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Wasion Holdings Limited
威勝控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3393)

**ANNOUNCEMENT OF THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

FINANCIAL HIGHLIGHTS

- Turnover amounted to RMB3,741.54 million (Period 2023: RMB3,225.68 million), representing an increase of 16%.
- Revenue from Power AMI increased by 28% to RMB1,451.12 million as compared with Period 2023.
- Revenue from Communication and Fluid AMI increased by 18% to RMB1,151.12 million as compared with Period 2023.
- Revenue from ADO increased by 2% to RMB1,139.29 million as compared with Period 2023.
- Net profit for the period attributable to owners of the Company increased by 55% to RMB331.03 million (Period 2023: RMB213.82 million).
- Basic earnings per share for the period amounted to RMB33.5 cents (Period 2023: RMB21.7 cents).
- The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (Period 2023: Nil).

The board of directors (the “**Board**”) of Wasion Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereafter collectively referred to as the “**Group**”) for the six months ended 30 June 2024, together with the unaudited comparative figures for the corresponding period in 2023 (“**Period 2023**”), as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	3,741,537	3,225,682
Cost of sales		(2,413,807)	(2,048,953)
Gross profit		1,327,730	1,176,729
Other income, gains and losses, net		141,214	41,658
Administrative expenses		(173,100)	(150,278)
Selling expenses		(309,320)	(291,634)
Research and development expenses		(308,187)	(304,627)
Impairment losses on financial assets and contract assets, net		(55,328)	(37,459)
Finance costs		(62,690)	(62,417)
Share of profits of an associate		296	—
Profit before tax	4	560,615	371,972
Income tax expense	5	(94,943)	(56,829)
PROFIT FOR THE PERIOD		<u>465,672</u>	<u>315,143</u>
Profit for the period attributable to			
— Owners of the parent		331,030	213,815
— Non-controlling interests		134,642	101,328
		<u>465,672</u>	<u>315,143</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic		<u>RMB33.5 cents</u>	<u>RMB21.7 cents</u>
Diluted		<u>RMB33.4 cents</u>	<u>RMB21.7 cents</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	465,672	315,143
OTHER COMPREHENSIVE (LOSS)/INCOME:		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	(1,298)	(1,737)
Tax effect	65	128
	(1,233)	(1,609)
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(35,443)	20,658
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(36,676)	19,049
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	428,996	334,192
Attributable to:		
Owners of the parent	293,866	232,864
Non-controlling interests	135,130	101,328
	428,996	334,192

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	<i>Notes</i>	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,081,894	1,958,179
Investment properties		6,584	15,019
Right-of-use assets		183,420	183,838
Goodwill		330,636	330,636
Other intangible assets		528,959	523,826
Investment in a joint venture		—	—
Investment in an associate		9,447	9,151
Equity investments designated at fair value through other comprehensive income		64,561	65,771
Financial assets at fair value through profit or loss		226,149	26,149
Loan receivables		85,000	85,000
Prepayments, other receivables and other assets		66,282	73,489
Deferred tax assets		132,695	119,564
		3,715,627	3,390,622
CURRENT ASSETS			
Inventories		1,271,814	1,205,919
Trade and bills receivables	8	4,938,794	4,550,227
Contract assets	9	437,961	404,953
Prepayments, other receivables and other assets		1,030,147	802,606
Financial assets at fair value through profit or loss		—	200,000
Structured deposits		360,000	120,000
Pledged deposits		426,208	560,896
Cash and bank balances		2,157,570	2,644,896
		10,622,494	10,489,497
CURRENT LIABILITIES			
Trade and bills payables	10	3,917,168	3,938,543
Other payables and accruals		454,409	453,131
Financial liabilities at fair value through profit or loss		19,277	49,939
Interest-bearing bank borrowings		1,690,449	1,679,302
Lease liabilities		7,702	5,221
Tax payable		77,800	101,575
		6,166,805	6,227,711
NET CURRENT ASSETS		4,455,689	4,261,786
TOTAL ASSETS LESS CURRENT LIABILITIES		8,171,316	7,652,408

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

AT 30 JUNE 2024

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	1,280,096	835,144
Lease liabilities	3,859	3,795
Deferred tax liabilities	35,490	36,848
	<hr/>	<hr/>
Total non-current liabilities	1,319,445	875,787
	<hr/>	<hr/>
Net assets	6,851,871	6,776,621
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	9,906	9,906
Reserves	5,195,109	5,156,730
	<hr/>	<hr/>
	5,205,015	5,166,636
Non-controlling interests	1,646,856	1,609,985
	<hr/>	<hr/>
Total equity	6,851,871	6,776,621
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. The interim financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. REVENUE AND OPERATING SEGMENT INFORMATION

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

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

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

Six months ended 30 June 2024 (unaudited)

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

3. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2023 (unaudited)

	Power advanced metering infrastructure <i>RMB'000</i>	Communication and fluid advanced metering infrastructure <i>RMB'000</i>	Advanced distribution operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:				
Sales to external customers	1,133,613	979,546	1,112,523	3,225,682
Intersegment sales	<u>10,652</u>	<u>29,071</u>	<u>—</u>	<u>39,723</u>
	1,144,265	1,008,617	1,112,523	3,265,405
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(39,723)</u>
				<u><u>3,225,682</u></u>
Segment results	124,684	203,120	64,994	392,798
<i>Reconciliation:</i>				
Interest income				40,493
Finance costs (other than interest on lease liabilities)				(62,076)
Unallocated corporate gains and expenses, net				<u>757</u>
Profit before tax				<u><u>371,972</u></u>

3. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
<i>Revenue from contracts with customers</i>	<u>3,741,537</u>	<u>3,225,682</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2024 (unaudited)

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

3. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the six months ended 30 June 2023 (unaudited)

Segments	Power advanced metering infrastructure <i>RMB'000</i>	Communication and fluid advanced metering infrastructure <i>RMB'000</i>	Advanced distribution operations <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Smart power meters	1,133,613	—	—	1,133,613
Communication terminals, water, gas and heat metering products	—	979,546	—	979,546
Smart power distribution devices	—	—	1,026,351	1,026,351
System solution services	—	—	86,172	86,172
	<u>1,133,613</u>	<u>979,546</u>	<u>1,112,523</u>	<u>3,225,682</u>
Geographic markets				
PRC	491,773	862,882	1,099,165	2,453,820
America	480,814	—	8,011	488,825
Africa	90,585	24,813	1,697	117,095
Asia, except for PRC	53,386	91,851	3,650	148,887
Europe	17,055	—	—	17,055
	<u>1,133,613</u>	<u>979,546</u>	<u>1,112,523</u>	<u>3,225,682</u>
Timing of revenue recognition				
Goods transferred at a point in time	1,133,613	979,546	1,026,351	3,139,510
Services rendered over time	—	—	86,172	86,172
	<u>1,133,613</u>	<u>979,546</u>	<u>1,112,523</u>	<u>3,225,682</u>

4. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories sold	2,362,706	1,962,497
Cost of services rendered	29,135	62,368
Depreciation of property, plant and equipment	59,184	47,747
Depreciation of right-of-use assets	7,435	8,189
Depreciation of investment properties	86	1,268
Amortisation of other intangible assets (excluding the deferred expenditure amortised)*	10,428	7,577
Research and development costs:		
Research and development expenses	296,723	274,769
Less: capitalised development costs	(56,241)	(41,776)
	240,482	232,993
Amortisation of capitalised development costs	67,705	71,634
	308,187	304,627
Provision of impairment losses on financial assets and contract assets, net:		
Trade receivables	54,925	26,194
Contract assets	403	11,265
	55,328	37,459
Fair value losses, net:		
Derivative instruments — transactions not qualifying as hedges	4,369	46,027
Gain on disposal of items of property, plant and equipment	(141)	(588)
Write-down of inventories to net realisable value**	21,966	24,088
Foreign exchange gains, net	(272)	(8,079)

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

** Included in "Cost of inventories sold".

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income that was subject to Hong Kong Profits Tax during the periods ended 30 June 2024 and 2023.

Tax on profits assessable in the People's Republic of China (“**PRC**”) has been calculated at the applicable PRC corporate income tax (“**CIT**”) rate of 25% (30 June 2023: 25%), except that certain PRC subsidiaries which are approved as enterprises that satisfied the condition as high technology development enterprises and obtained the Certificate of High New Technology Enterprise can continue to enjoy the preferential tax rate of 15% for a consecutive three years from years 2021 to 2024, years 2022 to 2025 or years 2023 to 2026.

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

Macau Complementary Tax has been provided at the rate of 12% (six months ended 30 June 2023: 12%) on the assessable profits arising in Macau during the period.

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

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current		
Charge for the period	108,088	69,455
Under-provision/(overprovision) in prior periods	1,279	(1,111)
	<u>109,367</u>	<u>68,344</u>
Deferred tax	(14,424)	(11,515)
	<u>94,943</u>	<u>56,829</u>
Total tax charge for the period		

6. DIVIDENDS

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Final declared and paid — HK28 cents (31 December 2023: HK23 cents) per ordinary share	<u>253,332</u>	<u>203,696</u>

The directors of the Company do not recommend the payment of a dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to owners of the parent, used in the basic earnings per share calculation	331,030	213,815
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>(257)</u>	<u>—</u>
Profit attributable to owners of the parent, used in the diluted earnings per share calculation	<u>330,773</u>	<u>213,815</u>
	Six months ended 30 June	
	2024	2023
	Number of	Number of
	shares	shares
	(unaudited)	(unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	988,210,675	986,246,497
Effect of dilutive potential ordinary shares arising from share awarded	<u>1,988,785</u>	<u>—</u>
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	<u>990,199,460</u>	<u>986,246,497</u>

Note:

During the periods ended 30 June 2024 and 2023, the weighted average number of ordinary shares for the calculation of basic and diluted earnings per share have been adjusted for the effect of a pool of shares maintained by a trustee.

During the period ended 30 June 2024, the earnings for the purpose of calculating diluted earnings per share were 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 computation of diluted earnings per share does not assume the effect of certain Company's share options because the exercise price of those share options were higher than the average market price for shares for the periods ended 30 June 2024 and 2023. There were no other dilutive potential ordinary shares in existence during the periods ended 30 June 2024 and 2023.

8. TRADE AND BILLS RECEIVABLES

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade receivables	5,242,873	4,644,367
Bills receivable	95,351	251,701
	5,338,224	4,896,068
Less: Impairment loss on trade receivables	(399,430)	(345,841)
	<u>4,938,794</u>	<u>4,550,227</u>

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

Included in the Group's trade receivables are amounts due from the Group's joint venture of RMB52,503,000 (31 December 2023: RMB48,009,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
0–90 days	2,021,229	1,892,469
91–180 days	909,385	1,084,690
181–365 days	1,341,463	877,920
1–2 years	460,885	482,165
Over 2 years	205,832	212,983
	<u>4,938,794</u>	<u>4,550,227</u>

9. CONTRACT ASSETS

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Contract assets	441,905	408,494
Less: Impairment loss on contract assets	(3,944)	(3,541)
	<u>437,961</u>	<u>404,953</u>

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

As at 30 June 2024, included in the Group's contract assets are amounts due from the Group's joint venture of RMB9,592,000 (31 December 2023: RMB9,458,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

10. TRADE AND BILLS PAYABLES

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade payables	2,848,150	2,354,548
Bills payable	1,069,018	1,583,995
	<u>3,917,168</u>	<u>3,938,543</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:

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
0–90 days	2,257,412	2,268,112
91–180 days	1,017,553	1,266,595
181–365 days	490,430	294,702
Over 1 year	151,773	109,134
	<u>3,917,168</u>	<u>3,938,543</u>

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

Included in the Group's trade payables are amounts due to the Group's joint venture of RMB6,335,119 (31 December 2023: RMB7,135,000), which are repayable on credit terms similar to those offered by the major suppliers of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Macro Environment

In the first half of 2024 (“**period under review**”), multiple economies continued to be influenced by inflation, but the overall economy performed better than expected, and the outlook has also shown signs of improvement. In the domestic market, due to the rising complexity and severity of the global economy, coupled with adjustments in the domestic economic structure, various industries are encountering new challenges. However, the enhancement of external demand and the accelerated development of new productive forces have created new drivers for economic growth. Overall, the domestic economy operated smoothly, with stable development across all industries. According to the estimation released by the National Bureau of Statistics of China, GDP in the first half of the year was RMB61.7 trillion, representing a 5.0% increase year-on-year (“**YoY**”) at constant prices. In the first half of the year, new intelligent green products such as integrated circuits, service robots, new energy vehicles, and solar cells performed well, maintaining double-digit production growth and contributing to economic momentum. Total social energy consumption increased by approximately 4.7% YoY, with a slowdown of 0.5 percentage points from the first quarter. Rapid growth in new energy consumption improved the energy structure, with the proportion of clean energy consumption such as natural gas and hydro-nuclear-solar-wind power increasing by 2.2 percentage points YoY. Additionally, new energy passenger vehicle retail sales reached 4.11 million units in the first half of the year, representing a 33.1% increase YoY. New energy vehicle production increased by 34.3% YoY, with related products like charging piles and automotive lithium-ion batteries increasing by 25.4% and 16.5%, respectively.

Review of the Power Grid Industry

During the period under review, China’s overall electricity consumption was 4.66 trillion kWh, representing an 8.1% increase YoY. The electricity consumption by the China Southern Power Grid Company Limited (“**Southern Grid**”) was 788.8 billion kWh across five provinces, marking a 9.1% YoY increase and 3.7 percentage points increase over the same period last year. During the period, there was 19,400 km of grid infrastructure (of 110kV to 750kV) of the State Grid Corporation of China (“**State Grid**”) commenced production, totalling 134 million kVA, while 21,700 km of infrastructure commenced construction, totalling 152 million kVA, overfulfilling the milestone plan for power grid construction in the first half of the year. In terms of smart power meter tenders, State Grid invited tenders for a total value of RMB12.38 billion in the first batch of centralized procurement this year, representing a 37.28% increase over the second batch of centralized procurement in 2023. A total of 44,145,300 units of smart power meters were invited for tender, representing an increase of 84.55% over the second batch last year. Southern Grid is expected to invite tenders for a total value of RMB4.368 billion in the first batch of procurement for metering products, representing an increase of 135% YoY. In 2024, the fixed asset investment arrangement of Southern Grid is RMB173 billion, representing an increase of 23.5% YoY. And the investment scale remains above RMB125 billion for four consecutive years. It is reported that the investment arrangement covers a total of 194 key energy projects in the fields of power grid construction, pumped storage and new energy storage, etc.

Review of Major Policies for the Power Grid Industry

Green low-carbon transformation and digital power grid construction remained key development directions for the power grid industry in 2024 and beyond. During the period under review, State Grid and Southern Grid released several policies and development strategies, further specifying the industry's transformation goals.

At the annual science and technology work conference of the State Grid, the company stated that it is currently in urgent need of technological support. It must seize the pivotal window of opportunity for technological innovation in the next decade to gain a strategic advantage in the construction of the new power system. The period spanning the 14th Five-Year Plan to the 15th Five-Year Plan is a critical juncture for the development of the new power system. The energy and power structure is undergoing rapid transformation, new electricity consumption models are constantly emerging, electricity demand is growing rapidly, and power supply service standards are continuously improving. All of which place higher demands on the high-quality development of the power grid. In recent years, the State Grid has established a supply-demand balance analysis mechanism, achieved comprehensive statistical analysis of the entire power generation process, and strengthened the statistical quantification basis across the entire value chain of power generation, transmission, distribution, and consumption. This has laid a solid foundation for the high-quality development of the power grid.

In May, Southern Grid officially released the “Southern Grid Company Digital Operation Upgrade Plan”. The plan aims to apply digital operations across all operational and management activities at every level within the company. The goal is to empower the management system by driving these activities through processes and data, supporting operation and management with “all-dimensional computing, panoramic viewing, holistic judgment, and whole-process control”. Additionally, China's first large-capacity sodium-ion battery energy storage station, the Fulin Sodium-Ion Battery Energy Storage Station, was officially put into operation in Nanning, Guangxi, with an installed capacity of 2.5 MW/10 MWh. The initiation of production for this project marks a key breakthrough in the research and development of large-scale sodium-ion battery energy storage engineering technology, ushering in a new era of sodium-ion battery technology in China. In June, Southern Grid's wholly-owned subsidiary, Southern Grid Digital Grid Research Institute Co., Ltd., announced plans for a total investment of RMB1.45 billion to build the Southern Energy Big Data Center in Guian New Area, Guizhou Province. The project is expected to meet the professional electromechanical installation entry requirements by the end of August and to commence operations with the first batch of 500 10kW cabinets by the end of the year. Also in June, Southern Grid completed the acquisition of energy and power-related companies in Peru, marking the largest merger and acquisition of power distribution assets by a Chinese enterprise in Peru in recent years. Both parties will use this collaboration project to build an international model for power cooperation and support the energy transformation in Latin American countries.

Review of the Group’s Overall Performance

As an expert in managing energy metering and energy efficiency, the Group recorded a total turnover of RMB3,741.54 million (first half of 2023: RMB3,225.68 million) in its three main business segments during the period under review, representing a 16% increase YoY; and a gross profit of RMB1,327.73 million (first half of 2023: RMB1,176.73 million), representing a 13% increase YoY. The Group’s overall gross profit margin was 35.49% (first half of 2023: 36.48%), representing a decrease of 0.99 percentage points YoY. Net profit attributable to the Company’s owners was RMB331.03 million (first half of 2023: RMB213.82 million), representing a 55% increase YoY.

BUSINESS REVIEW

Power Advanced Metering Infrastructure (“Power AMI”)

Business Overview

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

Review of Business

During the period under review, the Group’s Power AMI business recorded a turnover of RMB1,451.12 million (first half of 2023: RMB1,133.61 million), representing an increase of 28% YoY, accounting for 39% of the Group’s total turnover (first half of 2023: 35%). Gross profit margin was 40% (first half of 2023: 45%). The Group’s power grid and non-power grid customers which included overseas customers accounted for 29% and 71% of turnover, respectively (first half of 2023: 33% and 67%).

Order Data in the Period under Review

During the period under review, the Group's Power AMI business secured domestic orders totaling approximately RMB869.86 million (first half of 2023: RMB701.70 million), representing a 24% increase YoY. Of this total, bids from power grid customers were worth approximately RMB692.13 million (first half of 2023: RMB470.20 million), representing a 47% increase YoY. This was mainly due to the product demand of State Grid and significant increase in demand of local power companies for power meters based on new standards. Bids from non-power grid customers were worth approximately RMB177.73 million (first half of 2023: RMB231.50 million), representing a 23% decrease YoY, mainly due to the faltering demand in the domestic real estate market. During the period under review, the Group's subsidiary Wasion Group Limited ("**Wasion Group**") won contracts worth RMB305.93 million in centralized tenders organized by State Grid in the first half of the year, ranking second in the industry. Wasion Group also won contracts worth RMB198.74 million in centralized tenders from Southern Grid. The Group's share in the domestic power grid market remains among the best.

Review of Development of Power AMI Business and Relevant Policies

During the period under review, the power grid customers remained the main source of revenue for this business. Wasion Group achieved a total procurement amount of RMB504.67 million from the centralized tenders organized by State Grid and Southern Grid in the first half of the year, leading the industry. Additionally, the business from provincial power grid companies and local power companies saw significant growth, with contract amounts exceeding RMB38.6 billion, primarily due to: (I) large-scale application of the new generation power meters by Inner Mongolia's local power companies, boosting the procurement quantity and revenue growth; (II) State Grid's first centralized procurement of high-end power meters stimulating performance growth; (III) increase in procurement quantities of high-end power meters, intelligent equipment, and online monitoring devices for transformers by provincial power companies within the coverage areas of State Grid and Southern Grid; and (IV) the launching of new products such as photovoltaic supporting equipment and comprehensive energy metering solutions during the period under review, maintaining stable performance in the communications industry, high energy-consuming industries, and large real estate properties. Additionally, the products newly developed by the Group for the telecommunications operators sector, the tandem solar cell combiner box and photovoltaic adapter, successfully won the bidding project of Energy Tower Corporation during the period under review.

Regarding related policies, in January, the General Office of the State Administration for Market Regulation issued the “2024 National Metrology Work Key Points”. The document highlights the strengthening of mandatory calibration management, the acceleration of quality improvement in the instrument and metering industry, and the continuous enhancement of the carbon measurement system, with a key focus on the measurement of power carbon emissions. The Group launched the world’s first power-carbon integrated smart meter in the first half of 2024, with R&D strength at the industry-leading level. In February, the National Development and Reform Commission and the National Energy Administration issued the “Guidance on High-Quality Development of Distribution Networks under New Circumstances”. The document advocates for the transformation of distribution networks from traditional “passive” single-directional radial networks to “active” bidirectional interactive systems. It also suggests evolving from a singular service provider of power supply and distribution to an efficient resource allocation platform integrating source, network, load, and storage. The aim is to establish a new type of distribution system that is safe, efficient, clean, low-carbon, flexible, and smart. In May, the Economic and Energy Supply and Demand Research Institute under the State Grid Energy Research Institute released the “China Power Supply and Demand Analysis Report 2024,” predicting that the national total social power consumption will reach 9.8 trillion kWh in 2024 with a 6.5% increase YoY. The newly installed capacity for the whole year will increase by 9.4% compared to the previous year, reaching a new historical high. By the end of 2024, the national power generation installed capacity will reach 3.32 billion kW, with new energy installed capacity accounting for over 40% and solar energy accounting for over one-fourth. Driven by demand and policy guidance, China’s annual new power consumption from 5G base stations, data centers, and electric vehicles is expected to exceed 60 billion kWh.

Prospects for Power AMI Business

For the power grid market, the centralized tenders of State Grid and Southern Grid will remain the main source of revenue for Wasion Group, which will maintain the Group’s leading position in the industry. Meanwhile, Wasion Group’s performance in the power grid industry is expected to improve, benefiting from the increased procurement by local power companies and the gradually growing market share of the Group’s independently developed intelligent power equipment. Additionally, State Grid has initiated centralized procurement bidding projects for high-end power meters and other products, which will continue to drive the release of market demand for these products. As a result, Wasion Group is expected to maintain stable growth in the power grid market.

For the non-power grid market, Wasion Group will continue to focus on power metering and reinforce its corporate position as a “green energy microgrid”, concentrating on meeting customers’ carbon emission needs based on the national dual-carbon strategy and future investment directions. In overseas markets, the Group aims to become the primary supplier of power meters in target countries. By continuously strengthening its technology R&D, Wasion Group plans to optimize product varieties based on diverse market needs and further expand its market share among comprehensive solution customers, energy-consuming industries, and dealer markets. In the second half of the year, the Group will prioritize the R&D and integration of comprehensive solutions for energy metering and energy-saving management tailored to microgrid scenarios. This initiative is expected to create classic application cases for telecommunications operators, the petroleum and petrochemical sector, and high energy-consuming enterprises, coupled with market promotions, and emerge as a new growth driver for the Group’s performance.

Communication and Fluid Advanced Metering Infrastructure (“Communication and Fluid AMI”)

Business Overview

Communication and Fluid AMI business, which mainly specializes in energy and information flows, mainly focuses on digital power grids and smart cities, committed to developing energy digitalization technology and applications, is committed in providing integrated solutions of energy AIoT platform technologies and products, and helping traditional power systems to transform and develop with source, network, load, and storage all interacting to serve cities, parks, and enterprises. It delivers more efficient energy management to electricity, charging, water services, water conservation, gas, heat, fire protection, buildings, and other applications and promotes their digital upgrading, while systematically developing digital energy systems that can be sensed, observed, measured, and controlled. Through smart energy and data interconnectivity, the Group works with customers to use energy more efficiently and pioneers low-carbon urban development. The Group provides government, enterprises, and parks with access to the data in the energy IoT and smart city IoT and consolidates the base of energy management of smart cities, enterprises, and parks and the base of urban security management. It also facilitates the digital transformation of government, enterprises, and parks to achieve “Carbon Neutrality” and realize their low-carbon and zero-carbon development goals. Driven by the “Dual Carbon” policy and virtual power plants, the Group is conducting comprehensive research on source-network-load-storage interactive technology and developing core devices.

The Group’s Communication and Fluid AMI business is conducted by Willfar Information Technology Co., Ltd. (stock code: 688100, a 58.56% shareholding subsidiary of the Group, hereinafter referred to as “**Willfar Information**”), which is the first company in Hunan Province to list on the STAR Market of the Shanghai Stock Exchange (SSE). Willfar Information is a constituent stock of the STAR Market New Generation Information Technology Index and has been shortlisted as a constituent of the SSE 380 Index, SSE STAR 100 Index, SSE STAR ESG Index and SSE STAR Artificial Intelligence Index and other heavyweight indexes.

Review of Business

During the period under review, the Group’s Communication and Fluid AMI business recorded a turnover of RMB1,151.12 million (first half of 2023: RMB979.55 million), representing a 18% increase YoY and accounting for 31% of the Group’s total turnover (first half of 2023: 30%).

Order Data in the Period under Review

As of 30 June 2024, the value of signed contracts on hand for the Communication and Fluid AMI business reached RMB3,512 million, representing a 17% YoY increase. And the value of the newly signed contracts reached RMB1,500 million, strongly underpinning the Group’s future performance.

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

During the period under review, in January, the State Grid's 2024 work conference highlighted plans for the energy internet with Chinese characteristics and international leadership to be basically constructed from 2020 to 2025, and to be fully completed from 2026 to 2035. In May, the State Council issued the "2024–2025 Energy Conservation and Carbon Reduction Action Plan", accelerating the construction of large-scale wind and photovoltaic bases focusing on deserts, Gobi, and wilderness areas, and promoting the development and utilization of distributed new energy. In May, the National Energy Administration issued the "Notice on Effectively Conducting the Work Concerning New Energy Consumption and Absorption to Ensure High-quality Development of New Energy". The notice emphasizes the need to establish "green channels" for key projects planned at the national level, such as large-scale wind and photovoltaic bases and integrated water-wind-solar power bases in river basins, with a focus on advancing a series of supportive grid construction projects. Power grid enterprises should increase the proportion of new energy transmitted across provinces and regions through power transmission channels, improve the regulatory capacity of distribution networks, and develop an intelligent dispatching system.

In view of the above, the Group continued to expand its presence within its leading sectors, intensified efforts in innovation and R&D, and consistently improved the business operating environment. Noteworthy developments include: (I) Power IoT: Willfar Information successfully won the bid in State Grid's first bidding round this year, with a total contract value of approximately RMB106 million, ranking among the top. It won bids totaling RMB312 million in Southern Grid's projects, which will provide a robust foundation for future performance growth. The HPLC+HRF dual-mode communication chip, featuring independently owned intellectual property rights, has passed the State Grid Metering Center's interconnection chip-level testing. It is designed for wide application in areas such as smart communities, smart homes, smart streetlights, charging stations, and energy management systems. The chip is expected to drive performance growth both domestically and internationally. (II) Digital smart cities: The Group applied the new generation of AI technology in the construction of new power systems, promoting the digital smart transformation of the power industry. The AI edge computing gateways and smart security management platform developed by the Group have significantly enhanced capabilities in edge computing and security management. Additionally, during this period under review, the Group collaborated with the Huairou Laboratory, a new national-level scientific research institution in the energy field established and managed by the central government, on the "chip + AI" initiative to facilitate the industrialization of scientific research results. (III) Overseas markets: During the period under review, Willfar Information added two new subsidiaries in Mexico and Indonesia, while initiating factory construction plans in Saudi Arabia, Indonesia, and Mexico. It also planned to increase capital by HK\$800 million to its Hong Kong subsidiary for international market expansion. Willfar Information has obtained product certifications in multiple markets, including Asia, the European Union, and North America. During the period under review, it actively participated in international exchange activities and promoted business cooperation, striving to provide global clients with more reliable and higher quality products and services.

Prospects for Communication and Fluid AMI Business

Given the continued investment by power grid clients in the digital sector and the progressive refinement and implementation of industry reform policies, the Group will further develop its strategy from both the energy supply and consumption perspectives. The Group aims to establish a multi-energy, multi-level energy IoT platform that will deeply integrate into cities, parks, buildings, and enterprises. This will enable the digitalization and low-carbon operational development of urban infrastructures, including power, water, gas, heating, electricity consumption, and charging facilities. Currently, there is a clear trend towards the systematic and integrated interaction of IoT with other next-generation information technologies such as big data and AI. Technologies like virtual reality (VR) and augmented reality (AR) are continuously emerging within core technology systems, including hardware, software, and services, and are rapidly integrating with IoT. This integration provides innovative solutions for critical IoT technologies, such as sensing, data processing, and presentation methods, which are particularly applicable in industries like new power systems, smart water management, and intelligent firefighting.

In view of the continuing increase in investment from the State Grid and the Southern Grid in the digital smart upgrading of the power grid, the Group will leverage its extensive experience and technical reserves in power IoT to actively align with the national goals and plans for constructing new power systems. This positions the Group to continuously reap benefits throughout the industry's high prosperity cycle. Furthermore, according to research data from Omdia, the global AMI (Advanced Metering Infrastructure) communication market is projected to maintain growth over the next five to eight years, with an annual compound growth rate of approximately 5.1%. Power meters equipped with communication capabilities are expected to account for over 75% of the market, with an anticipated installation of 912 million such meters between 2023 and 2029. The Group is well-positioned to benefit from this favorable market trend.

Advanced Distribution Operations (“ADO”)

Business Overview

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

Review of Business

The Group's ADO business recorded a turnover of RMB1,139.29 million (first half of 2023: RMB1,112.52 million) during the period under review, representing an increase of 2% YoY, and accounting for 30% of the Group's total turnover (first half of 2023: 35%). Gross profit margin was 26% (first half of 2023: 24%). The Group's power grid customers and non-power grid customers which included overseas customers accounted for 34% and 66% of turnover, respectively (first half of 2023: 29% and 71%).

Order Data in the Period under Review

During the period under review, the Group's ADO business secured orders worth RMB1,875 million (first half of 2023: RMB1,698 million), increased by 10% YoY. Of these orders, contracts won from the power grid market had a combined value of over RMB751 million (first half of 2023: RMB734 million), increased by 2% YoY. This upswing in orders was mainly due to the multi-direction expansion of the Southern Grid regions, achieving a full product coverage. Additionally, the Group's retail contracts continued to grow, gradually increasing the market share. The Group strengthened the construction of the power grid core markets, further developed specific residential power distribution markets, and successfully expanded the Northwest China market during the period.

Contracts won from the non-power grid market had a combined value of over RMB1,064 million (first half of 2023: RMB956 million), grew by 11% YoY. This growth was mainly attributable to the Group's efforts in keeping up with the new performance growth drivers brought about by the national 5G construction and digital transformation. The Group continued to win orders from key telecommunication operators, including regional centralized procurement projects of China Tower and China Mobile, and projects of China Telecom. At the same time, the Group focused on expanding industrial and commercial energy storage business and achieved a larger market share in Guangdong Province.

Contracts won from the overseas market had a combined value of over RMB59.5 million (first half of 2023: RMB8.5 million), marking a 602% YoY increase. The main reason for the increase in orders was that the Group has successively won key demonstration projects in North America, South America, Australia and Europe, covering relevant products and systems for intelligent distribution network and new energy storage.

Review of Development of ADO Business and Relevant Policies

As for the domestic power grid market, in view of the increasingly significant trends toward strategic transformation in power IoT by State Grid and in digital power grids by Southern Grid, and considering the rising demand for electricity distribution in new-generation power systems, the Group has successively launched intelligent distribution products for primary, secondary, and integrated primary and secondary systems, as well as smart distribution solutions. This has led to stable growth in the total volume, operation scope, and product variety of bids won. Due to the regional expansion of Southern Grid, the Group experienced a significant YoY increase in the bid amount from centralized procurement in the first half of the year, achieving full product line coverage. The number of retail contracts won by the Group also continued to grow, progressively increasing its market share. Additionally, the Group consistently secured stable bids for substation projects from the headquarters of State Grid. Within the agreements with State Grid's provincial companies, the Group successfully won its first bid for low-voltage switchgear in the Shanghai market, and its integrated primary and secondary products covered Jilin Province for the first time.

As for the domestic non-power grid market, the national 5G construction and digital transformation initiatives have created new opportunities for growth, enabling the Group to achieve significant breakthroughs in the communications market in the first half of the year. It successfully won bids for the centralized procurement of intelligent battery cabinets at China Tower's headquarters for the period 2023 to 2025. The Group secured bids for regional centralized procurement projects of China Mobile in Inner Mongolia and Henan Province and expanded into the battery swap markets for operators and customers across various provinces, collaboratively exploring opportunities with local and emerging operators. During the period under review, the Group maintained stable collaboration with key customers in the new energy and energy storage sectors, including China Resources Power, China Power, CHN Energy, and State Power Investment Corporation Limited, thereby further strengthening these strategic partnerships.

As for overseas markets, during the period under review, the Group strategically expanded into regions including North America, South America, Australia, Europe, and Southeast Asia, and successively won bids for key demonstration projects, with products and services winning recognition from overseas customers.

As for industry policies, in March, the national commissions issued the “Guidance on High-Quality Development of Distribution Networks under New Circumstances”, setting for the distribution networks to have an access capacity for approximately 500 million kW of distributed new energy and about 12 million charging piles by 2025. The guidance aims for the distribution networks to fundamentally achieve a transformation towards flexibility, intelligentization, and digitization by 2030. In April, the National Energy Administration issued the “Notice on Promoting New Energy Storage Integration and Dispatching and Allocation”, proposing to strengthen new energy storage dispatch methods from three aspects and enhance new energy storage operation management. In addition, the document also clearly stated that despite the rapid increase in installed capacity, the utilization rate of new energy storage remains relatively low. In May, the State Council issued the “2024–2025 Energy Conservation and Carbon Reduction Action Plan”, setting a target for non-fossil energy generation to account for approximately 39% of the total by 2025. The plan emphasizes the need to enhance renewable energy consumption and absorption capacity, accelerate the construction of transmission channels for large-scale wind and photovoltaic bases, and improve cross-provincial and cross-regional transmission capabilities. It also calls for accelerating the transformation of distribution networks to boost the carrying capacity of distributed new energy.

Prospects for ADO Business

In 2024, for overseas markets, the Group will maintain its focus on key regions and countries such as North America, South America, Australia, Europe, and Southeast Asia. By leveraging its diverse market channels and product strengths, it aims to rapidly capture local market shares and achieve significant breakthroughs in overseas business. Meanwhile, the Group will continue to deepen its market penetration by collaborating with local dealers and offering solutions tailored to specific market segments. It will methodically enhance opportunities through e-commerce sales channels and actively conduct research on local market demands to seek further opportunities for development in niche sectors and new businesses.

For the domestic power grid market, the Group, leveraging its foundation in smart power distribution products, seeks new avenues for business growth and opportunities for industrial upgrading in the emerging trend of new energy and the industrial internet. It will actively participate in centralized procurement projects organized by State Grid, Southern Grid, and provincial power companies. By adopting a “multi-product, multi-channel” strategy in its bidding processes, the Group aims to improve its bid-winning rate and maintain its competitive edge in the market. The Group will continue to uphold its leading position in the market and technology for integrated primary and secondary products, ensuring sustained and stable growth in the performance of distribution network products including high and low voltage switchgear, box-type substations, and low-voltage switches.

For the domestic non-power grid market, the Group is committed to a high-quality business development strategy, aiming to achieve new business growth and breakthroughs through innovative products and solutions. The Group will focus on the communications tower infrastructure industry and the strategic cooperation with key customers including China Mobile, China Unicom, and China Telecom. It aims to expand into new corporate headquarters and provincial markets, and to develop in new cities and application scenarios. The Group also seeks to engage in large-scale projects at the headquarters of petroleum and petrochemical companies to foster rapid growth in that sector. The Group will intensify branding efforts for its industrial and commercial energy storage products, focusing on targeted customers and strategic directions, with the aim of improving both the quantity and quality of customer acquisitions and market expansions.

International Markets

Global Smart Power Meter Information

Research and Markets' data reveals that in terms of shipments, the market scale of the global smart power meter is expected to increase from 162.19 million units in 2024 to 236.24 million units in 2029, with a compound annual growth rate (“CAGR”) of 7.81%. In Europe, the increasing capacity of new energy grid connections and growing number of charging piles due to the higher penetration rate of electric vehicles are driving the upgrading of power grids, and the demand for distribution transformers is expected to keep growing. Based on Mordor Intelligence's data, the European distribution transformer market reached about USD2.71 billion in 2023, and the revenue is expected to increase to USD3.43 billion in 2028, with a CAGR of about 4.8% from 2024 to 2028. According to the “Global Smart Power Meter Market Report 2023–2029”, the global smart power meter market is expected to grow at a CAGR of 6–8% from 2023 to 2029. At present, the penetration rate of smart power meters in most developing countries overseas is low. Developed countries are experiencing the upgrading and transformation of smart power grids, resulting in a second round of meter replacement.

Review of Business

During the period under review, overseas business turnover was RMB1,043.86 million (first half of 2023: RMB771.86 million), representing a 35% YoY increase.

Order Data in the Period under Review

During the period under review, the Group secured approximately RMB1,733 million worth of overseas orders, representing an increase of 52% YoY.

Market Developments in Each Country

In Latin American market, the Group's subsidiary in Mexico has continued to consolidate its position as a leading supplier of power meters in the local market. Not only has it steadily advanced the delivery of various projects, but it has also demonstrated excellent market insight and actively expanded its business scope. During period under review, the Mexican subsidiary successfully won major projects in the smart power meter field by virtue of its innovative technical solutions and high-quality products and services, marking a solid step forward in its digitalization and smart transformation journey. Furthermore, it has delved into diversified business areas such as water meters, power distribution equipment, and new energy, striving to build a more comprehensive and integrated energy management service system in the Mexican market, showcasing its strong market expansion potential and sustained growth vitality. In Brazilian market, the Group's subsidiary in Brazil, in partnership with Wasion Energy, has not only maintained a stable market share in the traditional power meter segment, but has also made significant progress in the smart power meter and Advanced Metering Infrastructure (AMI) fields. Its new energy and distribution equipment businesses have also achieved operational breakthroughs, and its organizational and operational capabilities have been continuously strengthened. Additionally, Wasion Group has continued to deliver stably in Ecuador, obtained power meter orders in the Argentine market, and won smart power meter projects in the Colombian and Chilean markets, which collectively achieved a 32% YoY increase in shipments.

In African market, the local factory of the Group's subsidiary in Tanzania has achieved quality improvement and efficiency enhancement, realizing a dual enhancement in production efficiency and product quality. It has continued to earn the trust and cooperation of power companies, outperforming industry peers in contract renewals and customer satisfaction. In the Egyptian market, Wasion Information has continued to participate as a major supplier in the local power metering market and has also gained user recognition in smart transformation pilot projects. During the period under review, the Group's two subsidiaries, Wasion Group and Wasion Information, have both achieved operational breakthroughs in South Africa, winning large-scale orders for smart power meters and water meters. In Côte d'Ivoire, the Group has continued to be one of the three main suppliers, maintaining high product quality and gradually increasing its market share. The expansion and operation in the African market have presented a thriving picture. Through continuous technological innovation, in-depth market cultivation, and quality services, the Group has established an energy metering and service network covering multiple countries and fields.

In Asian market, Wasion Information maintained its position as one of the top three suppliers in Bangladesh and continuously supported four major local power distribution companies in their intelligent transformation pilot projects and deliveries. In Indonesia, the Group retained its dominance as the leading supplier in both the industrial-commercial and residential smart power meter sectors, actively expanding its market share. In the Middle East, including Saudi Arabia, the Group actively pursued market development and formed strategic partnerships with key customers and partners. It also focused on brand and technology promotion, while completing product certifications. Furthermore, Wasion Group has maintained its position as a major supplier in Southeast Asian countries such as Malaysia and Singapore. During the period under review, core channel supplies saw a 33% increase in outbound shipments compared to the same period last year.

In European market, Wasion Group successfully secured two large-scale power meter projects in Austria, with the contract values exceeding RMB200 million. The Group's Hungarian subsidiary began operations in July this year. The Group is actively leveraging development opportunities in the European market, exploring collaborative opportunities across various European countries, with a strategic focus on expanding into the new energy sector.

In other markets, Wasion Energy actively developed the new energy and energy storage business in Australia and achieved tangible results.

Future Development of International Markets

The Group will focus on stabilizing its market share in key markets and pursue a strategy of building factories with local subsidiaries, enhancing its on-the-ground capabilities and infrastructure to access adjacent markets. To better understand customer needs in existing markets and improve product quality and service levels, the Group will actively explore new markets.

In Latin American market, the Group's Mexican subsidiary and its local factories are gradually expanding their production scale in an orderly manner. They continue to serve the Mexican market with high-quality products, while exploring the development potential of other neighboring countries, and strive to increase market share and expand business scope. The Group's Brazilian subsidiary and its local factories continue to consolidate operations. In the future, it aims to steadily increase its market share of power meters, while increasing research achievements in new energy and power distribution equipment. In addition to the above two countries, the Group will continue to focus on Ecuador, Colombia and Chile as key target markets, based on which it will further increase its market share in Peru and Argentina, and strive to achieve performance breakthroughs in Costa Rica, Dominica and El Salvador.

In African market, the Group continues to secure orders for power meters and actively develops new projects related to energy storage. Tanzania will continue to be the Group's East Africa base from where it can access Uganda, Kenya, Mozambique, and other neighboring countries. From its base in Egypt, the Group has steadily expanded its business into neighboring North African countries. In West Africa, the Group will focus on Côte d'Ivoire, Nigeria, Ghana and Morocco, gradually expanding into neighboring countries such as Benin, Niger, Mali, Mauritania, and Sierra Leone. In Southern Africa, with South Africa as its hub, the Group will seize development opportunities in Botswana.

In Asian market, the Group focuses on Indonesia as a base from where it can develop adjacent markets, including Malaysia, Singapore, and Thailand, while Bangladesh as another base for expanding to Pakistan and India. In the Middle East, with Saudi Arabia as its hub, the Group is steadily penetrating into the UAE, Jordan, Iraq and Oman. The Group aims to consolidate business development in core markets and strengthen existing partnerships. Building on this foundation, it will further identify development opportunities in neighboring countries and conduct timely market layouts, while also expanding its business scope.

In European market, the Group will utilize its Hungarian subsidiary as the center for market development, and continue to improve its production and operation capacity, in order to maintain its existing market share of power meters and increase its presence in other markets and new businesses.

In other markets, the Group is committed to enhancing cooperation with Australian local companies in the field of new energy and product promotion to expand the scale of operations.

Research and Development (“R&D”)

To drive innovation, the Group invests substantially in R&D, cooperating with the national “Dual Carbon” development policy, and harnessing new technologies to construct digital power grids, digital smart cities and new energy businesses. While focusing on customer needs, the Group also champions new technologies. During the period under review, the Group was granted 67 patents, including 30 patents of invention, and authored 93 software copyrights, boosting the total number of valid patents to 1,942, software copyrights to 1,811, and intellectual property rights to 3,753.

Power AMI Business

During the period under review, the Group collaborated with the Guangdong Power Grid Metering Center of Southern Grid and the National Institute of Metrology, China to complete the national key R&D project, “All-Time Power Carbon Emission Measurement and Interactive Carbon Reduction Key Technologies”. This project successfully passed the scientific and technological project outcome appraisal organized by the China Instrument and Control Society. The Group was recognized internationally for its advanced technology in power carbon emission measurement. The Group participated in the application and promotional research of Southern Grid’s Power Harmony OS in metering equipment, successfully implementing this system in power meters and launching multiple Power Harmony OS-based products. As for high-end gateway metering products, the Group continued its leadership by collaborating with State Grid to launch a national key R&D project, the Class E High Accuracy Dynamic Metering Gateway Power Meter. The Group also launched market-leading products, such as the Ethernet Gateway Power Meters, which are developed based on benchmarks against internationally advanced standards. Additionally, the Group developed online monitoring equipment for voltage and current transformer error characteristics, based on a new industrial control platform with a web monitoring system, with these products already being delivered and applied in multiple provinces. Moreover, the Group was shortlisted for the “2024 National Private Enterprise Green Low-Carbon Development Typical Cases” list.

Communication and Fluid AMI Business

During the period under review, the Group actively developed industry-leading products and solutions. Willfar Information now offers a solution for the orderly connection of distributed photovoltaic systems. The core product, a Distributed Power Generation Device with Quadruple Capabilities, enables the visualization of distributed power generation data, component operation statuses, output regulation control, and abnormal alarm visualisation displays. It also ensures rigid control over the grid connection of distributed power source nodes, with flexible adjustability of generation output and charging powers. These related products and solutions have been launched and are now widely applied in bulk. The HPLC+HRF dual-mode communication chip developed independently by Willfar Information complies with State Grid's dual-mode communication standards, and has passed State Grid Metering Center's interconnectivity chip-level testing. It can be widely applied in smart communities, smart homes, smart streetlights, charging stations, and energy management systems. The silicon carbide power MOS, which is designed based on the third-generation semiconductor technology, has been successfully implemented in DC charging pile internal charging modules. The new generation smart ultrasonic water meters for overseas markets meets high-level metering technology requirements and possesses comprehensive international certifications. Additionally, Willfar Information has developed a load management branch device that can optimize power distribution through real-time data analysis to address issues such as unbalanced grid loads and insufficient power supply during peak periods.

As for power IoT, Willfar Information has developed a Wi-SUN communication module technology based on its self-developed RISC-V architecture Wi-SUN communication chip, achieving an international leading standard. This technology features an industry-leading -109dBm reception sensitivity and an innovative active random frequency hopping technique, which enables close-range, non-contact, efficient, and secure communication. The technology has significantly improved data reading efficiency by 5 to 10 times and introduced a precise time synchronization method for power IoT, reducing network time synchronization deviations to within one second. This achievement has received international certifications from the Wi-SUN Alliance, Brazil's National Telecommunications Agency (Anatel), and the U.S. Federal Communications Commission (FCC). The Group has also developed a lightweight real-time operating system for power IoT, WillfarOS-Things, which meets international advanced standards and has begun to replace foreign real-time operating systems in several of the Group's self-developed power IoT products through pilot applications. Furthermore, the high-speed broadband carrier communication technology and chips for power IoT have passed scientific and technological achievement evaluations by an academician and expert team, with some results achieving international leadership. The dynamic power consumption of the communication module using this chip has been reduced to 30% of the power grid standard requirements. These project outcomes have already been implemented in domestic and overseas markets served by State Grid, Southern Grid, and Bangladesh's NESCO.

During the period under review, the Group successfully created a number of high-profile projects in its areas of strength and developed innovative products in line with the development trend of the industry, further consolidating the Group's position as a technology leader and standard setter in the industry.

ADO Business

As for new power systems, the Group has developed a new generation of environmentally friendly cabinets, gas-insulated metal-enclosed switchgear, standardized box-type transformers, and dry-type transformers on medium-voltage distribution network cable lines. These developments have undergone type testing and received reports, further aligning with State Grid's product requirements. On medium-voltage distribution network overhead lines, the Group has developed deeply integrated pole-mounted circuit breakers featuring low power consumption, high precision, and compact design. Additionally, the Group has advanced its research in high-precision fault distance measurement projects leveraging graph data and traveling wave sensing technology. This research greatly enhances the accuracy of single-phase ground fault judgments and fault location, and power supply reliability. For the smart power distribution centralized controller platform, the Group has achieved successful localization by substituting imported devices with domestic ones, effectively reducing production costs. The smart power distribution network products, developed by the Group for overseas markets, have penetrated international markets, achieving product sales and service provision in Brazil and Mexico. For low-voltage power distribution networks, facing the challenges posed by large-scale distributed new energy, the Group has developed a digital substation solution with "intelligent gateway + intelligent measurement circuit breakers" at the core. This solution encompasses intelligent miniature circuit breakers, branch boxes, and meter boxes, thereby establishing an IoT-based transparent low-voltage substation environment. This setup enables energy monitoring and addresses the protection and management issues associated with new energy grid connections. It supports a variety of application scenarios including new energy connections, substation energy storage, flexible and direct interactions, and innovative load control. These capabilities ensure the new low-voltage power distribution networks being observable, measurable, controllable, and adjustable.

As for new energy, in the domestic market, the Group continued to focus on source-network-load-storage integrated solutions to advance R&D and application of new energy and energy storage products. In overseas markets, for the fields of industrial-commercial energy storage, industrial-commercial photovoltaic integration, and household photovoltaic-storage integration applications, the Group focused on ensuring power reliability, reducing electricity costs, and comprehensively deploying microgrid applications for various electricity usage scenarios. For the energy storage business, the Group continued to develop a series of products and key components for multi-scenario applications. These embrace technologies such as energy storage battery PACKs, battery energy storage cabins, multilevel battery management systems ("BMS"), power conversion systems ("PCS"), and energy management systems ("EMS"). The Group conducted in-depth research into applications of fluorine pump dual-cycle air conditioning systems and high-reliability fire-fighting systems in energy storage equipment. It launched a range of liquid-cooled energy storage systems, as well as industrial and commercial PCS, split-type single-phase off-grid photovoltaic energy storage inverters, and outdoor integrated power supplies. Several of these products have also found markets in South and North America. The Group has fully implemented a comprehensive suite of products, including local EMS control systems, cloud platforms, and mobile EMS solutions, using its self-developed EMS management system. The Group continued to reinforce "new energy + energy storage" as the mainstay of its new energy business.

For intelligent charging and battery swapping, the Group has launched a series of products with independent intellectual property, including intelligent charging and battery swapping products and two core control systems. Based on a better understanding of market demand and development trends, the Group created standardized charging and battery swapping products, successfully achieving cost reduction and efficiency increase. The Group also participated in the development of battery swapping technical standards and continued to rely on the technical advantages of the China Tower series of battery swapping products to build its leadership position in the telecommunications sector. During the period under review, the Group started from Kenya to fully promote the Wephon brand charging and battery swapping products to overseas markets. In the power grids, Internet and residential markets, the Group strives to meet the personalized requirements of the application scenarios of battery swap solutions for takeaway and express delivery markets, shared delivery personnel and residential users while maintaining the advantage of sustainable iteration of innovative technologies. The Group accelerates the R&D of core charging and battery swapping devices and has created smart power supply products from scratch, while enriching its product offering of 5G integrated power supplies, portable power supplies, and charging-storage integration products. The Group focuses on the product layout of “vehicle, power and cabinet integrated system” in the fields of charging, battery swapping and power supply, to maintain its leadership position in the intelligent charging and battery swapping ecological chain.

International Markets

During the period under review, the Group successfully met its semi-annual product delivery tasks and profit goals. In the American market, the Group has finalized the certification and implementation of new standard power meter products. Multiple smart power meter models have completed the deployment of the Group’s proprietary system and received positive feedback after multiple rounds of customer validations. Furthermore, the Group’s overseas factories have completed the development of maintenance management systems and automated production lines, with construction progressing in a steady and orderly manner. In the European market, the Group secured orders worth over RMB100 million during the period under review. The Group’s local factory in Hungary has finalized the development and debugging of an automated production line and its associated software based on specific production needs, which is now fully operational.

In the first half of the year, the Group enhanced three key areas: technical platforms, standardization systems, and professional talent development. It undertook foundational projects including intelligent applications, deep utilization of PLM systems, and the training of advanced project managers. Leveraging its R&D capabilities in overseas production bases, domestic R&D branches, and the headquarters in Changsha, the Group officially commenced the establishment of its global R&D center. Additionally, the Group advanced the implementation of automatic testing systems for quality assurance and testing scenarios, completed the review of test cases, and developed test scripts, which are expected to significantly boost testing efficiency.

Financial Review

Revenue

During the period under review, revenue increased by 16% to RMB3,741.54 million (Period 2023: RMB3,225.68 million).

Gross Profit

The Group's gross profit increased by 13% to RMB1,327.73 million for the six months ended 30 June 2024 (Period 2023: RMB1,176.73 million). The overall gross profit margin is 35.49% in the first half of 2024 (Period 2023: 36.48%).

Other Income

Other income of the Group amounted to RMB147.17 million (Period 2023: RMB100.25 million) which was mainly comprised of interest income, government grants and refund of value-added tax.

Other gains and losses

Other losses for the six months ended 30 June 2024 amounted to RMB5.96 million (Period 2023: RMB58.59 million) which comprised mainly of net foreign exchange gains, fair value losses on forward currency contracts, not designated at hedging and customer penalty paid for delay of product delivery.

Operating Expenses

In the first half of 2024, the Group's operating expenses amounted to RMB790.61 million (Period 2023: RMB746.54 million). Operating expenses accounted for 21% of the Group's revenue in the first half of 2024 (Period 2023: 23%).

Finance Costs

For the six months ended 30 June 2024, the Group's finance costs amounted to RMB62.69 million (Period 2023: RMB62.42 million).

Operating Profit

Earnings before finance costs and tax for the six months ended 30 June 2024 amounted to RMB623.31 million (Period 2023: RMB434.39 million), representing an increase of 43% as compared with the same period of last year.

Profit Attributable to Equity Shareholders of the Company

The profit attributable to equity shareholders of the Company for the six months ended 30 June 2024 increased by 55% to RMB331.03 million (Period 2023: RMB213.82 million) as compared with the corresponding period of last year.

Liquidity and Financial Resources

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

As at 30 June 2024, the Group's current assets amounted to approximately RMB10,622.49 million (31 December 2023: RMB10,489.50 million), with cash and cash equivalents totaling approximately RMB2,157.57 million (31 December 2023: RMB2,644.90 million).

As at 30 June 2024, the Group's total bank borrowings amounted to approximately RMB2,970.55 million (31 December 2023: RMB2,514.44 million), of which RMB1,690.45 million (31 December 2023: RMB1,679.30 million) will be due to repay within one year and the remaining RMB1,280.10 million (31 December 2023: RMB835.14 million) will be due after one year. In the first half of 2024, the interest rate for the Group's bank borrowings ranged from 1.30% to 7.21% per annum (31 December 2023: 0.90% to 8.59% per annum).

The gearing ratio (total borrowings divided by total assets) increased from 18% on 31 December 2023 to 21% on 30 June 2024.

Exchange Rate Risk

Most of the businesses of the Group are settled in Renminbi while businesses in foreign currencies are mainly settled in USD. The fluctuation of exchange rate of both currencies will have certain impact on the Group's business which are settled in foreign currencies. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts. During the period under review, the Group has entered into foreign exchange forward contracts with notional amount of USD15.75 million with a commercial bank to minimise the exposure to fluctuations in foreign currency exchange rates of USD revenue received from overseas customers.

Charge on Assets

As at 30 June 2024, the pledge deposits are denominated in Renminbi and are pledged to banks as security for bills facilities granted to the Group. In addition, the Group's land and buildings are pledged to banks as security for bank loans to the Group.

Capital Commitments

As at 30 June 2024, the capital commitments in respect of the acquisition of property, plant and equipment and investments in financial instruments contracted for but not provided in the condensed consolidated financial information amounted to RMB43.80 million (31 December 2023: RMB113.45 million) and RMB64.00 million (31 December 2023: RMB64.00 million), respectively.

Contingent Liabilities

As at 30 June 2024, the Group had no material contingent liabilities.

OTHER INFORMATION

Employees and Remuneration Policies

As at 30 June 2024, the Group had 4,868 (31 December 2023: 4,929) staff. Employee remuneration is determined on performance, experience and prevailing market conditions, with compensation policies being reviewed on a regular basis. The Company has adopted a share option scheme to recognise and acknowledge the contributions made or will be made to the Group by the eligible participants. The Company has also adopted a share award plan in which the eligible employees will be entitled to participate. The purposes of the share award plan are to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group and also to attract suitable personnel for further development of the Group.

Interim Dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (Period 2023: Nil).

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2024, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

Compliance with the Corporate Governance Code of the Listing Rules

During the six months ended 30 June 2024, the Company has applied the principles of and has complied with all code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

There has been no deviation from the code provisions of the Corporate Governance Code as set forth in the Appendix C1 of the Listing Rules for the six months ended 30 June 2024.

Model Code for Securities Transactions

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

Specific enquiry has been made with all the directors and the directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2024.

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

AUDIT COMMITTEE

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

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

The interim results of the Group for the six months ended 30 June 2024 have been reviewed by the auditors of the Company, Ernst & Young, and the Audit Committee.

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

The electronic version of this announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.wasion.com. An interim report of the Company for the six months ended 30 June 2024 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
Luan Wenpeng
Wang Yaonan

Non-executive Director

Cao Zhao Hui

By order of the Board
Wasion Holdings Limited
Ji Wei
Chairman

Hong Kong, 28 August 2024