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**Wasion Holdings Limited**  
**威勝控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3393)**

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

**FINANCIAL HIGHLIGHTS**

- Turnover amounted to RMB10,073.53 million (2024: RMB8,716.54 million), representing an increase of 16%.
- Revenue from Smart Grid Solutions increased by 14% to RMB3,652.10 million as compared with 2024.
- Revenue from AI-Integrated Energy Efficiency Solutions increased by 9% to RMB2,857.13 million as compared with 2024.
- Revenue from Digital Energy Services increased by 23% to RMB3,564.30 million as compared with 2024.
- Net profit for the year attributable to owners of the Company increased by 50% to RMB1,058.25 million (2024: RMB705.61 million).
- Basic earnings per share for the year amounted to RMB106.9 cents (2024: RMB71.4 cents).
- The board of directors has proposed a final dividend of HK\$0.48 (equivalent to RMB0.422) per share for the year ended 31 December 2025.

The board of directors (the “**Board**”) of Wasion Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (hereafter collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2025*

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	<b>10,073,525</b>	8,716,541
Cost of sales		<b>(6,476,605)</b>	(5,681,403)
Gross profit		<b>3,596,920</b>	3,035,138
Other income, gains and losses, net	4	<b>238,470</b>	232,942
Selling expenses		<b>(788,910)</b>	(737,643)
Administrative expenses		<b>(413,202)</b>	(367,796)
Research and development expenses		<b>(734,177)</b>	(730,404)
Impairment losses on financial assets and contract assets, net		<b>(48,590)</b>	(99,396)
Finance costs		<b>(106,603)</b>	(125,528)
Share of profits of an associate		<b>947</b>	275
Profit before tax	5	<b>1,744,855</b>	1,207,588
Income tax expense	6	<b>(263,751)</b>	(177,426)
<b>PROFIT FOR THE YEAR</b>		<b><u>1,481,104</u></b>	<u>1,030,162</u>
<b>Profit for the year attributable to:</b>			
— Owners of the parent		<b>1,058,246</b>	705,612
— Non-controlling interests		<b>422,858</b>	324,550
		<b><u>1,481,104</u></b>	<u>1,030,162</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
— Basic (in RMB)		<b><u>RMB1.069</u></b>	<u>RMB0.714</u>
— Diluted (in RMB)		<b><u>RMB1.066</u></b>	<u>RMB0.712</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*FOR THE YEAR ENDED 31 DECEMBER 2025*

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<u><b>1,481,104</b></u>	<u>1,030,162</u>
<b>OTHER COMPREHENSIVE INCOME:</b>		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<b>29,620</b>	16,045
Tax effect	<u><b>(2,132)</b></u>	<u>(1,994)</u>
	<b>27,488</b>	14,051
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u><b>38,318</b></u>	<u>(97,011)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<u><b>65,806</b></u>	<u>(82,960)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u><b>1,546,910</b></u></u>	<u><u>947,202</u></u>
Attributable to:		
Owners of the parent	<b>1,123,509</b>	622,207
Non-controlling interests	<u><b>423,401</b></u>	<u>324,995</u>
	<u><u><b>1,546,910</b></u></u>	<u><u>947,202</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,333,133	2,076,545
Investment properties		4,353	4,460
Right-of-use assets		186,739	203,809
Goodwill		330,636	330,636
Other intangible assets		519,259	511,578
Investment in a joint venture		—	—
Investment in an associate		10,373	9,426
Equity investments designated at fair value through other comprehensive income		70,786	82,222
Financial assets at fair value through profit or loss		242,461	232,497
Loan receivables		84,500	—
Prepayments, other receivables and other assets		257,742	256,835
Deposits of acquisition of property, plant and equipment		61,246	91,038
Deferred tax assets		162,867	153,786
		<u>4,264,095</u>	<u>3,952,832</u>
<b>CURRENT ASSETS</b>			
Inventories		1,437,888	1,264,093
Trade and bills receivables	9	7,112,004	5,821,016
Contract assets	10	424,959	388,495
Loan receivables		—	85,000
Prepayments, other receivables and other assets		911,892	860,615
Structured deposits		—	50,000
Pledged deposits		416,832	514,547
Cash and bank balances		3,015,242	2,790,300
		<u>13,318,817</u>	<u>11,774,066</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	5,951,994	5,081,672
Other payables and accruals		596,218	513,362
Financial liabilities at fair value through profit or loss		—	14,580
Interest-bearing bank borrowings		1,400,820	1,615,723
Lease liabilities		9,257	15,721
Tax payable		137,103	110,795
		<u>8,095,392</u>	<u>7,351,853</u>
<b>NET CURRENT ASSETS</b>		<u>5,223,425</u>	<u>4,422,213</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,487,520</u>	<u>8,375,045</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

AT 31 DECEMBER 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	1,086,081	971,473
Lease liabilities	12,816	19,515
Deferred tax liabilities	45,686	38,872
Other payables and accruals	27,448	24,257
	<u>1,172,031</u>	<u>1,054,117</u>
Net assets	<u>8,315,489</u>	<u>7,320,928</u>
<b>EQUITY</b>		
Equity attributable to owners of the parent		
Issued capital	9,906	9,906
Reserves	6,225,852	5,422,701
	<u>6,235,758</u>	5,432,607
Non-controlling interests	<u>2,079,731</u>	<u>1,888,321</u>
Total equity	<u>8,315,489</u>	<u>7,320,928</u>

# NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Wasion Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). 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 706–7, 7/F Harcourt House, 39 Gloucester Road, Wan Chai, Hong Kong.

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, life insurance at fair value through profit or loss and financial liabilities at fair value through profit or loss which have been measured at fair value. The financial statements are 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 Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

### 3. REVENUE AND OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments. During the year, management has reviewed the development of three segments and updated the names of the existing three business segments to more accurately reflect the current status and future strategic direction of the Group's business development. This update is primarily based on the deepening and expansion of the business substance, aiming to provide clearer positioning, more prominent technological focus for each segment, and to ensure alignment with industry development trends and the Group's long-term vision.

This change in business segment names is a natural step in the Group's development process, marking that the Group's business has entered a new stage of empowering comprehensive upgrades of the energy system with advanced digital intelligence technologies. The name change will not affect the existing business structure, contract fulfillment, or customer service. The Group will remain committed to creating sustainable value for shareholders, customers, and society through technological innovation.

The three reportable operating segments and adjustments of names are stated as follows:

- Smart grid solutions (formerly known as power advanced metering infrastructure) segment, which engages in power metering infrastructure to deepening and expanding into providing full-stack intelligent solutions for power grid planning, operation, monitoring, maintenance, and optimization by leveraging intelligence technologies such as artificial intelligence and machine learning; and
- AI-integrated energy efficiency solutions (formerly known as communications and fluid advanced metering infrastructure) segment, which engages in the manufacture, sale of communications and fluid metering products with deeply integrates digitalization and intelligent technologies, incorporates AI algorithms, and provides customers with comprehensive energy efficiency analysis, management, and optimization services; and
- Digital energy services (formerly known as advanced distribution operations) segment, which engages in the manufacture, sale of integrated solutions for data centers, smart distribution network, and new energy storage related — powering digitalization and intelligentization of the energy ecosystem, forming three major business sectors.

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 profit, 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.

Segment assets exclude other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

**Year ended 31 December 2025**

	<b>Smart grid solutions RMB'000</b>	<b>AI-integrated energy efficiency solutions RMB'000</b>	<b>Digital energy services RMB'000</b>	<b>Total RMB'000</b>
<b>Segment revenue:</b>				
Sales to external customers	3,652,098	2,857,127	3,564,300	10,073,525
Intersegment sales	19,068	99,326	33	118,427
	<hr/>	<hr/>	<hr/>	<hr/>
Total segment revenue	3,671,166	2,956,453	3,564,333	10,191,952
<i>Reconciliation:</i>				
Elimination of intersegment sales				(118,427)
				<hr/>
				<b>10,073,525</b>
				<hr/> <hr/>
<b>Segment results</b>				
<i>Reconciliation:</i>				
Elimination of intersegment results	598,693	658,817	521,239	1,778,749
Interest income				72,257
Dividend income and unallocated gains				17,242
Corporate and other unallocated expenses				(18,598)
Finance costs (other than interest on lease liabilities)				(104,795)
				<hr/>
Profit before tax				<b>1,744,855</b>
				<hr/> <hr/>

Year ended 31 December 2024

	Smart grid solutions <i>RMB'000</i>	AI-integrated energy efficiency solutions <i>RMB'000</i>	Digital energy services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue:</b>				
Sales to external customers	3,198,759	2,614,796	2,902,986	8,716,541
Intersegment sales	<u>20,690</u>	<u>119,693</u>	<u>15</u>	<u>140,398</u>
Total segment revenue	3,219,449	2,734,489	2,903,001	8,856,939
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(140,398)</u>
				<u><u>8,716,541</u></u>
<b>Segment results</b>	379,567	603,383	256,966	1,239,916
<i>Reconciliation:</i>				
Elimination of intersegment results				34,861
Interest income				93,767
Dividend income and unallocated gains				3,320
Corporate and other unallocated expenses				(39,426)
Finance costs (other than interest on lease liabilities)				<u>(124,850)</u>
Profit before tax				<u><u>1,207,588</u></u>

## Geographical information

### Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The People's Republic of China ("PRC")	7,073,226	6,319,756
America	1,319,704	1,109,835
Asia, except for the PRC	1,163,723	570,061
Africa	444,109	684,622
Europe	55,084	29,923
Others	<u>17,679</u>	<u>2,344</u>
Total revenue	<u><u>10,073,525</u></u>	<u><u>8,716,541</u></u>

The revenue information above is based on the locations of the customers.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Bank interest income	42,624	45,005
Interest income from structured deposits	3,490	14,658
Interest income from loan receivables	5,251	6,011
Interest income from consideration receivable for disposal of a subsidiary	—	2,919
Interest income from other receivables	3,421	4,459
Interest income from financial assets at fair value through profit or loss (“FVTPL”)	17,471	20,715
Dividend income from equity investments designated at fair value through other comprehensive income (“FVTOCI”)	248	460
Refund of value-added tax*	77,172	70,406
Government grants <sup>#</sup>	40,418	37,997
Additional deduction of value-added tax	24,677	27,967
Gross rental income	2,986	4,593
Sales of scrap materials	14,448	1,264
Others	6,562	5,278
	<u>238,768</u>	<u>241,732</u>
<b>Gains and losses, net</b>		
Foreign exchange gains, net	9,242	414
Gain on disposal of items of property, plant and equipment	3,645	551
Fair value gain/(loss) on financial instruments at FVTPL	1,268	(6,505)
Customer penalty paid for delay of product delivery	(28,646)	(3,250)
Gain on disposal of subsidiaries	14,193	—
	<u>(298)</u>	<u>(8,790)</u>
Total other income, gains and losses, net	<u><u>238,470</u></u>	<u><u>232,942</u></u>

\* Pursuant to the relevant regulations in the PRC, certain subsidiaries of the Group operating in the PRC are entitled to refunds of a certain percentage of value-added tax (“VAT”) on the sale of specified high technology products. The amount represents such VAT refund which is approved by the relevant tax authorities.

<sup>#</sup> Government grants mainly comprise financial subsidies from the PRC government for the immediate rewards of the Group’s contribution to the relevant research and development projects and the continuous technological advancements of the Group in its products. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

## 5. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold**	6,448,426	5,576,449
Cost of service rendered**	14,567	77,021
Depreciation of property, plant and equipment	165,732	128,163
Depreciation of investment properties	107	342
Depreciation of right-of-use assets	27,296	15,528
Amortisation of other intangible assets (excluding the deferred expenditure amortised)*	25,461	20,724
Lease payments not included in the measurement of lease liabilities	34,058	23,047
Research and development costs:		
Research and development expenses	750,581	695,722
Less: Capitalised development costs	<u>(162,897)</u>	<u>(116,318)</u>
	587,684	579,404
Amortisation of capitalised development costs	<u>151,278</u>	<u>151,000</u>
Total	<u>738,962</u>	<u>730,404</u>
Auditor's remuneration	4,860	4,927
Employee benefit expense (including directors' and chief executive's remuneration)		
Wages and salaries	1,083,520	993,061
Equity-settled share award expenses	36,685	36,082
Pension scheme contributions***	<u>126,077</u>	<u>95,407</u>
Total	<u>1,246,282</u>	<u>1,124,550</u>
Provision/(reversal of provision) of impairment losses, net:		
Trade receivables	48,079	110,093
Contract assets	1,082	(697)
Other receivables	<u>(571)</u>	<u>(10,000)</u>
Total	<u>48,590</u>	<u>99,396</u>
Fair value (gains)/losses, net:		
Derivative instruments — transactions not qualifying as hedges	696	4,853
Financial assets at FVTPL	<u>(1,964)</u>	<u>1,652</u>
	<u>(1,268)</u>	<u>6,505</u>
Gain on disposal of items of property, plant and equipment	(3,645)	(551)
Write-down of inventories to net realisable value**	13,612	27,933
Foreign exchange gains, net	<u>(9,242)</u>	<u>(414)</u>

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

\*\* Included in “Cost of sales” in profit or loss.

\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. 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 each of the years ended 31 December 2025 and 2024.

Tax on profits assessable in the PRC has been calculated at the applicable PRC corporate income tax (“CIT”) rate of 25% (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 three consecutive years from years 2023 to 2026 or years 2024 to 2027 or years 2025 to 2028.

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

Macau Complementary Tax has been provided at the rate of 12% (2024: 12%) on the assessable profits arising in Macau during the year.

Mexico Federal Corporate Income Tax has been provided at the rate of 30% (2024: 30%) on the assessable profits arising in Mexico during the year.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current — PRC		
Charge for the year	220,877	164,171
(Overprovision)/underprovision in prior years	(5,843)	4,673
Current — Elsewhere		
Charge for the year	38,742	27,572
(Overprovision)/underprovision in prior years	(69)	2
	<u>253,707</u>	<u>196,418</u>
Deferred tax	<u>10,044</u>	<u>(18,992)</u>
Total tax charge for the year	<u><u>263,751</u></u>	<u><u>177,426</u></u>

## 7. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final — HK38 cents per ordinary share for 2024 (2024: HK28 cents per ordinary share for 2023)	<u>346,684</u>	<u>254,252</u>

A final dividend of HK48 cents (2024: HK38 cents) per share amounting to approximately HK\$478,022,000 (equivalent to RMB420,468,000) (2024: HK\$378,434,000 (equivalent to RMB346,684,000)) in respect of the year ended 31 December 2025 has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares, excluding a pool of shares maintained by a trustee, of 990,227,401 (2024: 988,217,324) outstanding during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year 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. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	1,058,246	705,612
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	<u>(563)</u>	<u>(585)</u>
Profit attributable to owners of the parent, used in the diluted earnings per share calculation	<u>1,057,683</u>	<u>705,027</u>

	<b>2025</b>	2024
	<i>Number of shares</i>	<i>Number of shares</i>
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<b>990,227,401</b>	988,217,324
Effect of dilutive potential ordinary shares arising from share awarded	<b>2,022,962</b>	1,915,443
Weighted average number of ordinary shares outstanding during the year used in the diluted earnings per share calculation	<b>992,250,363</b>	990,132,767

## 9. TRADE AND BILLS RECEIVABLES

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	<b>7,449,388</b>	6,052,550
Bills receivable	<b>75,956</b>	179,869
Less: Impairment loss on trade receivables	<b>(413,340)</b>	(411,403)
Net carrying amount	<b>7,112,004</b>	5,821,016

Due to the nature of the Group's business, the settlement terms of trade receivables are based on the achievement of certain milestones of each sales transaction. There were no specific 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 is an amount due from the Group's joint venture of RMB47,050,000 (2024: RMB30,299,000), which is 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:

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0–90 days	<b>3,519,175</b>	2,827,374
91–180 days	<b>1,633,040</b>	1,284,054
181–365 days	<b>1,296,382</b>	1,097,616
1–2 years	<b>515,277</b>	483,380
Over 2 years	<b>148,130</b>	128,592
Total	<b>7,112,004</b>	5,821,016

## 10. CONTRACT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract assets	428,885	391,339
Less: Impairment loss on contract assets	<u>(3,926)</u>	<u>(2,844)</u>
Net carrying amount	<u><u>424,959</u></u>	<u><u>388,495</u></u>

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

## 11. TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	3,964,346	3,403,289
Bills payable	<u>1,987,648</u>	<u>1,678,383</u>
Total	<u><u>5,951,994</u></u>	<u><u>5,081,672</u></u>

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–90 days	3,516,589	3,052,922
91–180 days	1,507,558	1,380,301
181–365 days	702,632	442,954
Over 1 year	<u>225,215</u>	<u>205,495</u>
Total	<u><u>5,951,994</u></u>	<u><u>5,081,672</u></u>

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

Included in the Group's trade payables is an amount due to the Group's joint venture of RMB4,258,000 (2024: RMB5,684,000) which is repayable on credit terms similar to those offered by the major suppliers of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Review

#### *Macro Environment*

In 2025, the global economy continued its restructuring trend amidst the energy transition and geopolitical shifts. The acceleration of industrialization in overseas emerging markets has opened up new growth frontiers for the export of China's high-end manufacturing products. In the domestic market, the national economy demonstrated strong resilience in the face of complex internal and external environments. According to preliminary calculations by the National Bureau of Statistics, China's GDP in 2025 was RMB134.9 trillion, a 5% increase year-on-year ("YoY") at constant prices. The structural characteristics of economic operations remained distinct, exhibiting a pattern of "strong supply and weak demand" and "external demand outperforming domestic demand". During the year under review, China maintained a steady pace in its energy structure transition, with strong development momentum in clean and renewable energy, as well as accelerated progress in green and low-carbon energy. Data from the National Energy Administration showed that China's renewable energy generation reached 3.99 trillion kWh in 2025, representing a 15% increase YoY. Although the pace of domestic power grid investment slowed down, key segments of the new power systems, represented by photovoltaics, wind power, and energy storage, continued to experience rapid growth during the year.

In international markets, the global Artificial Intelligence ("AI") industry developed rapidly, leading to explosive growth in the demand for computing power. In North America and Europe, the expansion of AI computing power caused regional power shortages, affecting the construction progress of large-scale data center projects. This has driven a shift in power supply models from reliance on public grids toward an integrated model of "self-built green power generation + integrated energy storage". Furthermore, under the REPowerEU targets, the share of renewables in Europe's power generation is targeted to reach 42.5% by 2030. As Europe's energy transition enters an acceleration phase and power demand in emerging markets remains robust, global demand for power equipment and energy storage solutions has shown structural growth. Chinese enterprises are accelerating the global expansion of their technological advantages in fields such as ultra-high voltage, smart power meters, offshore wind power, and energy storage, thereby becoming a pivotal force supporting the global energy transition. The global market scale for smart power systems (referring to software-driven intelligent power systems applied in power generation, grids, and terminal consumption) was approximately USD3.431 billion in 2025, and the global energy management system market scale reached USD63.64 billion in the same year. In the smart grid market, the global market scale in 2025 was USD52.55 billion. The smart power distribution equipment market is expected to grow from approximately RMB600 billion in 2024 to approximately RMB704 billion in 2025, representing an increase of approximately 17.3% during the period.

## *Review of the Power Grid Industry and Major Policies*

During the year under review, China's overall electricity consumption reached 10.37 trillion kWh, exceeding 10 trillion kWh for the first time and representing a 5% increase YoY. Electricity consumption by the China Southern Power Grid Company Limited ("**Southern Grid**") was 1.7994 trillion kWh across five provinces, surpassing 1.7 trillion kWh for the first time and marking a 5.4% increase YoY. During the year, electricity consumption for internet data services surged by 55.2% YoY, and electricity consumption for new energy vehicle manufacturing increased by 16.4% YoY. The volume of electricity traded in the market within the operational zones of the State Grid Corporation of China ("**State Grid**") reached 5.4 trillion kWh, representing an 8.5% increase YoY. The volume of new energy electricity traded in the market reached 1.07 trillion kWh, exceeding 1 trillion kWh for the first time and accounting for 57% of new energy generation. In terms of power grid investment, State Grid invested over RMB650 billion in fixed assets in the year 2025 and Southern Grid arranged investment of RMB175 billion in fixed assets for 2025, both setting new record highs. Breakthroughs were also achieved in key grid-related project constructions. By the end of 2025, State Grid had cumulatively completed 42 ultra-high voltage ("**UHV**") projects, with cross-provincial and cross-regional transmission capabilities reaching 370 million kW. During the year under review, UHV projects such as Datong-Huailai-Tianjin South and Inner Mongolia West-Beijing-Tianjin-Hebei commenced construction successively, while four UHV projects, namely Longdong-Shandong, Hami-Chongqing, Ningxia-Hunan, and Jinshang-Hubei, were completed and put into operation with high quality. In terms of new energy development, the southern five provinces added over 75 million kW of new energy installed capacity in 2025, with the total new energy installed capacity exceeding 260 million kW. The share of non-fossil energy installed capacity reached 66%, the share of electricity generation reached 55%, and the utilization rate of renewable energy power generation hit 97.5%.

Looking ahead, State Grid's fixed asset investment during the "15th Five-Year Plan" period is expected to reach RMB4 trillion, an increase of 40% compared to the "14th Five-Year Plan" period. This will promote an average annual addition of around 200 million kW of newly installed wind and solar power capacity in its operational zones, helping to steadily increase the share of non-fossil energy consumption to 25%. Southern Grid's fixed asset investment arrangement for 2026 is set at RMB180 billion, marking a record high for the fifth consecutive year, with an average annual growth rate of 9.5%. The investment will focus on areas such as the construction of new power systems, the development of strategic emerging industries, and the enhancement of high-quality power supply services, collectively supporting the goals of clean and low-carbon energy development.

During the year under review, global energy policies shifted from "incentive subsidies" to "trade barriers and market drivers," while China focused on high-quality new energy consumption and absorption and electricity market reform. State Grid and Southern Grid continued to advance the construction of new power systems, accelerating digital and intelligent transformation.

In 2025, a series of national policies were frequently released. In February, the National Development and Reform Commission (“**NDRC**”) and the National Energy Administration (“**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”, aiming to fully integrate new energy-generated electricity into the power market, thereby driving demand for smart power meters capable of time-of-use metering and real-time pricing response. In March, five national departments including the NDRC issued the “Guidelines on Promoting the High-Quality Development of the Renewable Energy Green Certificate Market”, fostering market demand for smart power meters with green power identification and statistical functions. In the field of new energy and energy storage, in June 2025, the NDRC issued the “Notice on Organizing the First Batch of Pilot Projects for New Power System Construction”, specifically promoting the computing power-electricity synergy and the large-scale application of virtual power plants. This was followed by energy storage capacity electricity price compensation policies introduced by local governments in Inner Mongolia, Gansu, and other regions, establishing market-based revenue mechanisms. In July, the NDRC and NEA issued the “Basic Rules for Power Market Metering and Settlement” and the “Action Plan for Metering to Support the Development of New Quality Productive Forces (2025–2030)”, stimulating demand for non-grid market metering equipment and promoting the domestic development of high-end metering instruments. Regarding power grid investment, in December, State Grid announced a planned investment of approximately RMB4 trillion during the “15th Five-Year Plan” period, and Southern Grid estimated a fixed asset investment arrangement of RMB180 billion for 2026, both setting new historical highs.

As for overseas markets, in September 2025, the Ministry of Industry and Information Technology, the State Administration for Market Regulation, and the NEA released the “Work Plan for Stable Growth in the Power Equipment Industry (2025–2026)”, actively guiding enterprises to strategically expand overseas and integrate into international supply chains. It also aims to deepen full-industry-chain cooperation with emerging market countries in areas such as wind power, photovoltaics, and energy storage, guiding enterprises to carry out overseas expansion in a rational and orderly manner. The plan encourages energy developers, equipment manufacturers, and financial institutions to “go global as a group,” promotes the integration of component enterprises into overseas supply chains, and continuously enhances the brand image of China’s power equipment. In early 2025, State Grid achieved a major breakthrough in Saudi Arabia. The 500MW/2,000MWh Bisha Energy Storage Station, the world’s largest single-unit-capacity electrochemical energy storage project constructed by State Grid, officially commenced live trial operation. This not only drove the export of over RMB3 billion worth of domestically produced equipment but also provided crucial support for Saudi Arabia’s “Vision 2025” energy transition. Meanwhile, Southern Grid continued to deepen its presence in Southeast Asia. In July, it signed a cooperation agreement with Perusahaan Listrik Negara of Indonesia to conduct joint research on energy storage construction planning and technology application in Indonesia, promoting the “CSG Solution” going global through high-end consulting services. At the same time, adapting to the “market-for-technology” trend, it actively followed up on battery energy storage projects in Malaysia and advanced feasibility studies. It also initiated framework procurement for energy storage technical support services targeting markets in Asia, Europe, and South America, preparing for its global expansion in the energy storage sector.

## *Market Review of Global Smart Power Systems and Global Energy Management Systems*

During the year under review, as the world accelerated its transition toward a low-carbon economy, technological innovations such as data centers, AI, and machine learning were increasingly applied to smart power systems. The global smart power system and smart energy management markets began to undergo deep integration, ushering in unprecedented development opportunities. In 2025, the global smart power system market scale was approximately USD3.431 billion and is expected to expand significantly at a compound annual growth rate (“CAGR”) of approximately 14.7% from 2025 to 2033. The global energy management system market scale reached USD63.64 billion in 2025 and is projected to grow from USD73.49 billion in 2026 to USD150.83 billion in 2031, with a forecast CAGR of 15.5% from 2026 to 2031. This reflects the global decarbonization regulations that will be more stringent, the rapid deployment of smart grids, and the increasing net-zero emission targets of enterprises. These factors have elevated real-time energy optimization from an optional feature to an indispensable necessity.

Moreover, utilities worldwide are implementing advanced metering infrastructure on a large scale to provide the granular data required by operators, which will be combined with AI-driven analytical technology to enable self-healing grid functions and reduce operating costs. Meanwhile, in recent years, multiple multinational corporations have signed large-scale renewable energy Power Purchase Agreements (PPA), which will require investment in advanced energy management systems for functions such as hourly tracking, certificate management, and carbon accounting. In addition to climate policies, fluctuations in commodity prices and rising carbon costs have further bolstered demand in the energy management system market, prompting enterprises to pursue double-digit cost savings and build resilience against supply-side impacts.

## *Market Review of Smart Grids and Smart Power Distribution Equipment*

In 2025, due to the global emphasis on energy conservation and carbon reduction and the successive introduction of supporting regulations, coupled with the potential of traditional power grids to become more reliable and resilient infrastructure through intelligent transformation, the smart power distribution equipment and smart grid markets continued to grow, thereby moving toward a vision of deep “power grid edge intelligence”. The global smart grid market scale was USD52.55 billion in 2025 and is expected to reach USD259.15 billion by 2035, with a CAGR of 17.3% during the forecast period from 2026 to 2035.

In the smart power distribution equipment market, according to data from Frost & Sullivan, the global smart power distribution equipment industry maintained steady growth, expected to increase from approximately RMB600 billion in 2024 to approximately RMB704 billion in 2025, with an increase of approximately 17.3% for the period. Driven by the rapid deployment of new energy and power grid planning and layout, accelerated development of overseas markets, continuous optimization of power grid structure, digitalization of power grid construction, and growing demand for grid intelligence, the market scale of the global smart power distribution equipment industry is expected to reach approximately RMB1,146 billion by 2029, with a CAGR of approximately 13.8% from 2024 to 2029. Domestically, China's demand for smart power distribution equipment is closely linked to the scale and structure of power grid investment. Supported by the continuous reinforcement of distribution networks and the ongoing digital and intelligent upgrading of power systems, the application of smart power distribution equipment is expected to deepen in downstream sectors, including power grids, data centers, industrial and commercial facilities, infrastructure, and telecommunications networks. The domestic smart power distribution equipment market scale is expected to grow from approximately RMB106 billion in 2024 to approximately RMB127.7 billion in 2025, a growth rate of approximately 20.5%. The market scale of China's smart power distribution equipment industry is expected to reach approximately RMB247.1 billion by 2029, with a CAGR of approximately 18.4% from 2024 to 2029.

### **Change of Business Segment Names**

To more accurately reflect the current status and future strategic direction of the Group's business development, after careful deliberation by the management, a decision has been made to update the names of the existing three business segments. This update is primarily based on the deepening and expansion of the business substance, aiming to provide clearer positioning, more prominent technological focus for each segment, and to ensure alignment with industry development trends and the Group's long-term vision. The specific adjustments and explanations are as follows:

**(1) *“Power Advanced Metering Infrastructure” has been updated to “Smart Grid Solutions”***

This business has evolved from focusing on power metering infrastructure to deepening and expanding into providing full-stack intelligent solutions for power grid planning, operation, monitoring, maintenance, and optimization by leveraging intelligence technologies such as artificial intelligence and machine learning. The new name more precisely reflects the Group's core capability in driving power grid intelligence upgrades with advanced technologies.

**(2) *“Communications and Fluid Advanced Metering Infrastructure” has been updated to “AI-Integrated Energy Efficiency Solutions”***

This business has moved beyond the traditional scope of communications and fluid (water, gas, heat) metering, evolving into a service that deeply integrates digitalization and intelligent technologies, incorporates AI algorithms, and provides customers with comprehensive energy efficiency analysis, management, and optimization services. The new name clarifies the Group's value proposition of enabling energy efficiency improvement through “Data + Intelligence”.

### (3) *“Advanced Distribution Operations” has been updated to “Digital Energy Services”*

This business has always focused on the deep integration of digital technology and energy industry. However, it has expanded from the single field of smart power distribution to include data centers and new energy storage-related areas, forming three major business sectors. These three sectors correspond to the “grid, load, and storage” links, collectively building a digital energy solution system that covers the entire chain of “generation, grid, load, and storage.” The focus is on the synergistic development of power and computing capabilities, and the Group’s vision has been adjusted to becoming a leading digital energy service provider in the AI era.

This change in business segment names is a natural step in the Group’s development process, marking that the Group’s business has entered a new stage of empowering comprehensive upgrades of the energy system with advanced digital intelligence technologies. The name change will not affect the existing business structure, contract fulfillment, or customer service. The Group will remain committed to creating sustainable value for shareholders, customers, and society through technological innovation.

### **Review of the Group’s Overall Performance**

As an expert in managing energy metering and energy efficiency, the Group recorded a total turnover of RMB10,073.53 million (2024: RMB8,716.54 million) in its three main business segments during the year under review, representing a 16% increase YoY; and a gross profit of RMB3,596.92 million (2024: RMB3,035.14 million), representing a 19% increase YoY. The Group’s overall gross profit margin was 35.7% (2024: 34.8%). Net profit attributable to the Company’s owners was RMB1,058.25 million (2024: RMB705.61 million), representing a 50% increase YoY.

### **Business Review**

#### *Smart Grid Solutions*

##### *Business Overview*

Smart Grid Solutions (formerly known as “Power Advanced Metering Infrastructure”) business focuses on providing full-stack intelligent solutions for power grid planning, operation, monitoring, maintenance, and optimization by leveraging cutting-edge technologies such as artificial intelligence and machine learning. The business not only continues the research and development (“**R&D**”), production and sale of high-quality smart power meters (including single-phase, three-phase, and high-end smart power meters), power transformers, online monitoring and other smart metering devices, but also deeply integrates AI algorithms and big data analytics to help customers build safe, reliable, and green modern power grids. Smart Grid Solutions business 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, new energy power generation units, 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 year under review, the Group's Smart Grid Solutions business recorded a turnover of RMB3,562.10 million (2024: RMB3,198.76 million), representing an increase of 14% YoY and accounting for 36% of the Group's total turnover (2024: 37%). The revenue contribution from domestic and overseas customers is 53% and 47% respectively (2024: 49% and 51%).

### *Order Data in the Year under Review*

During the year under review, Smart Grid Solutions business secured domestic orders amounting to approximately RMB1,464 million (2024: RMB2,040 million), representing a YoY decrease of 28%. Among these, the value of bids won from grid customers decreased by 41% YoY to over RMB 915 million (2024: RMB1,561 million). The primary reasons for this decline were cyclical fluctuations in domestic industry demand, intense market competition, volatility in the scale of centralized grid procurement, and procurement delays. Nevertheless, the Group's subsidiary Wasion Group Limited ("**Wasion Group**"), continued to rank among the top players in the domestic power meter industry. Additionally, Wasion Group expanded its smart grid solutions business by introducing power transformer products, achieving a performance breakthrough and securing consecutive bids.

### *Review of Smart Grid Solutions Business Development and Relevant Policies*

During the year under review, Wasion Group achieved a breakthrough in its power metering transformer business, winning bids for centralized grid procurement projects for the first time during the year and securing bids in three consecutive procurement rounds, with performance covering the entire range of medium- and low-voltage power metering transformers. Furthermore, in 2025, Wasion Group performed well in bidding for regional power companies across China, securing a significant share in the Inner Mongolia local power companies and the Shanxi local power companies. As for the non-power grid business, benefiting from the rapid growth in domestic demand for new energy, the contract value for the Group's gateway products increased by more than 30% during the year. The Group's newly launched digital power supply products were rapidly deployed in the domestic telecommunications operator market, which will bring new business opportunities and growth sources. Moving forward, the Group's smart metering and energy efficiency management solutions for the industry will see sustained development, delivering stable performance contributions across telecommunications, high-energy-consuming industries, and large-scale properties.

Regarding government policies, in February 2025, 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”. The notice stipulated that all grid-connected new energy generation must participate in power markets, with on-grid electricity prices determined by the market. It distinguished between existing and incremental projects and established a price settlement mechanism for the sustainable development of new energy. The establishment of the new energy price settlement mechanism will drive the demand for power meters tailored to the characteristics of new energy generation, such as time-of-use metering, real-time pricing response, bidirectional metering, wide range, and high precision. The Group’s gateway meters fully meet all the above requirements. In March, five national departments including the NDRC and the NEA, issued the “Guidelines on Promoting the High-Quality Development of the Renewable Energy Green Certificate Market”, which explicitly formulated technical standards, rules, and labels related to green electricity consumption certification. It encouraged third-party certification institutions to provide green electricity consumption certification for different industries and fields. This policy will foster the market demand for smart power meters with green electricity identification and statistical functions. The Group’s existing carbon metering power meters fully meet the needs of green electricity consumption metering. In July, the NDRC and the NEA issued the “Basic Rules for Power Market Metering and Settlement”, which came into effect on 1 October 2025. The Rules required accelerating the construction of a unified national power market and strengthening the management of metering and settlement in the power market. These Rules specified that market operators must install metering devices that meet standards and standardized the timing requirements for data transmission, driving demand growth in the non-grid market. This includes the coverage of metering equipment for distributed energy, meeting data collection frequency requirements, and solving data transmission delay issues, leading to the need for intelligent transformation of user-side metering equipment. In the same month, the State Administration for Market Regulation and the Ministry of Industry and Information Technology released the “Action Plan for Metering to Support the Development of New Quality Productive Forces (2025–2030)”, which prioritized high-end metering instruments as a key focus for domestic breakthroughs. China continues to increase support for high-end metering equipment. Besides, during the year under review, the installation of new energy continued to expand, with a surge in demand for grid connection of distributed photovoltaics, wind power, and energy storage projects. The number of gateway metering points on the generation side, transmission side, and user side has significantly increased, jointly driving the demand for gateway metering equipment.

## *Prospects for Smart Grid Solutions Business*

As for the power grid market, from the end of 2025 to the beginning of 2026, multiple national departments, along with State Grid and Southern Grid, successively issued guidance documents and investment plans to further clarify the path for high-quality power grid development. On 31 December 2025, the NDRC and the NEA jointly issued the “Guiding Opinions on Promoting the High-quality Development of Power Grids” (Fa Gai Neng [2025] No. 1710). The document stipulated that a new power grid platform based on transmission and distribution networks and supplemented by smart microgrids would be basically established by 2030, and explicitly required “carrying out power grid investment and construction in a moderately proactive manner while avoiding excessive investment, and strengthening the upgrading and transformation of existing power grids”. Subsequently, State Grid announced on 15 January 2026 that its fixed asset investment during the 15th Five-Year Plan period is expected to reach RMB4 trillion, a 40% increase over the 14th Five-Year Plan period. It plans to add an annual average of approximately 200 million kW of wind and solar new energy installations within its operating areas, aiming to increase the proportion of non-fossil energy consumption to 25% and the share of electricity in terminal energy consumption to 35%. Southern Grid proposed at the beginning of 2026 to “stabilize growth and expand investment”, focusing on consolidating and enhancing distribution networks, cultivating strategic emerging industries, and advancing digital and intelligent transformation as well as equipment upgrading and retrofitting. In the first quarter of 2026 alone, its power grid infrastructure construction investment plan exceeded RMB24 billion, an increase of more than 20% YoY. The Group will closely follow policy and industry investment directions to capture market opportunities arising from power grid upgrades and equipment renewals. Furthermore, benefiting from the adoption of new technical specifications for smart meters by State Grid and Southern Grid, the unit prices of related products are expected to rise in 2026. Given that the number of centralized procurement rounds by State Grid and Southern Grid in 2025 was lower than in prior years, the Group expects its share in the centralized procurement of metering equipment by State Grid and Southern Grid to grow in 2026 as compared with 2025.

The non-power grid market is closely linked with macroeconomic fundamentals. Looking ahead to 2026, according to the forecasts of institutions and experts, China’s GDP growth is expected to be in the range of 4.5% to 5.0%. While achieving this growth target will face multiple challenges, it will also be supported by a range of pro-growth policies. On the challenges front, the economy faces external pressures including recurring China-US trade frictions, weakening global demand and geopolitical uncertainties; internally, its growth is constrained by factors such as the property market adjustment, local government debt pressure and demographic changes. As a result, the long-term growth potential of the economy is under pressure. As 2026 marks the inaugural year of the 15th Five-Year Plan, policies will remain proactive, with the deficit ratio expected to stay at around 4% and increased issuance of government bonds, focusing on supporting infrastructure, livelihoods, and new infrastructure construction. Industrial policies will focus on new productive forces to promote manufacturing upgrades and breakthroughs in key technologies, thereby enhancing supply chain resilience. In view of this, the Group will focus on infrastructure, new energy, and key industrial projects, consolidating core markets including major clients, complete non-power grid sets, and telecommunications operators, while expanding cooperation with power plants and imported meter distributors to broaden coverage. The Group will also deepen the smart metering solutions business, focusing on pain points in seven major industries. Taking energy metering and energy efficiency management as entry points, the Group

will promote business expansion and new product development to cultivate new profit growth drivers. Additionally, according to authoritative estimates by the IEA, global power grid investment is expected to reach USD1.7 trillion in 2026, power infrastructure upgrading and energy transition will accelerate, and overseas demand as well as the export market for smart meters will remain positive. The Group will collaborate with central state-owned enterprises and EPC contractors to expand overseas.

## *AI-Integrated Energy Efficiency Solutions*

### *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 and leverages the core competitive advantage of “IoT + Chips + AI” to drive industry advancement. It deeply integrates digitalization and intelligent technologies, incorporates AI algorithms, and provides customers with comprehensive energy efficiency analysis, management, and optimization services. Driven by opportunities presented by the “Dual Carbon” goals, new power systems, and global energy transformation, the Group is committed to co-developing digital power grids and smart cities, promoting green low carbon energy transition and continuous upgrades of the global energy IoT ecosystem.

AI-Integrated Energy Efficiency Solutions (formerly known as the “Communication and Fluid Advanced Metering Infrastructure”) 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”). To date, Willfar Information has been shortlisted as a constituent of several heavyweight indexes including SSE 100 Index, SSE STAR Artificial Intelligence Index, SSE STAR 100 Index, SSE STAR Composite Index, SSE 380 Index, SSE STAR SRDI (Specialized, Refined, Differential, and Innovative) Enterprises Index, SSE STAR ESG Index, SSE SRDI Enterprises Index, SSE STAR Private Enterprises Index, CSI 500 Index and Hunan 50 Index.

### *Review of Business*

During the year under review, the Group’s AI-Integrated Energy Efficiency Solutions business recorded a turnover of RMB2,857.13 million (2024: RMB2,614.80 million), representing a 9% increase YoY and accounting for 28% of the Group’s total turnover (2024: 30.0%). The revenue contribution from domestic and overseas customers is 80% and 20% respectively (2024: 84% and 16%).

### *Order Data in the Year under Review*

As of 31 December 2025, the value of signed contracts on hand for the AI-Integrated Energy Efficiency Solutions business reached RMB4,059 million. Newly signed contracts reached RMB3,708 million, strongly underpinning the Group’s future performance.

During the year under review, China promulgated a number of policies to advance the development of green energy and leverage AI to promote high-quality energy supply and management, thus establishing clear guidelines and a well-defined roadmap for the development of smart energy management.

In January 2025, 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”. The notice 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. In March, the NDRC, the NEA, the Ministry of Industry and Information Technology, the Ministry of Commerce, and the National Data Administration jointly issued the “Guidelines on Promoting the High-Quality Development of the Renewable Energy Green Certificate Market”, setting the target of improving the green electricity certificate (“GEC”) transaction system by 2027. The document required the automatic issuance of GECs, expanding the scale of green electricity transactions, and encouraging wind power/photovoltaic projects to participate. It also aimed to improve the GEC cancellation mechanism and support cross-provincial circulation. The document explicitly stipulated that key energy-consuming entities such as the iron and steel sector and data centers should ensure that their green electricity consumption ratio is no less than the average level of the national consumption and absorption responsibility weight by 2030. Additionally, it encouraged residents to consume green electricity and promotes the internationalization of GEC standards.

In May, the NDRC and the NEA issued the “Notice on Orderly Promoting the Development of Green Power Direct Connection”, which defined green power direct connection as the supply of power from new energy sources to a single user via direct connection lines to meet enterprises’ demand for green energy consumption. In regions with a power spot market, the model of “self-generation and self-consumption as the primary mode, with surplus power connected to the grid as a supplement” may be adopted, with relevant fees paid in accordance with applicable regulations. In July, the NDRC, the Ministry of Industry and Information Technology, and the NEA issued the “Notice on Launching the Construction of Zero-Carbon Parks”, aiming to steadily advance the goals of carbon peaking and carbon neutrality and assist parks and enterprises in reducing carbon emissions and increasing efficiency. The notice set out eight key tasks, namely accelerating the transformation of energy consumption structure in parks, promoting energy conservation and carbon reduction, adjusting and optimizing the industrial structure, strengthening the conservation and intensive use of resources, improving and upgrading infrastructure, enhancing the application of advanced and applicable technologies, improving energy and carbon management capabilities, and supporting reform and innovation.

In September, the NDRC and the NEA jointly issued the “Implementation Opinions on Promoting the High-Quality Development of ‘AI+’ Energy”. The document explicitly proposed to advance the in-depth integration of AI and power grids, with key support for application scenarios including predictive maintenance of power equipment, smart operation and management of distribution networks, and intelligent integration of marketing, distribution and dispatching. In November of the same year, the NDRC and the NEA issued the “Guiding Opinions on Promoting the Consumption, Absorption, and Regulation of New Energy” (Fagai Nengyuan [2025] No. 1360), clarifying the consumption, absorption, and regulation targets for 2030 and 2035. The document put forward measures including classified guidance for the development, consumption, and absorption of new energy (including distributed new energy), support for new business formats like generation-grid-load-storage integration, and strengthening the adaptability of power grids.

Furthermore, in early 2026, State Grid and Southern Grid advanced their development programs for the 15th Five-Year Plan period, with their planned fixed asset investments reaching record highs. Specifically, State Grid plans to invest RMB4 trillion in fixed assets (a 40% increase over the 14th Five-Year Plan period). Its strategic positioning has been upgraded to a core architecture of “transmission-distribution-microgrid synergy”, with a focus on constructing a new power distribution system featuring the integrated interaction of “generation-grid-load-storage”. Southern Grid has earmarked RMB180 billion for fixed asset investment in 2026, with a primary focus on the construction of new power systems and increasing allocation to the distribution and consumption sides. Key priorities include the flexible and intelligent transformation of distribution networks, equipment renewal, the adaptation of distributed new energy, and charging facility access, thereby consolidating the reliability of terminal power supply.

Driven by these robust policies, the Group continued to expand its presence within its leading sectors, and consistently improved operation performance and operational efficiency. These efforts include: (I) Digital power grids: The Group continued to provide in-depth services for the construction of new power systems for State Grid and Southern Grid. According to the latest bidding results in 2025, the Group’s core products ranked among the top, firmly positioning it within the industry’s first-tier. In addition, the Group participated deeply in the formulation of industry AI application standards, with the integration of AI and its core business yielding significant results and becoming a new growth engine. (II) Smart cities: The Group extended its core technologies from the power grid sector to more sectors, leveraging IoT technologies to reshape the management of electricity, water, gas, and heat energy. By building an IoT smart cloud platform, the Group delivered comprehensive solutions covering integrated energy, smart water services, smart fire protection, and smart industrial parks. The Group developed AI edge computing gateways and a smart security management platform, which enable real-time processing and intelligent analysis at the edge close to data sources, significantly enhancing data response speed and decision-making efficiency. The smart security management platform integrates big data analytics and AI algorithms to achieve security situational awareness and intelligent early warnings for scenarios such as industrial parks and buildings, significantly improving edge computing and security management capabilities. By improving the utilization efficiency of energy and equipment through AI, the Group maximized economic benefits and provided smart solutions for digital power grids and smart cities, thereby supporting green and low-carbon development. (III) Overseas markets: The Group’s global presence entered a harvest phase, with its model of localized production and technical adaptation achieving significant results. In April 2025, the Indonesian factory officially commenced production,

serving as a core production base for the Southeast Asian market. In September, the Saudi Arabia Technical Center was launched as a technical service and project hub for the Middle East. The number of user connections for the Group's overseas IoT devices exceeded ten million. The Group's products obtained internationally recognized certifications, including European KEMA, SGS Wi-SUN and DLMS. The full series of smart ultrasonic water meters secured three major international certifications: OIML, MID, and WRAS. The Group is striving to become a leading global provider of comprehensive solutions for smart and digital energy.

### *Prospects for AI-Integrated Energy Efficiency Solutions Business*

Looking ahead, further advancing the Digital China initiative and pursuing comprehensive green transformation under the guidance of the "Dual Carbon" goals have become key national strategic priorities. Accelerating the construction of a new energy system, building new power systems, promoting energy-saving and carbon-reduction retrofits, and developing distributed energy and zero-carbon parks will not only open up substantial market space for the Energy Internet of Things ("EIoT") industry, but also impose higher requirements on technological innovation and business models.

With deep integration between global energy transformation and the digital economy, coupled with sustained implementation of the 15th Five-Year Plan and the strategy to build a strong energy nation, the EIoT industry is entering a critical stage of collaborative evolution among new technologies, industries, business formats, and models. In terms of technologies, integrated innovation continues to deepen. Integrated "sensing-computing-communication" chips will become a key R&D focus, while digital twin power grids will be deployed at a large scale, driving the transformation of power grids from digitalization to digital intelligence. In terms of industries, comprehensive energy services will extend further into industrial and commercial scenarios, with overseas markets, particularly regions along the Belt and Road, emerging as core growth engines. In terms of business formats, the "Energy Brain as a Service" model will become increasingly prevalent, and demand for cross-border digital energy services will surge. In terms of models, the industry will accelerate its transformation from product suppliers to an integrated service providers, with internationalization and ecosystem-building jointly forging core competitiveness.

Against such a historic opportunity, the Group will take internationalization and technological innovation as its two core growth curves, and continue to deepen technological innovation, expand industrial boundaries, innovate business models, and foster a collaborative ecosystem. Leveraging its extensive experience and technical reserves in power IoT, the Group will actively align with the goals of building new power systems and seize the global trends of AMI 2.0 and new energy electrification to accelerate its overseas expansion. The Group is committed to becoming a global leader in energy digitalization, contributing "Wasion wisdom" and "Wasion solutions" to the achievement of the Dual Carbon goals and the construction of a strong energy nation.

## *Digital Energy Services*

### *Business Overview*

The Group's Digital Energy Services business (formerly known as the "Advanced Distribution Operations"), operated by its subsidiary Wayon Energy Technology Co., Ltd. ("**Wayon Energy**", formerly known as "Wasion Energy Technology Co., Ltd.") , focuses on three major business sectors of smart distribution networks, data centers and new energy storage, collectively building a digital energy solution system that covers the entire chain of "generation, grid, load, and storage". The focus is on the synergistic development of power and computing capabilities. In the sector of smart distribution networks, it offers a range of products including smart switchgear and high-efficiency transformers, as well as smart distribution solutions, helping customers achieve reliable and efficient power distribution. In the sector of data centers, it provides products such as distribution prefabricated cabins and modules, IT prefabricated cabins and skids, distribution equipment, and high-voltage direct current ("**HVDC**") power supply systems, offering continuous and stable power infrastructure guarantees for data center facilities. In the sector of new energy storage, it provides new energy storage systems, photovoltaic-storage microgrids, and charging and swapping solutions, promoting the efficient utilization of new energy. Wayon Energy's products and solutions are applied in various scenarios, including IDC, AIDC, power grids, power generation, public utilities, and industrial and commercial facilities.

### *Review of Business*

The Group's Digital Energy Services business recorded a turnover of RMB3,564.30 million (2024: RMB2,902.99 million) as of 31 December 2025, representing an increase of 23% YoY and accounting for 36% of the Group's total turnover (2024: 33%). The revenue contribution from domestic and overseas customers is 80% and 20% respectively (2024: 88% and 12%).

### *Order Data in the Year under Review*

During the year under review, the Group's Digital Energy Services business secured orders worth RMB4,795 million (2024: RMB4,293 million), representing an 12% YoY increase. This upswing in orders was primarily attributed to the stable development of Wayon Energy's smart grid business during the year and its continued deepening of cooperation with industrial customers. Of these, contracts won from data centers had a combined value of RMB1,564 million (2024: RMB784 million), representing a 100% YoY increase. The surge in orders during the year was mainly due to the accelerated demand for data center construction driven by AI, coupled with the rapid growth of prefabricated cabins and power distribution devices. Conversely, the value of orders related to new energy storage was over RMB188 million (2024: RMB1,118 million), a decrease of 83% YoY. This decline was primarily a result of intensified competition in the domestic market and the Group's strategic adjustment of this business sector.

In the domestic market, contracts won by Wayon Energy during the year had a combined value of over RMB3,645 million (2024: RMB3,839 million), representing a 5% YoY decrease which is mainly due to macroeconomic policy adjustments in the domestic new energy sector related to new energy storage and intensified market competition. In the overseas market, contracts won by Wayon Energy during the year had a combined value of over RMB1,150 million (2024: RMB454 million), marking a 153% YoY increase. This substantial increase was mainly attributable to the surge in market demand for overseas power distribution and data center businesses against the backdrop of global power grid and data center development trends.

### *Review of Digital Energy Services Business Development and Relevant Policies*

During the year under review, Wayon Energy achieved significant progress in all its business segments across both domestic and overseas markets. In the domestic market, its smart power distribution network business realized leapfrog growth in order scale.

In the power grid sector, the Group benefited from a substantial increase in winning bids from Southern Grid and State Grid, with core individual products performing prominently and brand value continuing to strengthen. In the non-power grid sector, the Group was deeply engaged in diversified business segments and anchored strategic clients and major projects to provide strong support for overall growth.

The data center business achieved breakthroughs in multiple areas. It not only deepened cooperation with strategic clients and won bids for several demonstration projects, but also successfully developed high-quality clients such as large-scale cloud computing firms, internet companies, and COLO operators, with multiple products achieving new market breakthroughs. In addition, Wayon Energy secured centralized procurement orders from telecommunications operators and expanded its HVDC new product portfolio, gradually building up the overall solution capability for power distribution equipment and HVDC power supply systems. Its market footprint continued to expand and brand influence increased significantly.

As for the new energy storage-related business, the energy storage segment deepened involvement in core regional markets, focusing on high-quality clients to create benchmark demonstration application scenarios. The charging and battery swapping business strengthened strategic cooperation with telecommunications service providers and participated actively in provincial bidding and procurement, achieving full provincial coverage of new products. It steadily ranked among the top in terms of the shipment volume of battery swapping cabinets for the partner and became its core partner.

In overseas markets, the smart distribution network business anchored two core products, namely transformers and reclosers, and implemented targeted strategies by region. The Americas market achieved an upgrade from technical engagement to large-scale sales. The Southeast Asian market steadily advanced the roll-out of both products and qualifications. The European market leveraged forward-looking R&D to build momentum for future large-scale expansion.

The data center business forged close ties with core strategic clients and achieved a “0 to 1” breakthrough in the Southeast Asian market with significant growth in performance. With the upgrading and iteration of core products and solutions, it actively promoted overseas product development and certification preparation, with the global layout progressing steadily.

As for the new energy storage-related business, the energy storage segment deepened its presence in key overseas channels, strengthened customer cooperation, and achieved sustained sales. It successfully established a presence in regional markets including Australia, Latin America, Europe, and Africa, with the multi-scenario project solutions forming a replicable model to further consolidate the market foundation. The charging and battery swapping business successfully became a key strategic supplier to a global ride-hailing company for its two-wheeled electric mobility business in Africa, with overseas influence continuously enhanced.

Regarding industry policies, 2025 was a pivotal year for the digital transformation of energy, with intensive policy rollouts worldwide. Among them, domestic policies shifted from “mandatory storage” to “market-driven + capacity compensation”. In April 2025, the NDRC and the National Data Administration (“NDA”) issued the “2025 Key Tasks for Digital Economy Work”, which set out seven key tasks. The document explicitly called for coordinating the “East Data, West Computing” project with urban computing power development, optimizing the layout of computing resources through the building of a national integrated computing power network, advancing the construction of national data infrastructure, promoting the integration of computing networks and energy networks, and building green and low-carbon data infrastructure. In June, the NDRC issued the “Notice on Organizing the First Batch of Pilot Projects for New Power System Construction”, specifying seven pilot directions. These include “computing power-electricity synergy”, the coordinated construction of national computing hub nodes and clean energy bases, and the promotion of large-scale application of virtual power plants. In December, the NEA and the NDRC jointly issued the “Guiding Opinions on Promoting the High-quality Development of Power Grids”. The document specified that by 2030, a new power grid platform based on transmission and distribution networks and supplemented by smart microgrids would be preliminarily established. The capacity for optimal allocation of power grid resources will be effectively enhanced, with the electricity transmitted from west to east exceeding 420 million kW, the newly added inter-provincial power mutual aid capacity reaching approximately 40 million kW, the share of new energy power generation rising to around 30%, the capacity to accommodate distributed new energy hitting 900 million kW, and over 40 million charging infrastructure units to be supported.

As for domestic new energy and energy storage, in February 2025, the NEA issued the “Notice on Deepening the Market Reform of New Energy On-Grid Prices and Promoting the High-Quality Development of New Energy” (No. 136). The document explicitly removed mandatory storage for new energy, encouraged independent energy storage to engage in the power market, and refined the peak-valley price difference mechanism. This policy marked the shift of energy storage development from “mandatory obligation” to “value creation”. In August, the NEA issued the “Action Plan for the Large-scale Construction of New Energy Storage (2025–2027)”. The plan explicitly set out a target of 180 million kW of new energy storage installations by 2027 (an increase of over 100 million kW), driving investment of approximately RMB250 billion and promoting the source-network-load-storage integrated development and the synergy between computing and electricity. In December of the same year, local governments in Inner Mongolia, Gansu, Hebei, Ningxia, Xinjiang, Shandong, and Heilongjiang intensively introduced energy storage capacity price compensation policies to establish market-based revenue mechanisms. Compensations include “capacity-based subsidy” (yuan/kW·year) and “discharge-based subsidy” (yuan/kWh), supported by evaluation mechanisms to ensure the performance and revenue of energy storage.

As for power grid investment, in January 2026, State Grid specified at its annual work meeting that during the 15th Five-Year Plan period, it plans an investment of approximately RMB4 trillion, representing a 40% increase over the 14th Five-Year Plan period (RMB2.8 trillion). Southern Grid's total investment during the 15th Five-Year Plan period is expected to be around RMB1 trillion, a significant increase over the 14th Five-Year Plan period. During the 15th Five-Year Plan period, State Grid will add an annual average of approximately 200 million kW of wind and solar new energy installations within its operating areas, pushing the proportion of non-fossil energy consumption to 25% and the share of electricity in terminal energy consumption to 35%, while meeting the connection needs of 35 million units of charging facilities.

During the year under review, overseas policies focused on the triple-effort of “subsidies + safety + market mechanisms”. Computing-power synergy emerged as a global policy consensus, driving the accelerated integration of smart distribution networks, data centers, and new energy storage. The power grid sector was transforming from transmission-oriented to intelligent interactive. Computing-power synergy became standard, with computing power centers incorporated into power grid planning as an important component of “virtual power plants”. Market mechanisms continued to improve, with the “three pillars” of power spot, auxiliary services, and capacity markets driving the development of energy storage. Infrastructure upgrades accelerated, with ultra-high voltage, smart distribution networks, energy storage, and virtual power plants jointly constructing the core architecture of new power systems. In June 2025, Australia launched the Cheaper Home Batteries Program with an investment of AUD2.3 billion, providing subsidies of up to AUD3,000 per household, which could reach nearly AUD5,000 per household in New South Wales after combined subsidies. The program mandated that energy storage have virtual power plant capabilities and participate in grid dispatch, promoting the coordinated development of residential energy storage and the power grid. In July of the same year, the European Union issued the European Grids Package and the recommendation on renewable energy deployment, proposing a target of 200GW of energy storage installations by 2030, which provided policy support for the intelligent transformation of its power grid.

The data center sector is facing stringent green and low-carbon requirements, with  $PUE \leq 1.3$  set as the threshold for new projects, and energy storage became a mandatory configuration. Layout restructuring accelerated, with the proportion of data centers in Western China increasing from 40% in 2024 to 60% in 2025. Industrial integration deepened, as energy enterprises and data center operators forged cross-sector partnerships, driving the digital energy market scale to exceed RMB100 billion. In August 2025, Saudi Arabia launched the tender for the 2GW BESS project (BOO model) and relaxed foreign investment access rules in the new energy sector, allowing up to 100% foreign ownership. It aimed to support the achievement of the Vision 2030 target for renewable energy and natural gas to each account for 50%, further strengthening the power grid's capacity to absorb new energy.

The energy storage sector is undergoing a fundamental transformation from mandatory storage to value-driven development. The market structure experienced profound changes, as the share of independent storage increased from 30% in 2024 to 65% in 2025, making it the mainstream of the market. Business models became increasingly diversified, with revenue sources shifting from a single peak-valley price difference to a multi-source combination of capacity leasing, power spot, auxiliary services, capacity compensation, and green certificates. Technical routes showed clear differentiation. Long-duration energy storage on the grid side received policy support, while lithium iron phosphate batteries dominated the user side due to their cost and safety advantages. The integrated “energy storage + backup power” solution for data centers has become a widely recognized industry standard. In January 2025, Brazil issued the REIDI and Paten tax incentive programs, allowing energy storage businesses to participate in the capacity market and auxiliary services market. In December of the same year, Brazil held its first battery energy storage auction, with plans to procure at a gigawatt-scale in the future.

### *Prospects for Digital Energy Services Business*

In 2026, for overseas markets, Wayon Energy will deepen the global layout of its three major business segments, namely smart distribution networks, data centers, and new energy storage, and drive the large-scale development of business across various regions. The smart distribution network business will focus on key national markets in five major regions, taking three core products as the lever: transformers, reclosers, and primary and secondary integration ring main units. Through localized operations, technical certifications, and the establishment of a service ecosystem, it will promote the implementation of relevant technologies, and achieve a leap from market breakthrough to large-scale development, thereby supporting the intelligent and low-carbon transformation of global power grids.

The data center business will adhere to a globalization strategy, focusing on the dual pillars of performance growth and capability upgrading. By expanding its product portfolio to consolidate first-mover advantages, it will drive the advancement of business toward globalized operations. The Southeast Asian market will focus on the delivery of existing projects while continuously enhancing its three major competitive strengths: R&D, delivery, and service. Other regional markets will focus on the iteration of the product certification system and the development of localized service capabilities, striving to achieve breakthroughs in business development.

As for the new energy storage business, the energy storage segment will focus on deepening market penetration in key regional countries. It will launch UPS/HVDC high-rate lithium battery products and solutions, and tackle integrated storage-backup solutions, gradually building up comprehensive service capabilities in smart energy and smart computing power. The charging and battery swapping business will take Africa as the foothold to fully expand into opportunity markets such as Southeast Asia.

In the domestic market, the Group will seize the opportunities presented by the construction of new power systems to drive dual improvements in both scale and value across all business segments. The smart distribution network business will be rooted in the construction of new power systems, leveraging integrated solutions and intelligent upgrades of core products to continuously enhance its industry competitiveness and market position, so as to build a leading edge in the industry. The non-power grid business will anchor high-value tracks and key regions, prioritize top-tier clients, and tap into existing demands in depth, so as to achieve growth in both business scale and value.

The data center business will focus on top COLO operators, deepen penetration in regional markets to expand business share and order scale, and cultivate new growth drivers by expanding product categories. Meanwhile, it will anchor the core businesses of telecommunications operators' infrastructure and data centers, align with the layout of computing power hubs, and deepen engagement in centralized procurement projects. Furthermore, it will facilitate its inclusion in the whitelist of the headquarters of domestic internet giants, expand power distribution orders through the mass production of HVDC products, and provide in-depth services to major clients and top-tier internet cloud service providers.

The new energy storage business will deepen its presence in the industrial and commercial storage sector, providing integrated solutions and full-cycle technical services for high-quality investors to continuously consolidate its market and technical leadership. The charging and battery swapping business will solidify strategic cooperation with telecommunications service providers while intensifying efforts to develop leading internet enterprises and battery swapping operators.

## *International Markets*

### *Global Smart Power Meter Information*

Driven by global energy transition, investment in smart grids and demand for smart power meters continue to rise. In 2025, the total global investment in power grids was between USD413 billion and USD470 billion, with spending on software and services accounting for over 35%. Investment focus is shifting towards technologies such as AI and digital twins. Investment in smart grids accounted for 30%–40%, approximately USD124 billion to USD165 billion, showing a trend of differentiated growth in demand. Europe, as a pioneer in smart grids, is estimated to have a smart power meter market size of approximately USD7 billion to USD8 billion in 2025, growing to between USD12 billion and USD14 billion by the early 2030s, with a CAGR of about 7% to 10%. By 2028, the installed base of smart power meters in Europe is expected to reach approximately 326 million units. Based on a CAGR of about 6.1% starting from 2023, the penetration rate of smart power meters is projected to reach approximately 78% by 2028. Countries like Germany and France are promoting the replacement and upgrade of smart power meters through mandatory policies. Africa leads the world in the growth rate of electricity demand, with an estimated average annual growth rate of over 6% by 2030. Smart grids and smart power meters have become investment hotspots due to the urgent need for energy consumption reduction, receiving funding from institutions such as the World Bank. Renewable energy projects in South Africa, Kenya and other countries are also driving demand for equipment. The North and South American markets feature prominent policy drivers, with North America accounting for 21% share of the global smart power meter market. Latin America has emerged as a new growth pole, where Brazil implemented a national smart power meter program to complete the replacement of traditional meters by 2025. The regional market scale is expected to reach USD7.5 billion by 2028, with Brazil and Mexico together accounting for over 60% of the market. Argentina, Chile and other countries are also advancing the popularization of smart power meters, leading to a surge in demand for IoT-integrated power meters. The combined shipment volume of smart power meters in these three regions accounted for over 45% of the global total in 2025. Africa and Latin America both have strong growth potential due to low penetration rates. In terms of market technology and demand structure, different regions exhibit distinct characteristics. Europe has taken the lead in entering the replacement cycle of a new generation of power meters, focusing on data security and transmission efficiency. North and South America prefer low-cost IoT meters adapted to

local power grids with functions supporting renewable energy integration. Africa mainly adopts devices with basic smart metering functions, with low-power consumption technologies being favored. Driven by mandatory policies and energy upgrading demand, the cumulative installed smart power meters in the three regions are expected to exceed 1.2 billion units by 2030, forming a pattern of differentiated growth.

During the year under review, the Group advanced its diversified transformation driven by the power business. Through the overall planning of global market layout and in-depth regional cultivation and breakthroughs, it achieved phased results in its globalization strategy of consolidating core markets and breaking ground in emerging markets, laying a solid foundation for sustained growth in the future.

### *Review of Business*

As of 31 December 2025, the Group's overseas business turnover was RMB3,000.30 million (2024: RMB2,396.80 million), representing a 25% YoY increase.

### *Order Data in the Year under Review*

During the year under review, the Group secured approximately RMB4,069 million (2024: RMB3,471 million) worth of overseas orders, representing an increase of 17% YoY.

### *Market Developments in Each Country*

In the South American market, during the year under review, the Group continued to consolidate the fundamental business of metering products, with a focus on developing large-scale power projects and high-margin product lines for the Smart Grid Solutions business. Beyond the direct sales system, the Group established a tiered partner mechanism, expanded diversified sales networks such as distribution channels, and fostered new growth drivers. The Brazilian market delivered an outstanding performance in the region, with the Group securing a CPFL project order worth RMB80 million in December, representing a 23% YoY increase in contract value. Business performance in other markets in the region also improved simultaneously. In 2025, the effects of the Group's strategic layout in the Latin American market became evident, with comprehensive breakthroughs in core markets such as Brazil and Costa Rica, demonstrating a strong recovery momentum and market penetration potential.

In the North American market, with the Mexican market as a core strategic pivot, business layout was continuously optimized. The Group successfully achieved diversified expansion from power meters to smart grid solutions and the distribution sector, seizing the market window of opportunity with first-mover advantages, with long-term growth potential gradually emerging. During the year under review, both contract deliveries and payment collections in North America witnessed a YoY surge, exceeding the annual targets. The Mexican market maintained a leading position in the industry. Fully leveraging its stabilizing role in the overseas business of Wasion Holdings, the Group comprehensively advanced the multi-category penetration strategy and achieved intensive regional operations. As the core engine of the internationalization strategy, the North American market completed a comprehensive upgrade from manufacturing support to localized operations through in-depth collaboration between production and R&D. The production capacity and efficiency of the Mexico factory improved in tandem, with the annual delivery value exceeding RMB1 billion.

In the African market, the Group’s market layout yielded tangible results during the year under review, with its long-term efforts finally bearing fruit. The South Africa factory was put into operation as planned, serving as a strategic pivot to fully build a “new growth pole” for regional business. Meanwhile, the Group actively explored the Northwest African market and expanded into new product areas, gradually building a diversified business portfolio. In addition, the Group achieved YoY growth in payment collection in this market in 2025, with operations in the Tanzanian market, a core region in Africa, remaining stable. In East Africa, relying on the Tanzanian joint venture as a key base, the Group continued to expand its presence in the market and consistently won annual framework contracts for power meters worth hundreds of millions of RMB, which not only ensured a steady stream of orders but also accelerated the localization of production in Kenya, Uganda and other countries. In November, the Group has successfully been shortlisted by Eskom Holdings SOC Ltd as a major supplier of power meters, and this institutional-level recognition demonstrated the fruitful results of its long-term market cultivation.

In the European market, although the pace of new market development was relatively slow in 2025 due to factors such as customer delivery schedules in the Hungarian market, the situation has shown signs of improvement, with channel cooperation becoming an important support for the Group’s revenue in the region. Notably, the Group achieved a major breakthrough in the high-end European market. Leveraging local manufacturing and software empowerment, the Group signed its first HES system software contract in May, driving the in-depth extension of its European business from a single hardware provider to a digital full-value-chain service provider, accelerating the “quality improvement and efficiency enhancement” in Europe. The Group has made concerted efforts in the “integration of hardware and software” and expanded its service boundaries. In addition, the Group successfully signed its first supply contract in Germany in December and renewed the contract for the Opus project in Hungary, marking the Group’s successful breakthrough of high-end market access thresholds and the initial success of its high-end market strategy. Overall, despite facing certain challenges in the European market, the Group has achieved key progress in high-end market development and service model upgrading with technological confidence and strategic layout, presenting a positive development trend and is expected to deliver better performance in the European market in the future.

In the Asian market, the Group delivered a strong and stable overall performance, providing core support for achieving the 2025 revenue target. During the year under review, the Group deepened cooperation with existing key channel customers, with cooperative projects progressing steadily. It actively explored emerging markets, expanded market coverage, and targeted opportunities in places like Fiji, successfully achieving breakthroughs in emerging markets. Currently, the Group has formed a market layout centered on Singapore, Malaysia and Indonesia in the Asian market, and is actively exploring emerging markets such as Myanmar, presenting a business landscape with multiple growth points. In 2025, the Group’s brand influence continued to rise, and market share further expanded. In addition, during the year under review, the Group’s payment collection was favorable, increasing by 60.4% YoY and achieving 88.5% of the collection target, further strengthening the Group’s solid financial foundation. Looking ahead, the Group will continue to consolidate its existing market advantages, deepen cooperation with key customers, continuously tap the potential of emerging markets, and further expand its market share with high-quality products and services, consolidating its brand competitiveness in the energy metering sector in Asia.

### *Future Development of International Markets*

Regarding the South American market, the Group will focus on the large-scale development of power grids, with smart grid solutions and localization at the core, and empower the market by synergizing multi-dimensional products. The Group will expand its presence in the Brazilian market, promote and deepen the smart grid solutions business, collaborate with the new energy business, and address operational efficiency pain points through localized manufacturing and services. It aims to penetrate key South American markets such as Ecuador, Chile and Colombia, increase efforts in nurturing potential markets such as Argentina, and align supply with the energy transition policies and electricity demand differences of each country. It will also expand into emerging Central American markets such as Costa Rica and the Dominican Republic and seize the opportunities from regional demand for renewable energy capacity expansion and power grid upgrading.

Regarding the North American market, the Group will focus on the stable supply of mature products such as power meters, smart grid solution systems and water meters, with key breakthroughs targeted in incremental categories such as data centers, energy storage systems, reclosers and transformers. Simultaneously, it will provide full-chain EPC general contracting services, aiming to become a benchmark for integrated capabilities of “manufacturing + integration + service”. Relying on the compliant production capacity of the Mexico manufacturing base, the Group will ensure both compliance and timeliness of product supply to surrounding regions, driving simultaneous breakthroughs in market share and revenue scale.

Regarding the African market, the Group will implement the strategic policy of “stabilizing Tanzania + breaking through high-growth markets”, consolidating its regional foundation. It will strengthen service advantages through the upgrading of EPC general contracting capabilities and strive to become a mainstream system solution provider in Africa. In Tanzania, the Group will accelerate its transformation from a single power meter supplier to a provider of smart grid solutions, enhance regional radiation capacity, and gradually penetrate surrounding markets such as Kenya, Uganda and Oman. As an emerging expansion market and core production base, South Africa will be developed into a new growth engine for regional business. Meanwhile, the Group will focus on nurturing the Northwest African market, targeting potential markets such as Nigeria, and build a business pattern supported by multiple growth drivers.

Regarding the European market, the Group will continue to consolidate its localization advantages in Hungary, focus on high-potential markets such as Germany, Turkey and Northwest Europe, and drive market breakthroughs and competitiveness improvement by enriching its product matrix. In markets such as Hungary and Romania, the Group will focus on consolidating market share and strengthening regional supply chain support capabilities. In the German and Turkish markets, the Group will accelerate the R&D and certification of new products, alongside efforts to secure orders, creating regional growth engines. It will also expand channels and increase increments through diversified cooperation models. In the Northwest European market, the focus will be on strengthening team building, promoting brand building through diversified forms such as direct sales, strategic cooperation and agency, breaking through the access barriers of the high-end market, and fostering new drivers for long-term growth.

Regarding the Asian market, leveraging the advantages of its headquarters and channels, the Group will focus on building localized operational hubs in high-potential emerging markets, drive the transformation from “broad coverage” to “deep rooting”, and strengthen differentiated competitive advantages. The Group will also continue to consolidate and expand its presence in mature markets such as Singapore and Malaysia to maintain core competitiveness. In emerging markets, the Group will establish long-term partnership systems, improve bid-winning rates and localized delivery capabilities, and create low-risk growth drivers.

### *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 year under review, the Group was granted 255 patents, including 93 patents of invention, and authored 141 software copyrights, boosting the total number of valid patents to 2,176, software copyrights to 2,046, and intellectual property rights to 4,222 as of 31 December 2025.

### *Smart Grid Solutions Business*

During the year under review, the Group won bids totalling RMB606 million from the centralized procurement projects at the headquarters of State Grid and Southern Grid, ranking first in the industry. In terms of product R&D, the Group launched a full series of current, voltage, and combined transformers covering voltage levels of 35kV and below, establishing comprehensive solution capabilities and successfully securing the State Grid centralized procurement bid for low-voltage metering transformers. The Group developed a full series of energy meters meeting the requirements of the Southern Grid 24 specification. The smart gateway energy meter, featuring a tri-modular architecture and equipped with the advanced Power Harmony OS, offers robust upgrade capabilities. With its exceptional technical strength and innovation, this product successfully passed the new product appraisal by the China Instrument and Control Society, with its technical indicators reaching an international leading level. Under a national key R&D program, the Group dedicated two years to successfully developing high-precision dynamic metering energy meters and high-adaptability energy meters (the “Double High” energy meters). These products obtained CPA certification and testing accreditation from authoritative third-party institutions, secured seven invention patents, and resulted in published academic papers, making significant contributions to the country. This product line has been deployed on the grid in Shandong, demonstrating significant advantages in dynamic metering and harmonic metering. The shared metering device developed by the Group adopts an integrated “terminal-pipe-cloud” architecture, meeting the requirements of the plug-and-play functionality and precision management within the State Grid master station system. As the industry’s first product integrating terminal control with legal metrology, it provides dual assurance through CPA certification and “100% mandatory verification”, redefining safety standards for shared power devices. It successfully won the bid from State Grid Hunan Electric Power Co., Ltd. in 2025.

As for technical achievements and authoritative certifications, the Group's R&D team, "Digital Power Grids-Oriented Smart Measurement and Data Application Innovation and Entrepreneurship Team", was recognized as a Hunan Province leading corporate technological innovation and entrepreneurship team under the 2025 Furong Program. Pan Xiaoyan was honoured as a Young Talent (youth support category) under the 2025 Furong Program. The Group's "High-Frequency Dynamic Power-Carbon Coupling Model and Carbon Data Prediction Technology" was selected as one of the first batch of metering data application cases promoted by the General Office of the State Administration for Market Regulation. The "Power-Carbon Integrated Smart Meter" was included in the 2025 energy industry brand achievement typical cases. The Smart Metering Energy Consumption Analysis and Management Software V1.0 was certified as a 2025 Hunan Province First-Edition Software Product. The "Energy-Saving and Carbon-Reduction Management System Based on Power-Carbon Detection" was listed as a green low-carbon advanced applicable technology encouraged for development in Hunan Province's industrial sector. The "Integrated Innovation of Products and Management Based on AI and Big Data" was selected as one of the 100 landmark projects under the "Digital New Infrastructure" initiative in Hunan Province.

As for smart manufacturing and brand building, the Group's smart manufacturing project, Wasion Group Smart Energy Metering Factory, was recognized as a 2025 Hunan Province "advanced level" smart factory, and received special funding support for smart manufacturing technological transformation from Changsha City. The Wasion brand was honoured by the Ministry of Industry and Information Technology as one of the first batch of enterprises with high-level quality management capabilities in 2025 and was included in the 2025 China Brand Value Evaluation Information List.

#### *AI-Integrated Energy Efficiency Solutions Business*

During the year under review, the Group proactively addressed new market opportunities and challenges and continuously strengthened technological innovation by deeply integrating AI into its industrial operations and forging core competitiveness through "IoT + Chip + AI". The Group has been committed to providing comprehensive solutions for digital power grids and smart cities, ranging from intelligent data perception and efficient data transmission to smart data application. In the smart city sector, the Group leveraged big data application management, edge computing, and AI application and other technologies as the core to successfully develop the AI edge computing gateways and smart security management platform, significantly enhancing edge computing and security management capabilities. Regarding water, gas, and heat sensing terminals, the expanded series of smart ultrasonic water meter models has obtained three major international authoritative certifications: OIML (International Organization of Legal Metrology), MID (EU Measuring Instruments Directive), and WRAS (Water Regulations Approval Scheme), laying a solid foundation for the global promotion of the Group's smart water utility solutions.

As for Power IoT, the Group's self-developed high-speed broadband carrier communication technology and chips received international recognition during the year. The new generation of dual-mode communication chips passed the testing certification by both State Grid and Southern Grid, driving a continuous increase in market share. The new-type SoC chips with an embedded NPU, co-developed with a national laboratory, were launched to support scenario upgrades in smart distribution and transparent power grids. The Wi-SUN communication module technology also passed scientific and technological achievement appraisals. The IEEE Std 2815™-2024 Guide for the Technical Specification of the Smart Distribution Transformer Terminal was officially released. The Group participated deeply in the formulating of this guide, contributing the key "Chinese Wisdom" to the birth of the world's first international standard for smart distribution transformer terminals. Furthermore, as a Contributor Member of the Wi-SUN Alliance, the Group's proprietary chips cover the power AMI communication standards in over 70% of countries worldwide, with technical compatibility and international competitiveness continuously enhanced. Among the flagship products launched during the year, the series of smart metering terminals based on the Power Harmony OS and dual-mode communication modules were recognized as reaching a domestic leading level in the technological achievement appraisals, aligning closely with the construction needs of digital power grids. The station electric energy acquisition terminal (WFET-2000) achieved full localization replacement of hardware and software, with its overall technology recognized as reaching a domestic leading level, continuing to spearhead industry development. Additionally, the Group achieved significant R&D results in overseas smart power grid products. Its self-developed remote terminal unit (RTU), specifically designed for complex power distribution network environments and strictly compliant with IEC international standards, was certified by experts as reaching an international advanced level, significantly improving the precision of selective fault protection in power grids. The overseas data concentrator unit (DCU) successfully secured multiple international authoritative certifications, including SGS Wi-SUN, DLMS, and G3-PLC, establishing itself as a stable cornerstone for global smart grid data transmission. The fault indicator (FI) for overseas markets enables a ground fault diagnosis accuracy of over 95% and an equipment online rate of 99%, fortifying the safe and efficient operations of overseas power grids.

### *Digital Energy Services Business*

As for the smart distribution network sector, in the domestic market, the Group continued to focus on developing comprehensive digital solutions covering energy production, transmission, consumption, and storage. By relying on the orderly dispatch scheme for mass access of distributed photovoltaics and new power loads, the Group built its core digital infrastructure capabilities to meet the requirements for observable, measurable, controllable, and adjustable low-voltage distribution networks, thereby assisting in the consumption, absorption, and utilization of new energy and the autonomy of transformer areas, and driving the green, low-carbon, and intelligent upgrade of power grids. In overseas markets, the Group focused on the niche segment of distribution network equipment. Driven by technical standardization and product customization, the Group established a differentiated competitive moat. With its full-series core products, the Group led the smart and green transformation of regional distribution networks. Regarding transformer products, the Group further improved the full-scenario coverage of transformers, laying a solid foundation for subsequent mass production and global expansion. Regarding switchgear products, the Group significantly enhanced the self-healing capability of distribution lines and the reliability of power supply, and continued to build a green switchgear product system, aligning with the global trend towards carbon peaking and carbon neutrality.

As for the data center business, in the domestic market, the Group seized opportunities brought by the rapid development of domestic digital new infrastructure and computing power infrastructure, and continuously deepened its presence in the core equipment and integrated solutions for the power system in data centers. In 2025, the Group completed the R&D of a new generation of power modules and successfully won bids for data center projects from leading internet technology enterprises, further consolidating its position in the domestic high-end data center power equipment market. In 2026, the Group will increase R&D investment and focus on breakthroughs in key technologies and product iteration, including R&D in liquid cooling distribution units (CDU) and secondary piping systems, power module system upgrades, DC technology layout, intelligentization, and industry customization. The Group will continue to consolidate its technological leadership and market dominance in domestic data center power infrastructure, empowering the green and intelligent development of China's digital infrastructure. In overseas markets, by leveraging its technological advantages in intelligentization, integration, and prefabrication and taking distribution prefabricated cabins and IT skids as the core product system, the Group achieved scaled market deployment. Closely aligning with the rapid construction demand for regional data centers, the Group delivered highly adaptable, fast-deployment power distribution prefabricated cabins and prefabrication solutions, successfully implementing power system supporting projects for multiple large-scale data centers. In 2026, the Group will take the integrated "power management + thermal management" solution as the core, and further advance technology integration and system optimization. The Group aims to continuously strengthen its full-scenario, localized service capabilities in the global data center infrastructure sector, facilitating the evolution of global data centers towards greater efficiency, sustainability, and intelligentization.

As for the new energy storage related business, in the domestic market, the Group focused on charging and battery swapping operators as well as urban integrated energy systems, and developed core technologies including smart power allocation for charging and battery swapping, bidirectional power supply, and offline battery swapping, which enabled dynamic power dispatching, multi-scenario power supply, and secure interaction in offline conditions, significantly enhancing system reliability and standardization, thus providing support for applications of industry technologies. In overseas markets, the Group independently developed liquid-cooled energy storage cabinets and liquid-cooled energy storage container systems for commercial and industrial applications. Featuring core advantages such as high energy density, enhanced safety, and seamless switching between grid-connected and off-grid operation, these products deliver significant cost reductions and efficiency gains compared to traditional air-cooled products. Having obtained multiple key international certifications, these products have successfully entered mainstream markets in North America and Australia, becoming the preferred option for local commercial and industrial energy storage and microgrid projects. This achievement underscores the Group's capabilities in global market expansion and technology commercialization. At the software ecosystem level, the Group independently developed an integrated generation-grid-load-storage energy management system (EMS). This system achieves full coverage across diverse application scenarios and completes a three-dimensional layout of local deployment, cloud platforms, and mobile terminals. It enables coordinated dispatching and intelligent control of energy storage systems, power grids, and loads, and provides customers with a "hardware + software + service" full-lifecycle solution, thus facilitating the global energy system's transformation towards greater efficiency, intelligentization, and decentralization.

Looking ahead, the Group will continue to prioritize technological innovation as its core driving force, deepen its global market footprint, and refine its full-industry-chain product matrix. Through products and solutions of higher standards, the Group aims to empower global power grid upgrades and energy transition, solidify its industry leadership, and create greater value for both the industry and society at large.

### *International Markets*

During the year under review, the Group's shipment volume and revenue showed improvement compared to 2024. Meanwhile, the long-term effects of cost-reduction measures became gradually evident, with the gross profit margin increasing by 0.4% YoY and exceeding the annual goal by 1.6%. In terms of R&D and innovation, the Group saw a continued rising proportion of invention patents among applications and grants in 2025. Throughout the year, the Group filed 68 new intellectual property applications, including 40 invention patents and 15 software copyrights, representing a 30% increase YoY. Among them, 30 patent applications were accepted for examination, including 24 invention patents. The Group secured 53 new intellectual property rights, including 19 invention patents and 19 software copyrights. The products customized for seven key global markets obtained 21 certifications, including IDIS, DLMS, G3 Dual-Mode, ANATEL, TUV, ROHS, and CC. The general market products successfully passed type tests under the IEC 62052-11 2020 standard and obtained certifications such as MID and G3 Dual-Mode, further enhancing product competitiveness. Furthermore, the Group launched system software including a public key infrastructure and a network management system ("NMS"), further enriching the AMI 2.0 product line. Meanwhile, the Group achieved large-scale networking and network optimization plans, and established an integrated testing environment that simulates complex on-site conditions, thus providing robust assurance for the implementation of comprehensive on-site solutions. As for market development, the North America market demonstrated steady progress with a continuous increase in integrated innovation business volume. The steady progress in the development of information systems for delivery, receipt and quotation provides essential tools for market expansion. In the Latin America market, the Group leveraged its Brazilian plant to successfully secure the CPFL project, with a contract value exceeding RMB80 million. In the European market, the Group relied on its Hungarian factory to achieve order production and delivery. Its products obtained CC certification, thus complying with European safety design requirements. In the Asian market, the Group signed delivery contracts for nearly 200,000 units of its smart meter series. In the African market, the Wasion South Africa company was officially inaugurated, laying a solid foundation for the Group's regional expansion across the African continent. As for brand influence and R&D capabilities, the global influence of the Wasion brand continued to rise. The Group's proposal, "NMS Smart Network Management System Architecture and Practice Integrating AI Optimization Technology", was selected as an "AI+" service trade demonstration case at the 2025 China International Fair for Trade in Services. Additionally, the Group's global R&D center based in Changsha received special government subsidies, as the Group continuously strengthened the development of its global R&D capabilities.

## **Financial Review**

### *Revenue*

During the year under review, revenue increased by 16% to RMB10,073.53 million (2024: RMB8,716.54 million).

### *Gross Profit*

The Group's gross profit increased by 19% to RMB3,596.92 million for the year ended 31 December 2025 (2024: RMB3,035.14 million). The overall gross profit margin is 35.7% in 2025 (2024: 34.8%).

### *Other Income*

The other income of the Group amounted to RMB238.77 million (2024: RMB241.73 million) which was mainly comprised of interest income, government grants and refund of value-added tax.

### *Other gains and losses*

Other losses for the year ended 31 December 2025 amounted to RMB0.30 million (2024: RMB8.79 million) which comprised mainly of net foreign exchange gains, fair value gains on forward currency contracts, not designated at hedging, customers penalty paid for delay of product delivery and gain on disposal of subsidiaries.

### *Operating Expenses*

In 2025, the Group's operating expenses, including selling expenses, administrative expenses and research and development expenses amounted to RMB1,936.29 million (2024: RMB1,835.84 million). Operating expenses accounted for 19% of the Group's revenue in 2025, representing an decrease of 2% as compared with 21% in 2024.

### *Finance Costs*

For the year ended 31 December 2025, the Group's finance costs amounted to RMB106.60 million (2024: RMB125.53 million). The decrease was mainly attributable to the decrease of bank borrowings and bank borrowings interest rates during the year.

### *Operating Profit*

Earnings before finance costs and tax for the year ended 31 December 2025 amounted to RMB1,851.46 million (2024: RMB1,333.12 million), representing an increase of 39% as compared with last year.

### *Profit Attributable to Equity Shareholders of the Company*

The profit attributable to equity shareholders of the Company for the year ended 31 December 2025 increased by 50% to RMB1,058.25 million (2024: RMB705.61 million) as compared with last year.

### *Liquidity and Financial Resources*

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

As at 31 December 2025, the Group's current assets amounted to approximately RMB13,318.82 million (2024: RMB11,774.07 million), with cash and cash equivalents totaling approximately RMB3,015.24 million (2024: RMB2,790.30 million).

As at 31 December 2025, the Group's total borrowings amounted to approximately RMB2,486.90 million (2024: RMB2,587.20 million), of which RMB1,400.82 million (2024: RMB1,615.72 million) will be due to repay within one year and the remaining RMB1,086.08 million (2024: RMB971.47 million) will be due after one year. In 2025, the interest rate for the Group's bank borrowings ranged from 1.23% to 9.40% per annum (2024: 1.00% to 12.12% per annum).

The gearing ratio (total borrowings divided by total assets) decreased from 16% in 2024 to 14% in 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 and EUR. 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 year under review, after the termination of the exchange contracts brought forward from prior years, the Group did not further enter any forward contacts and management is still closely monitoring the fluctuation and take any actions if necessary.

### *Charge on Assets*

As at 31 December 2025, the pledged deposits are denominated in Renminbi and are pledged to banks as security for bills facilities granted to the Group. In addition, the Group's certain buildings and leasehold land are pledged to banks as security for bank loans to the Group.

### *Capital Commitments*

As at 31 December 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 consolidated financial information amounted to RMB115.69 million (2024: RMB61.29 million) and RMB48.4 million (2024: RMB56.00 million), respectively.

### *Contingent Liabilities*

As at 31 December 2025, the Group had no material contingent liabilities.

## **OTHER INFORMATION**

### **Employees and Remuneration Policies**

As at 31 December 2025, the Group had 5,448 (2024: 5,280) staff. Employee remuneration is determined on performance, experience and prevailing market conditions, with compensation policies being reviewed on a regular basis. The Company has adopted a share option scheme to recognize and acknowledge the contributions made or will be made to the Group by the eligible participants. The Company has also adopted a share award plan in which the eligible employees will be entitled to participate. The purposes of the share award plan are to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group and also to attract suitable personnel for further development of the Group.

### **Dividends**

The Board has proposed a final dividend of HK\$0.48 (2024: HK\$0.38) per share to shareholders of the Company (the “**Shareholders**”) whose name appear in the register of members of the Company on Wednesday, 27 May 2026 and a resolution to this effect will be proposed and subject to the Shareholders’ approval in the forthcoming annual general meeting. The final dividend will be paid on 11 June 2026.

### **Closure of Register of Members**

The register of members will be closed for the following periods:

- (a) For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting to be held on Friday, 15 May 2026 (“**AGM**”), the register of members will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 11 May 2026.
- (b) For the purpose of determining shareholders who qualify for the final dividend, the register of members will be closed from Tuesday, 26 May 2026 to Wednesday, 27 May 2026, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2026.

### **Purchase, Sale or Redemption of Listed Securities**

During the year ended 31 December 2025, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

## **Compliance with the Corporate Governance Code of the Listing Rules**

During the year ended 31 December 2025, the Company has applied the principles of and has complied with all code provisions of the Corporate Governance Code as set forth 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 year ended 31 December 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 year ended 31 December 2025.

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

## **AUDIT COMMITTEE**

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

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

The annual results of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee.

## **SCOPE OF WORK ON THE RESULTS ANNOUNCEMENT BY AUDITORS**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Company’s auditor on the preliminary announcement.

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

The electronic version of this announcement will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.wasion.com](http://www.wasion.com). The annual report of the Company for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

### ***Executive Directors***

Ji Wei  
Kat Chit  
Li Hong  
Zheng Xiao Ping  
Tian Zhongping

### ***Independent non-executive Directors***

Chan Cheong Tat  
Jiang Xinjian  
Wang Yaonan

### ***Non-executive Director***

Cao Zhao Hui

By order of the Board  
**Wasion Holdings Limited**  
**Ji Wei**  
*Chairman*

Hong Kong, 26 March 2026