



Wasion Holdings Limited
威勝控股有限公司



ENERGY
METERING &
ENERGY SAVING EXPERT

2018 Annual Results

27 March 2019

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Outlook

Financial Review



Financial Review



- The Group recorded **Turnover** of RMB3,340 million in FY2018 (FY2017 : RMB2,928 million), an increase of 14% Y-o-Y
- The Group recorded **Net Profit** of RMB271 million in FY2018 (FY2017: RMB302 million)
- *Net profit increased by 31% compared with FY2017 *(if excluded gain on disposal of a subsidiary RMB103.29 million)*
- **EBITDA** for FY2018 recorded RMB571 million (FY2017 : RMB577 million)
- **Basic EPS** was RMB0.27 (FY2017: RMB0.30)
- The Board of Directors proposed a **final dividend** of HKD0.20 per share

Financial Review

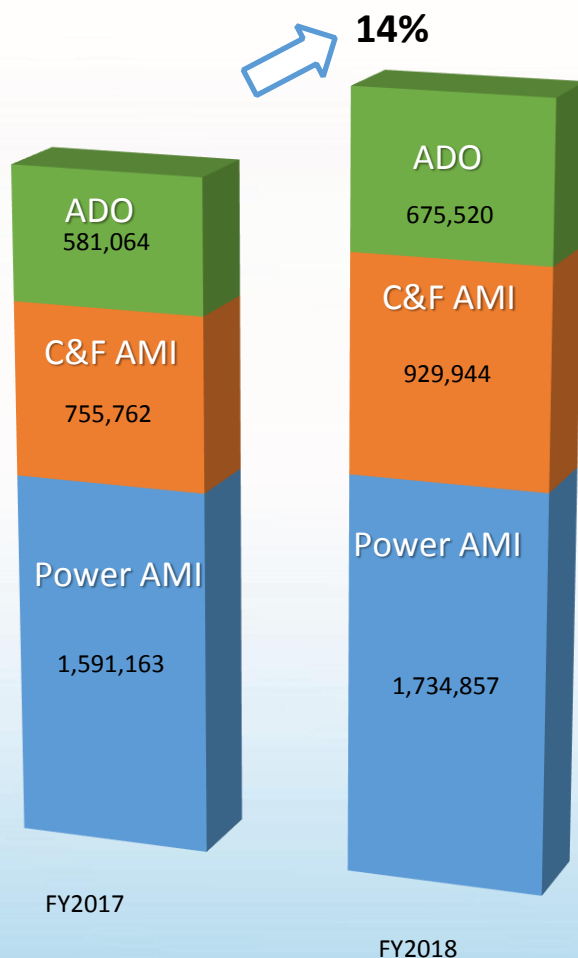
	FY2018	FY2017	Change
Turnover (RMB million)	3,340	2,928	↑14%
Gross Profit (RMB million)	991	835	↑19%
EBITDA (RMB million)	571	577	↓1%
*Net Profit (if excluded gain on disposal of a subsidiary RMB103.29million in FY2017) (RMB million)	271	207	↑31%
Net Profit (RMB million)	271	302	↓10%
Gross Profit Margin	30%	29%	↑1 ppt
EBITDA/Sales	17%	20%	↓3 ppt
Net Profit Margin	10%	12%	↓2 ppt
Basic EPS (RMB cents)	27	30	↓3 cents
Dividend per share (HKD)	0.20	0.24	↓4 cents
Shareholders' Equity (RMB million)	4,187	4,166	Unchanged
Return On Equity (ROE)	8%	8%	Unchanged
Operating Expenses/Turnover	21%	22%	↓1 ppt
Effective tax rate	8.9%	13.9%	↓5 ppt
Cash Investment Cycle	64 Days	59Days	↑5 days
Bank borrowings / Total Assets	16%	12%	↑4 ppt

Business Review

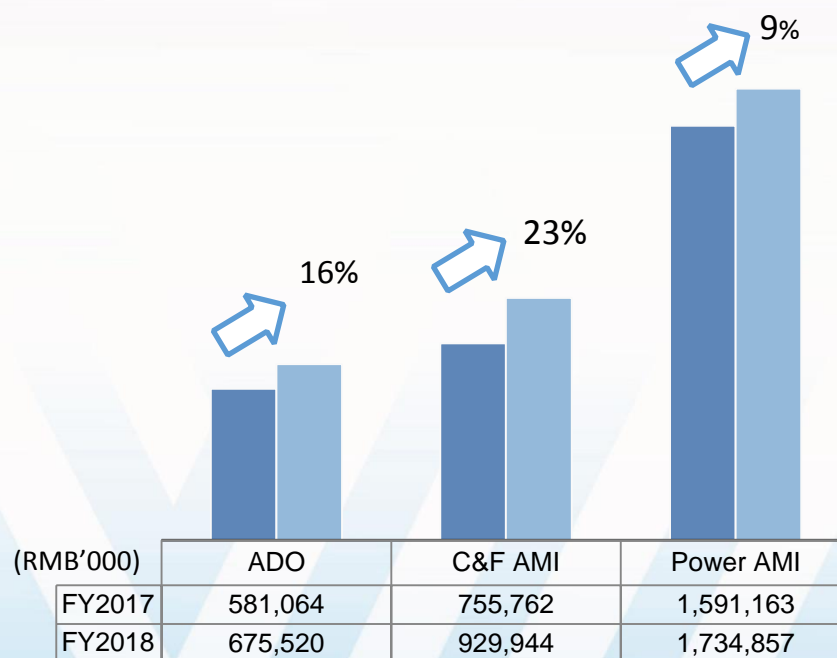


Key Figures

Turnover (RMB'000)

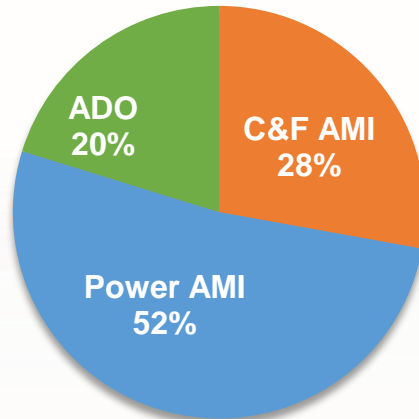


Segment Performance

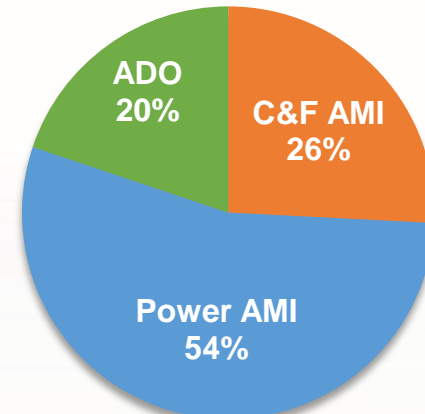


Note: ADO: Advanced Distribution Operations; Power AMI: Power Advanced Metering Infrastructure; C&F AMI: Communication and Fluid Advanced Metering Infrastructure

Product Mix



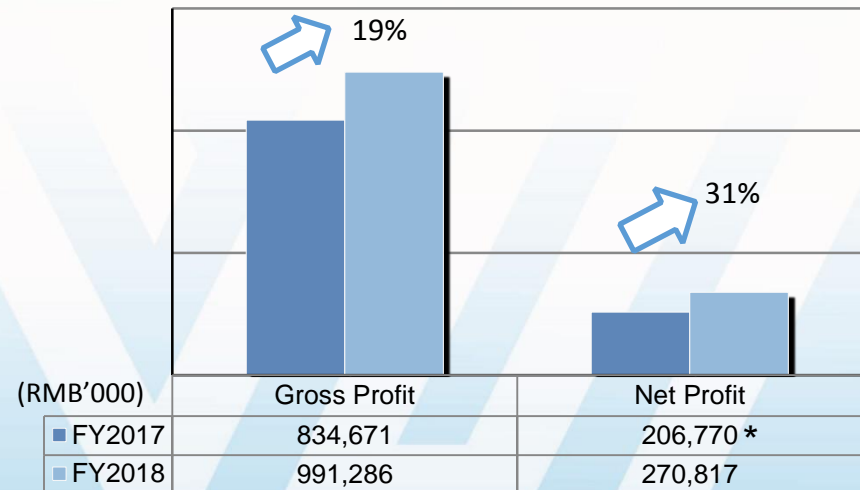
FY2018



FY2017

Gross profit margin

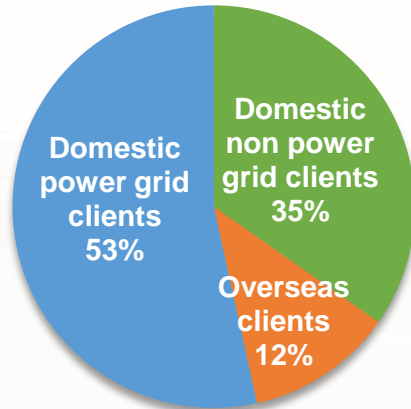
	FY2018	FY2017
ADO	31%	30%
Power AMI	28%	26%
C&F AMI	32%	33%
Overall	30%	29%



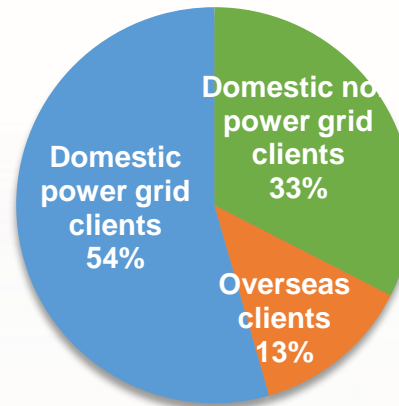
Net Profit if excluded gain on disposal of a subsidiary RMB 103.29 million

Note: ADO: Advanced Distribution Operations; Power AMI: Power Advanced Metering Infrastructure; C&F AMI: Communication and Fluid Advanced Metering Infrastructure

Customer Mix

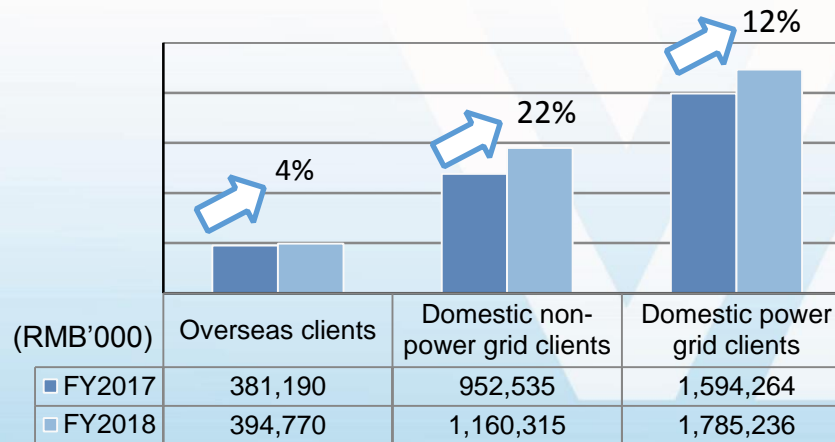


FY2018



FY2017

Customer Mix Performance



Power Advanced Metering Infrastructure (Power AMI)

Smart Meter

Strengths: Superior comprehensive strengths in different aspects such as brand name, technology, market share, quality, business scale and management

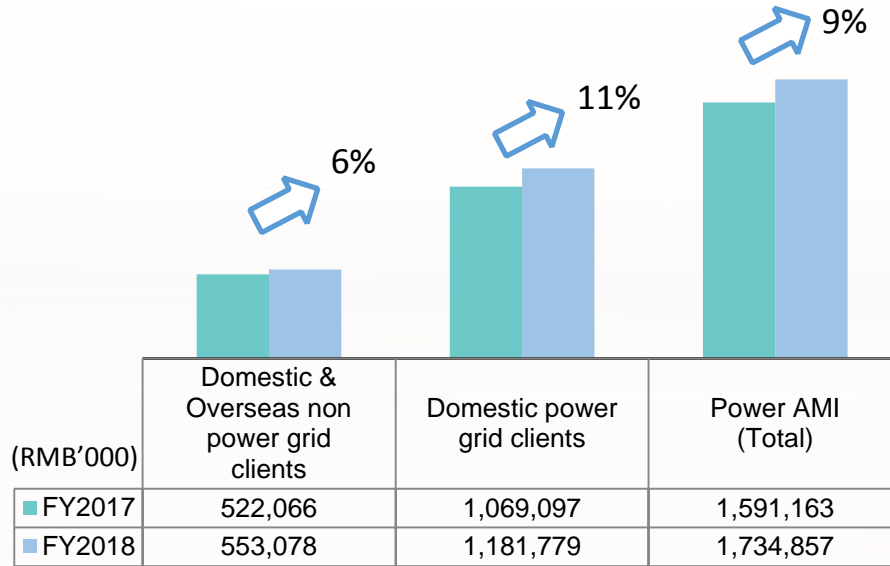
State Grid Tender: Two tenders organized, and the Group won RMB388 million worth contract

Southern Grid Tender: Individual tender from different provinces; The Group won RMB110 million worth framework contract

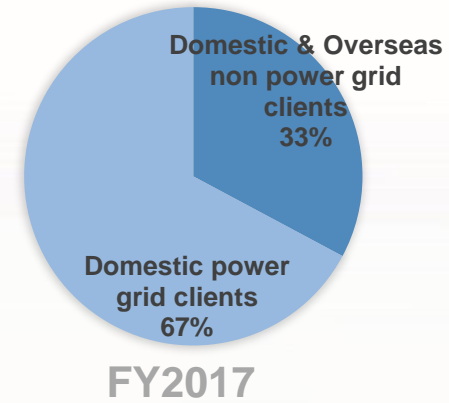
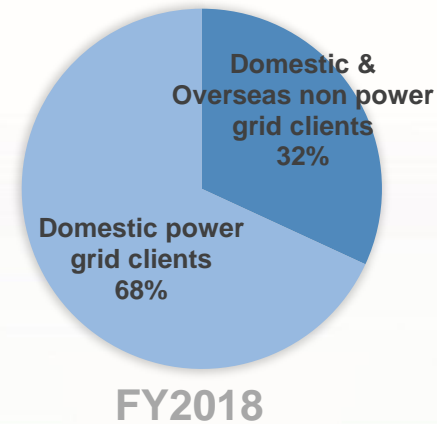


Power Advanced Metering Infrastructure (Power AMI)

Business Performance



Customer Mix



Quality Management



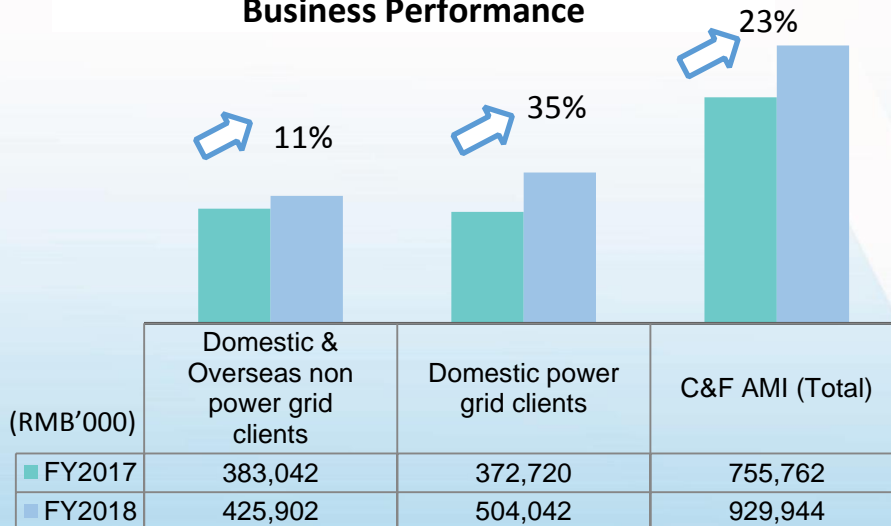
SMT Production Workshop

Communication and Fluid AMI (C&F AMI)

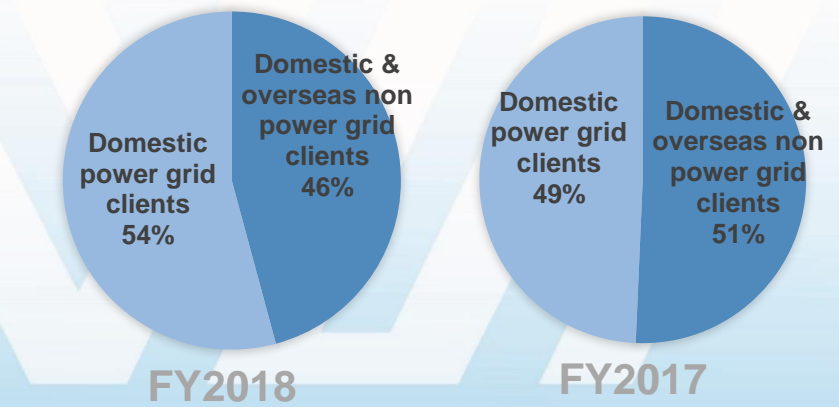


Smart Safety Fire Alarm System

Business Performance

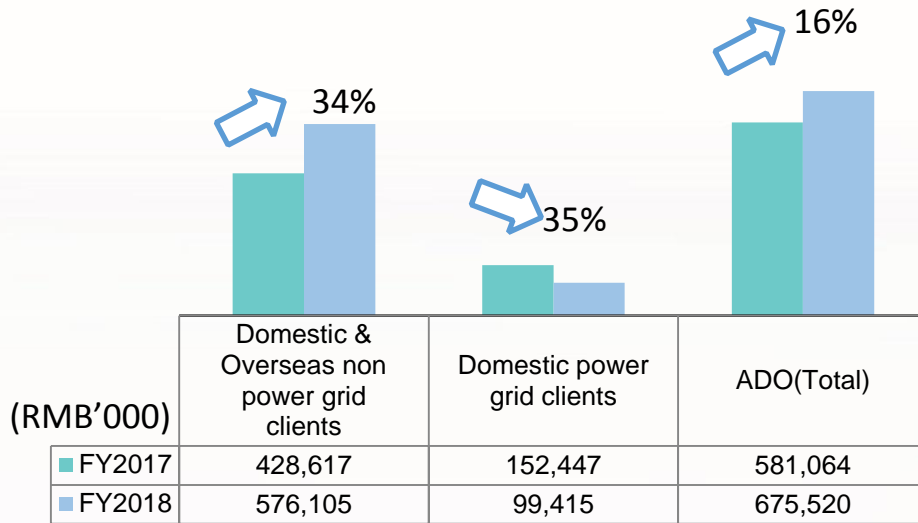


Customer Mix

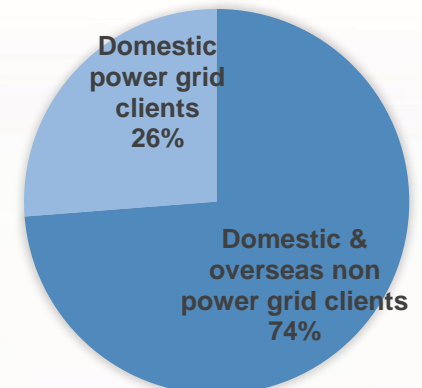
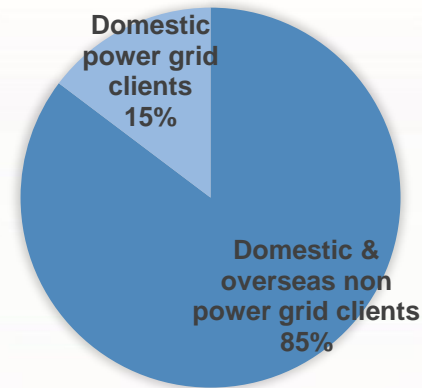


Advanced Distribution Operations (ADO)

Business Performance



Customer Mix



Application of ADO



Development Strategies



Strong R&D Capabilities



231 patents in the
year of 2018



188 copyrights in
the year of 2018



Total 1,281 effective
patents for new
products and energy
saving service



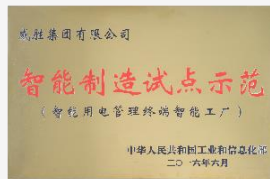
Total 1,049
effective patents for
software as at Dec
31, 2018



R&D investment
reached 6.5% of
total revenue



“High and New Technology
Enterprise”



“Smart Manufacturing
Demonstration Enterprise”



Grade B professional qualification
in power industry (new energy
generation)



ISO 27001 - Information
Security Management Systems



“Hunan Governor
Quality Award”



EPC qualification for
power engineering

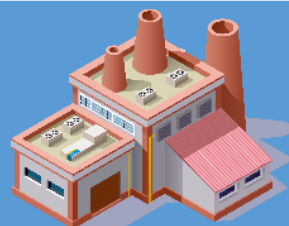
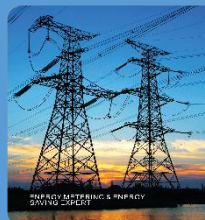


METLABS
Certification



Products and Services Used in a Wide Range of End Markets

Power Grid New Energy



Industrial and Commercial Enterprises

Our products are used by more than 30 million families and over 4,500 enterprises in all provinces of China

Water Gas Heat



Public/ Civil Buildings

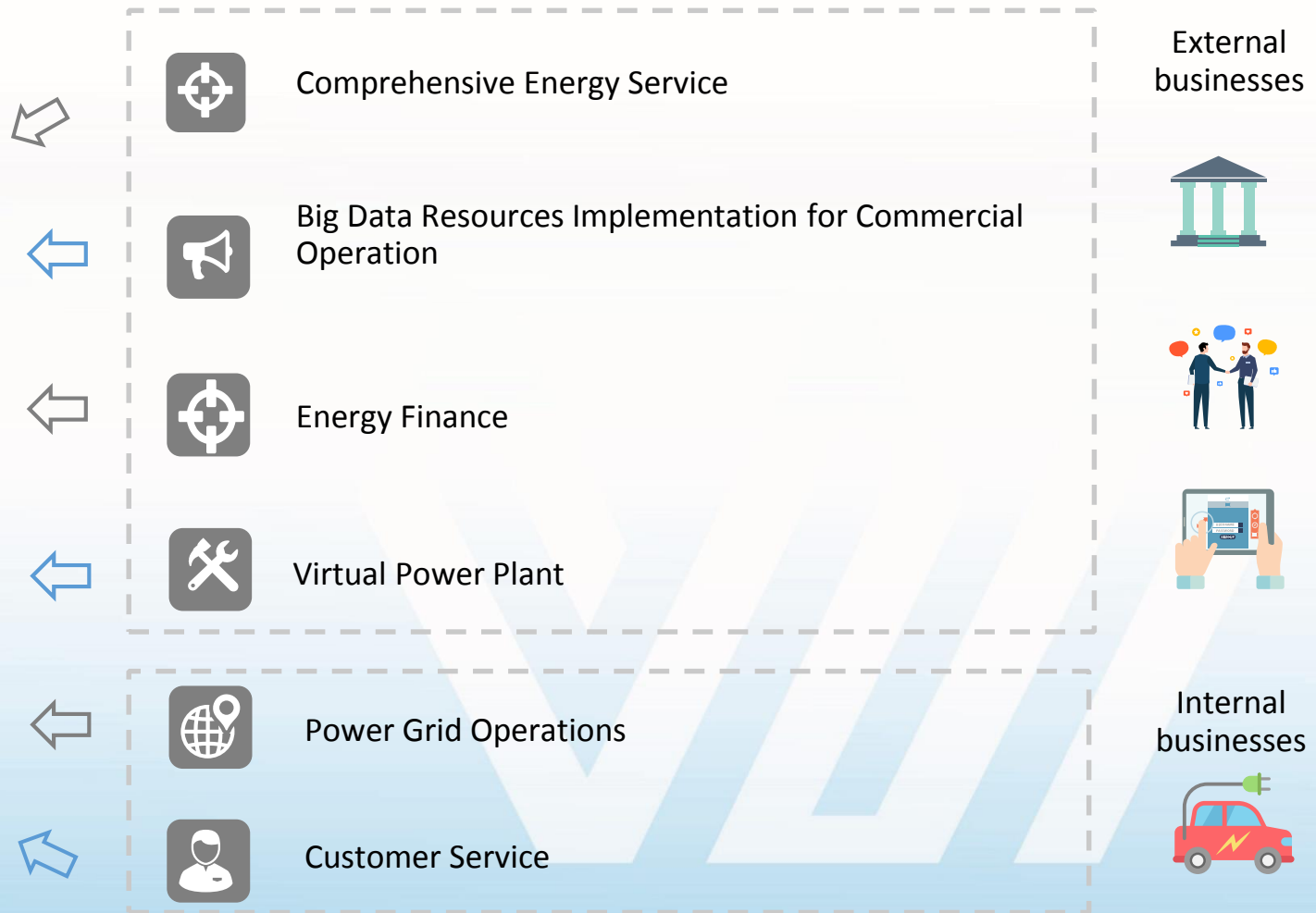
To Build Energy Internet



Energy Internet = Enhanced Smart Grid + Ubiquitous Electric Power IoT



To build “Three Types
and Two Networks”
enterprise



Strategy in Power AMI

- Power grid market: Collaboration with State Grid, Southern Grid and IPP at the area of setting up new standard and technologies
- Non-power grid market: Seek opportunities in rail transportation, schools, telecommunications, petroleum and petrochemical industries, and further explore more industry sectors.



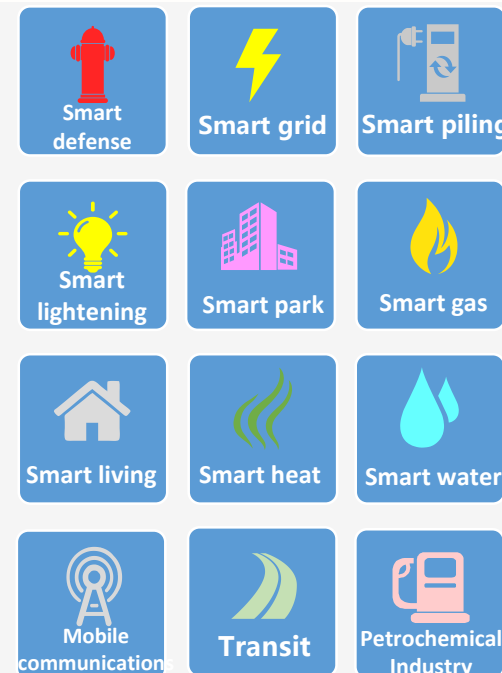
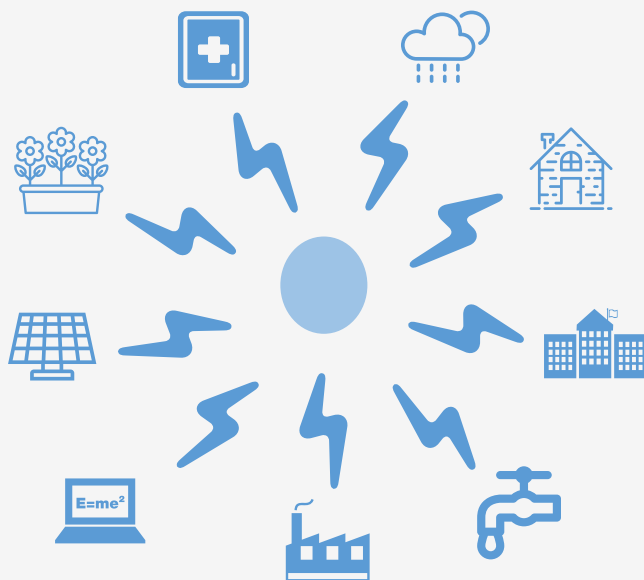
“Implementing Opinions about Accelerating Energy Development and Construction in Poor Regions from Poverty”



“Guiding Opinions on Promoting New Energy Micro-Grid Demonstration Projects Construction”

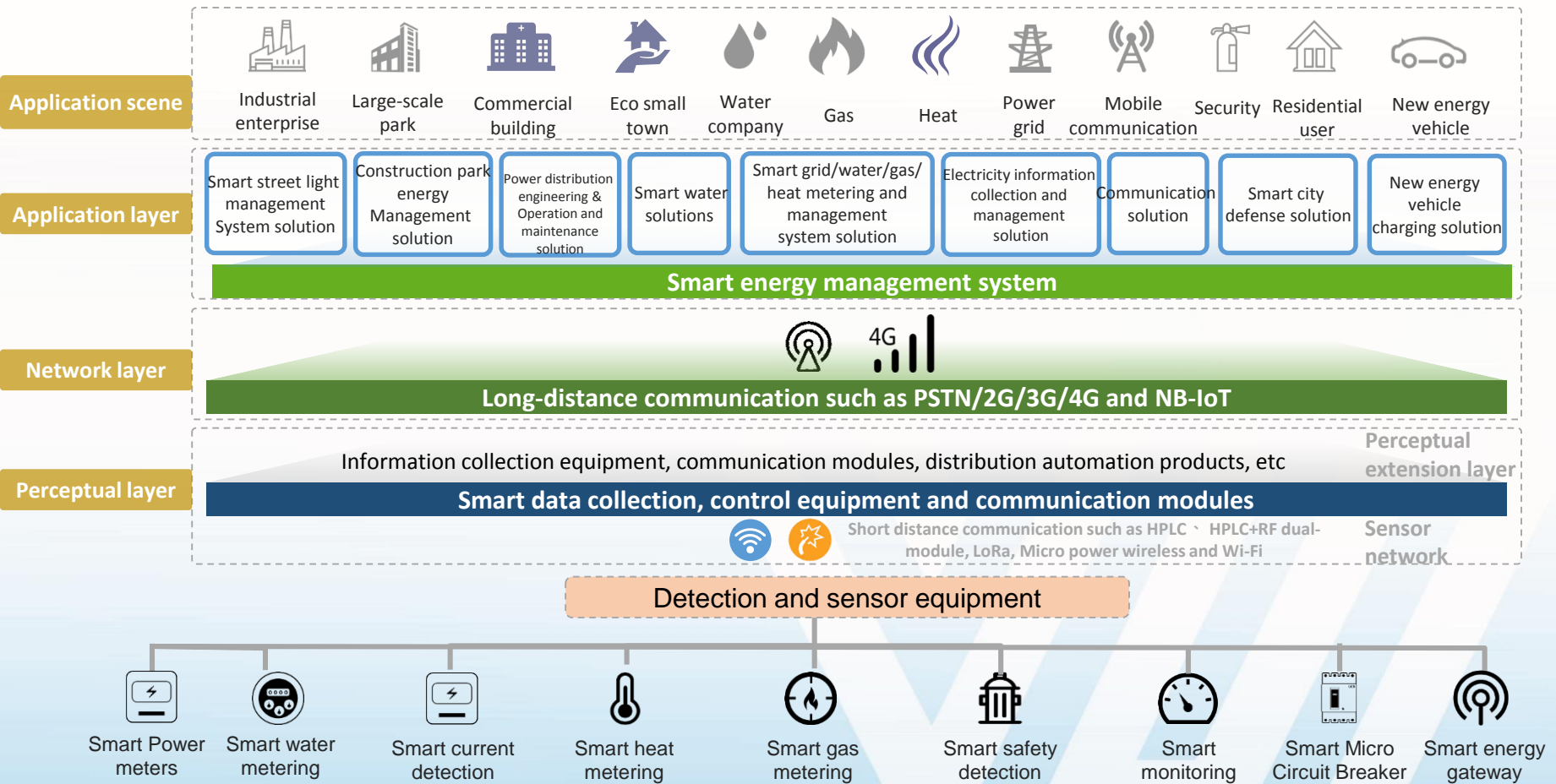
- Stay close to the development of State Grid and Southern Grid to maintain its market share by high standard products
- Leverage the Group's leading position and comprehensive strengths in different aspects such as brand name, technology, market share, quality, business scale and management

Internet of Things (IoT)



- The Internet Of Things, or “IoT” connects all items through the network to realize intelligent identification, information exchange and management of anyone at any time in anywhere, to realize the specific functions of the Internet of Things, and provide industry solutions for specific customers. ;
- The core of IoT is the connection between people, and people and objects
- Its application includes: smart cities, smart traffic, smart logistics, smart environment protection, smart living, transit, and mobile communications, etc.

Solutions in Communications – Internet of Things



Application of IoT - Alibaba



Multi-business platform



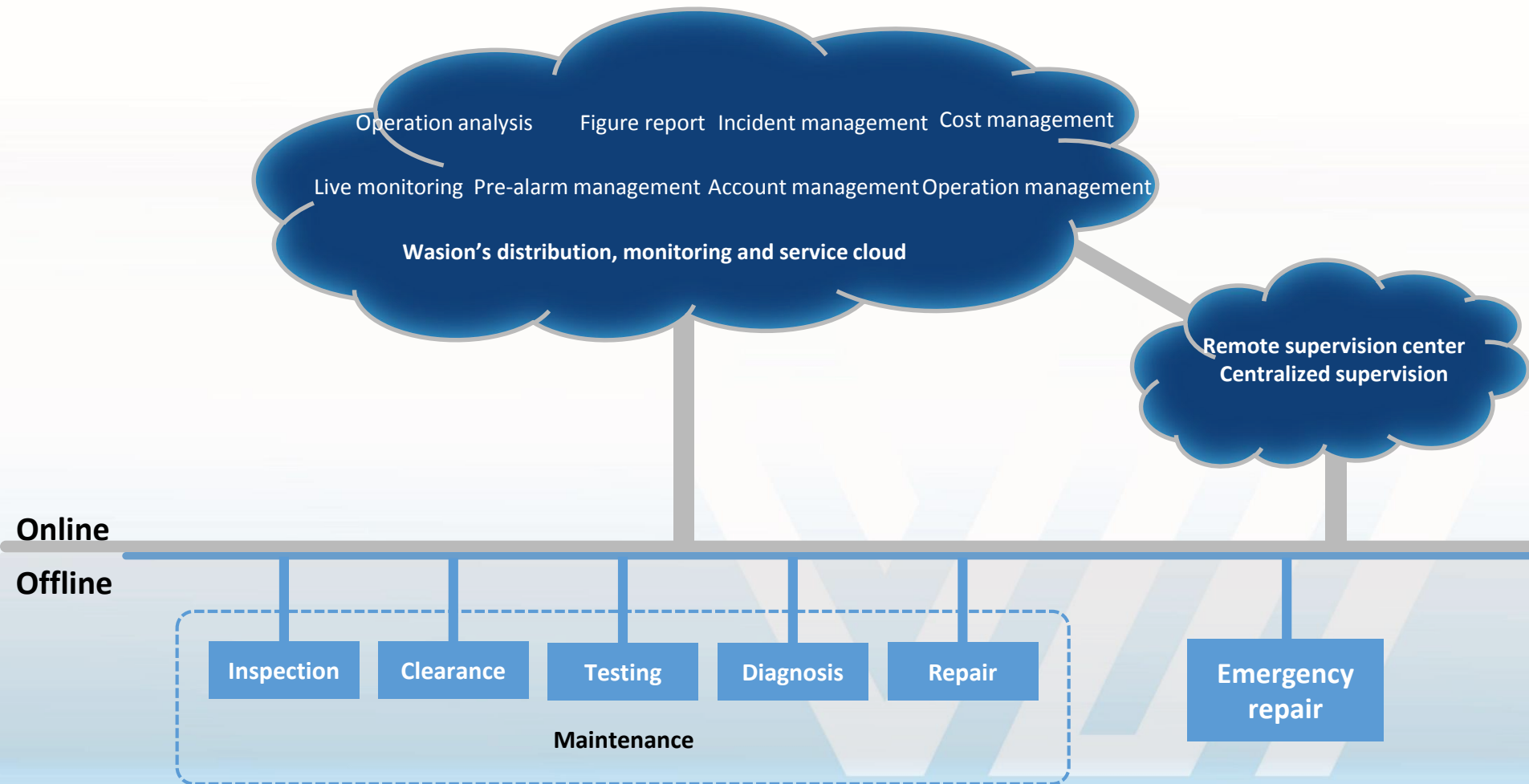
Report for installation → Meter reading → Daily maintenance → Payment → Customer service



Chinese government is accelerating the coverage of Communications and Fluid AMI;
We have leading position and comprehensive strengths in different aspects such as brand name, technology, market share, management and business scale



Strategy in Advanced Distribution Operations (ADO)



Strategy in Advanced Distribution Operations (ADO)

- Strong AMI business provides valuable and extensive end-user information for ADO
- The data, being carefully analyzed, gives Wasion advantage in understanding its clients' energy-saving demand and developing better customized products and solutions
- An extensive sales channel connecting grid operators, industrial users, and residential users for years



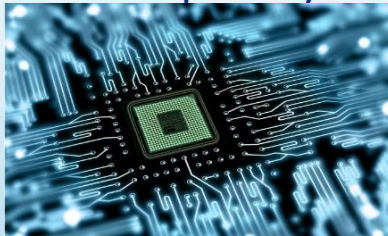
Changsha Railways



Underground Pipe Gallery



Electric chip industry



- Established Wasion Electric Industry Park, the most professional technology park in the ADO industry in Central China with the most leading technology, largest operation scale, most comprehensive systems and product series and most advanced equipment upon its completion
- Design and contracting qualifications in both power distribution and new energy generation
- Expanded into full partnership with ABB and Schneider on the basis of the continuing full partnership with Siemens

Overseas Market

National sales network with global connection



Premier Customer Base



Power Industry



国家电网公司
STATE GRID
CORPORATION OF CHINA



中国南方电网
CHINA SOUTHERN POWER GRID



中国国电
CHINA GUODIAN



中国华能集团公司
CHINA HUANENG GROUP



大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.



中国电力投资集团公司



GDS万国数据



中国华电集团公司
CHINA HUADIAN CORPORATION



Non-Power Industry



中国一汽



北京地铁
BEIJING SUBWAY



深圳地铁
SHENZHEN METRO



CHINA GAS
中国燃气



SANY



北京汽车



民生燃气



中京化建



CNPC



神华集团
SHENHUA GROUP



中国铁建



长沙市轨道交通集团有限公司
Changsha Metro Group Co., Ltd.



东风汽车公司
DONGFENG MOTOR CORPORATION



中建三局第二建设工程有限责任公司



武汉钢铁(集团)公司
WUHAN IRON AND STEEL (GROUP) CORP.



华菱集团
VALIN GROUP



中国机械进出口集团有限公司
China Machinery Engineering Corporation



中油中泰燃气投资集团有限公司
CHINA CITY NATURAL GAS INVESTMENT GROUP CO., LTD.



中联重科



中国水务投资有限公司
CHINA WATER INVESTMENT CO., LTD.



Overseas

SIEMENS

ISKRAEMECO



PT PLN (Persero)

Power Automation

A Joint Venture between Singapore Power and Siemens



SINGAPORE
POWER

LSIS

nansen

Macstan
Holdings (Pty) Ltd

Itron



HUAWEI



Wasion Holdings Limited
威勝控股有限公司

Outlook



Outlook

Opinions regarding the Deepening of the Power Sector's Reform"

To build Energy Internet and "Three Types and Two Networks" enterprise, and Ubiquitous Electric Power IoT

"Guiding Opinions on Promoting the Development of 'Internet+' Smart Energy".

"Notice about Expanding the Transmission and Distribution prices Pilot Scheme"

Notice on Consolidation and Improvement of Rural Drinking Water Safety and Planning during the 13th Five-Year Plan Period'

Supply Side Structural Reform

"Opinions about Promoting Pricing Reform"

Mid-to-long run target markets' scale and growth potentials

Power AMI

- Seize the opportunities driven by State Grid's new policy
- Key target markets will be smart power grid and public utilities automation
- Play a leading role in increasing demand for AMI technology and products, expanding AMI operation and maintenance services, and continuously improving the revenue scale and profitability of power markets
- Leveraging current client base, continuously increase power grid market revenue scale and profit capability

C&F AMI

- Grasp the opportunities in IoT and smart city and invest heavily in R&D
- Maintain our leadership in AMI in water, gas and heat supply, gradually enhancing revenue scale, market share and industry influence
- The gas and heat market will undergo a rapid growth in future under the support of gas escalating pricing policy and heat metering reform respectively

ADO

- To target smart distribution and energy efficiency management for customers in high-end industries, such as railway transportation, data centers, smart manufacturing, large public construction and renewable energy power generation
- To widen cooperation with domestic and foreign leading smart distribution service providers in technology, product and market aspects
- To make a breakthrough in key industries based on new ADO solutions

Overseas

- To seize the expansion opportunity brought by "Belt-and-Road" Initiatives, Guangdong-Hong Kong-Macau Greater Bay Area, and emerging markets
- Asia and Africa : To develop self brands, build channels and expand the market coverage based on the existing customer base
- European and American markets : To proactively participate in AMI restructuring of each EU member on the back of our strategic partnership with Siemens, Huawei and so forth

M&A

- Look for acquisition opportunities with market leading providers that enhance our business segments and improve our market structure in terms of region and end markets

Note: ADO: Advanced Distribution Operations; Power AMI: Power Advanced Metering Infrastructure; C&F AMI: Communication and Fluid Advanced Metering Infrastructure



企业使命：能源计量与能效管理专家

企业愿景：持续创新，百年威胜

经营宗旨：至诚致精，义利共生

企业精神：团结、进取、求实、创新

Corporate Mission and Vision

Mottos of Operation: Perfect Work with Passion, and Success achieved with Integrity

Corporate Mission: Energy Metering & Energy Saving Expert

Technology and product innovation, market and sales innovation, operation and services innovation, management and system innovation

Strive to realize the strategic objective of focusing on three markets: domestic power industry market, domestic non-power industry market and international market

Corporate Goal: Continual Innovation Contributing to Wasion's Centennial History