB'000	Total RMB'000
Segment revenue (Note 4):				
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
	1,890,038	1,361,417	1,218,227	4,469,682
Reconciliation:				
Elimination of intersegment sales				(79,273)
				4,390,409
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				2,073
Profit before tax				689,696

3. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2024 (unaudited)

	Power advanced metering infrastructure RMB'000	Communication and fluid advanced metering infrastructure RMB'000	Advanced distribution operations RMB'000	Total RMB'000
Segment revenue (Note 4):				
Sales to external customers	1,451,123	1,151,120	1,139,294	3,741,537
Intersegment sales	9,166	66,420	—	75,586
	1,460,289	1,217,540	1,139,294	3,817,123
Reconciliation:				
Elimination of intersegment sales				(75,586)
				3,741,537
Segment results	200,157	261,938	111,017	573,112
Reconciliation:				
Interest income				49,963
Finance costs (other than interest on lease liabilities)				(62,455)
Unallocated corporate gains and expenses, net				(5)
Profit before tax				560,615

3. OPERATING SEGMENT INFORMATION (Continued)

Information about a major customer

Revenue derived from sales of smart power meters to a customer which contributed over 10% of the consolidated revenue:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Derived from the sales of smart power meters:		
Customer A	**577,959**	N/A*

* Revenue from the customer did not exceed 10% of total revenue for the six months ended 30 June 2024.

4. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET

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

4. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET (Continued)

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

4. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET (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
	1,451,123	1,151,120	1,139,294	3,741,537
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
	1,451,123	1,151,120	1,139,294	3,741,537
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
	1,451,123	1,151,120	1,139,294	3,741,537

4. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET (Continued)

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Other income		
Bank interest income	16,570	24,509
Interest income from structured deposits	4,260	5,778
Interest income from loan receivables	2,672	2,785
Interest income from consideration receivable for disposal of a subsidiary	—	2,060
Interest income from other receivables	2,289	—
Interest income on financial assets at fair value through profit or loss ("FVTPL")	5,852	14,831
Refund of value-added tax	45,211	49,093
Government grants	17,541	32,285
Additional deduction of value-added tax	15,698	5,091
Gross rental income	1,837	841
Sales of scrap materials	6,560	4,889
Others	6,722	5,008
	125,212	147,170
Gains and losses, net		
Gain on disposal of items of property, plant and equipment	97	141
Foreign exchange gains, net	34,266	272
Fair value losses on forward currency contracts, not designated at hedging	(1,634)	(4,369)
Customer penalty	(11,545)	(2,000)
	21,184	(5,956)
	146,396	141,214

5. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interests on borrowings	58,473	62,455
Interests on lease liabilities	823	235
	59,296	62,690

6. 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".

7. 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)/underprovision 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

8. 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).

9. 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

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

	Six months ended 30 June	
	2025 Number of shares (unaudited)	2024 Number of shares (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 as disclosed in note 24 to the interim condensed consolidated financial information.

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.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB169,242,000 (30 June 2024: RMB198,706,000).

Assets with a net book value of RMB5,411,000 (30 June 2024: RMB7,960,000) were disposed of by the Group during the six months ended 30 June 2025 for a consideration of RMB5,508,000 (30 June 2024: RMB8,101,000), resulting in a net gain on disposal of RMB97,000 (30 June 2024: RMB141,000).

11. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Equity investments designated at FVTOCI			
Equity investments listed in Hong Kong, at fair value		20,902	21,294
Equity investments listed in the PRC, at fair value		408	459
Unlisted equity investments, at fair value — A	(i)	41,876	41,876
Unlisted equity investments, at fair value — B	(ii)	8,773	8,773
Unlisted equity investments, at fair value — C	(iii)	9,820	9,820
Unlisted equity investments, at fair value	(iv)	400	—
		82,179	82,222

Notes:

(i) The unlisted equity investment A is 17.42% of equity interest in a company established in the PRC, which is mainly engaged in the development and manufacturing of smart meters and new technology utilities products.

(ii) The unlisted equity investment B is 3.00% of equity interest in a private company established in the PRC, which is mainly engaged in the development of solar energy plants.

(iii) The unlisted equity investment C is 7.88% of equity interest in a private company established in the PRC, which is mainly engaged in the provision of solutions for waste lead and lithium batteries and new energy recycling materials in the fields of new materials and energy.

(iv) In January 2025, the Group and other independent third parties established a research and development center in the PRC, which is mainly engaged in the development and manufacturing different power generation, such as wind power generation, solar power generation, and energy storage technical services. Pursuant to the agreement, the Group committed to an aggregate investment of RMB800,000. During the period ended 30 June 2025, the aggregate cash consideration paid by the Group amounted to RMB400,000, which represented 4.49% of the center.

The above equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Unlisted investments in a trust fund, at fair value	(i)	**200,000**	200,000
Unlisted preference shares, at fair value	(ii)	**8,076**	8,076
Unlisted fund investments, at fair value	(iii)	**24,421**	24,421
		232,497	232,497

They are mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

Notes:

(i) Amounts represent investments in trust funds made by the Group through financial institutions. The trust funds invest in ranges of debt instrument products which are generally government bonds and corporate loans. The trust fund investments of RMB200,000,000 will expire in April 2027.

(ii) Amounts represent preference shares issued by a private entity in PRC, and the Group has preferential right to subscribe any future shares allotted to maintain its shareholding percentage or dispose of the shares at the same proportion as that of the other shareholders if any of such shareholders propose to dispose of its shares.

(iii) On 25 November 2022, the Group invested in a private limited partnership ("private fund") in the PRC. Pursuant to the agreement, the Group committed to an aggregate investment of RMB80,000,000. On 22 October 2024, the Group further invested in the private fund with cash consideration of RMB8,000,000, and thus, the Group had paid a total of RMB24,000,000 as investment costs as at 31 December 2024, which represented 19.03% of the private fund.

13. 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

14. 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)
	431,824	388,495

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.

15. LOANS RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Loans receivables	85,000	85,000

The amounts represent loans advanced by the Group to an independent third party under entrusted loan contracts. These entrusted loans carry fixed interest at 6% per annum and are repayable in August 2025.

As at 30 June 2025, the Group's loan receivables amounting to RMB85,000,000 (31 December 2024: RMB85,000,000) was guaranteed by an independent third party and secured by a property.

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Life insurance products	(i)	68,965	68,097
Prepayment for purchase of property, plant and equipment		188,738	188,738
Non-current portion		257,703	256,835
Purchase prepayments	(ii)	523,401	369,823
Bidding deposits		23,407	20,464
Advance to staff	(iii)	59,459	97,173
Other prepayments and receivables		125,735	95,733
Loan receivable from a joint venture	(iv)	13,770	13,770
VAT recoverable		206,539	263,652
Current portion		952,311	860,615
		1,210,014	1,117,450

Notes:

(i) In prior years, the Company entered into three life insurance policies with an insurance company to insure three executive directors. Under these policies, the beneficiary and policy holder are the Company. The Company is required to pay an upfront payment for each policy. The Company may request a partial surrender or full surrender of the policy at any time and receive cash back based on the value of the policy at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged. If such withdrawal is made at any time during the first to the fifteenth or eighteenth policy year, as appropriate, a pre-determined specified surrender charge would be imposed on the Company. The carrying value of the life insurance products represented the cash surrender value of the insurance contracts.

Particulars of the policies are as follows:

Policy	Insured sum	Upfront payment	Guaranteed interest rates: First year	Guaranteed interest rates: Second year and onwards
Policy A	US$7,557,000	US$3,421,000	4.25% per annum	3% per annum
Policy B	US$10,000,000	US$1,771,000	4% per annum	2% per annum
Policy C	US$13,741,000	US$3,229,000	4.25% per annum	2% per annum

(ii) During the six months ended 30 June 2025, the Group entered into purchase contracts with certain suppliers to stabilise material supply. The purchase prepayments will be utilised within one year from the end of the reporting period.

(iii) The amounts represented loans lent to the staffs by the Group. They are unsecured, non-guaranteed, carrying fixed interest at 3.4% per annum and repayable on demand.

(iv) The amount represents an unsecured, non-guaranteed short-term loan to a joint venture which carries a fixed interest at 3% per annum and repayable in 2026.

17. STRUCTURED DEPOSITS

Structured deposits were stated at fair value and represented several deposits placed with banks. The Group designated the structured deposits as investments at fair value through profit or loss. As at 30 June 2025, the aggregate fair value of the structured deposits was approximately RMB210,000,000 (31 December 2024: RMB50,000,000) and total interest income of approximately RMB4,260,000 (six months ended 30 June 2024: RMB5,778,000) was recognised by the Group during the period.

The fair value was based on the market values provided by financial institutions at the end of the reporting period.

18. 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
	5,297,135	5,081,672

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
	5,297,135	5,081,672

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.

19. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Accruals	125,855	153,042
Deferred income	44,778	43,720
Other payables	91,270	103,881
Restricted stock repurchase obligation	46,608	77,680
Contract liabilities	148,930	159,296
	457,441	537,619

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss comprise:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Forward currency contracts (note)	11,067	14,580

Note: As at 30 June 2025, the Group had entered into forward currency contracts, which are not designated for hedge purposes and are measured at fair value through profit or loss. There were changes in the fair values of non-hedging currency derivatives of RMB1,634,000 (six months ended 30 June 2024: RMB4,369,000) charged to profit or loss during the period.

21. INTEREST-BEARING BANK BORROWINGS

The loans carry interests at market rates ranging from 1.23% to 10.18% (31 December 2024: 1.00% to 12.12%) per annum and are repayable within one to four years. The proceeds were used for general working capital purposes.

The Group's bank borrowings are secured by the Group's property, plant and equipment, leasehold land and pledged deposits, which had aggregate carrying values at the end of the reporting period of approximately RMB560,280,000, RMB42,485,000 and RMB371,510,000 (31 December 2024: RMB569,999,000, RMB43,086,000 and RMB514,547,000), respectively.

22. SHARE CAPITAL

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Authorised:		
100,000,000,000 ordinary shares of HK$0.01 each	1,000,000	1,000,000

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Issued and fully paid:		
995,879,675 ordinary shares	9,906	9,906

23. RESERVES

(i) Merger reserve represents the difference between the nominal value of shares of the subsidiaries acquired over the nominal value of shares used by the Company in exchange thereafter.

(ii) The PRC statutory reserve is non-distributable and the transfer to this reserve is determined by the board of directors of the subsidiaries established in the PRC in accordance with the relevant laws and regulations of the PRC. According to the relevant rules and Accounting Regulations in PRC applicable to wholly foreign-owned enterprises, a wholly foreign-owned enterprise is required to transfer at least 10% of its profit after taxation, to a reserve fund until the reserve fund balance reaches 50% of the relevant enterprise's registered capital. This reserve can be used to offset accumulated losses or to increase capital upon approval from the relevant authorities.

Pursuant to the relevant PRC regulations, a subsidiary of the Group is required to transfer production and maintenance funds at fixed rates based on relevant bases, such as production volume, to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised are transferred from the specific reserve account to retained earnings.

(iii) Shares held for share award scheme represent the own shares of the Company repurchased by a trustee for an employee's share award scheme.

(iv) Other reserve mainly comprises the difference between the consideration paid for acquiring non-controlling interests in subsidiaries of the Company and the amount of interests acquired, and the equity-settled share-based payments of a listed subsidiary.

23. RESERVES (Continued)

(v) The Group accounts for changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over those subsidiaries as equity transactions and recognises any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received in other reserve.

During the year ended 31 December 2024, Wasion Energy Technology Co., Ltd., a non-wholly-owned subsidiary of the Group, acquired 35,000,000 ordinary shares, equivalent to 35% equity interest in Hunan Switchgear Co., Ltd., a non-wholly owned subsidiary, for a total consideration of approximately RMB30,000,000. The difference of RMB17,257,000 between the non-controlling interests and the consideration was debited to other reserve.

During the year ended 31 December 2024, Willfar Information Technology Company Limited ("Willfar"), a non-wholly-owned subsidiary of the Group, acquired 30,487,800 ordinary shares, equivalent to 6.1% equity interest in Hunan Winmeter Energy Technology Co., Ltd., a non-wholly owned subsidiary, for a total consideration of approximately RMB65,000,000. The difference of RMB17,005,000 between the non-controlling interests and the consideration was debited to other reserve.

24. SHARE-BASED PAYMENT TRANSACTION

Share award scheme

The Company's share award scheme (the "Scheme") was adopted pursuant to a resolution passed on 3 May 2016. Pursuant to the Scheme under which eligible employees are entitled to participate. The purpose of the Scheme is 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. The Scheme became effective on 3 May 2016 and, unless otherwise terminated or amended, will remain in force for 10 years.

The Share Award Scheme is operated through a trustee which is independent of the Group and has the right to, among other conditions, in its sole discretion, determine whether the shares are to be purchased on or off the Stock Exchange from time to time, unless during the year in which the directors of the Company are prohibited by the Listing Rules or any corresponding codes or securities dealing restrictions adopted by the Company. The aggregate number of shares to be awarded under the Share Award Scheme and any other share option schemes or share award schemes of the Group must not in aggregate exceed 10% of the Company's shares in issue at the first date of listing.

The directors would notify the trustee of the Share Award Scheme in writing upon the grant of any award to any participants. Upon the receipt of such notice, the trustee would set aside the appropriate number of awarded shares in the pool of shares. No new shares would be allotted and issued to satisfy the awards granted under the Share Award Scheme.

24. SHARE-BASED PAYMENT TRANSACTION (Continued)

Share award scheme (Continued)

The following shares were outstanding under the Share Award Scheme during the period:

	Notes	30 June 2025 Number of shares '000 (unaudited)	30 June 2024 Number of shares '000 (audited)
At 1 January			
Number of shares held by the trustee		**8,076**	9,694
Number of shares granted but not yet vested		**3,170**	2,970
Maximum number of shares available for grant		**89,148**	92,318
At 30 June			
Number of shares held by the trustee		**5,026**	6,994
Number of shares granted but not yet vested		**2,860**	3,320
Maximum number of shares available for grant*		**86,408**	89,268
Granted during the period	(i)	**2,740**	3,050
Vested during the period	(i)	**3,050**	2,700

* As mentioned above, the Company shall not make any further award of shares which will result in the aggregate number of the shares granted under the Share Award Scheme exceeding 10% of the number of issued shares of the Company from time to time. For the avoidance of doubt, shares awarded but lapsed in accordance with the terms of the Share Award Scheme will not be counted for the purpose of calculating the aforesaid 10% scheme limit.

Note:

(i) For the period ended 30 June 2025, a total of 200,000 shares and 2,540,000 shares (0.02% and 0.26% of equity interest in the Company as at 30 June 2025) were granted to a director and 116 selected employees of the Group, respectively, which have a vesting period of 12 months. The fair value of the share awards granted to the director and employee was RMB1,639,000 and RMB20,825,000, respectively, based on closing prices of share at date of grant amounted of HK$8.90 per share.

For the period ended 30 June 2024, a total of 300,000 shares and 2,750,000 shares (0.03% and 0.28% of equity interest in the Company as at 30 June 2024) were granted to a director and 74 selected employees of the Group, respectively, which have a vesting period of 12 months. The fair value of the share awards granted to the director and employee was RMB1,633,000 and RMB14,965,000, respectively, based on closing prices of share at date of grant amounted of HK$5.99 per share.

During the period ended 30 June 2025, share based payment of RMB11,809,000 (30 June 2024: RMB5,083,000) was charged to profit or loss.

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted by the Group. The fair value of the share award granted is measured as the market value at the grant date.

24. SHARE-BASED PAYMENT TRANSACTION (Continued)

Subsidiary's restricted share award scheme

The establishment of the restricted share award scheme ("Restricted Share Award Scheme") of Willfar Information Technology Company Limited ("Willfar"), a non-wholly-owned subsidiary listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange, was approved at the Willfar's 2024 first extraordinary general meeting ("EGM") on 3 April 2024. The Restricted Share Award Scheme is designed to provide long-term incentives for middle level managers and above (including executive directors) to deliver long-term shareholder returns. The Scheme became effective on 3 April 2024 and, unless otherwise terminated or amended, will remain in force for 5 years. The aggregate number of shares to be awarded under the Restricted Share Award Scheme must not in aggregate exceed 10% of the Willfar's shares in issue.

The restricted share will vest over a three-year period, with 40%, 30% and 30% of total restricted shares vesting respectively on the first trading day after the first, second and third anniversary date from the date of the registration of grant, upon the achievement of vesting conditions with reference to both service period and individual performance of the directors and the employees.

The following shares were outstanding under the Restricted Share Award Scheme during the period:

	Note	30 June 2025 Number of shares '000 (unaudited)	30 June 2024 Number of shares '000 (audited)
At 1 January			
Number of restricted shares granted but not yet vested		4,000	—
Maximum number of shares available for grant		46,000	—
At 30 June			
Number of restricted shares granted but not yet vested		2,800	4,000
Maximum number of shares available for grant		46,000	46,000
Granted during the period	(i)	—	4,000
Vesting during the period	(i)	1,200	—

24. SHARE-BASED PAYMENT TRANSACTION (Continued)

Subsidiary's restricted share award scheme (Continued)

Note:

(i) For the period ended 30 June 2025, a total of 1,200,000 shares (0.2% of equity interest in the Willfar as at 30 June 2025) were vested to 134 selected directors and employees of Willfar, which included 1 director of the Company.

For the period ended 30 June 2024, a total of 4,000,000 restricted shares (0.8% of equity interest in Willfar as at 30 June 2024) were granted to 134 selected directors and employees of Willfar which have a vesting period of 3 years. The fair value of the shares on the grant date was RMB10.31 per share, based on closing prices of share at date of grant amounted of RMB29.73 per share.

During the period ended 30 June 2025, a share-based payment of RMB7,904,000 (30 June 2024: RMB8,935,000) was charged to profit or loss. Deferred tax impact of equity-settled share-based arrangements of RMB632,000 (31 December 2024: credited of RMB2,081,000) was debited to other reserve.

25. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Contracted, but not provided for:		
Property, plant and equipment	89,266	61,293
Investment in financial assets at FVTPL	56,000	56,000
Investment in financial assets at FVTOCI	400	—
	145,666	117,293

26. RELATED PARTY DISCLOSURES

(a) The Group had the following transactions with related parties during the period:

		Six months ended 30 June	
	Notes	**2025** **RMB'000** **(unaudited)**	2024 RMB'000 (unaudited)
Sales of goods to a joint venture	(i)	**32,639**	39,887
Purchase of goods from a joint venture	(ii)	**489**	2,574
Sales of goods to an associate	(i)	**169**	138
Purchase of goods from a related company	(iii)	**4,024**	10,726
Interest received from a joint venture	(iv)	**286**	323
Rental income received from a joint venture		**206**	206
Rental income received from an associate		**69**	—

Notes:

(i) The sales with the joint venture and associate were made according to the prices and conditions offered to the major customers of the Group .

(ii) The purchases from a joint venture were made according to the published prices and conditions offered by the joint venture to it's major customers.

(iii) The purchase from a related company were made according to the published prices and conditions offered by the related company to it's major customers.

(iv) The loan to the joint venture is unsecured and bears interest at 3% (2024: 4.35%) per annum and is repayable in 2026 (2024: 2025).

(b) The remuneration of directors and other members of key management of the Group during the period were as follows:

	Six months ended 30 June	
	2025 **RMB'000** **(unaudited)**	2024 RMB'000 (unaudited)
Short-term benefits	**4,400**	4,253
Retirement benefit scheme contributions	**99**	120
Equity-settled share award expenses	**999**	605
	5,498	4,978

The remuneration of key management is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Financial assets				
Equity investments designated at FVTOCI	82,179	82,222	82,179	82,222
Financial assets at FVTPL	232,497	232,497	232,497	232,497
Structured deposits	210,000	50,000	210,000	50,000
Life insurance products	68,965	68,097	68,965	68,097
	593,641	432,816	593,641	432,816
Financial liabilities				
Financial liabilities at FVTPL	11,067	14,580	11,067	14,580
Interest-bearing bank borrowings	2,660,665	2,587,196	2,554,958	2,515,526
	2,671,732	2,601,776	2,566,025	2,530,106

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. Management reports directly to the executive directors and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are based on quoted market prices.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of listed equity investments are based on quoted market prices.

The fair values of unlisted equity investments which were classified as equity investments designated at FVTOCI, and unlisted preference shares and unlisted fund investments which were classified as financial assets at FVTPL, have been estimated using a market-based valuation technique, equity allocation method or a recent transaction price based on assumptions that are not supported by observable market prices or rates. For market-based valuation technique, the valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EBITDA") multiple, price to earnings ("P/E") multiple and price to book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value.

For valuation based on equity allocation method, the risk-free interest rate is based on the yield to maturity of PRC government bond with a term commensurate with the maturity of the preferential right as of the acquisition date. The expected volatility is estimated based on the historical daily share price volatility of comparable companies with a time horizon close to the life to expiration of the preferential right.

For the valuation based on the recent transaction price, the valuation is made by reference to the transaction price of the same investment being valued.

The fair value of the unlisted investments in a trust fund are measured using valuation techniques by the discounted cash flow method. The valuation requires the directors to determine a suitable discount rate in order to calculate the present value of those cash flows. The directors of the Company believe that the estimated fair values which are recorded in the consolidated statement of financial position with net changes in fair value recognised in profit or loss are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair values of structured deposits were based on the market values provided by the bank at the end of the reporting period. They are estimated with the principal plus estimated interest income based on the expected annual rate of return.

The fair value of the life insurance products purchased for the three executive directors of the Group is determined based on the cash surrender value in accordance with the terms of the life insurance contract which is not an observable input. Management estimates the fair value based on the latest policy monthly statement of the life insurance contract provided by the insurance company. The unobservable input is the cash surrender value quoted by the insurance company according to the life insurance contract. When the cash surrender value is higher, the fair value of the key management insurance will be higher.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of forward currency contracts are based on quotes from financial institutions.

The fair values of other financial assets and financial liabilities carried at amortised cost approximate to their carrying amounts.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments — A designated at FVTOCI	Valuation multiple	EV/EBITDA multiple of peers	11.87 (31 December 2024: 11.87)	1% (31 December 2024: 1%) increase/decrease in the multiple would result in increase/decrease in fair value by RMB313,770 (31 December 2024: RMB368,000)
Unlisted equity investments — B designated at FVTOCI	Valuation multiple	P/E multiple of peers	13.37 (31 December 2024: 13.37)	1% (31 December 2024: 1%) increase/decrease in the multiple would result in increase/decrease in fair value by RMB143,153 (31 December 2024: RMB86,000)
Unlisted equity investments — C designated at FVTOCI	Valuation multiple	P/B multiple of peers	2.15 (31 December 2024: 2.15)	1% (31 December 2024: 1%) increase/decrease in the multiple would result in increase/decrease in fair value by RMB110,000 (31 December 2024: RMB110,000)
Unlisted preference shares	Equity allocation method	Expected volatility	51.39% (31 December 2024: 51.39%)	1% (31 December 2024: 1%) increase/decrease in the multiple would result in decrease/increase in fair value by RMB24,000 (31 December 2024: RMB24,000)
Unlisted fund investments*	Valuation multiple	EV/EBITDA multiple of peers	20.14–26.71 (31 December 2024: 20.14–26.71)	1% (31 December 2024: 1%) increase/decrease in the multiple would result in increase/decrease in fair value by RMB103,000 (31 December 2024: RMB103,000)

* The valuation of underlying investments included EV/EBITDA multiple of peers and fair value based on the recent transaction as mentioned above.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2025 (unaudited)				
Equity investments designated at FVTOCI	21,310	—	60,869	82,179
Financial assets at FVTPL	—	200,000	32,497	232,497
Structured deposits	—	210,000	—	210,000
Life insurance products	—	—	68,965	68,965
	21,310	410,000	162,331	593,641

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 31 December 2024 (audited)				
Equity investments designated at FVTOCI	21,753	—	60,469	82,222
Financial assets at FVTPL	—	200,000	32,497	232,497
Structured deposits	—	50,000	—	50,000
Life insurance products	—	—	68,097	68,097
	21,753	250,000	161,063	432,816

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2025 (unaudited)				
Financial liabilities				
Financial liabilities at FVTPL	**—**	**11,067**	**—**	**11,067**
As at 31 December 2024 (audited)				
Financial liabilities				
Financial liabilities at FVTPL	—	14,580	—	14,580

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2025 (unaudited)				
Financial liabilities				
Interest-bearing bank borrowings	**—**	**2,554,958**	**—**	**2,554,958**
As at 31 December 2024 (audited)				
Financial liabilities				
Interest-bearing bank borrowings	—	2,515,526	—	2,515,526

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

During the period, there were no movement for the fair value measurements within Level 3 (six months ended 30 June 2024: Nil).

During the period, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 26 August 2025.