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果下科技股份有限公司
Guoxia Technology Co., Ltd.

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

(Stock Code: 2655)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS

The Board of Guoxia Technology Co., Ltd. announces the audited consolidated annual results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

| | For the year ended | | Change ratio |
|---|--------------------|----------------|-----------------|
| | 31 December | | |
| | 2025 | 2024 | |
| | <i>RMB'000</i> | <i>RMB'000</i> | |
| Revenue | 2,057,423 | 1,025,613 | 100.6% |
| Gross profit | 382,581 | 155,007 | 146.8% |
| Gross profit margin | 18.6% | 15.1% | 23.2% |
| Profit for the year | 102,913 | 49,119 | 109.5% |
| Net profit margin | 5.0% | 4.8% | 4.2% |
| Profit attributable to owners of the Company | 102,859 | 49,119 | 109.4% |
| Net cash flows from operating activities | 145,229 | 3,730 | 3,793.5% |
| Basic earnings per share (<i>RMB per share</i>) | 0.22 | 0.17 | 29.4% |

For the year ended 31 December 2025, the total revenue of the Group was approximately RMB2,057.4 million, representing an increase of approximately 100.6% from approximately RMB1,025.6 million for the year ended 31 December 2024.

For the year ended 31 December 2025, the gross profit of the Group was approximately RMB382.6 million, representing an increase of approximately 146.8% from approximately RMB155.0 million for the year ended 31 December 2024. The Group's gross profit margin was approximately 18.6%, representing an increase of approximately 23.2% as compared with the gross profit margin of approximately 15.1% for the year ended 31 December 2024.

For the year ended 31 December 2025, the profit of the Group was approximately RMB102.9 million, representing an increase of approximately 109.5% from approximately RMB49.1 million for the year ended 31 December 2024.

For the year ended 31 December 2025, the net cash flows from operating activities was approximately RMB145.2 million, representing an increase of approximately 3,793.5% from approximately RMB3.7 million for the year ended 31 December 2024.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is principally engaged in the manufacture and sale of energy storage products and systems, and the provision of EPC (Engineering, Procurement, Construction) services and other services.

For the year ended 31 December 2025, the Group's revenue, net profit, and net cash flows from operating activities all achieved an increase exceeding 100% comparing to the year ended 31 December 2024, marking a significant development in performance. The substantial increase in earnings was primarily attributable to the boom in the global energy storage market: the explosive growth of multi-scenario applications in energy storage, the continuous rise in demand for grid frequency regulation services, and the rapid expansion of infrastructure construction for AI computing centers. The Group planned ahead, responded swiftly, and adapted to the trend by diversifying product portfolio and strengthening supply chain collaboration capabilities to ensure efficient delivery of GWh-scale projects. Simultaneously, the Group established dedicated teams to target large-scale domestic energy storage projects and key overseas markets, rapidly advancing project implementation and achieving high-quality performance growth.

The H Shares were listed on the Main Board of the Stock Exchange on 16 December 2025 by way of Global Offering.

BUSINESS REVIEW

During the Reporting Period, the Group derived its revenue primarily from three segments, namely, (i) ESS solutions; (ii) engineering, procurement and construction (EPC) services; and (iii) other products and services.

ESS Solutions

The Group provides comprehensive energy storage system (ESS) solutions designed to meet the diverse needs of large-scale ESS, industrial and commercial ESS, and residential ESS scenarios globally. Our solutions integrate artificial intelligence (AI) technology with our self-developed Internet technologies and advanced hardware energy storage products manufactured independently. AI plays a central role in our technological advantages, optimizing energy management primarily through Internet connectivity, enabling real-time response to electricity price fluctuations and grid dispatching demands to maximize economic returns and deliver intelligent and efficient solutions. Our specialized vertical large language model incorporates Mixture-of-Experts (MoE) routing, time-series forecasting and visual recognition technologies to unify data across cell design, manufacturing and operations, thereby transforming safety

management from passive monitoring to proactive prediction. Our AI algorithms are based on multi-physics electrochemical models and multi-source data fusion, covering core functions of ESS solutions, including prediction, optimization, and scheduling. Through the collaborative design of our energy storage system (ESS) hardware and platforms, such algorithms are directly embedded into our system architecture, thereby enabling us to provide customized solutions for a wide range of clients. Our customer base comprehensively covers core participants across the energy storage ecosystem. This includes EPC contractors who lead energy storage projects and power plant construction, as well as battery and equipment manufacturers collaborating to expand the large-scale and commercial & industrial (C&I) energy storage markets. On the end-user side, we have deepened our presence across diverse segments, serving power generation groups, grid operators, and large-scale energy storage operators. We also provide tailored C&I energy storage solutions for high-energy-consumption scenarios such as steel plants and manufacturing facilities. Furthermore, our business extends to the residential segment, serving a broad base of household customers.

ESS solutions can generally be categorized into two major segments: multi-use ESS solutions, which are shared-use models jointly utilized by multiple parties, and independent ESS solutions, which are exclusively developed for single end user. Our Group's core business segments are positioned within these categories, with a significant portion of its large-scale ESS and C&I ESS solutions falling within the multi-use ESS model, while residential ESS solutions are exclusively classified as independent ESS solutions.

A multi-use ESS solution refers to a shared-use model in which an ESS is jointly invested in or utilized by multiple stakeholders, such as grid operators, renewable energy producers, C&I users, or third-party investors. These solutions deliver value-added functionalities, including peak shaving, frequency regulation, and backup power, thereby enhancing overall system utilization and reducing individual investment costs. By contrast, an independent ESS solution is developed for and used by a single end user, without shared infrastructure or coordinated usage.

EPC Services

We offer integrated EPC services, specializing in C&I energy storage projects and large-scale ESS projects. To optimize resources and maintain efficiency, certain construction tasks may be subcontracted to qualified secondary contractors, while we retain full responsibility for project management, quality assurance and timely delivery. Throughout the project execution, we ensure integration of all phases, delivering high-quality, reliable and efficient energy solutions tailored to our customers' needs. According to CIC, it is not uncommon for application of EPC services model in the renewable energy industry in the PRC.

Our EPC services follow a bundled model, combining equipment, design, and construction services. These solutions are customizable, and the revenue model is project-based, recognized over time using an input method to measure progress toward the complete satisfaction of the service. Revenue is recognized based on the proportion of actual costs incurred relative to the estimated total costs of the EPC services.

OUTLOOK

The global ESS market was fiercely competitive in 2025, with numerous participants across the upstream and downstream segments of the industry chain. The data released by SNE Research indicated that the ESS shipments surpassed 550 GWh in 2025, indicating a year-on-year increase of 79%. Supported by robust supply chain and technological capabilities, Chinese enterprises continue to lead the global market. The scale of China's energy storage market reached 352 GWh, accounting for 64% of the global total, with an impressive annual growth rate of 117%. The Group primarily operates in the midstream segment, providing integrated ESS products and solutions to a wide range of downstream customers and/or end-users.

We differentiate ourselves by providing AI-empowered, platform-based ESS solutions that integrate hardware, software and intelligent services. Our proprietary AI systems – Guoxia AI and HANCHU AI Assistant – enhance both internal efficiency and customer-facing support, and are embedded in our Safe ESS and Hanchu iESS platforms. Unlike many peers focused on hardware or standalone products, we offer modular, scenario-based systems adaptable across power-side, grid-side and user-side applications.

Our full-stack capabilities and data-driven approach position us to meet evolving market demands and capture emerging opportunities.

In the first couple of months of the year 2025, our gross profit margin experienced fluctuation, primarily due to the dual pressures of intense market competition and raw material price volatility. Notably, our gross profit margin for the full year of 2025 achieved counter-trend growth compared to 2024, rising from 15.1% to 18.6%. This fully demonstrates the remarkable results achieved by us through flexible cost control mechanisms in response to price fluctuations in lithium-ion energy storage batteries. Looking ahead, while we anticipate that pressure from raw material costs will persist, we are confident in maintaining the stability and competitiveness of our gross profit margin by virtue of our robust cost control strategies, which enables us to continue creating value for our shareholders.

We plan our capacity expansion based on demand for our products from our customers. As it is expected that the newly installed capacity of large-scale ESS products, C&I ESS products and residential ESS products from the perspective of global data, especially the data of China, Europe and Africa will continue to grow at relatively fast paces in the future, there will be an increase in the demand for our ESS products production capacity.

Since our inception, our production capacity has increased, as customers are more inclined to place orders with providers, who have adequate production capacity to produce high-performance products with competitive prices. During the Reporting Period, we continued to expand our annual production capacity for our ESS products, with the total annual production capacity increasing from 1,561.2 MWh in 2024 to 4,800.6 MWh in 2025.

In consideration of (i) the PRC Government's favorable policies supporting the renewable energy industry; (ii) the estimated increasing future demand for ESS solutions and products in the next five years; (iii) the utilization of existing production facility and the seasonality of our production; and (iv) the need to maintain our competitive advantage in the market, we believe that it is necessary to construct additional production lines for our business expansion. We also believe that we can benefit from the economies of scale based on the size of the operations and scale of production capacity, which can enhance our ability to meet customers' demands.

We intend to procure four new production lines, together with eight sets of test systems, for manufacturing our large-scale ESS and C&I ESS products, and three new production lines, together with six sets of test systems, for manufacturing our residential ESS products. In addition, we plan to upgrade our existing production facilities and equipment for production of our large-scale ESS products and residential ESS products. Along with the production expansion, we plan to shift to more automated and intelligent production systems than currently in use in order to reduce labor cost as a percentage of our total production cost and improve our production precision for overall quality improvement. For instance, we plan to implement automated production processes in order to reduce the number of employees needed on our production lines and the labor cost as a percentage of our total production costs. By the end of 2027, we anticipate our annual production capacity will be increased by 6.0 GWh for large-scale ESS products and C&I ESS products combined, and 240,000 units (equivalent to 900 MWh) for residential ESS products as compared to our annual production capacity as of the Latest Practicable Date.

Future plan

As the exponential growth of AI computing power converges with the development of new power systems, the synergy between computing and energy is entering a golden era. We will leverage our core competencies in energy storage to provide highly reliable green power solutions for intelligent computing centers, integrating the end-to-end value chain of "green power – energy storage – computing." At the same time, we are exploring tokenization strategies for computing capacity assets and digital energy. Through technological and business innovation, we enhance asset efficiency and profitability, advancing toward global leadership in computing-power synergy. Afterwards, energy storage functions as a token, thus

by integrating energy storage, green power, and intelligent computing centers, we are building AI-powered tokenized energy storage factories and advancing toward becoming a global leader in the field of computing-energy synergy.

Looking ahead, we are accelerating the deployment of the embodied intelligence ecosystem. By 2026, we plan to build an intelligent O&M system with drones, robots and smart helmets, and launch an industry-specific AI model to automate processes from load forecasting to work orders. To tackle safety challenges of robotic and automated equipment, we have pioneered an energy constraint device as the ultimate hardware safeguard, which fends off malicious attacks and software vulnerabilities effectively to ensure robust human-robot collaboration safety. Our full-stack capabilities integrating precision safety, economic optimization, embodied O&M and inherent safety allow us to go beyond traditional hardware manufacturing and become a genuine intelligent energy infrastructure provider in the new energy system.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group’s revenue by business line for the years indicated:

| | Year ended 31 December | | | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | 2025 | | 2024 | |
| | <i>RMB'000</i> | <i>%</i> | <i>RMB'000</i> | <i>%</i> |
| ESS Solutions | 1,814,110 | 88.2 | 1,003,382 | 97.8 |
| – Large-scale ESS | 1,568,136 | 76.3 | 785,354 | 76.6 |
| – Commercial and Industrial (“C&I”) ESS | 14,550 | 0.7 | 9,572 | 0.9 |
| – Residential ESS | 231,406 | 11.2 | 208,354 | 20.3 |
| – Other ESS ⁽¹⁾ | 18 | 0.0 | 102 | 0.0 |
| EPC Services | 173,610 | 8.4 | 19,512 | 1.9 |
| Others ⁽²⁾ | 69,703 | 3.4 | 2,719 | 0.3 |
| Total | <u>2,057,423</u> | <u>100.0</u> | <u>1,025,613</u> | <u>100.0</u> |

Notes:

- (1) Other ESS primarily included revenue generated from sales of charging piles and fire safety ESS.
- (2) Others primarily included revenue generated from our sales of miscellaneous items such as semi-finished ESS products and spare parts.

Revenue of the Group increased by approximately 100.6% from approximately RMB1,025.6 million for the year ended 31 December 2024 to approximately RMB2,057.4 million for the year ended 31 December 2025, mainly reflecting the following:

- (i) revenue from ESS solutions increased by approximately 80.8% from approximately RMB1,003.4 million for the year ended 31 December 2024 to approximately RMB1,814.1 million for the year ended 31 December 2025, primarily due to the synergistic efforts in both domestic and international markets: Domestically, we have strategically intensified the presence of our large-scale power storage stations; internationally, we have realised batch delivery of large-scale independent power station projects, which provided a significant boost to the Group's revenue, while we strategically expanded our presence in overseas industrial, commercial, and residential energy storage markets;
- (ii) revenue from EPC services increased by approximately 790.3% from approximately RMB19.5 million for the year ended 31 December 2024 to approximately RMB173.6 million for the year ended 31 December 2025, primarily due to the increase in large-scale project pipeline and improved contract fulfillment capabilities; and
- (iii) revenue from other parties increased by approximately 2,463.6% from approximately RMB2.7 million for the year ended 31 December 2024 to approximately RMB69.7 million for the year ended 31 December 2025. This increase was primarily attributable to constrained production capacity, and we sold semi-finished energy storage system (ESS) products during this year.

Cost of Sales

The Group's cost of sales increased from approximately RMB870.6 million for the year ended 31 December 2024 to approximately RMB1,674.8 million for the year ended 31 December 2025, primarily due to the increase in the cost associated with business expansion.

Gross Profit and Gross Profit Margin

The following table sets forth the Group's gross profit and gross profit margin by business line for the years indicated:

| | Year ended 31 December | | | |
|---------------|------------------------|--------------|----------------|--------------|
| | 2025 | | 2024 | |
| | Gross profit | Gross profit | Gross profit | Gross profit |
| | margin | margin | margin | margin |
| | <i>RMB'000</i> | <i>%</i> | <i>RMB'000</i> | <i>%</i> |
| ESS solutions | 363,959 | 20.1 | 148,868 | 14.8 |
| EPC services | 16,780 | 9.7 | 4,293 | 22.0 |
| Others | 1,842 | 2.6 | 1,846 | 67.9 |
| Total | 382,581 | 18.6 | 155,007 | 15.1 |

The Group's gross profit increased by approximately 146.8% from approximately RMB155.0 million for the year ended 31 December 2024 to approximately RMB382.6 million for the year ended 31 December 2025, primarily due to the expansion of business of the Group.

The Group's gross profit margin for the year ended 31 December 2025 was approximately 18.6%, representing an increase of approximately 23.2% as compared with the gross profit margin of approximately 15.1% for the year ended 31 December 2024, mainly reflecting the following:

- (i) gross profit for ESS solutions increased by approximately 144.5% from approximately RMB148.9 million for the year ended 31 December 2024 to approximately RMB364.0 million for the year ended 31 December 2025;
- (ii) gross profit for EPC services increased by approximately 290.7% from approximately RMB4.3 million for the year ended 31 December 2024 to approximately RMB16.8 million for the year ended 31 December 2025; and
- (iii) gross profit for others (primarily being sales of semi-finished ESS products and spare parts) decreased by approximately 0.3% from approximately RMB1.8 million for the year ended 31 December 2024 to approximately RMB1.8 million for the year ended 31 December 2025.

Other Income

The Group's other income primarily consists of government subsidies and interest income.

The Group's other income remained stable at approximately RMB14.6 million for both the year ended 31 December 2024 and 31 December 2025.

Administrative Expenses and Research and Development Costs

Administrative expenses and research and development costs increased by approximately 188.5% from approximately RMB26.1 million for the year ended 31 December 2024 to RMB75.3 million for the year ended 31 December 2025. Administrative expenses rose to 3.7% of revenue from 2.5% in the prior year, mainly due to increased listing costs and staffing expansion from business growth.

Research and Development Expenses

Research and development expenses increased by approximately 98.1% from approximately RMB31.6 million for the year ended 31 December 2024 to approximately RMB62.6 million for the year ended 31 December 2025. The R&D expenditures of the year ended 31 December 2025 accounted for 3% of our total revenue, maintaining the same level as the previous year.

Selling and Marketing Expenses

Selling and marketing expenses increased by approximately 154.1% from approximately RMB39.9 million for the year ended 31 December 2024 to approximately RMB101.4 million for the year ended 31 December 2025. The proportion of sales expenses of the year ended 31 December 2025 rose to 4.9% of revenue (compared to 3.9% last year), primarily driven by the business expansion into overseas markets.

Finance Costs

Financial costs increased by approximately 68.9% from RMB10.3 million for the year ended 31 December 2024 to approximately RMB17.4 million for the year ended 31 December 2025, primarily due to an increase in borrowings.

Income Tax Expense

Income tax expenses increased by approximately 174.5% from approximately RMB4.7 million for the year ended 31 December 2024 to approximately RMB12.9 million for the year ended 31 December 2025.

Profit for the Year

As a result of the foregoing, profit for the year increased by approximately 109.6% from approximately RMB49.1 million for the year ended 31 December 2024 to approximately RMB102.9 million for the year ended 31 December 2025.

Property, Plant and Equipment

The Group's property, plant and equipment mainly consist of houses and buildings, furniture fixtures and office equipment, electronics equipment, motor vehicles.

The net carrying amount of the Group's property, plant and equipment increased by approximately 91.8% from approximately RMB90.3 million as at 31 December 2024 to approximately RMB173.2 million as at 31 December 2025.

Trade and Bills Receivables

Trade and bills receivables primarily arise from provision of various services in the ordinary course of business. The Group recognizes trade receivables when it has an unconditional right to receive consideration. The right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The Group's trade and other receivables increased from approximately RMB520.5 million as at 31 December 2024 to approximately RMB1,220.8 million for the year ended 31 December 2025. The increase in trade and bills receivables aligns with revenue expansion. The aging structure remains overall healthy, and collection risk is controllable.

Prepayments, Other Receivables and Other Assets

The Group's prepayments primarily include prepayments, value-added-tax recoverable, deposits, loans to third parties, staff advances, other receivables and other assets.

The Group's prepayments, other receivables and other assets decreased by approximately 19.1% from approximately RMB143.8 million as at 31 December 2024 to approximately RMB116.4 million as at 31 December 2025, mainly due to the reduction in the scale of loans provided to third parties this year as such arrangements were terminated before the Company's listing in 2025.

Cash and Cash Equivalents

The Group's cash and cash equivalents increased by approximately 1,955.7% from approximately RMB50.3 million as at 31 December 2024 to approximately RMB1,034.0 million as at 31 December 2025, primarily due to the net proceeds raised from the listing.

Trade and Bills Payables

Trade and bills payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

The Group's trade and other payables increased by approximately 195.0% from approximately RMB438.9 million as at 31 December 2024 to approximately RMB1,294.6 million as at 31 December 2025, primarily due to the expansion of business scale of the Group.

Contract Liabilities

The Group's contract liabilities primarily consist of prepayments received for the Group's ESS and EPC services from its customers, while the services are yet to be provided.

The Group's contract liabilities increased from approximately RMB82.1 million as at 31 December 2024 to approximately RMB86.1 million as at 31 December 2025.

Net Current Assets

The Group's net current assets increased from approximately RMB47.6 million as at 31 December 2024 to approximately RMB965.9 million as at 31 December 2025, primarily attributable to (i) an increase in trade and bills receivables of approximately RMB700.4 million; (ii) an increase in cash and cash equivalents of approximately RMB983.8 million; and (iii) an increase in trade and bills payables of approximately RMB855.7 million; (iv) an increase in inventories of approximately RMB234.6 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal use of cash has been for working capital purposes. The Group's main source of liquidity has been generated from cash flows from operations and net proceeds received from the Global Offering. As at 31 December 2025, cash and cash equivalents of the Group amounted to approximately RMB1,034.0 million, increased by approximately 1,955.7% (31 December 2024: approximately RMB50.3 million). Going forward, the Group will closely monitor uses of cash and strive to maintain a healthy liquidity for its operations.

Bank Borrowings

As at 31 December 2025, the Group had interest-bearing bank borrowings of approximately RMB494.9 million (31 December 2024: approximately RMB317.5 million).

Pledge of Assets

As at 31 December 2025, save as to (a) the mortgage created on the Group's owned property situated at No. 9, Huicheng Road, Changan Subdistrict, Huishan District, Wuxi, the PRC; and (b) restricted bank deposits amounting to approximately RMB57.8 million, the Group did not have any pledged assets (31 December 2024: restricted bank deposits of approximately RMB18.6 million).

Gearing Ratio

Gearing ratio is calculated based on net debt divided by the capital plus net debt, while net debt includes interest-bearing bank and other borrowings and lease liabilities. The Group's gearing ratio for the year ended 31 December 2025 was approximately 48.8% (31 December 2024: approximately 199.9%).

Contingent Liabilities

As at 31 December 2025, the Group did not have any outstanding material contingent liabilities (31 December 2024: nil).

Capital Expenditures

The Group's capital expenditures represent purchase of items of property, plant and equipment and other intangible assets. The Group incurred capital expenditures of approximately RMB96.1 million for the year ended 31 December 2025 (2024: approximately RMB76.3 million).

Funding and Treasury Policy

The Group adopted prudent funding and treasury policies while maintaining an overall healthy financial position. The Group's source of funding was raised by cash generated from operating activities and bank borrowings. The Group's treasury policies mainly include managing capital liquidity and yield to safeguard the healthy development of the principal businesses of the Group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

MARKET RISK

The Group is exposed to a variety of market risks, including interest rate risk, credit risk and liquidity risk, as set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. During the Reporting Period, the Group did not hedge or consider necessary to hedge any of these risks.

Interest Rate Risk

The exposure of the Group to risk for changes in market interest rates relates primarily to its interest-bearing borrowings. The Group does not use derivative financial instruments to hedge interest rate risk.

Foreign Exchange Risk

The Group's operations are primarily conducted in Renminbi, which is the functional currency of the Group. Material fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar may negatively impact the value and amount of any dividends payable on the shares of the Company. Currently, the Group does not implement any foreign currency hedging policy and the management of the Group will closely monitor any exposure to foreign exchange.

Credit Risk

The Group's credit risk is primarily attributable to cash at bank, trade and bills receivables, prepayments, deposits and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with a high credit standing assigned by the management of the Group, to which the Group considers to have low credit risk. For the purposes of internal credit risk management, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12-month ECLs as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for these assets by assessment of probability of default, loss given default and exposure at default.

In respect of amounts due from related parties for non-trade nature, deposits and other receivables, the Group has assessed that the expected credit loss rate for these receivables is immaterial under the 12 months expected losses method based on historical settlement records and forward-looking information.

In respect of trade receivables from third parties and related parties, the Group measures loss allowances at an amount equal to lifetime ECLs based on historical settlement records and forward-looking information. The Group has a large number of customers and there was no concentration of credit risk. In addition, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group considers that a default event occurs when there is a significant decrease in services fee collection rate and estimates the expected credit loss rate for the Reporting Period. Normally, the Group does not obtain collateral from customers.

For cash and cash equivalents, the Group expects that there is no significant credit risk since they are substantially deposited at state-owned banks or other medium-to-large sized banks. The Group does not expect that there will be any significant losses from non-performance by those counterparties.

Liquidity Risk

The Group aims to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings. Cash flows are closely monitored on an ongoing basis.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | | 2025 | 2024 |
|---|--------------|--------------------|------------------|
| | <i>Notes</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | 4 | 2,057,423 | 1,025,613 |
| Cost of sales | | <u>(1,674,842)</u> | <u>(870,606)</u> |
| Gross profit | | 382,581 | 155,007 |
| Other income and gains, net | 4 | 14,607 | 14,628 |
| Research and development expenses | | (62,598) | (31,578) |
| Administrative expenses | | (75,336) | (26,125) |
| Selling and marketing expenses | | (101,440) | (39,947) |
| Impairment losses on financial and contract assets, net | 5 | (17,233) | (7,353) |
| Other expenses, net | | (162) | (337) |
| Finance costs | | (17,366) | (10,324) |
| Share of losses of associates and joint ventures | | <u>(7,228)</u> | <u>(151)</u> |
| PROFIT BEFORE TAX | 5 | 115,825 | 53,820 |
| Income tax expense | 6 | <u>(12,912)</u> | <u>(4,701)</u> |
| PROFIT FOR THE YEAR | | <u>102,913</u> | <u>49,119</u> |
| Attributable to: | | | |
| Owners of the parent | | 102,859 | 49,119 |
| Non-controlling interests | | <u>54</u> | <u>–</u> |
| | | <u>102,913</u> | <u>49,119</u> |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | | | |
| Basic (<i>RMB</i>) | | <u>0.22</u> | <u>0.17</u> |
| Diluted (<i>RMB</i>) | | <u>0.22</u> | <u>0.17</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| PROFIT FOR THE YEAR | <u>102,913</u> | <u>49,119</u> |
| OTHER COMPREHENSIVE LOSS | | |
| Other comprehensive loss that may be reclassified to profit or loss in subsequent periods: | | |
| Debt investments at fair value through other comprehensive loss: | | |
| Changes in fair value | (1,414) | – |
| Income tax effect | <u>214</u> | <u>–</u> |
| Net other comprehensive loss that may be reclassified to loss in subsequent periods | <u>(1,200)</u> | <u>–</u> |
| Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods: | | |
| Equity investments at fair value through other comprehensive loss: | | |
| Changes in fair value | (915) | – |
| Income tax effect | <u>137</u> | <u>–</u> |
| Net other comprehensive loss that will not be reclassified to loss in subsequent periods | <u>(778)</u> | <u>–</u> |
| OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX | <u>(1,978)</u> | <u>–</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>100,935</u> | <u>49,119</u> |
| Attributable to: | | |
| Owners of the parent | 100,881 | 49,119 |
| Non-controlling interests | <u>54</u> | <u>–</u> |
| | <u>100,935</u> | <u>49,119</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 31 December | 31 December |
|---|--------------|--------------------|----------------|
| | | 2025 | 2024 |
| | <i>Notes</i> | RMB'000 | RMB'000 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 173,150 | 90,253 |
| Right-of-use assets | | 38,377 | 68,704 |
| Other intangible assets | | 4,569 | 1,848 |
| Investments in associates and joint ventures | | 6,126 | 2,894 |
| Equity investments designated at fair value through other comprehensive income | | 765 | 1,680 |
| Deferred tax assets | | 8,082 | 2,587 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 231,069 | 167,966 |
| CURRENT ASSETS | | | |
| Inventories | | 350,178 | 115,628 |
| Trade and bills receivables | 9 | 1,220,834 | 520,457 |
| Prepayments, other receivables and other assets | | 116,390 | 143,780 |
| Financial assets at fair value through profit or loss | | – | 89,909 |
| Contract assets | | 138,476 | 41,490 |
| Restricted bank deposits | | 57,837 | 18,580 |
| Cash and cash equivalents | | 1,034,012 | 50,262 |
| | | <hr/> | <hr/> |
| Total current assets | | 2,917,727 | 980,106 |
| CURRENT LIABILITIES | | | |
| Trade and bills payables | 10 | 1,294,605 | 438,938 |
| Other payables and accruals | | 138,283 | 20,896 |
| Contract liabilities | | 86,147 | 82,107 |
| Interest-bearing bank borrowings | | 407,487 | 315,404 |
| Lease liabilities | | 3,791 | 67,566 |
| Tax payable | | 17,399 | 5,933 |
| Provision | | 4,124 | 1,680 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 1,951,836 | 932,524 |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 965,891 | 47,582 |

| | 31 December 2025 RMB'000 | 31 December 2024 RMB'000 |
|---|---|--------------------------------|
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>1,196,960</u> | <u>215,548</u> |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 14,873 | 205 |
| Long-term payables | 32,004 | 16,893 |
| Deferred tax liabilities | – | 1,668 |
| Provision | 8,965 | 1,846 |
| Interest-bearing bank borrowings | <u>87,461</u> | <u>2,144</u> |
| Total non-current liabilities | <u>143,303</u> | <u>22,756</u> |
| Net assets | <u>1,053,657</u> | <u>192,792</u> |
| EQUITY | | |
| Equity attributable to owners of the parent | | |
| Share capital/paid-in capital | 102,374 | 30,705 |
| Reserves | <u>950,228</u> | <u>160,968</u> |
| | 1,052,602 | 191,673 |
| Non-controlling interests | <u>1,055</u> | <u>1,119</u> |
| Total equity | <u>1,053,657</u> | <u>192,792</u> |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 115,825 | 53,820 |
| Adjustments for: | | |
| Share of losses of associates and joint ventures | 7,228 | 151 |
| Finance costs | 17,366 | 10,324 |
| Impairment losses on trade and bills receivables | 12,539 | 6,589 |
| Impairment losses on contract assets | 1,195 | 450 |
| Impairment losses on other receivables | 3,499 | 314 |
| Write-down of inventories to net realisable value | 2,187 | (2) |
| Depreciation of property and equipment | 13,029 | 6,682 |
| Depreciation of right-of-use assets | 5,974 | 4,409 |
| Amortisation of other intangible assets | 385 | 212 |
| Loss on disposal of property and equipment, net | 4 | 310 |
| Loss on deregistration of subsidiaries | 82 | – |
| Equity-settled share award expense | 4,647 | 4,133 |
| | 183,960 | 87,392 |
| (Increase)/decrease in inventories | (236,738) | 4,686 |
| Placement of pledged bank deposits | (39,257) | (6,574) |
| Increase in trade and bills receivables | (714,331) | (361,281) |
| Increase in contract assets | (98,182) | (41,162) |
| Increase in prepayments, other receivables and other assets | (22,855) | (72,155) |
| Increase in trade and bills payables | 931,323 | 306,154 |
| Increase in other payables and accruals | 136,580 | 5,623 |
| Increase in provisions | 9,563 | 1,376 |
| Increase in contract liabilities | 4,040 | 82,015 |
| Effect of exchange rate changes, net | 1,470 | (33) |
| Cash generated from operations | 155,573 | 6,041 |
| Income taxes paid | (10,344) | (2,311) |
| Net cash flows from operating activities | 145,229 | 3,730 |

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|-------------------------------|------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property, plant and equipment | (92,978) | (66,107) |
| Purchases of other intangible assets | (3,106) | (80) |
| Payments for acquisition of financial assets at fair value through profit or loss | – | (99,908) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 89,736 | 17,001 |
| Payments for acquisition of investments in associate and joint venture | (10,500) | (3,000) |
| Loans to third parties | (46,900) | (62,306) |
| Proceeds from disposal of an associate | 40 | – |
| Repayment of third-party loans | 95,707 | 11,700 |
| | <hr/> | <hr/> |
| Net cash flows from/(used in) investing activities | 31,999 | (202,700) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Lease payments | (25,344) | (8,378) |
| Repayment of bank and other loans | (526,455) | (179,569) |
| New bank and other loans | 621,169 | 385,566 |
| Interest paid | (16,779) | (7,533) |
| Capital injection from non-controlling interest shareholder | – | 1,099 |
| Issue of shares | 709,994 | – |
| Payment of issue expenses | (54,593) | – |
| Capital contribution | 100,000 | 43,778 |
| | <hr/> | <hr/> |
| Net cash flows from financing activities | 807,992 | 234,963 |
| | <hr/> | <hr/> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 985,220 | 35,993 |
| Cash and cash equivalents at beginning of year | 50,262 | 14,236 |
| Effect of foreign exchange rate changes, net | (1,470) | 33 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 1,034,012 | 50,262 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents | 1,034,012 | 50,262 |
| | <hr/> | <hr/> |
| Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statements of financial position | 1,034,012 | 50,262 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company registered in the People's Republic of China (the "PRC"). The registered office of the Company is located at No. 9 Huicheng Road, Chang'an Street, Huishan District, Wuxi, Jiangsu Province.

In March 2025, the Company was converted to a joint stock limited liability company, and a total of 90,000,000 ordinary shares with a par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the then paid-in capital registered under the names of these shareholders on that day.

During the year, the Company and its subsidiaries were principally engaged in the manufacture and sale of energy storage products and systems, and the provision of EPC (Engineering, Procurement, Construction) services and other services.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of its principal subsidiaries are set out below:

| Name | Place and date of registration and place of operations | Registered capital | Percentage of equity attributable to the Company | | Principal activities |
|---|--|--------------------|--|----------|--|
| | | | Direct | Indirect | |
| Hubei JiuHong Liangyu Construction Engineering Co., Ltd. * ("Hubei JiuHong Liangyu") (湖北久宏良宇建设工程有限公司) | PRC/Chinese mainland 28 December 2018 | RMB50,000,000 | 100 | – | General mechanical equipment installation services |
| Jiangsu Hanchu Energy Technology Co., Ltd* ("Jiangsu Hanchu") (江蘇漢儲能源科技有限公司) | PRC/Chinese mainland 25 January 2023 | RMB10,000,000 | 100 | – | Trading of energy storage products and systems |

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group at the end of the reporting period. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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 instruments at fair value through profit or loss (“**FVPL**”), financial assets at fair value through other comprehensive income (“**FVOCI**”) and bills receivable, which have been measured at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 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 and the Company for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

| | |
|--|---|
| HKFRS 18 | <i>Presentation and Disclosure in Financial Statements</i> ² |
| HKFRS 19 and its amendments | <i>Subsidiaries without Public Accountability: Disclosures</i> ² |
| Amendments to HKFRS 9 and HKFRS 7 | <i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹ |
| Amendments to HKFRS 9 and HKFRS 7 | <i>Contracts Referencing Nature – dependent Electricity</i> ¹ |
| Amendments to HKFRS 10 and HKAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| Amendments to HKAS 21 | <i>Translation to a Hyperinflationary Presentation Currency</i> ² |
| <i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹ |

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of energy storage products and systems, and the provision of EPC services and other services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|------------------|------------------------|------------------------|
| Chinese mainland | 1,630,950 | 819,083 |
| Europe | 129,377 | 104,584 |
| Africa | 282,996 | 99,649 |
| Others | 14,100 | 2,297 |
| | <hr/> | <hr/> |
| Total | 2,057,423 | 1,025,613 |

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

(b) Non-current assets

All of the Group's non-current assets were located in the Chinese mainland during the year (2024: all).

Information about major customers

During the year, revenues from transactions with each of external customers (including entities under common control with those customers) amounting to 10% or more of the Group's revenues are as follows:

| | 2025 | 2024 |
|------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Customer A | * | 286,619 |
| Customer B | 377,706 | 105,370 |
| Customer C | 288,134 | * |

* The revenues from transactions with the customers were less than 10% of the Group's revenues in the years indicated.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue from contracts with customers is as follows:

| | 2025 | 2024 |
|---------------------------------|-------------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Energy storage systems business | 1,814,110 | 1,003,382 |
| EPC services | 173,610 | 19,512 |
| Others | 69,703 | 2,719 |
| Total | <u>2,057,423</u> | <u>1,025,613</u> |

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

| | 2025 | 2024 |
|--------------------------------|-------------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Transferred over time | 174,700 | 20,387 |
| Transferred at a point in time | 1,882,723 | 1,005,226 |
| Total | <u>2,057,423</u> | <u>1,025,613</u> |

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------------------------|-------------------------------|------------------------|
| Energy storage systems business | 39,213 | 92 |

Information about the Group's performance obligations is summarised below:

Energy storage systems business

The performance obligation is satisfied upon the acceptance of the energy storage system products by the customers or upon the international trade terms such as FOB and the payment is generally due within 0 to 180 days from delivery.

EPC services

The performance obligation is satisfied over time as services are rendered. Payment in advance is normally required at the beginning of the service, and progress payment is generally due within 60 to 90 days from the date of billing.

The Group has applied the practical expedient for not to disclose the remaining performance obligations as at the end of the reporting period because the performance obligations are part of the contracts with original expected duration of one year or less.

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|-------------------------------|------------------------|
| <u>Other income</u> | | |
| Interest income | 398 | 1,237 |
| Investment income from financial investments at fair value through profit or loss | 21 | 5 |
| Loss on deregistration of subsidiaries | (82) | – |
| Government grants | 4,982 | 4,226 |
| Extra deduction of value-added-tax | 10,302 | 7,587 |
| Others | 205 | 244 |
| Total other income | 15,826 | 13,299 |
| <u>Gains</u> | | |
| Foreign exchange differences, net | (1,219) | 1,329 |
| Total | 14,607 | 14,628 |

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 products sold | 1,669,836 | 855,399 |
| Cost of services provided | 5,006 | 15,207 |
| Depreciation of property and equipment* | 13,029 | 6,682 |
| Depreciation of right-of-use assets* | 5,974 | 4,409 |
| Amortisation of other intangible assets* | 385 | 212 |
| Lease payments not included in the measurement of lease liabilities* | 1,531 | 688 |
| Research and development expenses | 62,598 | 31,578 |
| Employee benefit expense (excluding directors' and chief executive's remuneration): | | |
| Wages and salaries | 69,397 | 43,164 |
| Pension scheme contributions (defined contribution scheme) | 3,565 | 2,744 |
| Equity-settled share award expense* | 1,908 | 2,265 |
| Termination benefits | 216 | 181 |
| | <hr/> | <hr/> |
| Total | 75,086 | 48,354 |
| | | |
| Impairment losses on financial and contract assets, net: | | |
| Trade and bills receivables | 12,539 | 6,589 |
| Contract assets | 1,195 | 450 |
| Other receivables | 3,499 | 314 |
| | <hr/> | <hr/> |
| Total | 17,233 | 7,353 |
| | | |
| Write-down/(write-back) of inventories to net realisable value | 2,187 | (2) |
| Loss on disposal of property and equipment | 4 | 310 |
| Loss on deregistration of subsidiaries | 82 | – |

* These items are included in “Cost of sales”, “Administrative expenses”, “Selling and marketing expenses” and “Research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.

6. INCOME TAX

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in the Chinese mainland are subject to corporate income tax (“CIT”) at a rate of 25% on the taxable income. The Company obtained the certificate of High and New Technology Enterprise on 19 November 2024 with a validity period of three years. Accordingly, the Company was entitled to a preferential tax rate of 15% during the year. In addition, the Group’s certain subsidiaries operating in the Chinese mainland were entitled to a preferential tax rate of 5% (2024: 5%) because they were regarded as “small-scaled minimal profit enterprises” with taxable income no more than RMB3,000,000.

| | 2025 <i>RMB’000</i> | 2024 <i>RMB’000</i> |
|-------------------------------|------------------------|------------------------|
| Current | 19,724 | 5,683 |
| Deferred | <u>(6,812)</u> | <u>(982)</u> |
| Total tax charge for the year | <u><u>12,912</u></u> | <u><u>4,701</u></u> |

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and operate to the tax expense at the effective tax rate is as follows:

| | 2025 <i>RMB’000</i> | 2024 <i>RMB’000</i> |
|---|------------------------|------------------------|
| Profit before tax | <u>115,825</u> | <u>53,820</u> |
| Tax at the statutory tax rate of 25% | 28,956 | 13,455 |
| Effect of different tax rates | (12,295) | (4,882) |
| Losses attributable to associates and joint ventures | 1,084 | 23 |
| Expenses not deductible for tax | 1,096 | 423 |
| Tax losses not recognised | 1,677 | 23 |
| Additional deductible allowance for research and development expenses | <u>(7,606)</u> | <u>(4,341)</u> |
| Tax charge at the Group’s effective rate | <u><u>12,912</u></u> | <u><u>4,701</u></u> |

7. DIVIDENDS

No dividends were declared or paid by the Group during the year (2024: Nil).

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

The basic earnings per share was calculated based on the profit attributable to the ordinary equity holders of the parent and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year. The Group had no potentially dilutive ordinary shares in issue during the year.

The calculations of basic and diluted earnings per share are based on:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|------------------------|------------------------|
| <u>Earnings</u> | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation | <u>102,859</u> | <u>49,119</u> |
| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
| <u>Shares</u> | | |
| Weighted average number of ordinary shares in issue used in the basic earnings per share calculation | <u>468,781,200</u> | <u>280,687,585</u> |

The weighted average number of ordinary shares represents the number of shares after the adjustment of the sub-division of the shares by the Company from one share of RMB1.0 each into five shares of RMB0.2 each, and the adjusted number of shares is recalculated for each reporting period.

9. TRADE AND BILLS RECEIVABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------------|------------------------|------------------------|
| Trade receivables | 949,311 | 514,039 |
| Impairment | <u>(20,824)</u> | <u>(8,285)</u> |
| | <u>928,487</u> | <u>505,754</u> |
| Bills receivable | <u>292,347</u> | <u>14,703</u> |
| Net carrying amount | <u>1,220,834</u> | <u>520,457</u> |

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control system to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are settled in accordance with the terms of the respective contracts. The directors of the Company are of the view that there has been no significant increase in credit risk of default because the amounts are due from customers with good repayment history. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's bills receivables were all aged within 1 year and were neither past due nor impaired.

An ageing analysis of trade receivables as at the end of the reporting period, based on the due date set out in the contracts and net of loss allowance, is as follows:

| | 2025 | 2024 |
|---------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 year | 880,962 | 475,661 |
| 1 to 2 years | 45,197 | 30,093 |
| 2 to 3 years | 2,328 | – |
| | <u>928,487</u> | <u>505,754</u> |
| Total | 928,487 | 505,754 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | 2025 | 2024 |
|----------------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| At beginning of year | 8,285 | 1,696 |
| Impairment loss, net | 12,539 | 6,589 |
| | <u>20,824</u> | <u>8,285</u> |
| At end of year | 20,824 | 8,285 |

An impairment analysis is performed at the end of the reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than five years and are not subject to enforcement activity. In addition, when there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

| | Ageing | | | | Total |
|---|--|-------------------------------|-------------------------|-------------------------|---------------|
| | Current and within 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | |
| Collectively assessed: | | | | | |
| Expected credit loss rate | 0.95% | 4.63% | 11.78% | 31.67% | 2.19% |
| Gross carrying amount (<i>RMB'000</i>) | 753,267 | 141,405 | 51,232 | 3,407 | 949,311 |
| Expected credit losses (<i>RMB'000</i>) | <u>7,158</u> | <u>6,552</u> | <u>6,035</u> | <u>1,079</u> | <u>20,824</u> |

As at 31 December 2024

| | Ageing | | | | Total |
|---|--|-------------------------------|-------------------------|-------------------------|--------------|
| | Current and within 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | |
| Collectively assessed: | | | | | |
| Expected credit loss rate | 0.83% | 2.78% | 10.23% | – | 1.61% |
| Gross carrying amount (<i>RMB'000</i>) | 435,829 | 44,686 | 33,524 | – | 514,039 |
| Expected credit losses (<i>RMB'000</i>) | <u>3,612</u> | <u>1,242</u> | <u>3,431</u> | <u>–</u> | <u>8,285</u> |

10. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the date of service received/good purchased, is as follows:

| | 2025 | 2024 |
|---------------|-------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 year | 1,254,123 | 435,533 |
| 1 to 2 years | 37,475 | 3,354 |
| Over 2 years | <u>3,007</u> | <u>51</u> |
| Total | <u>1,294,605</u> | <u>438,938</u> |

The trade and bills payables are non-interest-bearing and are normally settled of not more than 3 to 6 months.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as to the Group's acquisition of investments in associate and joint venture amounting to RMB6.1 million, the Company did not have any significant investment, acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and in this announcement, as at 31 December 2025, the Company did not have any future plans for material investments or additions of capital assets.

Use of Proceeds from the Listing

The Company was listed on the Listing Date and issued 38,930,800 Shares, and subsequently issued 5,839,600 Shares on 9 January 2026 as a result of the full exercise of the over-allotment option. After deducting the underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, the net proceeds from the Global Offering amounted to approximately HK\$809.7 million. The following table sets forth the Company's use of the proceeds from the Global Offering as at 31 December 2025.

| | | Net proceeds from the Global Offering <i>(HK\$ in millions)</i> | Utilised amount from the Listing Date and up to 31 December 2025 <i>(HK\$ in millions)</i> | Unutilised amount as at 31 December 2025 <i>(HK\$ in millions)</i> | Expected timeline of full utilization |
|---|--------------------------------|---|---|--|--|
| | % of the total net proceeds | | | | |
| Enhancing the Group's R&D capabilities | 44.0 | 356.3 | – | 356.3 | By the end of 2028 |
| Building overseas operational and service network | 19.0 | 153.8 | – | 153.8 | By the end of 2028 |
| Expand the Group's production capacity | 27.0 | 218.6 | – | 218.6 | By the end of 2028 |
| Working capital | 10.0 | 81.0 | – | 81.0 | N/A |
| Total | 100.0 | 809.7 | – | 809.7 | |

The net proceeds received by the Company from the Global Offering will be allocated and utilized in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The Group was listed on December 16, 2025 and no proceeds had been utilized during the year 2025. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of business expansion and market conditions made by the Company. It will be subject to change based on the current and future development of market conditions.

Employees and Remuneration Policy

As at 31 December 2025, the Group had a total of 532 full-time employees in China (31 December 2024: 326). For the year ended 31 December 2025, the staff cost recognised as expenses of the Group amounted to approximately RMB85.9 million (for the year ended 31 December 2024: approximately RMB51.5 million).

The Group believes that the expertise, experience and professional development of its employees contributes to its growth. The Group proactively recruits skilled and qualified personnel with relevant working experience in technical research and development to support the sustainable growth of business.

The remuneration package of employees of the Group includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. In addition, the Group provides training programs regularly and across management levels, in compatible with practical needs, covering key areas in its business operations, including but not limited to corporate culture and policies, technical knowledge required for certain positions, leadership skills and general knowledge about the nature of the Group’s services.

As at 31 December 2025, save as to the two pre-IPO share award schemes adopted by the Company on 30 December 2022 and 30 June 2024 respectively under which the Group granted restricted shares to its employees and directors, there were no share incentive schemes adopted by the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Group’s development and protection of the interests of its Shareholders. The Company has adopted the relevant code provisions of the Corporate Governance Code as the basis for its corporate governance practices since the Listing Date.

The Board is of the view that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code during the period from the Listing Date to 31 December 2025. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

Compliance with the Model Code

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, are likely to possess inside information. Specific enquiries have been made by the Company to all the Directors and the Supervisors, and all of the Directors and the Supervisors have confirmed that they have complied with the Model Code during the period from the Listing Date to 31 December 2025. No incident of non-compliance with the Model Code by the employees was identified by the Company during the period from the Listing Date and up to the date of this announcement.

Purchase, Sale or Redemption of Listed Securities of the Company

As at 31 December 2025, there were no treasury shares held by the Company. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the period from the Listing Date to 31 December 2025.

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

Subsequent Events after the Reporting Period

Save as to the Company's exercise of the over-allotment option and issuance an additional 5,839,600 ordinary shares on 9 January 2026 with net proceeds amounting to HK\$109.2 million, there were no other significant events to the Group after the Reporting Period and up to the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Audit Committee consists of three members, namely Mr. Qian Kaiming, Ms. Jiang Xingnan and Dr. Jiang Wei. The chairman of the Audit Committee is Mr. Qian Kaiming, who is an independent non-executive Director and possesses the appropriate professional qualifications.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 December 2025, with no disagreement, with the management and the auditor of the Company. The Audit Committee considered that the audited consolidated annual results of the Group for the year ended 31 December 2025 are in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed the matters with respect to the accounting policies and practices adopted by the Company and issues in relation to internal control, risk management and financial reporting.

Scope of Work of the Auditor

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

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This announcement is published on the websites of the Company (www.guoxiatech.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders who have requested corporate communications in printed copy and published on the respective websites of the Company and the Stock Exchange in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning set out below.

| | |
|-------------------|--|
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Audit Committee” | the audit committee of the Board |
| “Board” | the board of Directors |

| | |
|-------------------------------|---|
| “China” or “PRC” | the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, excluding Taiwan, the Macau Special Administrative Region and Hong Kong |
| “Company” | Guoxia Technology Co., Ltd. (果下科技股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability |
| “Corporate Governance Code” | the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Global Offering” | has the same meaning as defined in the Prospectus |
| “Group”, “our”, “we” or “us” | the Company and its subsidiaries |
| “H Share(s)” | ordinary share(s) issued by the Company, with a nominal value of RMB0.20 each, which is/are listed and trading on the Stock Exchange |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong dollars” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing” | the listing of the H Shares on the Main Board of the Stock Exchange |
| “Listing Date” | 16 December 2025, the date on which dealings in the H Shares on the Stock Exchange first commence |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |

| | |
|---------------------|---|
| “Prospectus” | the prospectus of the Company dated 8 December 2025 |
| “Renminbi” or “RMB” | the lawful currency of the PRC |
| “Reporting Period” | the year ended 31 December 2025 |
| “Share(s)” | ordinary share(s) with nominal value of RMB0.20 each in the share capital of the Company, comprising H Shares and Unlisted Shares |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |
| “Supervisor(s)” | the supervisor(s) of the Company |
| “treasury shares” | has the meaning ascribed to it under the Listing Rules |
| “Unlisted Share(s)” | ordinary share(s) issued by the Company, with a nominal value of RMB0.20 each, which is/are not listed on any stock exchange |
| “%” | percent |

* *The English translation and/or transliteration of the names of PRC nationals, entities, enterprises, government authorities, departments, facilities, certificates, titles, laws and regulations included in this announcement is included for identification purposes only. In the event of any inconsistency between the English translation and/or transliteration and the Chinese versions, the Chinese versions shall prevail.*

By order of the Board
Guoxia Technology Co., Ltd.
Mr. Feng Lizheng
Chairman and Director

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises: (i) Mr. Feng Lizheng, Mr. Zhang Xi, Mr. Liu Ziye, Dr. Bai Yang, Mr. Zhu Shuaishuai and Mr. Wang Zhenlin as executive Directors; and (ii) Mr. Qian Kaiming, Dr. Jiang Wei and Ms. Jiang Xingnan as independent non-executive Directors.