LongShine Technology Group Co., Ltd.

Annual Report 2024 (Summary)

April, 2025

I. Key Accounting Data and Financial Indicators

1. Key Accounting Data and Financial Indicators in Recent Three Years:

	Current reporting period	The same period of previous year	Increase/decrease of current year over Previous year
Revenue (RMB)	4,479,343,609.52	4,727,289,210.10	-5.24%
Net profit attributable to shareholders of listed company (RMB)	-250,277,338.89	603,945,488.22	-141.44%
Net profit attributable to shareholders of listed company excluding non-recurring gains and losses (RMB)	-277,969,791.37	533,163,590.20	-152.14%
Net cash flows from operating activities (RMB)	553,786,774.78	657,986,824.69	-15.84%
Basic EPS (RMB Yuan/share)	-0.2300	0.5600	-141.07%
Diluted EPS (RMB Yuan/share)	-0.2300	0.5600	-141.07%
Weighted average ROE	-3.47%	8.17%	-11.64%
	As at the end of the reporting period	As at the end of last year	Increase/decrease of current year over Previous year
Total assets (RMB)	9,792,773,457.42	9,978,148,404.43	-1.86%
Net assets attributable to shareholders of listed company (RMB)	6,818,402,052.61	7,621,006,322.84	-10.53%

During this reporting period, the revenue of LongShine Group was 4.48 billion yuan with an decrease of 5.24% over the same period of last year; the net profit attributable to shareholders of listed company was -250 million yuan with an decrease of 141.44% over the same period of last year; and the net profit attributable to shareholders of listed company excluding non-recurring gains and losses reached -287 million yuan with a year-on-year decrease of 152.14%. Net cash flows from operating activities was 554 million yuan.

In 2024, the Company remained focused on its dual development strategy of energy digitalization and energy internet, continuously driving business innovation and upgrading. Significant investments were made in AI research and application. During the reporting period, the Company demonstrated a firm commitment to strategic focus by comprehensively optimizing and restructuring its non-core businesses. It completed the divestiture and reorganization of non-core segments such as TV hardware, digital cities, digital trade, and the industrial internet. Also during the reporting period, the Shenzhen Stock Exchange approved LongShine's major asset restructuring project concerning the acquisition of the remaining 10% minority equity in Bang Dao Technology. Bang Dao Technology is the Company's primary operating entity for its energy internet business. With Bang Dao Technology becoming a wholly owned subsidiary of LongShine, the Company's energy internet development strategy has been further strengthened.

During the reporting period, due to the divestiture and restructuring of non-core businesses, the Company disposed of loss-making non-core operations. This resulted in a one-time financial impact of approximately 488

million yuan, primarily due to goodwill and inventory impairments, as well as the expensing of previously capitalized investments and costs.

2. Main Accounting Data by quarter

	Q1	Q2	Q3	Q4
Revenue	667,505,407.63	881,050,760.42	1,150,839,189.32	1,779,948,252.15
Net profit attributable to shareholders of listed company	-19,227,215.14	56,427,099.19	122,956,050.39	-410,433,273.33
Net profit attributable to shareholders of listed company excluding non-recurring gains and losses	-46,113,344.35	50,660,493.25	115,623,024.00	-398,139,964.27
Net cash flows from operating activities	-207,097,199.72	126,117,136.89	153,391,862.93	481,374,974.68

3. Cost of sales and Expense

	Current reporting period	The same period of previous year	Increase/decrease of current year over Previous year	Explanation
Cost of Revenue	2,631,090,660.93	2,801,011,376.06	-6.07%	
Selling Expenses	811,567,923.03	589,724,520.37	37.62%	Due to the high-quality development of Xindiantu.
Administration Expenses	562,548,303.98	389,991,331.85	44.25%	Expensing some costs in energy digitalization, due to the delay of some projects.
Financial Expenses	-24,616,912.76	-28,001,440.14	12.09%	
R&D	531,137,387.46	518,026,101.11	2.53%	

4. Profit allocation and capitalization of capital reserve of current year

Bonus shares per 10 shares (share)	0
Dividend per 10 shares (RMB) (tax included)	2.50
Capitalizing per 10 shares (share)	0
Equity base of the allocation plan	1,078,235,821
Cash dividend (RMB) (tax included)	269,558,955.25
Cash dividend in other ways (e.g.share repurchase) (RMB)	139,226,110.91
Total cash dividend (including other ways) (RMB)	408,785,066.16
Proportion of total cash dividend (including other ways) over total profit allocation	100.00%

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II. Main business review of the company

1. Macro environment and policy background of the company's development

The power and energy industry, which LongShine focuses on, is undergoing a profound transformation. As China continues to advance its “dual carbon” strategy and pursue high-quality development goals, the tensions among energy security, economic efficiency, and green development in the country’s medium- to long-term energy development have become increasingly prominent. In response, the government is unwaveringly promoting the development of new power systems and other infrastructure, as well as deepening power market reforms, to increase the consumption of new energy. At the same time, the integration of electric power and digital technology is accelerating. Breakthroughs in the field of artificial intelligence (AI)—as represented by models like Qwen and DeepSeek—are creating significant opportunities for application innovation across all segments of the power and energy sector. **Under the premise of market reform, with digitalization as the foundation and scenario-based applications as the approach,** the application of AI technologies and innovative business models will give rise to new quality productive forces, which will comprehensively promote the development of the power market, significantly improve the efficiency of new energy utilization, help resolve the “energy trilemma” of security, economy, and green development, and unleash enormous market potential and commercial opportunities.

Market reform of the power industry is an irreversible trend. In 2024, China’s total electricity consumption reached 9.85 trillion KWh, marking a year-on-year increase of 6.8%. The national power supply and demand remained generally balanced, with electricity consumption in the tertiary sector rising by 9.9% year-on-year, and new business models such as charging and battery swapping services experiencing rapid growth in electricity demand. China’s power market reform continues to advance. **At its core, this reform aims to reflect supply and demand through pricing mechanisms, establish price signals, and restore electricity’s attributes as a tradable commodity.** The *Blue Book on the National Unified Power Market Development Plan*, released in November 2024, outlines a three-step strategy for building a unified national power market with three key milestones: preliminary establishment by 2025, full establishment by 2029, and refinement and optimization by 2035. In February 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the *Notice on Deepening Market-based Reform of Feed-in Tariffs for New Energy and Promoting High-quality Development of New Energy*, which promotes the full integration of new energy into the power market. Driven by a series of policy initiatives, market activity in the power sector has continued to increase. According to data from the China Electricity Council, in 2024, power trading centers across the country organized a cumulative total of 6.18 trillion KWh in market-based electricity transactions, representing a 9% year-on-year increase and accounting for 62.7% of total electricity consumption. Transactions involving green electricity and green certificates reached record highs. Spot power markets have been launched and are operating in almost all provinces and regions, and time-of-use pricing policies are being continuously refined across the country.

Digitalization is the foundation of the development. Due to the decarbonization of power system and the electrification of energy consumption, the number of devices connected to the grid is growing exponentially. In this context, **digital and AI technology are becoming the foundational infrastructure and the core driving force for transforming and upgrading the power and energy industry, supporting the development of new power systems, and enabling market reforms in the sector.** Digitalization in the power and energy industry now spans the entire value chain, including power generation, dispatching, metering, marketing, market-based trading, and electricity consumption. With the large-scale integration of distributed energy resources, energy storage systems, electric vehicles, etc. generating massive volumes of data, the power system faces major challenges such as energy transformation, dynamic supply-demand balancing, and the development of flexible grids. The in-depth application of AI technologies offers revolutionary tools to address these issues. For example, in the field of electricity marketing, large language models (LLMs) can be used to build intelligent customer service models specifically for

the grid company, enabling automatic comprehension of human-machine interactions and improving the efficiency of online customer service. In electricity trading, LLMs can leverage historical consumption data, weather patterns, and economic indicators to substantially reduce short-term load forecasting errors.

Scenario-based electricity consumption is promoting the power market transactions. With the emergence and grid integration of new scenarios such as distributed energy resources, energy storage systems, and electric vehicles, a highly interconnected energy supply and demand system is taking shape. Connecting supply and demand through specific application scenarios will accelerate the implementation of market-based electricity transactions. In 2024, China added 118.18 GW of new distributed photovoltaic (PV) capacity nationwide, including 88.63 GW from new commercial and industrial (C&I) distributed PV installations—a year-on-year increase of over 67%—bringing the total cumulative installed distributed PV capacity to approximately 229.63 GW. Annual sales of new energy passenger vehicles reached 10.9 million units, with the market penetration rate rising to 48%. By the end of 2024, the total number of new energy vehicles (NEVs) in China had reached 31.4 million, accounting for 8.9% of the total vehicle. Based on the power generation and consumption scenarios, energy internet platforms have emerged to connect supply and demand and integrate service. Examples include aggregation platforms for distributed PV, charging service aggregation platforms for NEVs, and microgrid platforms for industrial parks. These platforms provide a range of power market services such as energy management, electricity trading, and microgrid operations. They enable energy consumers to become local energy producers while enjoying energy services, and to directly participate in the power market through mechanisms like demand response. This promotes local supply-demand balancing and facilitates the development of a market-oriented electricity system.

2. Main business of the company and progress during reporting period

LongShine is a leading technology company in the power and energy industry, focused on a dual development strategy of energy digitalization and energy internet. By integrating AI technology, the company delivers more convenient, cost-effective, and environmentally friendly electricity services through digital solutions, scenario-based connectivity, and platform-based transactions. It is committed to becoming a technology-driven high-tech energy company. On one side, in the field of energy digitalization, the company provides comprehensive core business software solutions for the electricity usage side to clients such as State Grid Corporation of China (SGCC) and China Southern Power Grid (CSPG), supporting the development of new power systems. On the other side, in energy internet, the company builds energy service scenarios including utility bill payment platforms, aggregation charging platform, and virtual power plants, which offer scenario-based operations and electricity transaction services to power users, thereby promoting market reform in power industry.

1). Energy Digitalization: Providing Software Solutions to Energy Clients.

The Company has been serving the power and energy industry for over 27 years, providing software solutions in electricity usage sector to clients such as SGCC and CSPG. It is deeply involved in the digital and intelligent transformation of power grids and the development of new power systems. It has continuously cultivated its expertise in electricity digitalization services for the two major grid operators while expanding its presence nationwide. Starting from core marketing service systems, the company has developed a diversified portfolio of key product lines, including marketing, data acquisition, load control, charging platforms, data middle platforms, and AI applications, supporting innovative implementations across multiple provinces. In terms of technological innovation, the company adopts a comprehensive “Cloud + AI” architecture, leveraging its leading AI capabilities to support the development of new power systems.

During the reporting period, LongShine Technology Group Co., Ltd. achieved a total of 2.15 billion yuan

revenue from energy digitization business with a year-on-year decrease of 7.51%.

During the reporting period, the Company expanded its nationwide presence, developed new business lines, and promoted technological innovation through AI applications. In the area of core electricity marketing systems, the Company advanced its national market deployment, shifting from operations focused on key provinces to a broader, nationwide strategy. This expansion further solidified and enhanced its market position. In terms of new business development, the Company seized opportunities arising from the development of new power systems, power market reform, and the advancement of AI. Its business scope expanded beyond marketing product lines to include key lines such as marketing, data acquisition, load control, data middle platforms, and AI-driven innovative applications. Notably, the Company undertook the breakthrough of new products in State Grid and CSPG. In the field of technological innovation, the Company kept pace with emerging technology trends and increased efforts in its technological transformation, as it fully transitioned its technology architecture toward a "Cloud + AI" framework.

2). Energy Internet: Providing Electricity Transaction Services Through Energy Service Scenarios

The Company has been delivering innovative services in energy internet for over 10 years, developing and operating a variety of energy service platforms and scenarios, including utility payment platforms, aggregated charging service platform, and virtual power plants. As market-based electricity trasaction becomes the norm, the Company leverages its established energy service scenarios to connect a wide range of user loads and distributed energy resources. By utilizing AI technologies, it enables market-based electricity transactions, offering users more convenient, cost-effective, and environmentally friendly electricity services.

Energy Service Scenarios: 1) Utility Payment: In collaboration with platforms such as Alipay, the company provides users with a seamless, closed-loop online service for utility inquiries, bill payments, statements, and invoices across electricity, water, gas, and heating. **2) Aggregated Charging Service:** The Company has established the Xindiantu charging service brand, integrating upstream and downstream industry resources and connecting various public charging stations to offer high-quality, convenient public charging services for NEV owners. **3) Virtual Power Plant:** Leveraging energy IoT technologies, the company has built a distributed PV cloud platform that offers operational services such as monitoring and settlement for distributed solar power stations. This enhances efficiency and reduces costs while aggregating PV generation resources for participation in the electricity market. Also, the company has developed intelligent microgrids for integrated solar-storage-charging scenarios, such as EV charging stations and industrial parks. These microgrids operate based on AI-driven strategies, enabling intelligent internal power supply-demand matching and coordinated participation in external electricity markets.

Power Market Transactions: The Company has obtained power retail licenses in 25 provinces. Leveraging its energy service scenarios, the Company aggregates load resources and distributed energy from small and medium-sized C&I users, EV charging stations, and industrial parks. Based on this foundation, it continuously enhances its AI forecasting models and develops AI-powered electricity trading agents to carry out large-scale and market-based power retailing, green electricity trading, and demand response services across a broad spectrum.

During the reporting period, LongShine Technology Group Co., Ltd. achieved a total of 1.80 billion yuan revenue from energy internet business with a year-on-year growth of 17.63%.

During the reporting period, the Company achieved rapid growth in both energy service scenario operations and power market transactions. Breakthroughs were made in application of AI technologies across multiple areas, including aggregated charging service, power market transactions.

Energy Service Scenarios: 1) Utility Payment: During the reporting period, the Company's utility payment platform served over 500 million metered users for services such as electricity, water, gas, and heating. The platform recorded more than 19 million daily active users. **2) Aggregated Charging Service:** During the reporting period, Xindiantu entered a phase of high-quality development, with annual charging volume reaching 5.2 billion kWh. Over 50% of the charging volume came from high-value private vehicle users. The platform surpassed 18 million registered users, with more than 3,000 charging pile operator partners and over 1.6 million charging devices connected. Leveraging "AI + big data" technologies, Xindiantu provides operators with multi-dimensional services such as charging heatmaps, urban power distribution network models, and consumer behavior models for station surroundings. These tools support precise site selection, scientific pricing, and refined operations. Also, Xindiantu expands its ecosystem through broad partnerships with industries such as NEV manufacturers, freight, mobility services, and insurance, building a diversified business ecosystem. During the reporting period, in collaboration with Ant Group, the Company completed China's first RWA (Real-world Asset) project based on charging pile assets on the Xindiantu aggregation platform in Hong Kong in August 2024. **3) Virtual Power Plant:** During the reporting period, in the virtual power plant sector, the distributed PV cloud platform focused on connecting and serving power generation scenarios, developing capabilities in asset operations, trading technologies, and intelligent gateways. The platform had cumulatively integrated 25 GW of distributed PV capacity. The microgrid business began to take shape, with intelligent microgrids built around scenarios such as EV charging stations and industrial parks. These microgrids use AI-driven strategies to achieve intelligent matching and coordinated operation of internal power supply and demand. This enhances energy self-sufficiency within the scenarios, optimizes power resource allocation, and supports enterprises in their green and low-carbon transition.

Power Market Transactions: During the reporting period, the Company carried out market-based electricity transactions in multiple provinces, including Guangdong, Jiangsu, Zhejiang, Shandong, and Sichuan. AI-assisted electricity trading achieved significant results, as the Company continuously optimized its AI forecasting models to accurately capture energy supply and demand trends. This enhanced its competitive advantage in the electricity transaction market and drove rapid business growth. The total annual trading volume exceeded 1.9 billion kWh, representing a more than fivefold year-on-year increase.

3). Internet TV:

The Company has established long-term and trusted partnerships with China Mobile and licensed Internet TV operators, focusing on services and operations related to large-screen internet-based home entertainment. As a technology service provider, the Company ensures the compliant, stable, and efficient operation of Internet TV services through platform development, system operation and maintenance, and big data analytics. Also, it explores AI-driven smart products for surrounding aspects of digital life to maintain user engagement and enhance the overall user experience.

During the reporting period, LongShine Technology Group Co., Ltd. achieved a total of 528 million yuan revenue from Internet TV business with a year-on-year decrease of 39.44%.

During the reporting period, the Company divested terminal hardware business to focus on services and operations related to large-screen home internet applications. It pursued AI-driven innovation in smart digital lifestyle products and implemented multi-dimensional user engagement strategies to maintain high user activity. The Company also enhanced the platform's scalability and security capabilities. With steady advancement in ecosystem collaboration across the industry, the business continued to develop in a stable and sustainable manner.

III. Products accounting for above 10% of the Company’s main revenue or profit

	Revenue	Cost of sales	Gross profit margin	Increase/decrease of revenue over prior year	Increase/decrease of cost over prior year	Increase/decrease of gross profit margin over prior year
By industry						
Energy digitization	2,147,019,121.54	1,417,198,649.79	33.99%	-7.51%	2.33%	-6.35%
Energy internet	1,804,093,532.89	909,555,845.43	49.58%	17.63%	-1.63%	9.86%
Internet TV	528,230,955.09	304,336,165.71	42.39%	-39.44%	-38.08%	-1.26%

	Revenue	Cost of sales	Gross profit margin	Increase/decrease of revenue over prior year	Increase/decrease of cost over prior year	Increase/decrease of gross profit margin over prior year
By product						
Platform operating	1,824,935,110.78	775,887,645.63	57.48%	8.04%	-13.38%	10.51%
Software service	2,304,130,290.59	1,578,053,743.36	31.51%	-9.63%	3.86%	-8.90%

IV. Prospect of the company's future development

Business plan for 2025

1) Energy Digitization

In 2025, the energy digitalization business will build upon the Company’s extensive nationwide presence and align with the development of new power systems. The Company will continue to expand its market reach and drive innovation in areas such as IoT-based data acquisition, load control, and microgrid management. It will also intensify its investment and strategic deployment in response to the full integration of new energy into the market, seizing business opportunities in new energy management, market-based transaction settlement, and market-oriented user operations, thereby gaining a competitive edge in emerging business development tracks. In the realm of technological innovation, the Company will seize emerging opportunities in AI development, applying its leading AI capabilities in areas such as intelligent customer service, smart data inquiry, and automated electricity billing. These advancements will support the development of new power systems, foster a new growth curve for the energy digitalization business, and ensure sustained development at scale.

2) Energy Internet

In 2025, Energy Internet will follow a dual flywheel strategy centered on “User–Scenario–Market”, continuously expanding and integrating across service scenarios such as distributed PV aggregated scenario, Xindiantu aggregated charging platform, utility payment and relevant value-added services. By leveraging IoT, big data, and AI technologies, the Company will conduct precise load forecasting and achieve efficient supply-demand matching, thereby driving the continuous growth in the scale and value of scenario-based services and enabling rapid expansion of electricity transaction volume. In particular, Xindiantu business will continue to grow its user

base and total charging volume in 2025, further expanding the coverage of its charging network. The Company will deepen cooperation with partners such as Alipay and broaden its business ecosystem. It will also increase the application of AI in areas such as charging dispatch and user demand forecasting, **with the goal of further improving profitability and increasing market share**. In 2025, the Company will make every effort to scale up its AI-driven market-based electricity transaction business. By deeply linking service scenarios and connecting a wide range of energy assets, it aims to build long-term competitive advantages for its aggregation and resource transaction platforms. Focusing on scenarios, data, and algorithms, the Company will **develop a competitive AI-powered electricity trading capability and drive rapid growth in transaction volumes.**

3) Internet TV

In 2025, Internet TV business will seize the opportunity presented by China Mobile's upgrade of its home market operations, focusing closely on the themes of "cost reduction, efficiency improvement, and innovation-driven upgrades". The Company will build an integrated home service platform powered by AI, aiming to capture the AI entry point for smart digital households and create new value for users, thereby ensuring the sustained and stable development of the business.

IV. Company Profile

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