GUOFUHEE

Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.

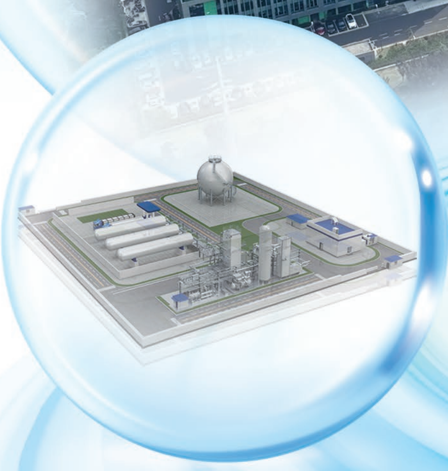
江蘇國富氫能技術裝備股份有限公司

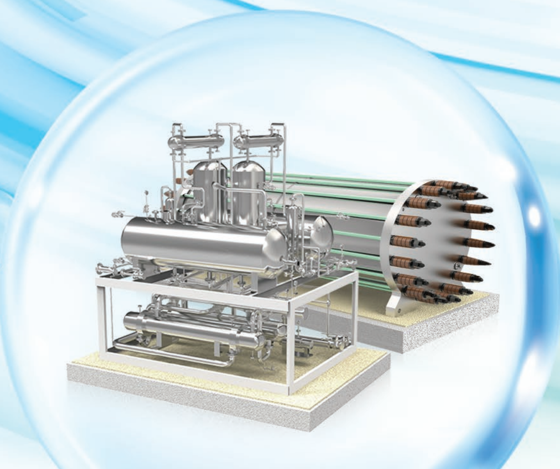
(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2582

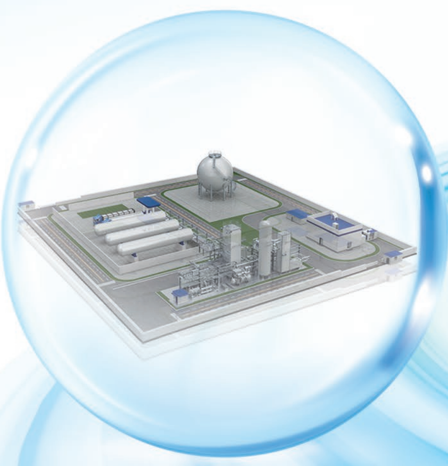
ANNUAL REPORT

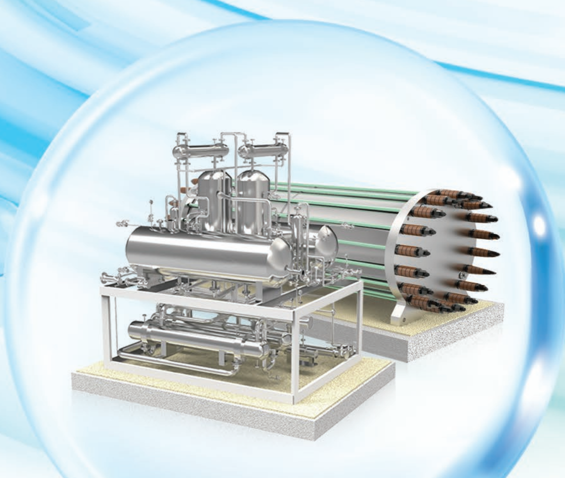
2024





Contents





Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WU Pinfang *(Chairman)*
Mr. WANG Kai *(General Manager)*
Mr. SHI Jian

Non-executive Directors

Mr. GU Yanjun
Mr. ZHOU Lin
Ms. LIU Yilin

Independent Non-executive Directors

Ms. TONG Sze Wan
Mr. ZHANG Yongjun
Dr. ZOU Jiasheng

SUPERVISORS

Mr. HE Guangliang
Ms. ZHAO Jing
Mr. KUANG Kaifeng

JOINT COMPANY SECRETARIES

Mr. SHI Jian
Ms. WONG Hoi Ting *(ACG, HKACG)*

AUDIT COMMITTEE

Ms. TONG Sze Wan *(Chairlady)*
Mr. GU Yanjun
Dr. ZOU Jiasheng

REMUNERATION AND REVIEW COMMITTEE

Dr. ZOU Jiasheng *(Chairman)*
Mr. WU Pinfang
Ms. TONG Sze Wan

NOMINATION COMMITTEE

Mr. ZHANG Yongjun *(Chairman)*
Mr. SHI Jian
Ms. TONG Sze Wan *(appointed on March 27, 2025)*
Dr. ZOU Jiasheng *(ceased on March 27, 2025)*

STRATEGY COMMITTEE

Mr. WU Pinfang *(Chairman)*
Ms. TONG Sze Wan
Mr. ZHANG Yongjun

AUTHORISED REPRESENTATIVES

Mr. SHI Jian
Ms. WONG Hoi Ting

AUDITORS

Messrs. Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway, Admiralty
Hong Kong

HONG KONG LEGAL ADVISOR

Morgan, Lewis & Bockius
19/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Central, Hong Kong

PRC LEGAL ADVISOR

Lifeng Partners
39/F, Tower 2, Jing An Kerry Centre
1539 West Nanjing Road
Shanghai, PRC

COMPLIANCE ADVISER

Soochow Securities International
Capital Limited
Level 17, Three Pacific Place
1 Queen's Road East
Hong Kong

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

No. 236
Guotai North Road
Zhangjiagang City
Jiangsu Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL BANKS

Shanghai Pudong Development Bank
Zhangjiagang Sub-branch
No. 3-98, Renmin West Road
Zhangjiagang City
Jiangsu Province
PRC

HONG KONG H SHARE REGISTRAR

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

2582

COMPANY'S WEBSITE

www.guofuhee.com

Chairman's Statement

Dear investors,

On behalf of the Board, I am pleased to present the annual report of the Group for FY2024. FY2024 is a year of great significance for the Company.

In 2024, the Company occupied a strategic high ground in the hydrogen energy industry with the focus on developing and manufacturing core equipment used in the entire industrial value chain of "production, storage, transportation, refueling and use", which has become a leading enterprise in providing integrated solutions for hydrogen equipment in China. In the tide of deep reformation of the global energy structure, we upheld the principle of balancing innovation-oriented development with strategic breakthroughs, enabling us to achieve significant breakthroughs in the fields of transformation of technological achievements, global market-oriented deployment and capital operation. On November 15, 2024, the Company was successfully listed on the Main Board of the Stock Exchange. Not only did this a recognition of the Company's achievements by the capital market, but also signified that the enterprise has officially entered the fast track of large-scale development.

Facing the tide of industry competition in this year, the Company implemented the approach of "technological empowerment and scenario exploration" and continued to carry out technology upgrades and product iterations. The energy consumption of large-scale alkaline water electrolysis hydrogen production systems exceeding 4.2kWh/Nm^3, the trial operation of liquefaction units with a capacity of 10 tons/day, the successful R&D of 450L large-capacity cylinders as well as the implementation and demonstration of liquid hydrogen refueling stations have achieved breakthrough progress, which solidified the leading position in the entire hydrogen energy industry chain in terms of production, storage, transportation and use. At the same time, the Company participated various leading application demonstration projects in China, such as the hydrogen demonstration project at Ningbo Zhoushan Port, which set a new benchmark for the industry. At the same time, the Company proactively expanded its international businesses and its overseas footprints have covered Europe, South America, Middle East, Australia, Southeast Asia and the United States, which provided vehicle-mounted high-pressure hydrogen supply systems, vehicle-mounted high-pressure hydrogen storage cylinders, equipment for hydrogen refueling stations and water electrolysis hydrogen production equipment to such markets. In addition, the Company has deployed various joint ventures in Germany, the Netherlands, UAE, Brazil, India, Morocco and other international important strategic regions, which preliminarily established a global hydrogen network covering the areas of "R&D, manufacturing and application". It was worth mentioning that, two production lines at production facility of Zhangjiagang Factory Phase III have also commenced official operation, one of which was a production line of Type-III cylinders with an annual capacity of approximately 22,000 units, and the other is a production line for water electrolysis hydrogen production equipment with an annual capacity of approximately 120 sets, which enabled the capacity of the Company to achieve leapfrog improvement and laid a solid foundation for becoming a global supply chain centre of hydrogen equipment in the future.

Looking forward to 2025, the Company will make precise efforts in three dimensions to achieve breakthroughs, so as to drive the Company to enter a new phase of growth:

I. Sky dimension: the Company will seize the new frontiers in low-altitude economy and develop hydrogen-powered systems with ultra-long-range and ultra-big payload capacity, so as to establish competitiveness in airspace economy;

II. Dimension of liquid hydrogen: the Company will capitalize the unique technologies in liquid hydrogen and promote the demonstration and application of liquid hydrogen industry chain, so as to form a development mode in the entire industry chain of "liquefaction, production, storage, transportation and refueling of green hydrogen" and "vertical operation of liquid hydrogen in water, land and air"; and

III. International dimension: the Company will output hydrogen solutions and establish a sales network expanding to the world by leveraging on the strategic layout of overseas localized manufacturing, so as to output diversified solutions for hydrogen production using renewable energy and large-scale application of green hydrogen, thereby facilitating the low-carbon transformation of global energy systems.

Under the spotlight of energy reforms, we will adhere to the development focus on "technology productization, industrial capitalization and market globalization" and improve our governance system based on the standards of public companies, so as to create values for the Shareholders continuously. We firmly believe that, under the long-term and unfailing support from our partners who fought side by side with us, customers who grow with us together, suppliers who are collaborative and innovative as well as Shareholders who synchronize with us strategically, we will embark on a green chapter of the era on the road of sustainable development.

Mr. Wu Pinfang
Chairman and Executive Director
Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.

Jiangsu, the PRC
March 27, 2025

Financial Highlights

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Operating Results	For the year ended December 31,			
	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**458,609**	522,442	359,492	329,278
Gross profit	**45,937**	93,365	39,022	31,772
Loss before tax	**(252,629)**	(88,809)	(116,090)	(89,549)
Loss for the year	**(208,628)**	(75,043)	(96,218)	(75,249)
Loss per share – Basic *(RMB)*	**(2.12)**	(0.81)	(1.04)	(0.87)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Operating Results	For the year ended December 31,			
	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**2,564,529**	2,097,535	1,665,321	1,109,297
Total liabilities	**1,571,621**	1,531,913	1,053,483	416,407
Equity attributable to owners of the Company	**991,025**	565,391	611,867	694,533

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK OF THE GROUP

Hydrogen energy is one of the important catalysts for the global energy transformation and its development will change the global energy structure and contribute to new growth prospects for sustainable economic development. Governments around the world have been actively pursuing the "carbon neutral" objective and have implemented, including those in Europe, Asia, America, the Middle East and Australia, policies and initiatives to promote the development of clean energy in their respective countries. Favorable national and regional policy support contributes to rapid growth of hydrogen fuel cell vehicles in China. With the popularization of hydrogen fuel cell vehicles, the demand for the construction of supporting facilities, such as hydrogen refueling stations, is expected to grow.

Since its inception, the Group has primarily focused on the transportation sector in China by developing and manufacturing core components for hydrogen fuel cell vehicles (i.e., vehicle-mounted high-pressure hydrogen supply systems) and equipment for hydrogen energy transportation infrastructure (i.e., hydrogen refueling stations). By developing core equipment for water electrolysis hydrogen production, hydrogen liquefaction, and storage and transportation of liquid hydrogen, the Group expanded its business to the upstream and midstream stages of the hydrogen energy industrial value chain with multiple application scenarios.

On November 15, 2024, the H Shares were successfully listed on the Main Board of the Stock Exchange, marking a significant milestone towards international capitalization and providing robust support for the Group's future development and expansion.

The Group's mission is to provide integrated solutions of hydrogen energy equipment covering the entire industrial value chain of hydrogen energy to expedite the development of the hydrogen energy industry, including the production of green hydrogen, large-scale high-efficiency storage, transportation and use of hydrogen energy, as well as transportation using green energy. The Group is committed to becoming a leader in the advancement of hydrogen energy technologies and equipment and making sizeable contributions to the transformation of green energy, energy saving and carbon reduction and realization of the objective of "Carbon Peaking and Carbon Neutrality".

The Group currently provides four types of hydrogen energy equipment products to our customers, including: (i) vehicle-mounted high-pressure hydrogen supply systems and related products; (ii) equipment for hydrogen refueling stations and related products; (iii) equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen; and (iv) water electrolysis hydrogen production equipment and related products.

China's hydrogen energy industry is still in the early stages of commercialization, characterized by evolving infrastructure and a competitive market. These factors have led to fluctuations in customer demand and orders. Customers' purchasing decisions have been influenced by various elements, including their business success, planning, financial performance, and budgetary policies. The impact of the overall market environment and customer demand contributed to the decrease in the Group's overall revenue for FY2024 by approximately 12.2% to approximately RMB458.6 million and the increase in the loss for the year by approximately 178.0% to approximately RMB208.6 million. In FY2024, the majority of the Company's revenue was generated from vehicle-mounted high-pressure hydrogen supply systems and related products and equipment for hydrogen refueling stations and related products. Revenue from vehicle-mounted high-pressure hydrogen supply systems and related products accounted for approximately 60.9% of the Company's total revenue, while revenue from equipment for hydrogen refueling stations and related products accounted for approximately 32.3% of the Company's total revenue. Due to lower selling prices driven by customer demand, no revenue from liquid hydrogen equipment, and lack of economies of scale, the Group's gross profit in FY2024 also declined as compared to that of FY2023.

Despite the decrease in the Group's revenue for FY2024, the Company is actively expanding its overseas cooperation and business layout. The Company aims to promote the implementation and application of green hydrogen projects in relevant regions over the next year through technological and product improvements and full cooperation with its overseas partners. The Company also aims to reduce manufacturing cost and improve production efficiency by setting cost reduction and efficiency improvement targets in order to gradually achieve economies of scale to reduce the production costs and improve the profitability of the Company.

The Company will continue to enhance its competitive advantages in hydrogen energy core equipment that is used for green energy transportation, and continue to leverage the synergies generated from business lines such as vehicle-mounted hydrogen supply systems (including high pressure and liquid hydrogen), equipment for hydrogen refueling stations (including high pressure and liquid hydrogen). By developing and demonstrating innovative liquid hydrogen products, the Company aims to promote the commercialization of fuel cell vehicles and hydrogen refueling stations.

While maintaining and further increasing the Company's market share and competitive advantage in the segment of vehicle-mounted high-pressure hydrogen supply systems and related products and equipment for hydrogen refueling stations and related products, the Company will focus on the research, development, and iteration of core technologies for equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen, and water electrolysis hydrogen production equipment. Among the current four types of hydrogen energy equipment products, the Company shall strive to increase the promotion and sales of upstream hydrogen production, storage, and transportation equipment. The Company aims to gradually increase the proportion of revenue generated from hydrogen liquefaction and liquid hydrogen storage and transportation equipment, as well as water electrolysis hydrogen production equipment and related products.

To achieve the Group's objective, the Group plans to implement the following key strategies: (i) generate synergy of the Group's existing business lines and build an ecosystem for the development of the hydrogen energy industry; (ii) adhere to the R&D-driven strategy and promote technology upgrades and product iterations; (iii) expedite the Group's globalization strategy to realize the expansion of our international presence; (iv) strengthen the Group's manufacturing capabilities and increase production capacity; (v) actively participate in the formulation of policies and standards of hydrogen energy and capitalize on the opportunities brought by favorable government policies; and (vi) continue to attract and cultivate professional talents and improve the Group's operational efficiency with the support of comprehensive talent training and team building.

Looking ahead, the Group aims to continue to solidify its position as a leading hydrogen energy storage and transport equipment manufacturer in the PRC, by driving growth through innovation and expanding the Group's product offerings.

Financial Review

Revenue

The Group's revenue mainly consists of the sales derived from its four major product types: (i) vehicle-mounted high-pressure hydrogen supply systems and related products; (ii) equipment for hydrogen refueling stations and related products; (iii) equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen; and (iv) water electrolysis hydrogen production equipment and related products.

The following table sets forth a breakdown of the revenue by product type for the years indicated:

	For the year ended December 31, 2024 RMB'000	2023 RMB'000	Year-on-year change
Vehicle-mounted high-pressure hydrogen supply systems and related products	**279,089**	301,060	(7.3)%
Equipment for hydrogen refueling stations and related products	**147,945**	123,036	20.2%
Water electrolysis hydrogen production equipment and related products	**31,575**	15,564	102.9%
Equipment for hydrogen liquefaction and storage and transportation of liquid hydrogen	**Nil**	82,782	(100.0)%
Total	**458,609**	522,442	(12.2)%

For the FY2024, the Group's revenue amounted to approximately RMB458.6 million, as compared to approximately RMB522.4 million for the FY2023, representing a decrease of approximately 12.2%, which was mainly attributable to (i) no sales revenue from equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen was recorded within FY2024 due to the current domestic market of liquid hydrogen equipment has yet to achieve scale demand and generate stable revenue; and (ii) the decrease in sales of vehicle-mounted high-pressure hydrogen supply systems and related products due to cancellation or delay of some of the orders particularly in December 2024.

Cost of Sales

The Group's cost of sales consists primarily of (i) raw material costs, which mainly include the procurement costs for carbon fiber, pipes and valves, electrical instrumentation, aluminum tubes, compressors and compressor skids, among others; (ii) direct labor costs, which mainly represent the manpower used in the production activities; and (iii) manufacturing expenses, which mainly include utility expenses, low value consumables and depreciation of manufacturing expenses relating to the plants, machinery and equipment used in connection with its production activities.

Cost of sales of the Group decreased by approximately 3.8% from RMB429.1 million for FY2023 to approximately RMB412.7 million for FY2024, primarily due to the decrease in raw material costs.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by approximately 50.8% from approximately RMB93.4 million for FY2023 to approximately RMB45.9 million for FY2024. Gross profit margin decreased from approximately 17.9% for FY2023 to approximately 10.0% for FY2024. The decrease in gross profit was primarily due to (i) the overall lower selling prices of certain products driven by customers' demand; (ii) the decrease in the gross profit of equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen as no sales revenue from liquid hydrogen equipment was recognised within FY2024; and (iii) the majority of the water electrolysis hydrogen production equipment sold during the FY2024 were small-scale trial products, resulting in high labor and manufacturing expenses.

Other Income

Other income of the Group decreased by approximately 36.9% from approximately RMB25.3 million for FY2023 to approximately RMB15.9 million for FY2024. Such decrease was primarily due to the decrease in government grants.

Other Gains and Losses

Other gains of the Group increased by approximately 16.7% from approximately RMB0.3 million for FY2023 to approximately RMB0.4 million for FY2024. Such increase was primarily due to the increase in net foreign exchange gains.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Impairment losses under the expected credit loss model, net of reversal of the Group increased by approximately 259.2% from approximately RMB6.1 million for FY2023 to approximately RMB22.0 million for FY2024. Such increase was primarily due to the increase in provisions for impairment of trade receivables, as the trade receivables grew in size and aged during FY2024.

Selling Expenses

Selling expenses of the Group increased by approximately 7.7% from approximately RMB43.5 million for FY2023 to approximately RMB46.9 million for FY2024. Such increase was primarily due to the increase in the share-based payment expenses recorded in the selling expenses.

Research and Development Expenses

Research and development expenses of the Group increased by approximately 12.0% from approximately RMB39.1 million for FY2023 to approximately RMB43.8 million for FY2024. Such increase was primarily due to (i) the increase in equipment depreciation of the workshops of Type-IV cylinders and liquid hydrogen tankers due to the failure to achieve large-scale mass production; and (ii) the increase in compensation of research and development personnel.

Administrative Expenses

Administrative expenses of the Group increased by approximately 54.7% from approximately RMB90.9 million for FY2023 to approximately RMB140.6 million for FY2024. Such increase was primarily due to (i) the increase in the share-based payment expenses recorded in the administrative expenses; (ii) the increase in consulting service fees; and (iii) the increase in employee compensation and benefits due to the increase in the number of management personnel.

Listing Expenses

Listing expenses of the Group increased by approximately 711.8% from approximately RMB3.2 million for FY2023 to approximately RMB26.2 million for FY2024. Such increase was primarily due to an increase in professional fees incurred in connection with the completion of the initial public offering and listing of the H Shares on the Stock Exchange.

Share of Results of Associates

Share of results of associates of the Group increased by approximately 26.5% from approximately negative RMB2.1 million for FY2023 to approximately negative RMB2.7 million for FY2024. Such increase was primarily due to the increase in the number of associates during FY2024.

Finance Costs

Finance costs of the Group increased by approximately 43.6% from approximately RMB22.8 million for FY2023 to approximately RMB32.8 million for FY2024. Such increase was primarily due to (i) the increase in interest due to the expansion of the Company's loan amounts; and (ii) a reduction in capitalized interest amounts due to the conversion to fixed assets of the Zhangjiagang Factory Phase III.

Income Tax Credit

Income tax credit of the Group increased by approximately 219.6% from approximately RMB13.8 million for FY2023 to approximately RMB44.0 million for FY2024. Such increase was primarily due to the increases in tax losses, share-based payment expenses, government subsidies and expected credit losses provision.

Loss for the Year

As the result of the foregoing, the loss for the year of the Group increased by approximately 178.0% from approximately RMB75.0 million for FY2023 to approximately RMB208.6 million for FY2024.

Liquidity, Financial and Capital Resources

The Group's primary sources of liquidity consist of cash generated from operating activities, bank borrowings and proceeds from the listing of H Shares on the Stock Exchange on November 15, 2024. The Group may require additional cash for future growth and/or incur additional capital expenditures for the development of its business, including any expansion plan of its production facilities to meet increasing customer demand and to manufacture more advanced hydrogen energy equipment. If the Group's cash is insufficient to satisfy its working capital requirements, the Group may seek to issue additional equity or debt securities or obtain new or expanded credit facilities.

As of December 31, 2024, the Group had restricted bank deposits and cash and cash equivalents of approximately RMB340.3 million, representing a decrease of 4.0% as compared to approximately RMB354.5 million as of December 31, 2023. As of December 31, 2024, the Group's cash and cash equivalents were primarily denominated in Hong Kong dollars. As of December 31, 2024, the Group had net current assets of approximately RMB134.8 million as compared to approximately RMB56.1 million as of December 31, 2023. The current ratio of the Group remained stable at approximately 1.1 as of December 31, 2024 and December 31, 2023.

Borrowings and Charges on Group Assets

As of December 31, 2024, the Group's borrowings primarily consisted of bank loans and the transfer proceeds received from sale leaseback transactions amounted to approximately RMB884.1 million and RMB42.5 million, respectively. As of December 31, 2024, the Group has secured borrowings of approximately RMB454.0 million; the range of effective interest rates per annum of the borrowings for fixed-rate borrowings and variable-rate borrowings are 3.05%-7.78% and 3.90%-5.00%, respectively. Borrowings of approximately RMB556.1 million are at fixed interest rates. As of December 31, 2024, the Group's borrowings were all denominated in RMB.

As of December 31, 2024, the Group pledged (i) the buildings and construction in progress with carrying amounts of approximately RMB504.0 million and equipment with carrying amounts of approximately RMB22.4 million; and (ii) the leasehold lands with carrying amounts of approximately RMB77.4 million, to secure general banking facilities.

Gearing Ratio

The gearing ratio (calculated as total liabilities divided by total assets) as of December 31, 2024 was approximately 61.3% (December 31, 2023: 73.0%). Such decrease was primarily due to the increase in equity attributable to owners of the Company as a result of listing of the Company by the end of FY2024.

Capital Commitments

The Group's capital expenditure during the FY2024 was mainly related to the purchase of property, plant and equipment. As of December 31, 2024, the Group had capital commitments of approximately RMB52.6 million (December 31, 2023: approximately RMB69.0 million).

Capital Expenditures

The Group's capital expenditures during the FY2024 mainly consisted of property, plant and equipment and right-of-use assets. For the FY2024, the Group's capital expenditures amounted to approximately RMB229.0 million (FY2023: approximately RMB222.6 million).

Contingent Liabilities

The Group had no material contingent liabilities as of December 31, 2024 and December 31, 2023.

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rates between Renminbi and other currencies as certain financial liabilities are denominated in foreign currency. The Group currently does not have a foreign exchange hedging policy. During the FY2024, the Group did not use any financial instruments for foreign exchange hedging purposes, nor did it employ any currency borrowings and other hedging instruments for hedging purposes. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment and events which could have a material impact on its operating and financial performance for FY2024. Save as disclosed in the Prospectus, as of December 31, 2024, the Company had no specific plans for significant investments or acquisitions of capital assets.

MATERIAL ACQUISITION AND DISPOSAL

During the FY2024, the Group did not have any material acquisitions or disposal of subsidiaries, associates, or assets.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2024, the Group had a total of 543 employees (December 31, 2023: 510). The total staff cost for FY2024 was approximately RMB163.3 million, as compared to approximately RMB96.4 million for FY2023. The remuneration packages of the Group's employees are determined with reference to individual qualification, experience, performance, contribution to the Group and prevailing market rate, which include salaries, bonuses, benefits and share-based payments. The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The Company has adopted the Pre-IPO Share Incentive Plans to motivate and reward its Directors and eligible employees. Details of the plans are set out in the section headed "Report of the Board of Directors – Pre-IPO Share Incentive Plans" below in this annual report.

The Group has an effective training system, including orientation and continuous on-the-job training, to accelerate the learning progress and improve the knowledge and skill levels of our workforce. The orientation process covers subjects such as corporate culture and policies, work ethics and occupational safety. The periodic on-the-job training covers environmental, health and safety management systems and mandatory training required by applicable laws and regulations.

DIVIDEND

No dividends were declared for the FY2024, nor have any dividend been proposed subsequent to December 31, 2024.

Biographies of Directors, Supervisors and Senior Management

Set forth below are the profiles of the Directors, Supervisors and senior management of the Company for the FY2024 and up to the date of this annual report.

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Pinfang (鄔品芳), aged 69, was appointed as the chairman of the Board and a Director in March 2020 and was re-designated as an executive Director on March 8, 2024. Mr. Wu currently serves as the executive director and general manager of Shanghai Qingping, Shanghai Guofu, Shanghai Qingmai, the chairman of Hydrogen Cloud Research Institute and Inner Mongolia Guofu and a director of Guofuhee Holdings PTE. Ltd. Mr. Wu is responsible for presiding over our overall strategic planning and operation arrangement.

Mr. Wu has more than 44 years of experience in the chemical machinery industry and corporate management. From 1980 to 2004, Mr. Wu has served as plant manager, chairman and/or general manager of several chemical machinery factories and companies, responsible for the overall management, daily operation and strategic planning. Mr. Wu served as the chairman of the board of Zhangjiagang City Furui Boiler Container Manufacturing Co., Ltd.* (張家港市富瑞鍋爐容器製造有限公司, now known as Furui Special Equipment.* (張家港富瑞特種裝備股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300228)) from January 2005 to June 2019, mainly responsible for the overall management and strategic planning. Furui Special Equipment is mainly engaged in natural gas liquefaction, LNG storage, transportation, terminal application, operation and maintenance services and heavy equipment manufacturing. From June 2016 to December 2018, Mr. Wu served as a Director, the chairman of the Board and the general manager of the Company. In 2020, Mr. Wu returned to the Company to hold directorship to support the Company's growth, leveraging his extensive experience, industry knowledge and influence. Mr. Wu did not hold any directorship in any listed companies during the last three years.

Mr. Wu completed the specialized course in enterprise management at the Suzhou Enterprise Management Association Training Center (蘇州市企業管理協會培訓中心) in Suzhou City, Jiangsu Province, the PRC in January 1984. Mr. Wu obtained the professional qualification of senior economist from Jiangsu Human Resources and Social Security Bureau (江蘇省人力資源和社會保障局) in October 2012. Since April 2017, Mr. Wu has been serving as the vice president of Shanghai Partnership of FCV* (上海燃料電池汽車商業化促進中心).

Mr. Wu is the spouse of Mr. Wang's mother-in-law's younger sister.

Mr. Wang Kai (王凱), aged 50, was appointed as a Director in October 2017 and the general manager of the Company in December 2018 and was re-designated as an executive Director on March 8, 2024. Mr. Wang is responsible for presiding over our daily operation and management.

Mr. Wang has more than 23 years of experience in chemical machinery industry and corporate management. Mr. Wang has served as port supervisor of Port Supervision and Administration of Zhangjiagang City* (張家港市港航監督管理處, a subordinate public institution of Zhangjiagang Transport Bureau* 張家港市交通運輸局) from August 1998 to May 2001, mainly responsible for port scheduling; and a deputy general manager of Zhangjiagang Shenghui Chemical Machinery Co., Ltd.* (張家港市聖匯化工機械有限公司, which underwent name changes to Zhangjiagang Shenghui Gas Chemical Equipment Co., Ltd.* 張家港聖匯氣體化工裝備有限公司and China Ship Shenghui Equipment Co., Ltd.* 中船聖匯裝備有限公司, and now known as Suzhou Shenghui Equipment Co., Ltd.* 蘇州聖匯裝備有限公司) from May 2001 to February 2017, mainly responsible for production, sales and day-to-day management of the business unit. Mr. Wang joined our Group as standing vice general manager in February 2017. From December 2018 to March 2020, Mr. Wang served as the chairman of the Board. From December 2022 to March 2024, Mr. Wang was appointed by Energy Research Association of Jiangsu Province* (江蘇省能源研究會) to serve as a director. Mr. Wang did not hold any directorship in any listed companies during the last three years.

Mr. Wang graduated from Nanjing Institute of Transportation Higher Vocational Education (南京交通高等專科學校) in Nanjing City, Jiangsu Province, the PRC with a college degree in port and waterway engineering in July 1997. Mr. Wang was awarded with the second prize of Science and Technology Progress Award by the China Machinery Industry Federation (中國機械工業聯合會) and the Chinese Mechanical Engineering Society (中國機械工程學會) in November 2020. Mr. Wang was appointed as the deputy chairperson of the Pressure Vessel Branch of the Jiangsu Mechanical Engineering Society (江蘇省機械工程學會) in August 2023.

Mr. Wang is the son-in-law of Mr. Wu's spouse's elder sister.

Mr. Shi Jian (施劍), aged 36, was appointed as the secretary of the Board in January 2019 and a Director in April 2021 and was re-designated as an executive Director on March 8, 2024. Mr. Shi currently serves as the supervisor of Shanghai Qingping, Shanghai Guofu, Shanghai Qingmai and a director of Hydrogen Cloud Research Institute. Mr. Shi is responsible for presiding over our legal affairs and corporate governance matters.

Mr. Shi has more than 10 years of experience in corporate management, marketing and investment. From June 2014 to December 2018, Mr. Shi served as the investment manager of Furui Special Equipment, mainly responsible for external investments. Mr. Shi joined our Group as the secretary of the Board in January 2019. Mr. Shi did not hold any directorship in any listed companies during the last three years.

Mr. Shi graduated from Nanjing Normal University (南京師範大學) in Nanjing City, Jiangsu Province, the PRC with a master's degree in translation in June 2012. Mr. Shi has passed the evaluation tests required by the Securities Association of China (中國證券業協會) for the securities practicing qualification certificate* (證券從業資格證書) in December 2019 and obtained the board secretary qualification certificate from the SSE STAR MARKET in January 2022.

Non-executive Directors

Mr. Gu Yanjun (顧彥君), aged 34, was appointed as a Director in October 2017 and was re-designated as a non-executive Director on March 8, 2024. Mr. Gu is responsible for participating in the formulation of business and strategic plans of our Group.

Mr. Gu has more than 9 years of experience in project investments. Mr. Gu has served as the investment manager of Yongjin Industry (Group) Co., Ltd.* (涌金實業(集團)有限公司) from August 2015 to September 2020, mainly responsible for project investments; and the investment manager of Shanghai Nano Venture Capital Co., Ltd.* (上海納米創業投資有限公司) from September 2020 to December 2023, mainly responsible for project investments. Mr. Gu has been serving as the deputy general manager of Shanghai Yonghua Investment Management Co., Ltd. (上海涌鏵投資管理有限公司) since December 2023, mainly responsible for project investments. Mr. Gu did not hold any directorship in any listed companies during the last three years.

Mr. Gu graduated from Fisher College of Business of the Ohio State University in the United States with a master's degree in Specialized Master of Business in May 2014. Mr. Gu graduated from Shanghai University of Finance and Economics (上海財經大學) in Shanghai City, the PRC with a bachelor's degree in business English and a bachelor's degree in finance as his second major in June 2013. Mr. Gu obtained the China fund practitioner qualification certificate* (中國證券投資基金業從業證書) from the Asset Management Association of China (中國證券投資基金業協會) in May 2017.

Mr. Zhou Lin (周林), aged 41, was appointed as a Director in September 2019 and was re-designated as a non-executive Director on March 8, 2024. Mr. Zhou is responsible for participating in the formulation of business and strategic plans of our Group.

Mr. Zhou has more than 13 years of experience in investment and corporate management. Mr. Zhou has served as the president of Zhongxin Rongchuang Capital Management Co., Ltd.* (中新融創資本管理有限公司) from November 2011 to February 2022, mainly responsible for overall management and strategic planning; a director of Kaiser (China) Culture Co., Ltd. (凱撒(中國)文化股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002425) from October 2013 to February 2016, mainly responsible for setting strategic direction, overseeing management, making key decisions and ensuring board governance; a director of Suzhou Thvow Technology Co., Ltd. (蘇州天沃科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002564) from June 2016 to February 2019, mainly responsible for setting strategic direction, overseeing management, making key decisions and ensuring board governance; a director of Grand Flight Investment Management Co., Ltd. (遠翼投資管理有限公司) from February 2017 to August 2023, mainly responsible for setting strategic direction, overseeing management, making key decisions and ensuring board governance; and a director of PCI Technology Group Co., Ltd. (佳都科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600728) from October 2017 to September 2019, mainly responsible for setting strategic direction, overseeing management, making key decisions and ensuring board governance. Mr. Zhou has been serving as a director of Jiangsu SaraMike Technology New Material Co., Ltd.* (江蘇賽瑞邁科新材料有限公司) since August 2021, mainly responsible for setting strategic direction, overseeing management, making key decisions and ensuring board governance; the founding partner of Beijing Guoqian Investment Consulting Co., Ltd.* (北京國謙投資諮詢有限公司, now known as Beijing Guoqian Private Fund Management Co., Ltd.* 北京國謙私募基金管理有限公司) since January 2022, mainly responsible for managing investments companies, securing funding or resources and developing business strategies; a manager of Houxin Jiantou (Beijing) Private Equity Fund Management Co., Ltd.* (厚新健投(北京)私募基金管理有限公司) since February 2024, mainly responsible for managing daily operation; and a director of Manfred Intelligent Manufacturing (Jiangsu) Co., Ltd.* (曼弗萊德智能製造(江蘇)有限公司) since July 2024, mainly responsible for setting strategic direction, overseeing management, making key decisions and ensuring board governance. Mr. Zhou did not hold any directorship in any listed companies during the last three years.

Mr. Zhou graduated from the PBC School of Finance of Tsinghua University (清華大學五道口金融學院) in Beijing City, the PRC with a master's degree in EMBA in June 2023. Mr. Zhou graduated from Tsinghua University (清華大學) in Beijing City, the PRC with a bachelor's degree in mechanical engineering and automation in July 2007.

Ms. Liu Yilin (劉伊琳), aged 42, was appointed as a Director in January 2024 and was re-designated as a non-executive Director on March 8, 2024. Ms. Liu is responsible for participating in the formulation of business and strategic plans of our Group.

Ms. Liu has more than 11 years of experience in corporate management. Since November 2013, Ms. Liu has been serving as the executive director of Sanya Shangcheng Industrial Development Co., Ltd.* (三亞尚誠實業發展有限公司), mainly responsible for formulating the operational plans, finalizing proposals, and developing annual financial budget plans and final accounts plans. Sanya Shangcheng Industrial Development Co., Ltd. is mainly engaged in interior and exterior decoration, large-scale cultural event exhibition, planning and design consulting. Since September 2020, Ms. Liu has been serving as the executive director of Shanghai Jinglin Industrial Co., Ltd.* (上海靜琳實業有限公司), mainly responsible for formulating the operational plans, finalizing proposals, and developing annual financial budget plans and final accounts plans. Shanghai Jinglin Industrial Co., Ltd. is mainly engaged in engineering construction activities. From February 2024 to August 2024, Ms. Liu served as the board secretary of Mengfa Group Holding Group Co., Ltd.* (蒙發能源控股集團有限責任公司), mainly responsible for preparing board and shareholders' meetings, ensuring standardized company operations, managing information disclosure, handling investor relations, overseeing equity affairs, and dealing with equity investments and other related matters. Ms. Liu did not hold any directorship in any listed companies during the last three years.

Ms. Liu graduated from Panamericana University in Costa Rica with a bachelor's degree in business administration through long distance learning courses in June 2014.

Independent Non-executive Directors

Ms. Tong Sze Wan (唐詩韻), aged 52, was appointed as an independent non-executive Director in February 2024 and is responsible for providing independent opinion and judgment to our Board.

Ms. Tong has more than 26 years of experience in auditing and accounting. Ms. Tong has successively served as assistant accounting manager and internal audit manager of Dong-Jun Holdings Limited (東峻集團有限公司, now known as Shandong Hi-Speed Holdings Group Limited 山高控股集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 412) from September 1998 to April 2000, mainly responsible for financing securing, financial reporting and accounting oversight; the company secretary of Jiangsu Nandasoft Technology Company Limited, a H-share company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8045) from November 2002 to March 2014, mainly responsible for legal and regulatory compliance, board support and risk management; the director of finance and administration department of DAO LAB Limited (立道研究所有限公司) from November 2006 to May 2018, mainly responsible for overall financial and administrative management; and an independent non-executive director of Yat Sing Holdings Limited (日成控股有限公司, now known as China Supply Chain Holdings Limited 中國供應鏈產業集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3708) from December 2014 to January 2017, mainly responsible for providing independent judgement and opinion. Ms. Tong has been serving as a consultant of Gurung & Shum Business Solutions Limited (日盛商務方案有限公司) since May 2018, mainly responsible for finance and secretarial services to Hong Kong listed companies. Ms. Tong did not hold any directorship in any listed companies during the last three years.

Ms. Tong graduated from Hong Kong Baptist University in Hong Kong with a bachelor's degree in accounting and law (Honours) in June 1995. She is also an associate of The Association of Chartered Certified Accountants since November 1998 and The Hong Kong Institute of Certified Public Accountants since February 2001.

Mr. Zhang Yongjun (張擁軍), aged 57, was appointed as an independent non-executive Director in August 2021 and is responsible for providing independent opinion and judgment to our Board.

Mr. Zhang has extensive legal practice experience. Mr. Zhang has served as a partner of Guohao (Suzhou) Law Firm* (國浩律師(蘇州)事務所) from February 2016 to January 2018, mainly responsible for overseeing client relationships and providing strategic direction. Mr. Zhang has been serving as a senior partner of Beijing Longan (Suzhou) Law Firm* (北京市隆安(蘇州)律師事務所) since January 2018, mainly responsible for overseeing client relationships and providing strategic direction. Mr. Zhang did not hold any directorship in any listed companies during the last three years.

Mr. Zhang graduated from the Soochow University (蘇州大學) in Suzhou City, Jiangsu Province, the PRC with a bachelor's degree in law in June 1997. Mr. Zhang obtained the PRC lawyer qualification certificate from the Ministry of Justice of the PRC (中華人民共和國司法部) in August 1996.

Dr. Zou Jiasheng (鄒家生), aged 59, was appointed as an independent non-executive Director in August 2021 and is responsible for providing independent opinion and judgment to our Board.

Dr. Zou has more than 37 years of experience in material science and manufacturing. Since July 1986, Dr. Zou has been serving as a teacher in the School of Materials Science and Engineering of Jiangsu University of Science and Technology (江蘇科技大學), mainly responsible for teaching and research. Since April 2011, Dr. Zou has been serving as the general manager and the chairman of the board of Jiangsu Yangming Shipbuilding Equipment Manufacturing Technology Co., Ltd.* (江蘇陽明船舶裝備製造技術有限公司), mainly responsible for strategic decision-making and daily operation. Jiangsu Yangming Shipbuilding Equipment Manufacturing Technology Co., Ltd. is mainly engaged in the manufacturing of shipbuilding equipments. Dr. Zou did not hold any directorship in any listed companies during the last three years.

Dr. Zou completed a postdoctoral research in the field of mechanical engineering at Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in Nanjing City, Jiangsu Province, the PRC from September 2006 to January 2010, and obtained a postdoctoral certificate from the National Postdoctoral Management Committee* (全國博士後管理委員會) in January 2010. Dr. Zou graduated from Nanjing University of Science and Technology (南京理工大學) in Nanjing City, Jiangsu Province, the PRC with a doctor's degree in material science in July 2006. Dr. Zou obtained a master's degree in welding from Shanghai Jiao Tong University (上海交通大學) in Shanghai City, the PRC in March 1993 and a bachelor's degree in metal materials and heat treatment from Northwestern Polytechnical University (西北工業大學) in the PRC in July 1986. Dr. Zou was granted as a professor by the Jiangsu Provincial Personnel Department (江蘇省人事廳, now known as Department of Human Resources and Social Security of Jiangsu Province 江蘇省人力資源和社會保障廳) in July 2005.

SUPERVISORS

Mr. He Guangliang (何光亮), aged 38, has been the chairman of the Supervisory Committee since August 2020 and is responsible for leading and chairing the Supervisory Committee.

Since February 2019, Mr. He has been serving as a sales manager of the Company. Mr. He did not hold any directorship in any listed companies during the last three years. Mr. He graduated from Nanjing University of Science and Technology (南京理工大學) in Nanjing City, Jiangsu Province, the PRC in international economics and trade in July 2021 through correspondence courses. Mr. He obtained the professional qualification of logistician from China Federation of Logistics and Purchasing (中國物流與採購聯合會) and the National Logistics Standardization Technical Committee (全國物流標準化技術委員會) in July 2007.

Ms. Zhao Jing (趙靜), aged 36, has been a Supervisor since February 2023. Ms. Zhao currently serves as the supervisor of Beijing Guofu Wanjia Hydrogen Energy Technology Co., Ltd.* (北京國富萬家氫能科技有限公司) and Sichuan Guofu Hydrogen Energy Technology Co., Ltd.* (四川國富氫能科技有限公司), and a director of Hydrogen Cloud Research Institute. Ms. Zhao is responsible for supervising the performance of duties by our Directors and members of the senior management.

Since October 2020, Ms. Zhao has been serving as the securities affairs representative and director's office manager of the Company, mainly responsible for assisting the secretary of the Board, securities affairs, administrative management. Ms. Zhao obtained the board secretary qualification certificate from the SSE STAR MARKET in January 2022. Ms. Zhao did not hold any directorship in any listed companies during the last three years. Ms. Zhao graduated from the College of Humanities and Sciences of Northeast Normal University (東北師範大學人文學院) in Changchun City, Jilin Province, the PRC with a bachelor's degree in economics in June 2011.

Mr. Kuang Kaifeng (況開鋒), aged 37, has been the employee representative Supervisor since September 2023 and is responsible for exercising the Supervisor's rights and fulfilling obligations on behalf of employees.

From July 2011 to March 2016, Mr. Kuang served as a designer of Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.* (張家港中集聖達因低溫裝備有限公司), mainly responsible for the design of LNG refueling stations. From June 2016 to December 2023, Mr. Kuang successively served as the manager of the technology department and the general manager of skid-mounted liquefaction division of the Company. Since January 2024, Mr. Kuang serves as the chief engineer of the Company and is mainly responsible for overseeing product quality, certification, system construction, internal and external quality assessments. Mr. Kuang did not hold any directorship in any listed companies during the last three years.

Mr. Kuang graduated from Anhui University of Science & Technology (安徽理工大學) in Huainan City, Anhui Province, the PRC with a bachelor's degree in process equipment and control engineering in July 2011. Mr. Kuang obtained the professional qualification of Senior Engineer from Department of Human Resources and Social Security of Jiangsu Province* (江蘇省人力資源和社會保障廳) in October 2022.

SENIOR MANAGEMENT

Mr. Cai Xubin (蔡徐斌), aged 43, was appointed as the chief financial officer of the Company in July 2017. Mr. Cai currently serves as the general manager of Inner Mongolia Guofu and the supervisor of Xinjiang Guofu Hydrogen Energy Technology Service Co., Ltd.* (新疆國富氫能科技服務有限公司). Mr. Cai is responsible for the overall finance management of the Company.

Mr. Cai has more than 14 years of experience in financial management. From June 2010 to June 2016, Mr. Cai served as the financial manager of Furui Special Equipment and mainly responsible for finance-related work. Since June 2016, Mr. Cai has been serving as the chief financial officer of the Company. Mr. Cai did not hold any directorship in any listed companies during the last three years.

Mr. Cai graduated from Huaiyin Normal University (淮陰師範學院) in Huaian City, Jiangsu Province, the PRC with a bachelor's degree in economics in June 2006.

JOINT COMPANY SECRETARIES

Mr. Shi Jian (施劍), aged 36, was appointed as our joint company secretary with effect from February 28, 2024. For biography of Mr. Shi Jian, please refer to "— Board of Directors — Executive Directors" above.

Ms. Wong Hoi Ting (黃凱婷), aged 38, was appointed as our joint company secretary with effect from February 28, 2024. She has over 10 years of experience in corporate secretarial field and is currently responsible for providing corporate secretarial and compliance services to listed companies. Ms. Wong is currently a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider). Ms. Wong graduated with a bachelor's degree in social sciences from Lingnan University in Hong Kong in October 2009 and a master's degree of science in professional accounting and corporate governance from City University of Hong Kong in Hong Kong in July 2014. Ms. Wong has been accredited as an associate of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) since December 2016.

Report of the Board of Directors

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024 (the "**Consolidated Financial Statements**").

CORPORATE INFORMATION

The Company was incorporated in the PRC as a limited liability company on June 13, 2016 and was converted into a joint stock company with limited liability on August 31, 2020. The H Shares were listed on the Main Board of the Stock Exchange on November 15, 2024.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a leading hydrogen energy storage and transport equipment manufacturer in China. The Company develops and manufactures hydrogen energy core equipment used in the entire industrial value chain of hydrogen energy, which consists of its production, storage, transportation, refueling and use.

A review of the Group's business for FY2024 and a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 4 to 5 and pages 7 to 13 of this annual report. Discussion and information therein form part of this Report of the Board of Directors. The results of the Group for FY2024 are set out in the Consolidated Financial Statements.

RESULTS AND FINAL DIVIDEND

The results of the Group for FY2024 are set out in the Consolidated Financial Statements on pages 122 to 216 of this annual report.

The Board has resolved not to recommend the distribution of any final dividend for FY2024.

DIVIDEND POLICY

The Group currently does not have a pre-determined dividend policy. The Board may declare, and the Company may pay, dividends after taking into account the Group's results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant.

According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The Company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. Based on the above, the Company is not able to pay any dividend as of the date of this annual report.

The Group may distribute stock dividends if the Directors consider that the Company's stock price and equity scale do not match and that distribution of stock dividends is beneficial to all Shareholders' interest. Any declaration and payment as well as the amount of dividends will be subject to the Company's constitutional documents and the PRC Company Law. Any proposed distribution of dividends shall be determined by the Board and must be approved by the Shareholders at a general meeting. In addition, the Company may declare interim dividends as the Board considers to be justified by the Group's profits and overall financial requirements. No dividend shall be declared or payable except out of the Group's profits and reserves lawfully available for distribution. The Company's future declarations of dividends may or may not reflect its historical declarations of dividends and will be at the discretion of the Board and subject to the approval of Shareholders' meeting.

SUBSIDIARIES OF THE COMPANY

The details of the subsidiaries of the Company are set out in note 45 to the Consolidated Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties related directly or indirectly to the Company's business. Below sets out the main risks and uncertainties of which the Company is aware. In addition to those listed below, there may be other risks and uncertainties not known to the Company or which may not be material at present but may become material in the future:

(i) updates of the PRC government policies and regulatory framework supporting hydrogen energy industry, hydrogen energy core equipment industry and new energy industry could have a material impact on our industry and our business operation.

(ii) we depend on our customers' demand for our products. A reduction of customer demand could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

(iii) we face intense market competition and the industry may undergo unforeseen changes under rapid development. If we fail to compete successfully, our business and results of operations may be materially and adversely affected.

(iv) we recorded net losses and had net cash used in operating activities during FY2023 and FY2024, all of which may continue in the future.

(v) we are exposed to the credit risk of our customers and failure to collect our trade and other receivables in a timely manner may adversely affect our financial condition and results of operations.

(vi) fluctuations in the market prices for our key raw materials, such as carbon fiber and aluminum tubes, may materially and adversely affect our business, financial condition and results of operations.

(vii) we may not be able to increase our production capacity and implement other expansions as planned.

(viii) the industry we operate in is characterized by rapid technological changes and advancements, which requires us to invest substantial resources in the R&D, sustain technological innovation and keep up with the technological upgrades and iterations in a timely manner. Our failure to do so could result in the delay or failure by us in bringing new and competitive products to the market and adversely affect our financial performance.

(ix) we rely on our major customers and suppliers. The loss of any of these customers or suppliers could adversely affect our business, financial condition, results of operations and cash flows.

(x) if we are unable to manage our inventory risks efficiently or the proportions and amount of our provision for inventories further increase, our financial condition and results of operations may be adversely affected. We may not be successful in expanding our operations in a timely or cost-effective manner.

(xi) our business is subject to the geopolitical risks associated with conducting operations in various foreign jurisdictions.

(xii) our business is capital-intensive, we may require additional financing to support our developments or adapt to changes in business conditions, but we may not be able to obtain additional financing on favorable terms or at all.

We also face financial risks including market risk, credit risk and liquidity risk. Details of these financial risks are set out in note 43 to the Consolidated Financial Statements.

GLOBAL OFFERING

The H Shares were listed on the Main Board of the Stock Exchange on November 15, 2024. The H Shares were issued to and subscribed by Hong Kong and overseas investors at a final offer price of HK$65.00 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange transaction fee of 0.00565%) by way of an initial public offering. For details of the Global Offering, please refer to the Prospectus and the allotment results announcement of the Company dated November 14, 2024.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received from the Global Offering, after deducting the underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$339.7 million, equivalent to approximately RMB314.5 million. As of December 31, 2024 and up to the date of this annual report, the Company did not change its plan on the use of proceeds as stated in the Prospectus. The Company intends to use the net proceeds in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

As of December 31, 2024, the net proceeds from the Global Offering were used as follows:

	Approximate percentage of the total net proceeds Approximate %	Net proceeds from the Global Offering RMB million	Net proceeds utilized as of December 31, 2024 RMB million	Unutilized net proceeds as of December 31, 2024 RMB million	Expected timeline to utilize the unutilized net proceeds in full[1]
Expand the production capacity for certain products	56.1	176.5	3.9	172.6	By the end of the year ending December 31, 2026
Enhance the R&D capabilities and pursue continuous technology upgrades and product iterations	33.9	106.6	1.8	104.8	By the end of the year ending December 31, 2026
Working capital and general corporate purposes to support the Group's business operation and growth	10.0	31.5	31.2	0.2	By the end of the year ending December 31, 2025
Total	**100.0**	**314.5**	**36.9**	**277.6**	

Notes:

(1) The expected timeline for using the unutilized net proceeds is based on the best estimation of the present and future business market situations made by the Board, and it will be subject to changes based on the future development of market conditions.

(2) All figures in the above table are approximations and rounded to the nearest 1 decimal place. Totals may not add up due to such rounding.

Details of the use of net proceeds from the Global Offering are set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

Subsequent to the Listing Date, the unutilized net proceeds were deposited into licensed commercial banks in Hong Kong. For the year ended December 31, 2024, the Company does not anticipate any changes to its plans for the use of proceeds.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group seeks to be a responsible corporate in fulfilling environmental, social and governance responsibilities by advancing the use of clean energy, promoting "Carbon Peaking and Carbon Neutrality" goal, supporting social causes and exploring ways to protect the environment. With a focus on environmental consciousness, we strive to conserve our environment by using resources responsibly, reducing waste, and maintaining a neutral carbon footprint. We develop and produce hydrogen energy core equipment with a goal to serve global and China's hydrogen energy industry and contribute to the development of green hydrogen which are considered as an important way to reduce carbon emissions. During FY2024, the Company had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental laws or regulations.

For further details of the Company's environmental performance and policies, please refer to the Environmental, Social and Governance Report contained on pages 62 to 116 of this annual report. The Environmental, Social and Governance Report of the Company for 2024 will be published at the same time as the publication of this annual report on the websites of the Company and the Stock Exchange.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended December 31, 2024, to the best knowledge of the Directors, there was no material breach of or non-compliance with applicable laws and regulations that have a significant impact on the business and operations of the Group.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Company recognizes that various stakeholders including customers, suppliers, employees and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationships with them.

The Group offers competitive remuneration packages and ensure that all employees are reasonably remunerated, while continuously improving and regularly reviewing and updating its policies on remuneration and benefits, training, and occupational health and safety.

The Group maintains a good relationship with its customers and visit its customers periodically to seek their feedback on the Group's products, and the Company conducts a customer satisfaction survey every 12 months. The Group has established a customer complaint handling mechanism to resolve customer complaints.

The Group maintains good relationships with its suppliers and conducts fair and rigorous evaluations of its suppliers on an annual basis.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's customers primarily consist of fuel cell system integration providers, vehicle manufacturers, domestic energy companies, and city bus operating companies. The aggregate revenue attributable to the Group's five largest customers for the year ended December 31, 2024 amounted to RMB237.2 million (2023: RMB296.0 million), accounting for approximately 51.7% (2023: 56.7%) of the Group's total revenue. The revenue from the Group's largest customer for the year ended December 31, 2024 amounted to RMB105.6 million (2023: RMB86.0 million), accounting for approximately 23.0% (2023: 16.5%) of the Group's total revenue.

The Group's suppliers primarily consist of the providers of carbon fiber, aluminum tubes, tube and valve fittings, bottle sets, compressors, among others. The aggregate purchases attributable to the Group's five largest suppliers for the year ended December 31, 2024 amounted to RMB129.5 million (2023: RMB95.6 million), accounting for approximately 44.0% (2023: 33.6%) of the Group's total purchases. The purchase attributable to the Group's largest supplier for the year ended December 31, 2024 amounted to RMB57.1 million (2023: RMB42.4 million), accounting for approximately 19.4% (2023: 14.9%) of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors, Supervisors or their associates or any Shareholders who owned more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest suppliers or suppliers during the year ended December 31, 2024.

FINANCIAL SUMMARY

A summary of the consolidated operating results and the assets and liabilities of the Group for the last four financial years is set out in the section headed "Financial Highlight" in this annual report. This summary does not form part of the audited Consolidated Financial Statements.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Articles of Association or the PRC laws, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the H Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the H Shares, they are advised to consult their professional advisers.

PROPERTY, PLANT AND EQUIPMENT

Details of the property, plant and equipment of the Group and their movements during the year ended December 31, 2024 are set out in note 15 to the Consolidated Financial Statements.

DONATION

Donations to "City of Love (愛滿港城)" Charity Fund amounted to RMB20,000 was made by the Group during the year ended December 31, 2024.

EQUITY-LINKED AGREEMENTS

To the best knowledge of the Directors, save for the Pre-IPO Share Incentive Plans, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during FY2024.

PERMITTED INDEMNITY PROVISION

The Company has taken out Directors' liability insurance to protect the Directors against any loss they may incur as a result of their factual or alleged misconduct. As of December 31, 2024, such Directors' liability insurance has been in force.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 126 of this annual report report and note 47 to the Consolidated Financial Statements. As of December 31, 2024, the Company did not have any distributable reserves (as of December 31, 2023: nil).

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans of the Group as of December 31, 2024 are set out in the section headed "Management Discussion and Analysis" in this annual report and note 31 to the Consolidated Financial Statements.

Save as disclosed in this annual report, during the year ended December 31, 2024, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, or their respective connected persons.

SHARE CAPITAL

Details of movements in share capital of the Company during the year ended December 31, 2024 are set out in note 36 to the Consolidated Financial Statements.

DEBENTURE AND CONVERTIBLE BOND ISSUED

The Group did not issue any debenture or any convertible bond for the year ended December 31, 2024.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of its Shareholders and to enhance its corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the CG Code from the Listing Date to December 31, 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Details of the Group's corporate governance practices can be found in the corporate governance report contained on pages 41 to 61 of this annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

From the Listing Date and up to the date of this annual report, there was no purchase, sale or redemption of any listed securities (including treasury shares) of the Company by the Company or any of its subsidiaries. The Company did not hold any treasury shares as of December 31, 2024 and up to the date of this annual report.

BOARD OF DIRECTORS

There are currently three executive Directors, three non-executive Directors and three independent non-executive Directors on the Board.

During the year ended December 31, 2024 and as of the date of this annual report, the Directors were:

Executive Directors

Mr. WU Pinfang *(Chairman)*
Mr. WANG Kai *(General Manager)*
Mr. SHI Jian

Non-executive Directors

Mr. GU Yanjun
Mr. ZHOU Lin
Ms. LIU Yilin

Independent Non-executive Directors

Ms. TONG Sze Wan
Mr. ZHANG Yongjun
Dr. ZOU Jiasheng

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct for the trading of securities by the Directors and Supervisors. Since the H Shares were listed on the Main Board of the Stock Exchange on November 15, 2024, the Model Code was not applicable to the Company before the Listing Date. Having made specific reasonable inquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code throughout the period from the Listing Date to December 31, 2024.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

The Company has entered into a service contract or a letter of appointment with each of the Directors and Supervisors which contains provisions in relation to, among other things, compliance with applicable laws, rules and regulations, observation of the Articles of Association and provisions on arbitration. The service contract and the letter of appointment may be renewed in accordance with our Articles of Association and the applicable rules.

Each executive Director has entered into a service contract with the Company for a term from the date on which the appointment is approved by the Shareholders' meeting to the date of expiry of the term of office of the second session of the Board unless terminated by not less than three months' notice in writing served by either party on the other. Each non-executive Director and independent non-executive Director has entered into a letter of appointment with the Company for a term of three years from the date on which the appointment is approved by the Shareholders' meeting unless terminated by not less than three months' notice in writing served by Director or written notice served by the Company at any time. Each Supervisor has entered into a service contract with the Company for a term from the date on which the appointment is approved by the Shareholders' meeting to the date of expiry of the term of office of the second session of the Supervisory Committee.

Save as disclosed above, none of our Directors or Supervisors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Details of Directors and Supervisors' remuneration for the year ended December 31, 2024 are set out in note 12 to the Consolidated Financial Statements.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or a Supervisor or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year ended December 31, 2024 or at any time during the year ended December 31, 2024.

INTERESTS IN COMPETING BUSINESS

As at December 31, 2024, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

COMPETITION AND CONFLICT OF INTERESTS

During the year ended December 31, 2024, none of the Directors or Supervisors or any of their respective associates has any interests in any business that competes or may compete, directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

MANAGEMENT CONTRACTS

Other than the Directors' and Supervisors' service contracts and letters of appointment, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year or subsisted at the end of the year ended December 31, 2024.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Pursuant to 13.51B(1) of the Listing Rules, since the Listing Date and up to the date of this annual report, Dr. Zou Jiasheng ceased to be a member of the Nomination Committee on March 27, 2025, and Ms. Tong Sze Wan was appointed as a member of the Nomination Committee on March 27, 2025.

Save as disclosed in this annual report, there was no change in any information relating to any Directors, Supervisors and senior management of the Company which were required to be disclosed in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at December 31, 2024, the interests and short positions of the Directors, Supervisors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Name	Nature of Interest	Type of Shares	Number of Shares	Approximate Percentage of Shareholding in the Relevant Type of Shares	Approximate Percentage of Shareholding in the Total Issued Share Capital
Mr. Wu(1)	Interest in controlled corporation	Domestic Unlisted Shares	2,142,440	8.49%	2.05%
		H Shares	20,970,357	26.38%	20.03%
	Beneficial owner	Domestic Unlisted Shares	1,712,993	6.79%	1.64%
		H Shares	1,712,994	2.16%	1.64%
Mr. Wang(2)	Interest in controlled corporation	H Shares	18,827,916	23.69%	17.98%
	Interest held jointly with another person	Domestic Unlisted Shares	3,855,433	15.29%	3.68%
		H Shares	3,855,435	4.85%	3.68%
Mr. He Guangliang(3)	Interest in controlled corporation	Domestic Unlisted Shares	750,000	2.97%	0.72%
		H Shares	750,000	0.94%	0.72%

Notes:

(1) Mr. Wu is the beneficial owner of 1,712,993 Domestic Unlisted Shares and 1,712,994 H Shares. In addition, pursuant to the SFO, Mr. Wu is deemed to be interested in (i) the 18,827,916 H Shares held by New Cloud Technology in the Company due to his role as a general partner in New Cloud Technology and the acting in concert agreement between him and Mr. Wang; (ii) the 933,335 H Shares and 933,334 Domestic Unlisted Shares held by Hydrogen Ying New Energy and 459,016 H Shares and 459,016 Domestic Unlisted Shares held by Hydrogen Win New Energy in the Company due to his role as a general partner in Hydrogen Ying New Energy and Hydrogen Win New Energy, respectively; and (iii) the 750,000 H Shares and 750,000 Domestic Unlisted Shares held by Qingjie New Energy in the Company, whose voting rights have been entrusted to him pursuant to the relevant voting rights proxy agreement.

(2) Mr. Wang is deemed to be interested in the Shares held by New Cloud Technology, Qingjie New Energy, Hydrogen Ying New Energy and Hydrogen Win New Energy in the Company due to his role as a general partner and/or the acting in concert agreement between him and Mr. Wu, as the case may be, under the SFO.

(3) Mr. He Guangliang is deemed to be interested in the Shares held by Qingjie New Energy in the Company due to his role as a general partner under the SFO.

Save as disclosed above, as at December 31, 2024, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at December 31, 2024, to the best knowledge of the Directors, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Approximate Percentage of Shareholding in the Relevant Type of Shares	Approximate Percentage of Shareholding in the Total Issued Share Capital
New Cloud Technology	Beneficial owner	H Shares	18,827,916	23.69%	17.98%
Chen Jinxia[1]	Interest in controlled corporation	Domestic Unlisted Shares	3,636,721	14.42%	3.47%

Note:

(1) Under the SFO, Chen Jinxia is deemed to be interested in (i) the 428,783 Shares held by Shanghai Hongcheng Venture Capital Partnership (Limited Partnership)* (上海泓成創業投資合夥企業(有限合夥)); (ii) the 2,500,000 Shares held by Zhangjiagang Yongyuan Huaneng Equity Investment Partnership (Limited Partnership)* (張家港湧源鏵能股權投資合夥企業(有限合夥)); (iii) 285,855 Shares held by Huzhou Jurenyongxing Equity Investment Partnership Enterprise (Limited Partnership)* (湖州巨人湧興股權投資合夥企業(有限合夥)); and (iv) 422,083 Shares held by Shanghai Yongju Private Equity Investment Partnership (Limited Partnership)* (上海湧鉅私募投資基金合夥企業(有限合夥)), due to her direct and/or indirect interests in such companies.

Save as disclosed above, as at December 31, 2024, the Directors were not aware of any other persons/entities (other than the Directors, Supervisors and chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

RETIREMENT BENEFIT PLAN

The Group participates in defined contribution retirement benefit plan managed by the PRC local government authorities for the Group's eligible employees in the PRC. The eligible employees in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme. Particulars of these retirement plans are set out in note 44 to the Consolidated Financial Statements.

There were no forfeited contributions in respect of the Group's defined contribution plan as mentioned above.

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, Supervisors and five highest paid individuals of the Group are set out in note 12 to the Consolidated Financial Statements.

For the year ended December 31, 2024, except for wages and salaries payable for employment within the Group, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors or the Supervisors has waived any emoluments for the year ended December 31, 2024.

Except as disclosed above, no other payments have been made or were payable, for the year ended December 31, 2024, by the Group to or on behalf of any of the Directors or the Supervisors.

PRE-IPO SHARE INCENTIVE PLANS

The following is a summary of the principal terms of the Pre-IPO Share Incentive Plans approved and adopted by the Company on January 13, 2019 (the "**2019 Plan**"), October 10, 2020 (the "**2020 Plan**") and November 24, 2023 (the "**2023 Plan**") for the purpose of attracting and retaining talents for the Group. Under the Pre-IPO Share Incentive Plans, eligible incentive recipients as approved by the Company may subscribe for the Shares pursuant to the 2020 Plan and subscribe for the limited partnership interests (the "**Incentive Awards**") in Qingjie New Energy, Hydrogen Ying New Energy and Hydrogen Win New Energy (collectively as the "**Employee Shareholding Platforms**") pursuant to the 2019 Plan (as to Qingjie New Energy) and the 2023 Plan (as to Hydrogen Ying New Energy and Hydrogen Win New Energy), respectively. As of the date of this annual report, the Employee Shareholding Platforms held an aggregate of 4,284,881 Shares, representing approximately 4.09% of total issued Shares. The Incentive Awards under the Pre-IPO Share Incentive Plans do not involve the grant of options by the Company to subscribe for new Shares.

1. The 2019 Plan

(a) Purpose

The purpose of the 2019 Plan is to establish a benefit-sharing and constraint mechanism between Shareholders and employees and external consultant, to attract and retain talents for the Group and to enhance the competitiveness of the Company and align with its focus on long-term development.

(b) Eligible incentive recipients

Eligible incentive recipients shall be management staff, mid-level key personnel, core technical staff and external consultant.

(c) Total number of Shares subject to the 2019 Plan

The incentive recipients shall be interested in a total of 1,500,000 Shares through holding the Incentive Awards in Qingjie New Energy, the underlying Shares of which were corresponding to the share capital of the Company of RMB1,500,000 and representing approximately 1.43% of the total issued share capital of the Company as at the date of this annual report.

As of the date of this annual report, all Shares subject to the 2019 Plan have been issued to Qingjie New Energy and all the Incentive Awards subject to the 2019 Plan have been granted to and subscribed by 38 incentive recipients (including one external counsel at the relevant time), and no further Shares or Incentive Awards have been granted under such plan after the Listing.

(d) Rights and restrictions

The incentive recipients are subject to certain transfer and disposal restrictions, including (i) no disposal of the Incentive Awards or creation of third-party rights over the incentive Awards by way of transfer, pledge, trust or any other means, (ii) a 30-day prior notice for transfer of Incentive Awards which shall be transferred to limited scope of persons, including the other partners of Qingjie New Energy, or other eligible employees of the Group.

(e) Repurchase of the Incentive Awards

The general partner of Qingjie New Energy or other employees of the Group designated by the general partner, has the right (but not obligation) to repurchase part of all Incentive Awards held by incentive recipients, if there are any faults of the incentive recipients as set out in the relevant agreement with each incentive recipient.

2. The 2020 Plan

(a) Purpose

The purpose of the 2020 Plan is to establish a benefit-sharing and constraint mechanism between Shareholders and employees, to attract and retain talents for the Group and to enhance the competitiveness of the Company and align with our focus on long-term development.

(b) Eligible incentive recipients

Eligible incentive recipients shall be management staff, mid-level key personnel and core technical staff.

(c) Administration

The general meeting of the Company shall be responsible for considering and approving the adoption, implementation, alteration and termination of the 2020 Plan. The Board shall be responsible for formulating, amending, explaining the terms of the plan under the authorization of the general meeting.

(d) Total number of Shares subject to the 2020 Plan

The eligible incentive recipients shall be entitled to subscribe a total of 3,425,987 Shares at a price of RMB4.38 per Share by way of capital injection. As of the date of this annual report, all Shares subject to the 2020 Plan have been granted to and subscribed by Mr. Wu. For further details, please refer to "History and Corporate Structure — Our Corporate History — (3) Major Shareholding Changes of Our Company — (e) Capital injection by Mr. Wu" of the Prospectus.

(e) Rights and restrictions

The eligible incentive recipients shall not dispose the granted Shares or create third-party rights over the Shares by way of transfer, pledge, trust or any other means before and within three years after the Listing.

3. The 2023 Plan

(a) Purpose

The purposes of the 2023 Plan include, among other things, enhancing the Group's governance structure, instituting a long-term incentive and discipline mechanism, involving human capital in allocation, strengthening and refining the compensation incentive system, and establishing a mechanism for sharing benefits and risks among Shareholders, senior management, key personnel, and core staff of the Company.

(b) Eligible incentive recipients

Eligible incentive recipients shall be the following persons who have an employment relationship with any member of the Group (the "**Group Company(ies)**"): (i) directors and senior management, (ii) middle-level management, (iii) core technical and sales personnel, or (iv) other personal that had special contribution to the Group.

(c) Administration

The Board shall be responsible for formulating, explaining and amending the appraisal and management approach of the 2023 Plan, determining whether the Incentive Awards held by the incentive recipients have reached the unlocking conditions. The Remuneration and Review Committee shall be responsible for leading and organizing the appraisal of incentive recipients, guiding the Company's human resources department for the specific appraisal. The 2023 Plan shall be developed, implemented, executed and administered by Mr. Wu and Mr. Wang at their sole discretion.

(d) Total number of Shares subject to the 2023 Plan

The incentive recipients shall be interested in a total of 2,784,881 Shares through holding the Incentive Awards in Hydrogen Ying New Energy and Hydrogen Win New Energy, the underlying Shares of which were corresponding to the share capital of our Company of RMB2.78 million and representing approximately 2.82% of the total issued share capital of our Company immediately prior to the Global Offering. As of the date of this annual report, all Shares subject to the 2023 Plan have been issued to Hydrogen Ying New Energy and Hydrogen Win New Energy and all the Incentive Awards subject to the 2023 Plan have been granted to and subscribed by 80 incentive recipients, and no further Shares or Incentive Awards have been granted under such plan following the Listing.

(e) Assessment requirements and unlocking arrangement

The Incentive Awards granted to incentive recipients will be unlocked in three assessment periods:

No.	Assessment Period	Date of Unlocking	Percentage of Incentive Awards Unlocked
1.	From the date of grant to December 31, 2024	Performance goals achievement at our Company level and individual performance assessment results for the first assessment period approved by the Board	50%
2.	From January 1, 2025 to December 31, 2025	Performance goals achievement at our Company level and individual performance assessment results for the second assessment period approved by the Board	30%
3.	From January 1, 2026 to December 31, 2026	Performance goals achievement at our Company level and individual performance assessment results for the third assessment period approved by the Board	20%

(f) Rights and restrictions attached to the restricted Shares

The incentive recipients are subject to certain transfer and disposal restrictions, including (i) no disposal of the unlocked Incentive Awards or creation of third-party rights over the Incentive Awards by way of transfer, pledge, trust or any other means, (ii) a 30-day prior notice for transfer of unlocked Incentive Awards which shall be transferred to limited scope of persons, including Mr. Wu, Mr. Wang or other partners within designated entities, or other eligible employees of the Group Companies.

The Shares held by the Employee Shareholding Platforms are subject to certain and disposal restrictions, including (i) no disposal of the Shares or creation of third-party rights over the Shares by way of transfer, pledge, trust or any other means before and within 12 months after the Listing, (ii) the corresponding Shares of the unlocked Incentive Awards shall be reduced with a 14-business day application to the Employee Shareholding Platforms, and (iii) the number of Incentive Awards that the incentive recipients reduce each time may not exceed 50% of the total number he or she then holds.

(g) Repurchase of the Incentive Awards

Mr. Wu, Mr. Wang or other employees of Group Companies designated by Mr. Wu and/or Mr. Wang, has the right to repurchase all Incentive Awards held by incentive recipients, if (i) the Incentive Awards failed to be unlocked during the assessment periods; (ii) due to faults of the incentive recipients, such as violation of the applicable regulations and laws, violation of contracts, negligence, or other actions causing negative impact on the Company; (iii) the employment relationship between the incentive recipients and the Company terminates due to non-fault actions of the incentive recipients, such as death, loss of civil or labour capability, non-fault dismissal, etc.

4. Details of the Incentive Awards granted

During FY2024, no Incentive Awards have been granted to any incentive recipients under the Pre-IPO Share Incentive Plans. Below is the list of the incentive recipients under the Pre-IPO Share Incentive Plans that are granted with Incentive Awards as of the date of this annual report:

Name	Position	Relevant Employee Shareholding Platforms	Approximate Number of Shares Corresponding to the Incentive Awards Held by the Recipients[1]	Approximate Shareholding Percentage Corresponding to the Incentive Awards Held by the Participant in the Total Number of Shares in Issue
Directors, Supervisors and Senior Management				
Mr. Wu	Chairman of the Board and executive Director	Hydrogen Win New Energy	240,000	0.23%
		Hydrogen Ying New Energy	235,000	0.22%
He Guangliang (何光亮)	Chairman of the Supervisory Committee	Hydrogen Ying New Energy	249,999	0.24%
		Qingjie New Energy	234,825	0.22%
Zhao Jing (趙靜)	Supervisor	Hydrogen Ying New Energy	100,000	0.10%
Cai Xubin (蔡徐斌)	Chief financial officer	Hydrogen Ying New Energy	25,000	0.02%
Shi Jian (施劍)	Secretary of the Board and executive Director	Hydrogen Ying New Energy	10,000	0.01%
		Qingjie New Energy	25,000	0.02%
Kuang Kaifeng (況開鋒)	Supervisor	Hydrogen Ying New Energy	10,000	0.01%
		Qingjie New Energy	18,650	0.02%
Subtotal	–	–	1,148,474	1.09%
Other Recipients				
86 Recipients	Employees	Qingjie New Energy, Hydrogen Ying New Energy and Hydrogen Win New Energy	3,086,408	2.95%
One Recipient	External consultant	Qingjie New Energy	50,000	0.05%

Note:

(1) For illustrating the indirect interests of incentive recipients in the Company, the number of Shares are presented and calculated by multiplying their respective percentage of limited partnership interests in each by the total number of Shares held by the Employee Shareholding Platforms.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended December 31, 2024 was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 has been granted any right to subscribe for shares in, or debentures of, the Company or any other body corporate or had exercised any such right.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The Company has not entered into any connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules from the Listing Date to December 31, 2024.

Details of material related party transactions entered into by the Company during the year ended to December 31, 2024 are set out in note 38 to the Consolidated Financial Statements. The related party transactions set out in the above note do not fall within the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the year ended December 31, 2024, the Company had no controlling Shareholder.

MATERIAL LITIGATION

The Group was not involved in any material legal proceeding during the year ended December 31, 2024.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules since its Listing on November 15, 2024 and up to the date of this annual report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

AUDITOR

The Consolidated Financial Statements have been audited by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, who will be nominated for re-appointment as the auditor of the Company at the upcoming AGM. The Company engaged Messrs. Deloitte Touche Tohmatsu in November 2024 and authorized the Board or the Audit Committee to fix its remuneration and there has been no change in auditor since the Listing Date.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 48 to the Consolidated Financial Statements, we are not aware of any material subsequent events from the end of FY2024 to the date of this annual report.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The AGM will be held on Tuesday, May 20, 2025. A notice convening the AGM will be published and despatched to the Shareholders in due course in the manner prescribed by the Listing Rules. To determine the eligibility of the Shareholders to attend and vote at the AGM, the register of members of H Shares will be closed from Thursday, May 15, 2025 to Tuesday, May 20, 2025, both days inclusive, during which period no transfer of H Shares will be effected. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, May 14, 2025.

On behalf of the Board
Mr. Wu Pinfang
Chairman and Executive Director

Jiangsu, the PRC
March 27, 2025

Report of the Supervisory Committee

In 2024, the Supervisory Committee comprehensively fulfilled its supervision duties over members of the Board and senior management of the Company as authorized at the general meetings in accordance with the PRC Company Law and other laws and regulations as well as the Articles of Association.

MEETINGS AND RESOLUTIONS OF THE SUPERVISORY COMMITTEE DURING THE YEAR

In 2024, three meetings were held by the Supervisory Committee. The notice, convening and voting procedures for the meetings were in compliance with the requirements of the PRC Company Law and other laws and regulations as well as the Articles of Association and the Rules of Procedure for the Supervisory Committee.

No.	Date	Session	Attendance	Matters discussed and resolutions adopted
1.	February 16, 2024	the third meeting of the second session of the Supervisory Committee	3	Proposals such as the share issuance plan to Zhangjiagang Jiyang Hydrogen Energy Venture Capital Partnership, the signing of a share subscription agreement with Jiyang Hydrogen Energy, and amendments to the Articles of Association were considered and duly approved.
2.	February 28, 2024	the fourth meeting of the second session of the Supervisory Committee	3	Proposals such as the Company's application and plan for the overseas public offering and listing of H Shares on the Main Board of the Stock Exchange, the application for full circulation of Shares, and the conversion into an overseas fund-raising joint stock company, use of proceeds from the Listing and the draft Articles of Association were considered and duly approved.
3.	June 14, 2024	the fifth meeting of the second session of the Supervisory Committee	3	Proposals such as the Supervisory Committee's work report, profit distribution, related-party transactions, the final financial report, the financial budget report, and remuneration and review plans for Directors, Supervisors and senior management of the Company were considered and duly approved.

The work of the Supervisory Committee mainly included:

1. attending Shareholders' general meetings to understand the operation of the Shareholders' meetings;

2. attending the meetings of the Board of Directors to understand the operation of the Board of Directors; and

3. reviewing the Company's financial reports and work plan for the next year.

OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY

Legality of Company's operation

In the opinion of the Supervisory Committee, the Company operated in compliance with relevant laws and regulations, including the PRC Company Law, and the Articles of Association. The procedures for making decisions on operation were in accordance with relevant laws and regulations, and up to standard, thus making satisfactory results. The Directors and senior management of the Company were able to perform their duties in accordance with relevant laws and regulations and the Articles of Association and exercise their powers in a proper and diligent manner without any act in violation of laws, regulations or the Articles of Association or contrary to the interest of the Company or the Shareholders.

Report of the Supervisory Committee

Implementation of resolutions

The Supervisory Committee had no objection to the contents of resolutions submitted to the general meetings. The Supervisory Committee considered that the resolutions of the Shareholders' general meetings and the Board meetings were implemented effectively.

Company's financial position

The Company strictly observed the accounting principles. During FY2024, the Company's financial structure was reasonable and complete, and the annual financial report was able to give a true and accurate reflection of the Company's financial position and operating results. The information stated in the reports did not contain any material false record, misleading statement or material omission. The Company's 2024 annual financial report was audited by Messrs. Deloitte Touche Tohmatsu and a standard unqualified opinion was issued.

Review of Supervisory Committee on internal control evaluation report

The Supervisory Committee has conducted a review on the Company and considered that the Company has established an appropriate internal control system in all material aspects and the internal control management system has operated effectively, thus ensuring its consistent implementation and normal production and operation.

Work plan of the Supervisory Committee for 2025

In 2025, the Supervisory Committee will continue to fulfill and comply with its supervision duties conferred by the PRC Company law and other relevant laws and regulations and the Articles of Association over members of the Board and senior management of the Company and strengthen its supervision function to improve the corporate governance structure of the Company. The Supervisory Committee will hold regular meetings of the Supervisory Committee in accordance with relevant regulations and will convene ad hoc meetings in a timely manner in the event of special circumstances, in order to fulfill the duties of the Supervisory Committee. The Supervisory Committee will pay more attention to the legality of the decision-making procedures and material decisions made by the Company, and is determined to implement the pre-set strategies and policies of the Company, including attending the Shareholders' general meeting and the Board meetings, keeping informed of the operation of the shareholders' general meeting and the Company's business decisions, and ensuring the compliant operation of the Company. Furthermore, by increasing supervision and strengthening the supervision and inspection of the Company's financial position, the Supervisory Committee aims to prevent operational and financial risks, so as to further reinforce the internal control system and safeguard the interests of the Company and its Shareholders.

He Guangliang
Chairman of the Supervisory Committee

March 27, 2025

Corporate Governance Report

The Board is pleased to report to the Shareholders the corporate governance of the Company for the year ended December 31, 2024.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholders' wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit. Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

– satisfactory and sustainable returns to the Shareholders;

– that the interests of those who deal with the Company are safeguarded;

– that overall business risk is understood and managed appropriately;

– the delivery of high-quality products and services to the satisfaction of customers; and

– that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high corporate governance standards. The Company believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability.

The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in the CG Code from the Listing Date to December 31, 2024.

The Company is committed to enhancing its corporate governance practices used to regulate conduct and promote growth of its business and to reviewing such practices from time to time to ensure that it complies with the CG Code and aligns with the latest developments of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for the trading of securities by the Directors and Supervisors. Since H Shares were listed on the Main Board of the Stock Exchange on November 15, 2024, the Model Code was not applicable to the Company before the Listing Date. Having made specific reasonable inquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code throughout the period from the Listing Date to December 31, 2024.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Mr. WU Pinfang *(Chairman)*
Mr. WANG Kai *(General Manager)*
Mr. SHI Jian

Non-executive Directors

Mr. GU Yanjun
Mr. ZHOU Lin
Ms. LIU Yilin

Independent Non-Executive Directors

Ms. TONG Sze Wan
Mr. ZHANG Yongjun
Dr. ZOU Jiasheng

Each of our Directors has confirmed that he/she obtained the legal advice referred to in Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on March 12, 2024, and he/she has confirmed he/she understood his/her obligations as a director of a listed issuer.

The biographical details of the Directors are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" in this annual report. Save as disclosed above, there were no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least fourth a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

For other Board meetings, written notice shall be given 48 hours before the meetings. With the consent of all Directors, the notice period may be waived. For other committee meetings, a notice shall be given three days prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

During FY2024, the Board held 10 meetings and the attendance of the individual Directors at Board meetings and the general meetings of the Company during the year ended December 31, 2024 is set out below:

Name of Directors	Number of attendance/meetings held during the term of office of the Director	
	Board Meetings	General Meetings
Executive Directors		
Mr. WU Pinfang *(Chairman)*	10/10	4/4
Mr. WANG Kai *(General Manager)*	10/10	4/4
Mr. SHI Jian	10/10	4/4
Non-executive Directors		
Mr. GU Yanjun	10/10	4/4
Mr. ZHOU Lin	10/10	4/4
Ms. LIU Yilin	10/10	3/4
Independent Non-Executive Directors		
Ms. TONG Sze Wan	8/10	2/4
Mr. ZHANG Yongjun	10/10	4/4
Dr. ZOU Jiasheng	10/10	4/4

During FY2024, the chairman of the Board also held a meeting with the independent non-executive Directors without the presence of other Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Chairman of the Board and General Manager

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual, to reinforce their respective independence and accountability. Since the Listing Date and up to the date of this annual report, Mr. Wu Pinfang, our executive Director, has been the chairman of the Board and responsible for presiding over our overall strategic planning and production and operation management of the Board, while Mr. Wang Kai, our executive Director, has been the general manager of the Company and responsible for managing the daily business operations of the Group. Therefore, the division of responsibilities between the chairman of the Board and the general manager has been clearly established.

Independent Non-executive Directors

From the Listing Date and up to the date of this annual report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing no less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board Independence Evaluation

The Company recognizes that the independence of the Board is key to sound corporate governance. The Company has established effective mechanisms to support the independence of the Board and its independent advice. The Board would review the implementation and effectiveness of such mechanisms on an annual basis.

The nomination, election and appointment of Directors to the Board are carried out in strict compliance with relevant regulations and policies and the Company's rules and regulations, following the principles of impartiality, fairness and openness to ensure the diversity of the Board members without conflict of interest.

Currently, the independent non-executive Directors of the Board account for one-third of the total number of Board members, and the Audit Committee consists of two independent non-executive Directors and one non-executive Director, all of whom are in compliance with the independence requirements under the Listing Rules.

The independent non-executive Directors have extensive industry experience and professional knowledge and have the ability to devote sufficient time to fulfill the duties of the Board to provide strong support and supervision for the development of the Company, and are able to maintain objectivity and independence in decision making to safeguard the interests of the Company and its shareholders. The Company will assess the independence of the independent non-executive Directors on an annual basis.

The Company has established effective channels for communication of views, and the Directors can express their views openly, as well as confidentially if necessary. All Directors (including independent non-executive Directors) may obtain external independent professional advice as deemed necessary at the Company's expense. All Directors will recuse themselves from voting on resolutions in which they have a direct or indirect interest.

Pursuant to the Board independence evaluation mechanism, the Board will conduct an annual review of its independence. From the Listing Date and up to the date of this annual report, the Board reviewed the implementation and effectiveness of the mechanism and found the results satisfactory.

Appointment and Re-election of Directors

Paragraph B.2 of the CG Code provides that all Directors should be re-elected at certain intervals; code provision B.2.2 of the CG Code provides that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association.

According to Article 91 of the Articles of Association, Directors are subject to election or replacement at a general meeting, and may be removed from his/her position by the general meeting before expiry of their terms of office (without prejudice to any claim for damages by such director under any contract). Directors serve for a term of three years are eligible for re-election at the expiry of their term of office.

The term of office of a Director shall start from the date on which the said Director assumes office to the expiry of the current term of the Board. If the term of office of a Director expires but re-election is not made responsively, the said Director shall continue fulfilling the duties as Director pursuant to laws, administrative regulations, departmental rules, the listing rules of the place where the Shares are listed and the Articles of Association until a new Director is elected.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. During the year ended December 31, 2024 and prior to the Listing, all Directors have participated in continuous professional development by attending training course or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board. Furthermore, reading materials covering Directors' duties and responsibilities have been provided to the Directors for their reference.

The training records of the Directors during the FY2024 are summarized as follows:

Name of Directors	Attending training session	Reading regulatory materials
Executive Directors		
Mr. WU Pinfang	✓	✓
Mr. WANG Kai	✓	✓
Mr. SHI Jian	✓	✓
Non-executive Directors		
Mr. GU Yanjun	✓	✓
Mr. ZHOU Lin	✓	✓
Ms. LIU Yilin	✓	✓
Independent Non-Executive Directors		
Ms. TONG Sze Wan	✓	✓
Mr. ZHANG Yongjun	✓	✓
Dr. ZOU Jiasheng	✓	✓

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration and Review Committee, the Nomination Committee and the Strategy Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three, namely Ms. Tong Sze Wan, Mr. Gu Yanjun and Dr. Zou Jiasheng. Ms. Tong Sze Wan is the chairlady of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with Rule 3.21 of the Listing Rules and code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are mainly to make recommendation to our Board on the appointment and removal of external auditor, and to assist our Board in fulfilling its oversight responsibilities in relation to our Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities.

The Audit Committee held three meetings during the year ended December 31, 2024 to review the appointment of the chairlady of the Audit Committee and the Company's appointment of external auditor for the year ended December 31, 2024. The individual record of each member of the Audit Committee at the meetings of the Audit Committee is set out below:

Name of Director	Attendance/ Number of Committee Meeting(s)
Ms. Tong Sze Wan	3/3
Mr. Gu Yanjun	3/3
Dr. Zou Jiasheng	3/3

Remuneration and Review Committee

The Remuneration and Review Committee consists of three members, namely Dr. Zou Jiasheng, Mr. Wu Pinfang and Ms. Tong Sze Wan. Dr. Zou Jiasheng is the chairman of the Remuneration and Review Committee.

The terms of reference of the Remuneration and Review Committee are in compliance with Rule 3.26 of the Listing Rules and code provision E.1.2 of the CG Code. The primary duties of the Remuneration and Review Committee are to evaluate and make recommendation to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

The Remuneration and Review Committee held two meetings during the year ended December 31, 2024 to review the remuneration policy and annual performance-based remuneration for Directors, Supervisors and senior management of the Company. The individual record of each member of the Remuneration and Review Committee at the meetings of the Remuneration and Review Committee is set out below:

Name of Director	Attendance/ Number of Committee Meeting(s)
Dr. Zou Jiasheng	2/2
Mr. Wu Pinfang	2/2
Ms. Tong Sze Wan	2/2

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of Directors and Supervisors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each Director and Supervisor. The remuneration for Directors and Supervisors comprises basic salary, allowances, discretionary bonuses, retirement scheme contributions and share-based payments.

Details of the emoluments of the Directors, Supervisors and five highest paid individuals of the Group are set out in note 12 to the Consolidated Financial Statements. The remuneration payable to members of senior management (other than Directors) by band for the year ended December 31, 2024 is set out below:

Remuneration level (RMB)	Number of persons
2,000,001 to 2,500,000	1
2,500,001 to 3,000,000	1
6,000,001 to 6,500,000	1
12,000,001 to 12,500,000	1

Nomination Committee

The Nomination Committee consists of three members, namely Mr. Zhang Yongjun, Mr. Shi Jian and Ms. Tong Sze Wan. Mr. Zhang Yongjun is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee in compliance with code provision B.3.1 of the CG Code, and the Company is in full compliance with the board diversity requirements under Rule 13.92 of the Listing Rules.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

Subsequent to November 15, 2024 and up to the date of this annual report, the Nomination Committee has assessed the independence of the independent non-executive Directors, considered the re-election of Directors and reviewed the structure, size and composition of the Board, and has conducted an annual review of the Board Diversity Policy and concluded the current Board composition is sufficiently diverse.

The Nomination Committee held three meetings during the year ended December 31, 2024 to review the composition of the Board and senior management and to recommend candidates to the Board for the appointment of independent non-executive Director and members of senior management. The individual record of each member of the Nomination Committee at the meetings of the Nomination Committee is set out below:

Name of Director	Attendance/ Number of Committee Meeting(s)
Mr. Zhang Yongjun	3/3
Mr. Shi Jian	3/3
Dr. Zou Jiasheng *(ceased on March 27, 2025)*	3/3
Ms. Tong Sze Wan *(appointed on March 27, 2025)*	N/A

Strategy Committee

The Strategy Committee consists of three members, namely Mr. Wu Pinfang, Ms. Tong Sze Wan and Mr. Zhang Yongjun. Mr. Wu Pinfang is the chairman of the Strategy Committee.

The primary functions of the Strategy Committee are to devise and advise on the long-term strategy and material investment decisions of the Company.

The Strategy Committee held one meeting during the year ended December 31, 2024 to review the annual work report of the Strategy Committee for the year ended December 31, 2024. The individual record of each member of the Strategy Committee at the meeting of the Strategy Committee is set out below:

Name of Director	Attendance/ Number of Committee Meeting(s)
Mr. Wu Pinfang	1/1
Ms. Tong Sze Wan	1/1
Mr. Zhang Yongjun	1/1

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for determining the corporate governance policy of the Company performing the functions set out in code provision A.2.1 of the CG Code. Such duties have been delegated to the Audit Committee.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the CG Code, the Company's code of conduct applicable to its employees, Directors and Supervisors, and disclosure in its Corporate Governance Report during FY2024.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances required, provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to its business growth. The Company recognises and embraces the benefits of having a diverse Board and sees enhanced diversity at the Board level as an essential element in maintaining the Company's competitive advantages.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, length of service, knowledge and regional and industry experience.

The Company strives to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured, so that a diverse range of candidates are considered.

The Nomination Committee is responsible for reviewing the Board Diversity Policy, setting and reviewing measurable objectives to implement the policy and ascertain the progress made towards achieving those objectives.

The current Board composition is analysed as follows based on the measurable objectives:

Gender

- Male: 7 Directors
- Female: 2 Directors

Age group

- 31–40: 2 Directors
- 41–50: 3 Directors
- 51–60: 3 Directors
- 61-70: 1 Director

Position

- Executive Directors: 3 Directors
- Non-executive Directors: 3 Directors
- Independent non-executive Directors: 3 Directors

Educational background

- Business administration: 4 Directors
- Accounting and finance: 2 Directors
- Other: 4 Directors

Nationality

- PRC: 8 Directors
- HK: 1 Director

Business experience

- Accounting and finance: 1 Director
- Experience relevant to the Company's business: 3 Directors

The Nomination Committee and the Board consider that the current Board composition has reached the objectives set out in the Board Diversity Policy.

The Nomination Committee will review at least on a yearly basis the Board Diversity Policy and measurable objectives to ensure the sustained function and effectiveness of the Board.

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of the Directors to the Nomination Committee.

The Company has adopted a director nomination policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The director nomination policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

a. Character and integrity;

b. Qualifications including professional qualifications, skills, knowledge and experience;

c. Diversity in all aspects as set out in the Board Diversity Policy;

d. Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and

e. Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The director nomination policy also sets out the procedures for the selection and appointment of new Directors and re-election of the Directors at general meetings.

The nomination process set out in the director nomination policy is as follows:

(i) to assess such candidate's qualifications, skills, knowledge, ability and experience and also potential time commitment and attention to perform the Director's duties;

(ii) to assess such candidate's personal ethics, integrity and reputation (including without limitation to conduct appropriate background checks and other verification processes against such candidate);

(iii) with reference to the Company's Board Diversity Policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition of the Board and the Company's corporate strategy, with due regard for the benefits of the appropriate diversity of the Board and also such candidate's potential contributions thereto;

(iv) in case of a candidate for an independent non-executive Director, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive Directors set out in CG Code and Corporate Governance Guide for Boards and Directors; and

(v) to consider any other factors and matters as the Nomination Committee may consider appropriate.

The Nomination Committee will review the director nomination policy, as appropriate, to ensure its effectiveness.

GENDER DIVERSITY

With respect to gender diversity, Ms. Tong Sze Wan, an independent non-executive Director and the chairlady of the Audit Committee, Ms. Liu Yilin, a non-executive Director, and Ms. Zhao Jing, a Supervisor, having extensive experience in their respective field, contribute to gender diversity of the Board and the Supervisory Committee.

The Company values gender diversity at all levels of the Group. Currently, the Board consists of two female Directors and seven male Directors, and the Group's general manager is male. Among the 543 employees of our Group as of December 31, 2024, 453 are males (83.4%) and 90 are females (16.6%).

The Board believes that the Company has achieved gender diversity among its employees and considers such gender diversity is satisfactory at the current stage. In order to continue to achieve gender diversity among our employees, we are committed to creating favourable conditions in our working environment to continuously attract employees of different genders to the Group, thereby maintaining our position as a gender-balanced company. The Company will continue to take steps to promote gender diversity at the Board and Supervisory Committee level, as well as all other levels of the Company from the Board downwards to enhance the effectiveness of our corporate governance as a whole. In this process, we may face challenges in matching the availability of gender-specific personnel in the human resources market with the education, experience and skills required for positions of the Group. Despite these challenges, we are committed to maintaining a gender-balanced workforce.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established risk management and internal control systems consisting of organizational frameworks, policies, procedures and risk management methods.

The Group has engaged an internal control consultant, to perform certain agreed-upon procedures in connection with the internal control of the Company and our major subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including environment of control, risk assessment, information and communication, internal control, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, inventory, logistics and cost management, management of fixed assets and intangible assets, human resources and payroll management, cash and treasury management, taxation management, project management, general controls of IT system (including protection of data and privacy), R&D management, insurance management, production management, health, safety and environment protection and contract management. The internal control consultant performed procedures in December 2023 and follow-up procedures in February 2024 on the Company's system of internal control. Upon its review, the internal control consultant did not identify any further deficiencies in the design aspect of the Company's internal control system.

The Company has been committed to promoting a compliance culture and will adopt policies and procedures on various compliance matters, including the Stock Exchange's requirements on corporate governance and environmental, social and governance matters.

The Company has adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control personnel for each stage of the production process. Our Directors (who are responsible for overseeing our corporate governance) with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations.

For any material internal control deficiencies, management will identify internal control deficiencies, review control activities and procedures and, if necessary, revise the necessary internal policies and procedures. This will be reported to the Board of Directors and the Audit Committee at least annually.

The Company has adopted or will continue to adopt, among others, the following risk management and internal control measures with the following main features:

- The Company has established the Audit Committee which shall (i) make recommendations to our Directors on the appointment and removal of external auditors; (ii) review our financial statements and oversee our financial reporting and internal audit; and (iii) oversee our risk management and internal control procedures.

- The Company has adopted various policies to ensure that the Company complies with the Listing Rules, including but not limited to disclosure of information, connected transactions and securities trading.

- The Company has developed and adopted various internal control procedures and guidelines with defined authority for implementation by key business processes and office functions, including but not limited to R&D, procurement management, financial reporting, human resources and information technology.

- The Company has arranged Directors and senior management to attend training sessions on Listing Rules requirements and the responsibilities as directors of a Hong Kong-listed company.

- The Company has Whistleblowing Policy in place for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

- The Company has developed its disclosure policy which provides a general guide to the Directors, senior management, and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

- The Company has engaged legal advisors to periodically review the Company's compliance status with all relevant laws and regulations.

- Prior to the Listing Date, the Company had appointed an internal control consultant to review the effectiveness of internal control measures relating to major business processes, identify deficiencies for improvement, advise on the rectification measures and review the implementation of such measures. The Company has adopted the recommendations made by the internal control consultant and has taken corresponding measures to improve such internal control deficiencies.

The Board of Directors, with the support of the Audit Committee as well as the management, conducted an annual review of the effectiveness of the risk management and internal control systems during FY2024 and considered the systems to be effective and adequate.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements with the support from the accounting and finance team.

The Directors have prepared the financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's financial statements have been prepared on a going concern basis, and the Directors believe that the financial statements give a true and fair view of the financial condition, results and cash flows of the Group for the year ended December 31, 2024, and that the disclosure and reporting of other financial information have complied with relevant laws.

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to the Shareholders through the optimization of the debt and equity balance.

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's liability to continue as a going concern.

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Messrs. Deloitte Touche Tohmatsu as the external auditor for the year ended December 31, 2024. A statement by Messrs. Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the "Independent Auditor's Report" of this annual report.

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services for the year ended December 31, 2024 are set forth below.

Type of services	Remuneration paid/payable RMB'000
Audit Services	
– reporting accountant's work for the Listing	2,505
– annual audit services	2,300
Non-audit services *(Note)*	163
Total	4,968

Note: Non-audit services include internal control consulting services and ESG reporting advisory.

JOINT COMPANY SECRETARIES

Mr. Shi Jian and Ms. Wong Hoi Ting have been appointed as the joint company secretaries of the Company with effect from February 28, 2024. Mr. Shi is also executive Director and secretary of the Board. For biographical details of Mr. Shi, please see the section headed "Biographies of Directors, Supervisors and Senior Management – Executive Directors".

Ms. Wong Hoi Ting (黃凱婷) has over 10 years of experience in corporate secretarial field and is currently responsible for providing corporate secretarial and compliance services to listed companies. Ms. Wong is currently a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider). Ms. Wong graduated with a bachelor's degree in social sciences from Lingnan University in Hong Kong in October 2009 and a master's degree of science in professional accounting and corporate governance from City University of Hong Kong in Hong Kong in July 2014. Ms. Wong has been accredited as an associate of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) since December 2016. Ms. Wong's major contact person in the Company is Mr. Shi.

For the year ended December 31, 2024, Mr. Shi and Ms. Wong have received no less than 15 hours of relevant professional training annually pursuant to the requirements of Rule 3.29 of the Listing Rules. All Directors may have access to the advice and services of the joint company secretaries of the Company on corporate governance and routine Board matters.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

In accordance with Article 50 of the Articles of Association, Shareholder(s) who individually or collectively hold 10% or more of the Shares shall have the right to request the Board to convene an extraordinary general meeting and shall submit the request in writing to the Board. The Board shall provide feedback in writing on its consent or refusal to convene an extraordinary general meeting within 10 days upon receiving the request pursuant to laws, administrative regulations, the listing rules of the place where shares of the Company are listed and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the Board resolved to do so. In the event of any change to the original proposal set forth in the notice, the consent of Shareholder(s) who put forward the proposal shall be obtained. If the Board does not agree to hold the extraordinary general meeting, or fails to give a reply within 10 days after receipt of the request, Shareholder(s) who individually or collectively hold 10% or more Shares shall be entitled to request the Supervisory Committee to convene an extraordinary general meeting in writing. If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of Shareholder(s) who put forward the proposal shall be obtained. If the Supervisory Committee fails to issue a notice of the general meeting within a specified period, it shall be deemed that the Supervisory Committee shall not convene and preside over the general meeting, the shareholder(s) individually or collectively holding 10% or more of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

Putting Forward Proposal at General Meetings

Pursuant to Article 53 of the Articles of Association, Shareholders separately or aggregately holding more than 3% of the Shares are entitled to submit proposals to the Company or submit ad hoc proposals to the convener in writing 10 days before the convening of such general meeting. The convener shall issue a supplementary notice of the general meeting to announce the content of such ad hoc proposals within 2 days after receiving the proposals.

Putting Forward Enquiries to the Board

Shareholders may send written enquires to the Company for any enquiries put forward by the Board. The Company will normally not deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: No. 236, Guotai North Road, Zhangjiagang City, Jiangsu Province, the PRC (For the attention of Mr. Shi Jian)

Email: bod@guofuhee.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, the Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The external auditor of the Company will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and auditor independence.

To safeguard the interests and rights of the Shareholders, a separate resolution should be proposed for each substantial issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

The Company has established a range of channels for maintaining its ongoing dialogue with the Shareholders, the details of which are set out below:

(a) Shareholders' Enquiries

- Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

- Shareholders may have access to the contact persons, email addresses and enquiry lines designated by the Company in order to enable them to make any query in respect of the Company.

(b) Corporate Communications

- "Corporate communications" refers to any documents issued or to be issued by the Company for information or action of Shareholders, which includes but are not limited to copies of the report of Directors and annual accounts and the auditor's report, interim reports, meeting notices, circulars and proxy forms. Corporate communications will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders are entitled to choose the language (either English or Chinese).

- Shareholders are encouraged to provide, among others, their email addresses to the Company to facilitate timely and effective communication.

(c) Company Website

- The Company has set a special column headed "Investor Relations" on our website (www.guofuhee.com). Information on the Company's website will be updated regularly.

- Information posted on the Stock Exchange by the Company will also be immediately published on the website of the Company. Such information includes, among others, financial statements, results announcements, circulars, notices of general meetings and relevant statements.

- All presentation materials provided together with the annual general meeting and results announcement of the Company for each year will be available on the website of the Company.

- All press releases and Shareholders' communications will be available on the website of the Company.

(d) Shareholders' Meetings

- Shareholders are encouraged to attend general meetings, or to appoint proxies to attend and vote at the meetings on their behalf.

- Appropriate arrangements will be made to the annual general meetings to encourage Shareholders' participation in such meetings.

- Procedures of the general meetings of the Company will be monitored and reviewed on a regular basis, and amended if necessary to ensure Shareholders' needs are satisfied to the maximum extent.

- Board members, in particular chairman of each committee under the Board/chairman or its proxy, appropriate senior management and external auditor will attend annual general meetings to answer Shareholders' questions.

- Shareholders are encouraged to participate in Shareholder activities organised by the Company to convey information concerning the Company, including latest strategic planning, products and services.

The Company keeps on promoting good investor relations and enhancing communication with the Shareholders and potential investors in order for them to better understand the Group's business performance and strategies. The Board has considered the Shareholders' communication policy of the Company as described above and is satisfied that there are effective channels by which the Shareholders can communicate and raise concern with the Company.

AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS

The Articles of Association were adopted with effect from the Listing Date, and a special resolution was passed by the Shareholders approving certain amendments to the Articles of Association at the extraordinary general meeting held on February 28, 2025. The amended Articles of Association is available on the websites of the Company (www.guofuhee.com) and the Stock Exchange (www.hkexnews.hk).

DIVIDEND POLICY

The Group currently does not have a pre-determined dividend policy. The Board may declare, and the Company may pay, dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant.

For further details of the relevant PRC laws and regulations, please refer to the section headed "Report of the Board of Directors – Dividend Policy" on page 21.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Company has formulated internal policies and implemented measures with regards to the prevention and control, monitoring and response procedure as well as the establishment of risk prevention mechanism to ensure the compliance with the applicable anti-corruption, anti-bribery and anti-money laundering related laws and regulations.

At its Board meeting held on March 27, 2025, the Board has reviewed the Company's risk management and internal control measures which covered the anti-corruption and whistleblowing policies and considered that the current risk management and internal control measures being adequate and effective.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report is the 2024 Environmental, Social and Governance report (the "Report") prepared by Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. ("Guofu Hydrogen", "we", "us", "our" or the "Company"), so as to provide a systemic review on the practices and developments of the Company in the areas of environment, social and governance ("ESG").

BASIS OF PREPARATION

This report is prepared based on the requirements as set out in the Environmental, Social and Governance Reporting Guide (the "Guide") in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

REPORTING PRINCIPLES

In preparing this report, the principles of "Materiality", "Quantitative", "Balance", and "Consistency" are applied to define the content of the Report and how the information is presented:

1. Materiality

The communication with stakeholders and materiality assessment are engaged in the preparing process of this report to determine key ESG topics, and matters that may have a material effect on the Group's business and stakeholders are highlighted in this report.

2. Quantitative

This report presents the key performance indicators of the environmental and social aspects with quantitative data. The measurement criteria, methods, assumptions and/or calculation tools, and the sources of conversion factors used for the key performance indicators in this report are described where applicable.

3. Balance

The purpose of this report is to present both positive and negative ESG information and performance transparently and objectively.

4. Consistency

This report is the first ESG report issued by the Company. Unless otherwise specified, the future ESG reports will adopt key indicators and statistical methods consistent with this report.

SCOPE OF THE REPORT

The policies and data disclosed in this report cover the Company and its principal subsidiaries, which include Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd.* (張家港氫雲新能源研究院有限公司) ("Hydrogen Cloud Research Institute") and Shanghai Qingmai Engineering Technology Co., Ltd.* (上海氫邁工程技術有限公司) ("Shanghai Qingmai"). The Report covers the period from January 1, 2024 to December 31, 2024 (the "Reporting Period"). Some of the contents may precede or post-date this period due to the continuity or the significant impact of the project.

DATA DESCRIPTION

The data disclosed in this report are derived from the official documents and statistical data of the Company. Unless otherwise stated, all measurements are in metric system and all amounts are denominated in RMB.

REPORT ACQUISITION

This Report is published in electronic version only. If you have any questions or suggestions regarding the content of this report, please contact us by phone or mails.

Address: No. 236, Guotai North Road, Zhangjiagang City, Jiangsu Province, the PRC
Telephone: 0512-58982355
Email: gfyx@guofuhee.com

ABOUT US

Company Description

Guofu Hydrogen is a leading provider of integrated solutions of hydrogen energy equipment in China, which always focuses on the R&D and manufacturing of core equipment for the entire industry chain of "production, storage, transportation, refueling and use" of hydrogen energy. We are strategically located in the Yangtze River Delta, with convenient access to the ports thereof, which have abundant supply chain resources. Leveraging on our advantages in geographic location and benefitting from favorable policies in the global and China's hydrogen energy industry and hydrogen energy core equipment industry, we strive to contribute to the rapid growth of China's hydrogen energy industry. We continue to invest heavily in the R&D and innovation as well as industrial applications of hydrogen energy, promote the localization of the hydrogen energy industry and provide integrated solutions for R&D, production, sales and services of hydrogen energy core equipment. Our product portfolio primarily consists of various core equipment used in the entire industrial chain of hydrogen energy. Currently, we have achieved localized and large-scale commercialization of vehicle-mounted high-pressure hydrogen supply systems and equipment for hydrogen refueling stations. We also made various key breakthroughs in the production, storage and transportation of liquid hydrogen, maintaining our leading position in the progress of civilian use of liquid hydrogen in China. Meanwhile, we continue to exert efforts in the field of water electrolysis hydrogen production to establish a first-mover advantage in the green hydrogen field in connection with the comprehensive transformation of the hydrogen energy industry.

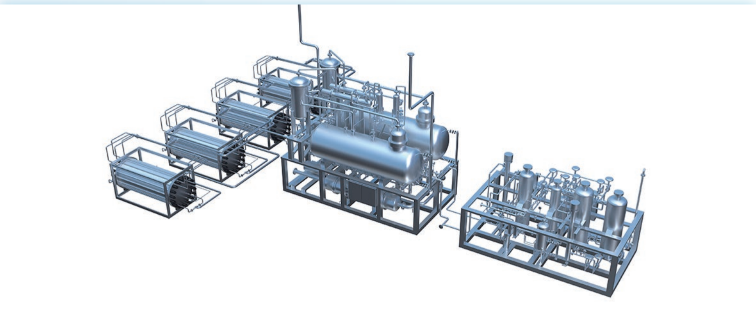
Guofu Hydrogen developed and manufactured core components for hydrogen fuel cell vehicles (i.e., vehicle-mounted high-pressure hydrogen supply systems) and equipment for hydrogen energy transportation infrastructure (i.e., hydrogen refueling stations). Leveraging on our industry-leading positions in vehicle-mounted high-pressure hydrogen supply systems and equipment for hydrogen refueling stations and our deep insights into China's hydrogen transportation industry, which allowed us to participate in the commercialization of hydrogen transportation in China. By developing core equipment for hydrogen production, hydrogen liquefaction, and storage and transportation of liquid hydrogen, we began to expand our business to the upstream and midstream stages of hydrogen energy industrial value chain with multiple application scenarios. Specifically, we developed the technologies for the storage and transportation of liquid hydrogen. The capacity and efficiency of the storage, transportation and refueling of hydrogen can be increased by storing and refueling hydrogen in liquid status. In addition, in order to solve the demand for hydrogen production after the construction of hydrogen refueling stations, the Company developed water electrolysis hydrogen production equipment in 2023 to equip onsite hydrogen production capacity within hydrogen refueling stations. We anticipate the our expanding product offering is expected to reduce the cost of hydrogen energy for end users in the foreseeable future and accelerate the popularization of hydrogen energy in China's new energy transportation market.

In the future, Guofu Hydrogen will replicate the advanced manufacturing technologies of hydrogen equipment and the experience of constructing intelligent production lines in China to Germany, UAE, Brazil, Egypt, India and other countries, so as to provide equipment for the entire industry chain and global supply chain solutions for hydrogen production using renewable energy as well as large-scale hydrogen liquefaction, storage, transportation and application.

Guofu Hydrogen is a leading provider for integrated solutions of hydrogen energy core equipment, which includes the following products:

- ### Water Electrolysis Hydrogen Production Equipment

  We are capable of providing two sets of comprehensive system solutions, namely alkaline water electrolysis (ALK) system and proton exchange membrane water electrolysis (PEM) system, to customers, so as to meet different production needs of customers. In June 2024, two production lines at the phase III project of equipment industry park of the Company commenced official operation. The production lines of such project are intelligent workshops with the broadest coverage and highest level of digitalization. Upon full operation, the production capacity of water electrolysis hydrogen production equipment will increase to 500 sets.



- ### Equipment for Hydrogen Liquefaction and the Storage and Transportation of Liquid Hydrogen

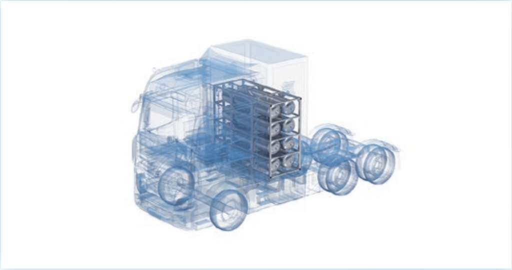
  We were the first company to possess the processing technologies of developing hydrogen liquefaction equipment and have the capability to manufacture relevant equipment for large-scale civilian use in China and have successfully delivered China's first industrial-scale hydrogen liquefaction equipment for civilian use with the production capacity of 10 tons per day, which was the first 10-ton level hydrogen liquefaction equipment in China and also the equipment with the largest production capacity in China. We have successfully developed, manufactured and delivered the first 200 m^3 liquid hydrogen container used in a large-scale civilian use liquid hydrogen plant in China. Meanwhile, we have developed and manufactured the first liquid hydrogen tank sample for civilian use.

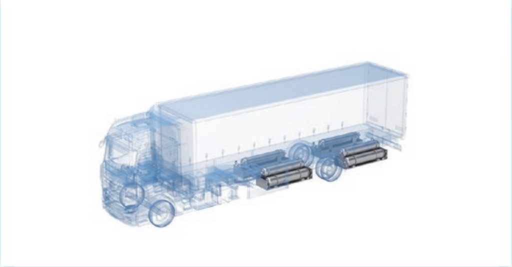
- ## Equipment for Hydrogen Refueling Stations and Related Products

With the gradual maturation of technologies in relation to hydrogen fuel cell as well as industrialization of hydrogen energy application and hydrogen fuel cell vehicles, it was necessary to equip with relevant industrialized services and facilities. To cope with different market demand, we provide comprehensive services to customers, which include application scenario analysis of hydrogen refueling stations, preliminary planning suggestions on hydrogen refueling stations, product/selection comparative analysis on hydrogen refueling stations, EPC of hydrogen refueling station projects, maintenance and operation of hydrogen refueling stations as well as intelligent operation and maintenance. During the 2022 Beijing Winter Olympics, we provided two 70MPa hydrogen refueling stations for the competition areas, which was the first large-scale application of 70MPa hydrogen refueling stations in China.

- ## Vehicle-mounted High-pressure Hydrogen Supply Systems and Related Products

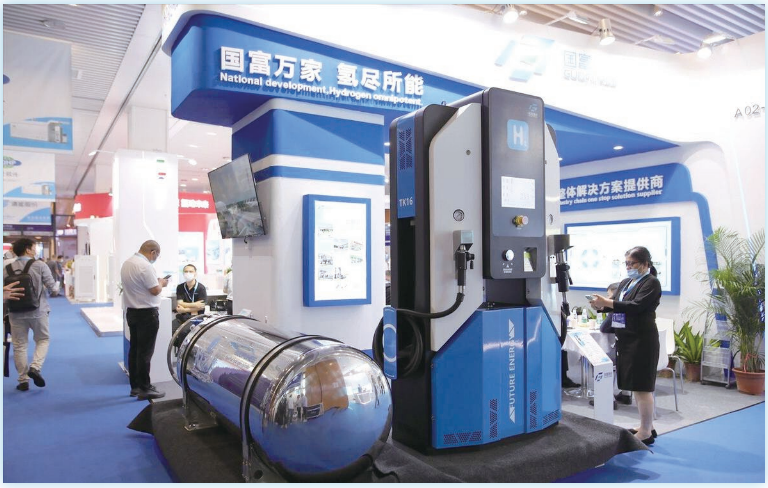
Vehicle-mounted high-pressure hydrogen supply systems provide fuel supply for fuel cell engines. We provide hydrogen supply systems with various structures and models (including components like carbon fiber wound aluminum-lined hydrogen storage cylinders, combined valves, overflow valves, pressure-reducing valves and pressure/temperature sensors) to different types of vehicles, such as fuel cell buses and trucks, so as to facilitate the construction of vehicle-mounted hydrogen supply systems of various railways in China.





CORPORATE CULTURE

Being the first company in China which commenced the civilization of liquefied hydrogen, Guofu Hydrogen dedicated to the development of large-scale hydrogen liquefaction as well as the storage and transportation of liquid hydrogen, so as to make our due contribution for achieving the national objective of "Carbon Peaking by 2030 and Carbon Neutrality by 2060 (2030碳達峰和2060碳中和)".



COMPANY HONORS

Leveraging on the insights in the hydrogen energy industry and the technical advantages on China's hydrogen energy core equipment industry, we are one of the few national-level specialized and innovative "little giant" enterprises in China. Through the dedicated R&D efforts in innovation and the experience in the application of hydrogen energy, we have accumulated technical advantages in the field of hydrogen energy core equipment. As of December 2024, we had over 400 patents, of which, over 200 patents were used in the major commercialized products.

We have received numerous awards and recognition for our achievements, including, among others, the Key "Little Giant" Enterprises (重點「小巨人」企業), Quasi Chain Anchor Enterprise in the Hydrogen Energy Industry Chain of New Energy Cluster in Jiangsu Province (江蘇省新能源集群氫能產業鏈中准鏈主企業), Enterprise Included in the "Unicorn" Incubation Program of Suzhou (蘇州「獨角獸」培育企業) and Gazelle Enterprise in Jiangsu High-tech Industrial Development Zone (江蘇省高新技術產業開發區瞪羚企業). Our key products also received various honors, such as 2021 First (sets) of Major Equipment Projects in the Energy Field of National Energy Administration (國家能源局2021年能源領域首台(套)重大設備裝備項目), the Second Prize of China Machinery Industry Science and Technology Progress Award (中國機械工業科技進步二等獎), the Second Prize of Jiangsu Automobile Industry Science and Technology Progress Award (江蘇省汽車工業科技進步獎二等獎) and the Second Prize of Shanghai Science and Technology Award (上海市科學技術獎二等獎).

No.	Name	Issuing authority
1	Second Batch of the National-level Specialized and Innovative "Little Giant" Enterprise (第二批國家級專精特新小巨人企業)	The Ministry of Industry and Information Technology (工業和信息化部)
2	Recommendation of Specialized and Innovative "Little Giant" Enterprise (建議支持的國家級專精特新「小巨人」企業)	MIIT (工信部)
3	High-tech Enterprise Certificate of Jiangsu Province (江蘇省高新技術企業證書)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳)
4	Certificate for Private Science and Technology Enterprise of Jiangsu Province (江蘇省民營科技企業證書)	Jiangsu Private Science & Technology Enterprise Association (江蘇省民營科技企業協會)
5	Potential Unicorn Enterprise in Jiangsu Province (江蘇省潛在獨角獸企業)	Jiangsu Productivity Promotion Center (江蘇省生產力促進中心)
6	Gazelle Enterprise in Jiangsu Province (江蘇省瞪羚企業)	Jiangsu Productivity Promotion Center (江蘇省生產力促進中心)
7	First Set of Major Equipment and Key Components Recognition in Jiangsu Province in 2019 (2019年度江蘇省首台(套)重大裝備及關鍵部件認定)	Department of Industry and Information Technology of Jiangsu Province (江蘇省工業和信息化廳)
8	Enterprise for High-tech Equipment R&D Projects in Jiangsu Province (江蘇省高端裝備研製趕超工程項目)	Department of Industry and Information Technology of Jiangsu Province (江蘇省工業和信息化廳)
9	Honorary Certificate - 35MPa and 70MPa Hybrid Containerized High Pressure Intelligent Hydrogenation Device and Demonstration Application (榮譽證書－35MPa、70MPa混合式集裝箱式高壓智能加氫成套裝置研製及示範應用)	Jiangsu Provincial Automobile Industry Office (江蘇省汽車工業辦公室)

No.	Name	Issuing authority
10	Honorary Certificate - Development and Demonstration of a Low-Cost, High-Hydrogen Density 70MPa Onboard High Pressure Hydrogen Storage and Supply System (榮譽證書－低成本高儲氫密度70MPa車載高壓儲氫供氫系統研發及示範應用)	Jiangsu Provincial Automobile Industry Office (江蘇省汽車工業辦公室)
11	The Potential Unicorn Enterprise in Southern Jiangsu (蘇南潛在獨角獸企業)	Southern Jiangsu National Independent Innovation Demonstration Zone Construction Promotion Service Center of Jiangsu Province (江蘇省蘇南國家自主創新示範區建設促進服務中心)
12	Second Prize of R&D and Science and Technology Progress Award for our intelligent hydrogen gas boosting and filling system (智能化氫氣增壓加注系統研製開發科技進步二等獎)	China Machinery Industry Federation (中國機械工業聯合會) and Chinese Mechanical Engineering Society (中國機械工程學會)
13	Appraisal Certificate for Scientific and Technological Achievements - Safety Performance Research and Evaluation of Vehicle-mounted Hydrogen Storage Cylinders with Advanced Energy (科學技術成果鑒定證書－先進能源車用儲氫瓶安全性能研究與評價)	China Machinery Industry Federation (中國機械工業聯合會)
14	Appraisal Certificate for Scientific and Technological Achievements - Research and Development of 45MPa Aluminum - Lined Carbon Fiber Full Winding High-pressure Hydrogen Cylinder (科學技術成果鑒定證書－45MPa鋁內膽碳纖維全纏繞高壓氫瓶研製)	China Machinery Industry Federation (中國機械工業聯合會)
15	Appraisal Certificate for Scientific and Technological Achievements - Research and Development of the Intelligent Hydrogen Gas Boosting And Filling System (科學技術成果鑒定證書－智能化氫氣增壓加注系統研製開發)	China Machinery Industry Federation (中國機械工業聯合會)
16	Innovation Award of Hydrogen Cell and Fuel Cell (Merit) - Construction and Engineering Specifications and Standards of Hydrogen Refueling Stations and Integrated Oil And Gas Mixed Stations (氫能與燃料電池創新獎(優秀獎)－加氫站、油氣合建站建設及工程技術規範標準)	China Society of Automotive Engineers (中國汽車工程學會)
17	Jiangsu Province Engineering and Technology Research Center (江蘇省工程技術研究中心)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳)
18	Jiangsu Postgraduate Work Station (江蘇省研究生工作站)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳), Jiangsu Provincial Department of Education (江蘇省教育廳)
19	Suzhou New Research and Development Institution (蘇州市新型研發機構)	Science and Technology Bureau of Suzhou City (蘇州市科學技術局)
20	Evaluation of Key Technologies and Industrialized Scientific and Technological Achievements of High-pressure Hydrogen and Hydrogen Supply System (高壓氫氣供氫系統關鍵技術及產業化科技成果評價)	China Society of Automotive Engineers (中國汽車工程學會)

No.	Name	Issuing authority
21	Gazelle Enterprise in Jiangsu High-tech Industrial Development Zone (江蘇省高新技術產業開發區瞪羚企業)	Jiangsu Productivity Promotion Center (江蘇省生產力促進中心)
22	Second Prize of Jiangsu Society of Automotive Engineers and Automobile Industry Science and Technology Progress Award (江蘇省汽車工程學會汽車工業科技進步獎二等獎)	China Society of Automotive Engineers (中國汽車工程學會)
23	The First and Major Technology Equipment in the Energy Sector for the Year 2021 - 70MPa Containerized High-pressure Intelligent Hydrogen Refueling Equipment (2021年度能源領域首台(套)重大技術裝備項目－70MPa集裝箱式高壓智能加氫成套裝置)	The General Affairs Department of the National Energy Administration (國家能源局綜合司)
24	Provincial Enterprise Technology Center of Jiangsu Province (江蘇省省級企業技術中心)	Department of Industry and Information Technology of Jiangsu Province (江蘇省工信廳)
25	Jiangsu Hydrogen Energy Production and Storage Equipment Engineering Research Center (江蘇省氫能制儲裝備工程研究中心)	The Development and Reform Commission of Jiangsu Province (江蘇省發展和改革委員會)
26	First Prize of Science and Technology Award from the China Occupational Safety and Health Association (中國職業安全健康協會科學技術獎一等獎)	China Occupational Safety and Health Association (中國職業安全健康協會)
27	2022 China Hydrogen Energy Industry Most Influential Enterprises Award (2022年度中國氫能產業最具影響力企業獎)	China Energy Development and Innovation Forum Organising Committee (中國能源發展與創新論壇組委會)
28	Second Prize of Shanghai Science and Technology Award (上海市科學技術獎二等獎)	Shanghai City People's Government
29	Excellent Enterprise in Jiangsu Province (江蘇省優秀企業)	Jiangsu Provincial Committee of the Communist Party of China, Jiangsu Provincial People's Government
30	Highly Recognized Trademark in Jiangsu Province (江蘇省高知名商標認定)	Jiangsu Trademark Association (江蘇省商標協會)
31	First and Major Equipment Recognition in Suxichang for the Year 2023 (2023年蘇錫常首台(套)重大裝備認定)	Bureau of Industry and Information Technology of Suzhou City (蘇州工信局)
32	Third Prize of the Second Market Supervision Research Achievement Award (第二屆市場監管科研成果獎三等獎)	SAMR
33	Second Prize of the Machinery Industry Science and Technology Award (Development and Application of Key Technology of Vehicle-mounted and Station-used High-pressure Hydrogen Storage Cylinders) (機械工業科學技術二等獎(車用站用高壓儲氫瓶關鍵技術開發與應用))	China Machinery Industry Federation (中國機械工業聯合會) and Chinese Mechanical Engineering Society (中國機械工程學會)
34	"Unicorn" Incubation Program of Suzhou (蘇州「獨角獸」培育企業)	General Office of Suzhou Municipal People's Government (蘇州市人民政府辦公室)
35	Second Prize of green hydrogen energy course in the 2023 Global Call (2023全球方案徵集活動綠色氫能賽道二等獎) (UNIDO GLOBAL CALL 2023 WINNER CERTIFICATE)	the United Nations Industrial Development Organization (聯合國工業發展組織)

BOARD STATEMENT

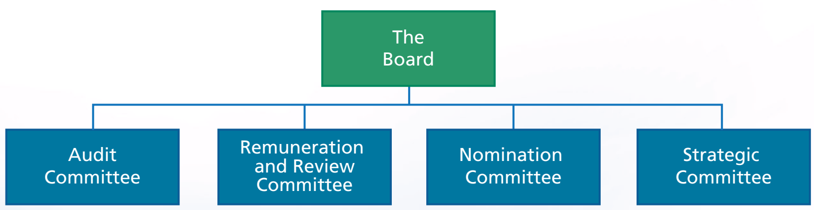
With the continuous development of our business, the Board of the Group attaches great importance to ESG management, strictly complies with various requirements of the Guide, supervises and manages the Group's ESG issues and assumes the ultimate information disclosure responsibility. As the highest management body of the Company's ESG governance, the Board has overall responsibility for the Company's ESG strategy, ESG report preparation and reporting, responsible for formulating the overall sustainable development management policies, strategies and goals, and establishing and maintaining ESG risk management and internal control systems.

The Board pays attention to the identification and management of ESG risks and opportunities, strengthens its supervision and involvement in the Group's ESG management. The Board actively facilitates the incorporation of ESG concepts into the Group's strategies, major decisions and business practices, and continues to create long-term value for the society, thus safeguarding the Group's sustainable and high-quality development.

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

The Company is committed to promoting high-quality corporate governance practices and procedures and we firmly believe that good corporate governance is vital to boosting investors' confidence in the Company. As of the end of the reporting period, the Board is responsible of managing and operating our business and has general powers. Currently, the Board comprised nine members, including three executive directors, three non-executive directors and three independent non-executive directors, and established four committees, namely the Audit Committee, the Remuneration and Review Committee, the Nomination Committee and the Strategic Committee.



The Board is responsible for the overall leadership and management of the Company, overseeing the Company's business, investment and strategic decisions, and maintaining effective risk management and internal control systems for the Company. These systems are used to identify, manage and mitigate various operational risks. In addition, the Board performs compliance management duties. The Group strictly complies with the laws and regulations of the places where it operates and the relevant policies of the Hong Kong Stock Exchange. We have zero tolerance for breaches of laws and regulations.

Audit Committee: We established an Audit Committee with terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are mainly to make recommendation to our Board on the appointment and removal of external auditor, and to assist our Board in fulfilling its oversight responsibilities in relation to our Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities.

Remuneration and Review Committee: We established a Remuneration and Review Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Review Committee are to evaluate and make recommendation to our Board on the overall remuneration policies and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensure none of our Directors determine their own remuneration.

Nomination Committee: We established a Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding candidates to fill vacancies on the Board.

Strategic Committee: We have established a Strategy Committee. The primary duties of the Strategic Committee are to devise and advise on the long-term strategies and material investment decisions of our Company.

The Board promotes Board diversity policy which stipulates the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to our business growth. According to the Board diversity policy, the selection of Board candidates will be based on a series of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merits and contribution that the selected candidates will bring to the Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, business operation and accounting and financial management. We have three independent non-executive Directors who have different industry backgrounds, representing one-third of our Board members.

ESG MANAGEMENT

The Board, as the highest governing and decision-making body of the Company, has overall responsibility for the sustainable development of the Company. A scientific, stable and effective sustainable development management system is the cornerstone for promoting high-quality corporate development. Therefore, the Company has established a three-tier sustainable development management system with the Board as the core of management. The Board, as the decision-making body on ESG issues, will assess and manage sustainability risks, clarify the ESG governance structure, management systems and policies and performance indicators. The Board is responsible for evaluating and determining our ESG-related risks as well as ensuring that the Company has an appropriate and effective environmental, social and governance risk management and internal control system.

An ESG working group has been established at the management level by the Company, which comprises senior management and staff who have sufficient knowledge of current and emerging ESG issues as well as the Company's operations. The ESG working group reports regularly to the Board on the progress of its work. In terms of detailed implementation of ESG issues, the heads of various functional departments within the Company are responsible of implementing the work deployment arranged by management and the Social Responsibility Committee and perform specific tasks effectively, collect and sort the ESG performance of their departments and report on work done to the ESG working group, so as to ensure the specific tasks are performed effectively.

SUSTAINABLE DEVELOPMENT GOALS

As a member of the society, it is critical for companies to be socially responsible for increasing competitiveness in the market. The United Nations has set 17 Sustainable Development Goals (i.e. SDGs), which call on everyone to cope with severe environmental and social challenges.

The Company has integrated the UNSDGs into our daily work to contribute to global sustainability. Under the leadership of the Board of the Company, we have selected the goals related to the Company's operations in accordance with the UNSDGs. The following list shows the actions we have taken for sustainable development.

Goals	Our Actions	Corresponding UN SDGs
Management Compliance	The Company is dedicated to stable development and continues to strengthen compliance management, so as to establish a transparent and effective decision-making system and consolidate the internal control system, thereby ensuring the operation stability of enterprises.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Economic Growth	We are dedicated to improve the quality of operation, create sustainable economic benefits, drive economic development, and promote the increase in employment opportunities.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Product Responsibility	We maintain a rigorous standard of business integrity and conduct business with integrity, and is committed to providing customers with high-quality products and services. At the same time, we strictly protect the privacy of customers to ensure our customers' trust in us will not be harmed.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Being Innovative	We always believe that R&D and innovation is a key driving force for corporate development. We continue to increase R&D budgets and introduce cutting-edge technologies and equipment while focusing on improving product quality, so as to ensure each product can reach the industry leading level.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Goals	Our Actions	Corresponding UN SDGs
Environmental Protection	The Company adheres to the implementation of policies in relation to energy saving, emission reduction as well as green and low-carbon development, and work with upstream and downstream partners to jointly address climate change challenges. Promote the culture of green office and enhance the environmental protection awareness of employees.	7 AFFORDABLE AND CLEAN ENERGY; 6 CLEAN WATER AND SANITATION; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND
Caring for Employees	We are dedicated to create an equal, inclusive, healthy and safe working environment for employees, build a fair and comprehensive talent development system, create a first-class training platform, attach importance to employee growth, and join hands with employees to create a better future.	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
Giving Back to Society	The Company actively cooperates in overall national situation, undertake corporate social responsibility, proactively integrate into community development, and contribute to the development of a harmonious society through diversified community activities.	1 NO POVERTY; 2 ZERO HUNGER

STAKEHOLDER COMMUNICATION

Stakeholders play an important role in the Group's development. Through internal and external research, we consider that the Group currently has stakeholders that are important to its sustainable development, namely the investors, employees, clients, suppliers and partners, community and government and regulatory authorities. We attach great importance to the views of our stakeholders, communicate with them through various channels, incorporate their views into the issue of sustainable development of the Company and respond positively with practical actions.

Stakeholders	Demands and expectations	Communication channels
Shareholders and investors	• Protecting investors' rights • Corporate compliant operation • Accurate disclosure of information	• General meetings • Annual and interim reports • Company website/email • Investor conference
Employees	• Protecting the legitimate rights and interests of employees • Well-established compensation and benefits mechanism • Occupational health and safety • Equal employment and development opportunities	• Documents on systems of the Company • Daily communication • Staff feedback mailbox • Performance evaluation and assessment • Staff training
Suppliers	• Supplier management • Equal opportunity for competition • Win-win cooperation • Anti-corruption	• Supplier admission • Site research and investigation • Supplier assessment • Communication with suppliers
Customers	• Product safety and quality • Product R&D and innovation • Customer services • Customers' rights	• Daily communication • Management of customers' complaints • Portals • Products R&D and management
Government and regulatory authorities	• Legal and compliant operation • Pay taxes according to law • Safe operation • Social contribution • Anti-corruption	• Policy execution • Timely information disclosure • Participation in government meetings • Regular seminars and exchanges • Presentation of materials
Community	• Caring of community • Public welfare investments • Environmental protection	• Public welfare donations • ESG reports • Community and volunteer services and activities

MATERIALITY ASSESSMENT

To clarify the core areas of focus of the Group's ESG work, we entrust a professional third-party institution to conduct materiality assessments, so as to judge the materiality of each ESG issue to the Group's business development and the stakeholders. The assessment results will serve as the key basis for formulating ESG management strategies and preparing ESG reports. During the assessment process, the Company communicates with stakeholders actively to understand their concerns and expectations on the Company's sustainable development, and analyse and assess the current materiality issues of sustainable development comprehensively by integrating the global political, economic, legal and social development trends as well as the operation strategies, development approaches and business structure of the Company.

Step 1

Identifying issues

- Taking into account the Company's business scope and strategic direction, we have identified 23 sustainability issues applicable to the Company after internal assessment according to the ESG Reporting Guide of the Hong Kong Stock Exchange, the United Nations Sustainable Development Goals (SDGs) and the GRI Reporting Standards of the Global Sustainability Standards Board.

Step 2

Conducting research

- We have conducted different types of research for different stakeholders to understand their needs, including but not limited to face-to-face communication, special meetings and questionnaires, etc. We asked all parties for their assessment of the importance of the issues to understand the requirements, suggestions and expectations of our stakeholders.

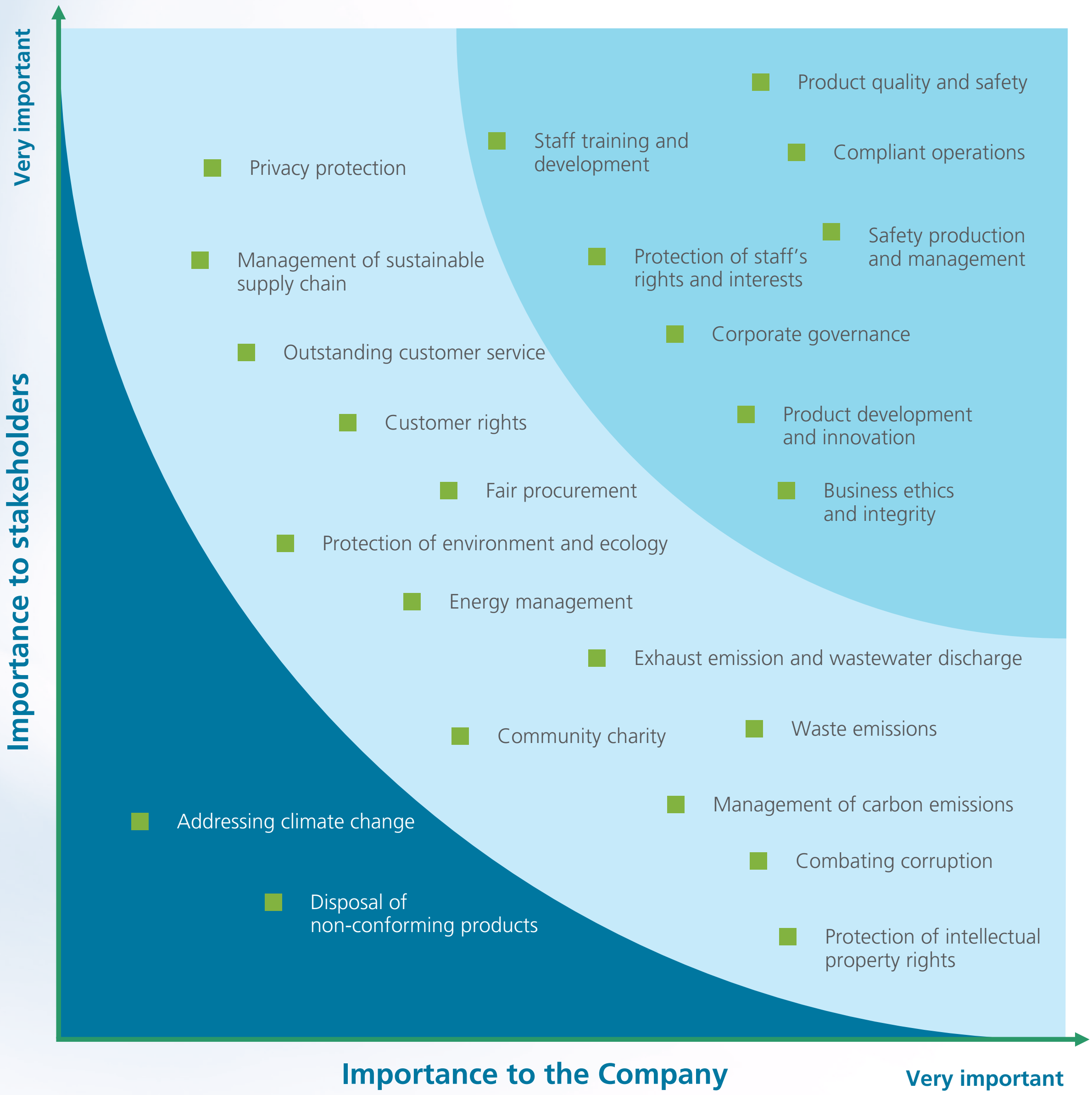
Step 3

Analysing results

- By documenting the views of our stakeholders, we were able to fully understand their key concerns and compile and analyse the views to identify the material issues for the ESG report of this year. On this basis, the ESG working group developed a stakeholder materiality assessment matrix.

MATERIALITY ASSESSMENT RESULTS

The Company mapped out a matrix of materiality issues for Guofu Hydrogen using the materiality of ESG issues to the Company as a horizontal coordinate and the importance of ESG issues to stakeholders as a vertical coordinate.



SUSTAINABLE DEVELOPMENT GOALS

In September 2020, the Chinese government promulgated the development objective of "Carbon Peaking by 2030 and Carbon Neutrality by 2060 (2030碳達峰和2060碳中和)", opening a new era for energy transformation and addressing climate changes. China's energy structure and system will continue to undergo deep transformation towards cleanliness, low-carbonization and safety. In March 2022, the National Development and Reform Commission and the National Energy Administration jointly issued the "Medium- and Long-term Plan for the Development of the Hydrogen Energy Industry (2021-2035)" (《氫能產業發展中長期規劃(2021-2035)》), which further clarified the role and position of hydrogen energy in China's energy system and emphasized hydrogen production with renewable energy and clean hydrogen as the focus of hydrogen energy development direction. Based on the Zhangjiagang industry base, the Company will regard liquid hydrogen, type IV cylinders, electrolytic cells and intelligent manufacturing as its future strategies and connect the entire industry chain of hydrogen energy from water electrolysis hydrogen production to hydrogen liquefaction, storage and transport and delivery as well as end-user utilisation, so as to provide full industry chain solutions for equipment of large-scale production, storage, transportation, refueling and use of hydrogen production with renewable energy and green hydrogen, and make our due contribution for achieving the country's "dual carbon" development objective.

We always pay attention to and strictly comply with national environment-related laws and regulations including the PRC Environmental Protection Law (《中華人民共和國環境保護法》), the Law of the PRC on Prevention and Treatment of Water Pollution (《中華人民共和國水污染防治法》), the Solid Waste Pollution Prevention and Control Law of the PRC (《中華人民共和國固體廢棄物污染環境防治法》) and the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), set environmental targets according to environmental policies every year, implement measures for emission reduction and strengthen the treatment of emission. To ensure the effective implementation of environmental measures and proper treatment of emission and waste, we engage qualified third-party testing agencies regularly to conduct testing and assessment of wastewater, exhaust and noise arising from our manufactory environment as well as estimating the carbon emission arising from our production. We will engage qualified third-party agencies to carry out reasonable treatment of hazardous waste. During the Reporting Period, we have complied with laws and regulations in relation to environment, occupational health and safety in all material aspects and we were not subject to any incidents or complaints which had a material and adverse effect on our business, financial condition or results of operations.

R&D AND INNOVATION

The Company has established a fully-developed R&D management system and a complete technological R&D team, and we maintained our R&D inputs for years. The Company jointly founded Hydrogen Cloud Research Institute with Zhangjiagang government and the Southeast University which coordinated the commencement and management of the Company's R&D projects, and dedicated to promote the commercialized operation of components for hydrogen fuelled vehicles and infrastructures. The Company pays attention to the growth momentum of the industry's new technologies, new processes and new products, and we will fully utilize the advantages of our provincial R&D platforms while actively seeking to build long-term partnerships with universities, research institutes and enterprises with technological advantages. By conducting joint R&D activities through entrustment and cooperation to complement each other's advantages, accelerate the R&D development of hydrogen energy industry, and ensure the R&D quality. Currently, we have cooperated with various well-known universities and research institutes in China, such as Southeast University (東南大學), Tsinghua University (清華大學), Zhejiang University (浙江大學), Hefei General Machinery Research Institute (合肥通用機械研究院), the purpose of which is to initiate and establish "industry-university-research" platform to commence technological innovation and R&D in the field of hydrogen energy. As of 2024, Guofu Hydrogen and its subsidiaries had 448 applied hydrogen patents and 307 licensed patents, of which, we have 111 invention patents, have participated in the compilation of 10 national standards and 16 group standards.

In the future, we will seize the opportunities from the rapid development of the industry, make full use of the national preferential policies to encourage the development of strategic emerging industries, improve R&D conditions, strengthen the establishment of R&D teams and accelerate the transformation of R&D results. We will continue to strengthen the incentive mechanism for innovative talents, establish a fair competitive environment, introduce more outstanding talents in the industry and improve our team capability. We will accelerate the introduction, digestion and absorption of new technologies, and we strive to establish long-term effective cooperation with universities and relevant research institutes to maintain sensitivity to advanced technologies in the industry. In addition, the Company has always placed itself in the international field and maintain the technology advancement and foresight of our R&D team above the international standards.

Our R&D efforts primarily focus on hydrogen energy core equipment in order to further expand our product portfolio to cover the entire industrial chain of hydrogen energy, and provide equipment solutions for the production, storage, transportation and use of hydrogen energy. As of 2024, we had a R&D team of 76 personnel.

We not only use our internal funds to carry out independent R&D projects and gain R&D experience, but also collaborate with external parties, such as universities and specialized research institutes, or undertake special projects assigned by the national, provincial and municipal governments. We mainly conduct independent R&D activities through Hydrogen Cloud Research Institute, which is the R&D platform of our Group. As a pioneer in China's hydrogen energy core equipment industry, we were widely recognized in the industry for our technical capabilities, R&D strengths and product quality.

ENVIRONMENT MANAGEMENT

Environmental Protection Policies

Our production process mainly involves the discharge of wastewater, waste gas, solid waste and noise, as well as the use of different types of chemical materials. To minimize the impact of emission on the environment, we have implemented a series of emissions management system and policies in accordance with national laws and regulations and national and local environmental standards in terms of air pollutant emission, discharges into water and land, disposal of solid waste and noise control.

We are committed to exploring ways to protect the environment as we continue to increase the revenue and expand production capacity. By developing and integrating environmentally sustainable practices into our operations, we minimize our environmental impacts. The Company has set up a regular inspection system and stringent environmental management measures which involve controlling of emission, waste treatment, third-party testing and monitoring, spare energy utilization, reducing the energy consumption and increasing staff awareness to mitigate environmental impact from our operation in the near, medium and long term. We strictly follow the requirements of national laws and regulations to reduce and manage the waste generated and encourage employees to use resources responsibly. The Company has established waste sorting stations that require employees to engage in waste classification. In addition, to monitor the wastewater, exhaust gas, noise and toxic as well as high risk and hazardous positions involved in our daily operation, and conduct annual inspection and review. In addition, we use solar panels to generate electricity, prioritize the use of clean energy and promote the save of water and electricity in our production facilities and offices. Set out below are some of the key procedures in respect of environmental protection policies which have been adopted by us:

- **Regular Inspections.** The Company has set up a regular inspection system and stringent environmental management measures. Specifically, we control the emission by way of reduction management of waste water and gas through process optimization to reduce the cleaning time and winding time, thus reducing the generation of wastewater and waste gas. In addition, the Company also engages qualified third parties to monitor the toxicity and harmfulness of relevant production positions, waste water, noise, exhaust gas and radiation.

- **Resource Consumption.** The Company has improved the layout of workshop equipment and reduced the number of heat-generating equipment to reduce the air conditioning load and in turn reduce energy consumption. In addition, we have placed the production equipment with special requirements for temperature and humidity separately to cancel the original heating and dehumidification requirements of the entire workshop, which in turn reduce the energy consumption of air conditioners.

- **Handling of Hydrogen and Other Chemicals.** The Company's safety management department is responsible for the comprehensive management and to ensure safety precautions and supervision are in place in the storage and handling of hydrogen and other chemicals. Personnel engaged in work related to the storage and use of hydrogen and chemicals must receive regular training in safety knowledge, professional skills, occupational safety and health protection and emergency rescue knowledge. For the handling of hydrogen and chemicals, our internal policy puts in place strict management protocols including providing appropriate safety equipment, implementing isolation measures, conducting regular inspections of storage facilities, and requiring safety precautions when handling and disposing waste in designated containers.

- **Waste Management.** The Company has completed online filing to discharge waste water and we have obtained necessary approvals of the pollution discharge from competent authorities. We have set up an air emission process system in our plants and implement relevant internal protocols to ensure proper operations. For other hazardous waste, we collect them and send to qualified units for specialized treatment. Wastewater from the Company is processed by the wastewater treatment station operated by us to reach national safety standards for disposal, other waste are collected and disposed by qualified industrial waste processing and environmental protection entities. We also contract with qualified environmental impact assessment agency to conduct regular inspections regarding our compliance with the emission of wastewater, waste gas and noise standard according to various environmental protection laws and regulations.

- **Assessment of Environmental Impact.** The Company established procedures to ensure that environmental impact assessment will be carried out before commencing the manufacturing activities as required by the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》). For instance, for facility construction and expansion projects, before commencement of projects, we carry out in-depth analysis, prediction and evaluation of the possible adverse effects of the projects on the surrounding environment and ecology after site selection, design and project completion and put forward measures for preventing and controlling environmental pollution. Before the commencement of the projects, we engage third parties to assess the feasibility of the precautionary measures for environment protection and submit these third-party reports for relevant responsible departments for review and approval. During the construction of projects, the Company will implement pollution prevention and control measures as well as environmental risk prevention measures while constructing simultaneously with the major construction works. Upon completion of the projects, we will invite third-party assessment agencies to attend on-site acceptance review to ensure the relevant requirements for environment are satisfied. After on-site inspection by environmental protection administrative departments and the construction of environmental protection facilities are confirmed to meet the requirements, we can commence trial production. In addition, after official operation of projects, the Company strengthens environmental monitoring actively and assesses environmental protection risk regularly, so as to ensure our production and operating activities will not have adverse effects to the environment.

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION

Through a series of effective environmental management measures, for the hydrogen energy equipment of Guofu Hydrogen, namely "tank containers within its qualification scope (C2), fiber wound cylinders (B3) and vehicle-mounted hydrogen supply systems, hydrogen dispensers, ancillary equipment for hydrogen dispensers and water electrolysis device", the design, manufacturing and relevant management activities obtained the GB/T 24001-2016/ISO14001:2015 Environmental Management System Certificate in 2020 and 2023. As of now, we have obtained the relevant permits and completed requisite registration in respect of the environmental protection and safety production, including explosion-proof certificate of conformity (防爆合格證), radiation safety license (輻射安全許可證), proof of filing for purchase of Class II and Class III excisable chemicals (第二類、第三類易製毒化學品購買備案證明), license to discharge urban wastewater into the drainage network (城鎮污水排入排水管網許可證), license for Erection, Modification and maintenance of special type equipment (特種設備安裝改造維修許可證), special design and production license (特種設計生產許可證) and level-III safety standardization certification (三級安全標準化認證).

GB/T 24001-2016/ISO14001:2015 Environmental Management System Certificate:


环境管理体系认证证书

证书编号：00123E32576R1M/3200

兹证明

江苏国富氢能技术装备股份有限公司

统一信用代码:91320582MA1MMNB95T

注册/运营/生产地址：中国江苏省张家港市国泰北路 236 号

环境管理体系符合标准：

GB/T 24001-2016 / ISO 14001:2015

通过认证范围如下：

氢能源装备【资质范围内罐式集装箱（C2）、纤维缠绕气瓶（B3）及车载供氢系统、加氢机、加氢站配套装备、水电解装置】设计、制造及相关管理活动

首次发证日期：2020年7月18日 本次发证日期：2023年7月12日 有效期至：2026年7月17日

在一个监督周期后，本证书必须与CQC签发的监督审核合格通知书合并使用方可有效。查询证书有效状态请登陆www.cqc.com.cn。
本证书信息可在国家认证认可监督管理委员会公示的网站（www.cnca.gov.cn）上查询

中国认可
国际互认
管理体系
MANAGEMENT SYSTEM
CNAS C001-M

谢肇煦
Signed by: Xie ZhaoXu

MEMBER OF
IQNET

CHINA QUALITY CERTIFICATION CENTRE
中国质量认证中心

中国质量认证中心

中国·北京·南四环西路188号9区 100070

http://www.cqc.com.cn

A 0047040

2022年版

CE Flameproof System Certificate:

Certificate

Quality Assurance Notification

Directive 2014/34/EU

Certificate Registr. No. **01 220 2209028**

The Certification Body for Explosion Protection
of TÜV Rheinland Industrie Service GmbH
Reported under no. 0035
certifies:

Certificate Holder: **Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.**
No. 236, North Guotai Road
Yangshe Town, Zhangjiagang
Jiangsu Province
China

Scope: Final inspection and testing of Hydrogen Flameproof box
Type of protection: Ex d

An audit was performed, Report No. 2209028. Proof has been furnished that the requirements according to Directive 2014/34/EU Annex VII are fulfilled.

The due date for all future audits is 16th February

Validity: The certificate is valid from 2023-03-01 until 2026-02-16
First certification 2020

ATEX Notified body • TÜV Rheinland Industrie Service 0035

Wuppertal, 2023-03-01

TÜV Rheinland Industrie Service GmbH
Am Grauen Stein, D-51105 Cologne
Dipl.-Ing. Andreas Maschke

Production License of Special Equipment:

中华人民共和国
特种设备生产许可证

Production License of Special Equipment

People's Republic of China

编号：TS2210N17-2025

单位名称：江苏国富氢能技术装备股份有限公司

住　　所：江苏省张家港市国泰北路236号

制造地址：江苏省张家港市国泰北路236号

经审查，获准从事以下特种设备生产活动：

许可项目	许可子项目	许可参数	备注
压力容器制造	罐式集装箱（C2）	—	
	纤维缠绕气瓶（B3）	—	限金属内胆纤维缠绕气瓶；具体产品范围见型式试验证书

发证机关：国家市场监督管理总局

有效期至：2025年06月17日

发证日期：2021年06月18日

RESOURCE MANAGEMENT

Energy Management

Energy Consumption Targets

Baseline and Background: In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set consumption reduction targets based on the usage of energy in 2024. We set consumption reduction targets in terms of consumption/revenue ratio

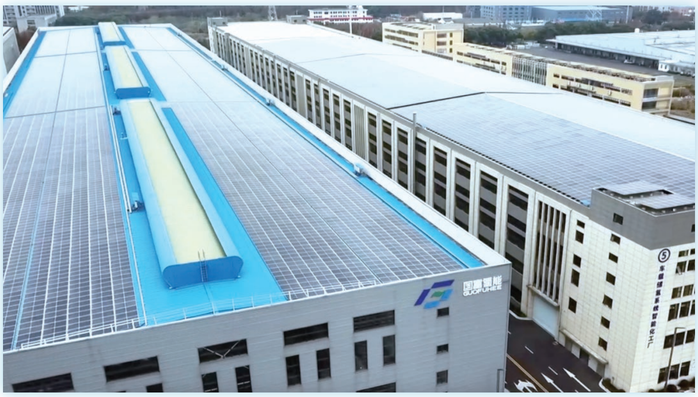
Entity Scope: Cover the Company and its principal subsidiaries including Guofu Hydrogen, Hydrogen Cloud Research Institute and Shanghai Qingmai, which are mainly located at Jiangsu Province and Shanghai

Expected Results: The electricity consumed per ton of product produced in 2025 will decrease to below 90% than that in FY2024

We maintain and advocate the concept of "energy efficiency", encourage our staff to conserve resources, optimize the structure of resource utilization and strengthen the management of resource utilization, so as to reduce resource consumption at source. At the same time, we continue to explore ways to recycle resources and strive to improve the efficiency of resource utilization. In 2022, 2023 and 2024, our total energy consumption was 6,361 thousand kWh, 6,719 thousand kWh and 9,954 thousand kWh, respectively. Our intensity of total energy consumption was 17.62 thousand kWh/revenue in RMB million, 12.92 thousand kWh/revenue in RMB million and 12.67 thousand kWh/revenue in RMB million, respectively. Of which, our direct energy consumption was 2,444 thousand kWh, 2,522 thousand kWh and 4,153 thousand kWh, respectively, which mainly includes natural gas consumed during our production and gasoline consumed by our vehicles. Our indirect energy consumption was 23,916 thousand kWh, 4,197 thousand kWh and 5,801 thousand kWh, respectively, which mainly includes purchased electricity. In recent years, the production capacity of the Company continued to expand and the energy consumed during our production and operation increased, however, the intensity of total energy consumption for 2024 decreased as compared with 2022 and 2023.

To achieve the energy consumption targets, we are actively promoting the use of renewable energy and plan to replace some of our purchased electricity with photovoltaic power generation for our production works in this year. Compared with traditional thermal power generation systems, photovoltaic has no risk of depletion and no air pollution emissions, which is a high-quality clean energy. By increasing the operational effectiveness of equipment by using standardised point inspections, regular maintenance of equipment and other management methods, we aim to decrease the useless power consumption of equipment, avoid idling of equipment and reduce energy consumption. In addition, we carried out LED lamps renovation for the lighting systems of the Company's offices and various workshops. Compared with ordinary lighting equipment, LED lights have significant advantages, such as eco-friendly, energy saving and a longer life, which are the representative of "green lighting".

On 28 December 2024, the distributed photovoltaic grid-connection and hydrogen production with green power R&D testing platform project for factory phase III invested and constructed by Guofu Hydrogen completed and successfully passed the grid-connected power generation acceptance. The distributed photovoltaic grid-connection and hydrogen production with green power R&D testing platform project leverages on the rooftop distributed photovoltaic power stations of Guofu Hydrogen with the area of 52,000 square meters, the total installed capacity of the project on direct-current side is 6,950 kilowatts-peak and can generate 6.952 million units of green electricity in the first year. The project can save 2,133 tons of standard coal and reduce emissions of carbon dioxide by 5,332.5 tons per year in average, which can facilitate green transformation of energy structure. The project becoming operational will not only provide the phase III factory of Guofu Hydrogen with electricity for daily production, but also optimize the carbon footprint of its products and enhance the competitiveness in low-carbon development of the Company. On one hand, the design, production and construction of such project meets the normal model of "self-generation and self-use, surplus power to the grid (自發自用，餘電上網)", it also integrates the application scenarios of hydrogen production with green power on the other hand.



The hyper-converged centralized control platform for hydrogen production with green power integrates wind power, photovoltaic power and hydrogen storage, and covers green power, power distribution, hydrogen production (electrolyzer, gas-liquid separation, purification and ancillary system, etc.) and energy management system, which is equipped with dispatch optimization, group control and group tuning, AI self-learning and other functions. By improving the efficiency of energy utilization and operational stability, the project provides an innovative path for the deep integration of clean energy and hydrogen production technology. The overall project is based on the Internet of Things platform and utilizes big data and simulation algorithms, so as to realize intelligent energy management and efficient synergy of multi-energy coupling. Through the construction of the zero-carbon industrial park, Guofu Hydrogen not only accelerates the application and promotion of green energy and hydrogen technology, but also further promotes the optimization and upgrading of the regional energy structure.

WATER RESOURCE MANAGEMENT

Water Consumption Targets

Baseline and Background:	In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set consumption reduction targets based on the usage of energy in 2024. We set consumption reduction targets in terms of consumption/revenue ratio
Entity Scope:	Cover the Company and its principal subsidiaries including Guofu Hydrogen, Hydrogen Cloud Research Institute and Shanghai Qingmai, which are mainly located at Jiangsu Province and Shanghai
Expected Results:	The water consumed per ton of product produced in 2025 will decrease to below 90% than that in FY2024

In 2022, 2023 and 2024, our water consumption was 32,857 tons, 55,800 tons and 46,088 tons, respectively. All of our water consumption comes from the use of tap water and we did not encounter any problems and challenges in searching for appropriate water source. The expansion of our production capacity in recent years and the opening of Shanghai Qingmai's office in 2023 resulted in an increase in our water consumption, but our overall water consumption in 2024 was lower than that in 2023.

In order to achieve the goal of reducing water consumption, we have set a short-term water conservation target of 1% reduction in annual water consumption which is linked to the performance appraisal and encourages employees, so as to conserve water on their own initiative. In addition, we promote the recycling of water resources in our production processes, in order to reduce our net water consumption. We cultivate the concept of "water conservation" among our staff by posting water conservation posters in water fixtures and public areas. We pay attention to key water-using segments and equipment in real time, thus we can respond quickly to abnormal situations and minimize the waste of water resources. At the same time, we continue to improve the design of water-using segments and equipment to increase the efficiency of water resources utilization

The wastewater discharged by the Company includes domestic wastewater and industrial wastewater, and its discharge is in line with the Law of the PRC on Prevention and Treatment of Water Pollution (《中華人民共和國水污染防治法》). With respect to production wastewater, we recycle the wastewater in our production process through the wastewater treatment system and do not discharge the wastewater externally.

Domestic wastewater is pre-treated in septic tanks and fed into the municipal wastewater network for centralized disposal by the local wastewater treatment plant thereafter. The Company controls the sewage indices from the source by controlling the use of detergents and choosing phosphorus-free detergents. On the other hand, the Company keeps the sewage network unobstructed through regular inspection and maintenance of the septic tanks to prolong the life of the sewage network and the sewage tanks and to avoid the deterioration of the quality of the wastewater from polluting the environment.

Packaging Management

In 2022, 2023 and 2024, our packaging consumption were 4.11 tons, 4.41 tons and 11.32 tons, respectively. The intensity of hazardous waste were 0.011 ton/revenue in RMB million, 0.008 ton/revenue in RMB million and 0.025 ton/revenue in RMB million. Our packaging materials are mainly paper boxes, packaging bags, pearl cotton and wrapping films. In recent years, while ensuring the safety of product transportation, we continued to increase deplasticization, lightweighting and recyclability of packaging, thus the density of packaging material consumption has continued to decline. For our long-term suppliers, we choose to use recyclable metal frames for distribution, which effectively reduces the consumption of packaging materials.

Category		Units	2022	2023	**2024**
Energy Consumption	Direct Energy Consumption[1]				
	Gasoline	Liters	19,300	23,700	**15,900**
	Oil	Liters	–	–	**–**
	Liquefied Petroleum Gas	Kilograms	–	–	**–**
	Natural Gas	Cubic meters	215,823	219,166	**382.322**
	Indirect Energy Consumption[2]				
	Purchased Electricity	'000 kWh	3,916	4,197	**1,861**
	Direct Energy Consumption	'000 kWh	2,444	2,522	**4,153**
	Indirect Energy Consumption	'000 kWh	3,916	4,197	**5,801**
	Energy Consumption[3]	'000 kWh	6,361	6,719	**9,954**
	Energy Consumption Intensity	'000 kWh/RMB million in revenue	17.62	12.92	**12.67**
Water Consumption	Total Water Consumption	ton	32,857	55,800	**46,088**
	Total Water Consumption Intensity	ton/RMB million in revenue	91.02	107.31	**100.63**
Packaging materials	Total Packaging Material Consumption[4]	ton	4.11	4.41	**11.32**
	Total Packaging Material Consumption Intensity[5]	ton/RMB million in revenue	0.011	0.008	**0.025**

Notes:

1. Direct energy consumption of the Company includes gasoline and natural gas.
2. The main form of indirect energy consumed by the Company is purchased electricity.
3. Energy consumption is based on direct and indirect energy consumption amount obtained and calculated according to conversion equivalents in Appendix III of the "Energy Data Manual issued by the International Energy Agency" (《國際能源署發出的能源數據手冊》).
4. Packaging materials used by the Company include paper packaging, plastic packaging, pearl cotton and wrapping films.
5. The "Intensity" ratio in this report choose "000 kWh/million revenue for the Reporting Period" as an indicator.

EMISSIONS MANAGEMENT

EMISSIONS TARGETS

Baseline and Background:	In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set emissions reduction targets based on the emissions of air pollutants and greenhouse gases in 2024. We set emissions reduction targets in terms of emissions/revenue ratio
Entity Scope:	Cover the Company and its principal subsidiaries including Guofu Hydrogen, Hydrogen Cloud Research Institute and Shanghai Qingmai, which are mainly located at Jiangsu Province and Shanghai
Expected Results:	The electricity consumed per ton of product produced in 2025 will decrease to below 90% than that in FY2024 and the natural gas consumed per ton of product produced will decrease to 80% than that in FY2024

We pay great attention to the relevant laws and regulations of the country, strictly comply with applicable laws and regulations where the Group operates during our production and operation. We emphasize the treatment of emissions, wastewater, solid waste and other emissions to ensure the emissions of the Company can meet local emissions standards, thereby reducing the adverse effects caused to the environment. We continue to improve our emissions management system and have established the "Management System for Exhaust Dust" (《廢氣、粉塵管理制度》), "Wastewater Management System" (《污水管理制度》), "Solid Waste Management System" (《固體廢棄物管理制度》), "Noise Management System" (《噪聲管理制度》) and other systems, which specified the management requirements and emission standards for various types of emissions. The health, safety and environment (HSE) specialist carries out regular compliance checks on emissions according to the "HSE Monitoring and Measurement Control Procedures" (《HSE監視、測量控制程序》). In addition, the Company invites qualified third-party organizations to conduct tests on various indicators of waste gas and wastewater, including sulfur oxides, nitrogen oxides and particulate matter, PH value, suspended solids, so as to ensure compliance with national emission standards.

Gas Pollution Prevention and Control

The air pollutants discharged by the Company are mainly nitrogen oxide, sulfur oxides and suspended particles, which are mainly from the production processes of the Company and vehicle emissions. Our emissions are in line with the Integrated Emission Standard of Air Pollutants (《大氣污染綜合排放標準》). The emissions from the winding and painting processes of the Company are treated in the waste gas treatment facilities and adsorbed by activated carbon before being discharged at a height of not less than 15 meters. Welding fume is collected by a mobile welding fume dust collector, and the dust collected by the dust collector is recycled in time or entrusted to a qualified unit for treatment.

In 2022, 2023 and 2024, our total nitrogen oxide (NOx) emissions were 55.7 kilograms, 59.3 kilograms and 90.4 kilograms, respectively, our total sulfur oxide (SOx) emissions were 0.5 kilograms, 0.6 kilograms and 0.6 kilograms, respectively and our emissions of suspended particles were 1.1 kilograms, 1.3 kilograms and 1.2 kilograms, respectively. Emissions of NOx and SOx mainly come from the combustion of natural gases such as heated evacuation ovens and solidification furnaces and vehicle emissions. In recent years, the Company continued to expand its production capacity, which has led to an increase in emissions.

In order to achieve the emission targets, the Company sets emission targets for emission indicators (NOx, SOx and particulate matter) every year and links the emission results to the performance assessment. We continue to promote the green transformation of our energy structure and develop photovoltaic power generation projects. Through the effective application of renewable and clean energy, we can reduce traditional fuel consumption and at the same time greatly reduce emissions of waste gas and greenhouse gases. We are committed to controlling the emission of air pollutants at source. We check the environmental conditions of our vehicles every year and dispose of those vehicles that have reached the end of their useful life. In addition, through logistics outsourcing, the company pools resources, optimizes routes and greatly reduces emissions from the transportation of raw materials and products.

GREENHOUSE GAS MANAGEMENT

With a focus on environmental consciousness, we strive to conserve our environment by using resources responsibly, reducing waste, and maintaining a neutral carbon footprint. We develop and produce hydrogen energy core equipment with a goal to serve global and China's hydrogen energy industry and contribute to the development of green hydrogen which are considered as an important way to reduce carbon emissions.

In 2022, 2023 and 2024, our emissions of greenhouse gases within Scope 1 were 602 tons, 622 tons and 1,018 tons, respectively, and the main source of emissions of greenhouse gases within Scope 1 are from the vehicle emissions used in our operation. Our emissions of greenhouse gases within Scope 2 were 2,517 tons, 2,690 tons and 3,766 tons, and the main source of emissions of greenhouse gases within Scope 2 are from the electricity and natural gas required in our operation. Our emissions of greenhouse gases within Scope 3 were 26 tons, 32 tons and 48 tons, and the main sources of greenhouse gases in Scope 3 are CO_2 emissions from the use of paper and the travel of employees on airplanes and business trips. In recent years, the continued expansion of production capacity and overseas business expansion of the Company has resulted in an increase in production and operational activities as well as business trips, which has led to an increase in the greenhouse gas emissions of the Company.

In order to achieve our emissions targets, we actively pursue photovoltaic power generation projects to reduce the consumption of conventional energy through the use of clean energy and to control greenhouse gas emissions at source. We emphasize on the development of environmentally friendly products and we are committed to managing our carbon footprint with our upstream and downstream partners as well as our customers. We will improve the efficiency of equipment operation, reduce useless power consumption, avoid equipment idling and reduce energy consumption through standardized point inspection, equipment periodic maintenance and other management means.

In addition, we cultivate staff awareness of power saving by requiring air-conditioners to be set at a temperature of no more than 26 degrees Celsius in summer and to be used only when the temperature is below 5 degrees Celsius in winter. We require our staff to turn off the lights when they leave and arrange security guards to inspect the electricity consumption every day. We continue to implement "Green Office" and cultivate the habit of energy-saving and low-carbon office and living among our staff. We encourage our staff to travel in a low-carbon manner and use public transportation to reduce empty trips and unnecessary staff travels. We encourage our staff to adopt remote online meetings, implement paperless office and reduce paper material requirements through office software and electronic reimbursement system.

Category		Unit	2022	2023	**2024**
Emissions[1]	Nitrogen Oxides (NOx)	ton	0.0557	0.0593	**0.0904**
	Sulfur Oxides (SOx)	ton	0.0005	0.0006	**0.0006**
	Particulate Matters (PM)	ton	0.0011	0.0013	**0.0013**
Total greenhouse gas emissions and intensity[2]	Scope 1 – Direct emission	ton	602	622	**1,018**
	Scope 2 – Indirect emission from energy	ton	2,517	2,690	**3,766**
	Scope 3 – Other indirect emission	ton	26	32	**48**
	Total emission[3]	ton	3,145	3,345	**4,832**
	Total emission intensity	ton/revenue in RMB million	8.71	6.43	**10.55**

Notes:

1. Emissions of the Company are mainly from gas fuel consumption and vehicle emissions. The emission factors for gas fuel refer to the Clean Air Charter — A Business Guidebook (《清新空氣約章－商界指南》) published by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment, as well as the Towngas's Sustainable Development Report 2018 (《可持續發展報告2018》). The emission factors for vehicles refer to the Vehicle Emission Calculation Model of the Hong Kong Environmental Protection Department.

2. To comprehensively present GHG emissions of the Company, we divided them into three scopes according to Appendix C2 of the Main Board Listing Rules:
   - Scope 1 — covers GHG emissions directly generated by the owned or controlled operations of the Company
   - Scope 2 — covers electricity consumed (purchased or acquired) internally by the Company
   - Scope 3 — covers all other indirect GHG emissions occurring outside the Company, such as wastepaper disposed of in landfills by the Company and our staff traveling by airplane for business purposes

3. GHG emission data are presented in terms of carbon dioxide equivalents and refer to:
   - Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) (2014)
   - The "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" (《香港建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引》) by Hong Kong Environmental Protection Department
   - Ecological Environment Bureau of the People's Republic of China (2019)

WASTE MANAGEMENT

Waste Discharge Targets

Baseline and Background: In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set emissions reduction targets based on the discharge of waste in 2024. We set emissions reduction targets in terms of emissions/revenue ratio

Entity Scope: Cover the Company and its principal subsidiaries including Guofu Hydrogen, Hydrogen Cloud Research Institute and Shanghai Qingmai, which are mainly located at Jiangsu Province and Shanghai

Expected Results: The waste discharge intensity per ton of product produced in 2025 will decrease by 5%

Hazardous Waste

In 2022, 2023 and 2024, our total discharge of hazardous waste were 64 tons, 61 tons and 47 tons, respectively. The intensity of hazardous waste were 0.18 ton/revenue in RMB million, 0.12 ton/revenue in RMB million and 0.10 ton/revenue in RMB million. Waste packaging, welding slag, waste lubricating oil and waste activated carbon generated during production processes are the Group's major hazardous waste. To achieve the discharge targets, in order to guarantee clean production and sustainable development, we will remain firm in regulating our management, integrated utilisation and harmless disposal of solid waste, with an aim to reduce waste discharge.

Non-hazardous Waste

In 2022, 2023 and 2024, our total discharge of hazardous waste were 92 tons, 121 tons and 171 tons, respectively. The intensity of hazardous waste were 0.25 ton/revenue in RMB million, 0.23 ton/revenue in RMB million and 0.37 ton/revenue in RMB million. Non-hazardous waste are mainly kitchen waste, construction waste and non-hazardous waste during our production and operation.

To further minimize the environmental impacts of general waste, we have adopted a combination of "waste reduction at source" and "waste transfer" approach in managing general waste. We have strengthened the management of resource procurement and utilization. In order to control hazardous waste at source, we have posted posters such as "save paper" in public areas to advocate the rational use of resources by our staff, so as to reduce unnecessary waste of resources. In terms of food, we avoid purchasing excessive ingredients and each factory will conduct survey on staff's opinions on canteen's dishes and strive to improve to meet the appetites of a majority of staff, so as to reduce food waste at source. We encourage our staff to use resources wisely and we have set up waste sorting points in our office premises and production areas to require employees to sort waste.

We insist the principle of "Classified Collection, Comprehensive Utilisation and Proper Disposal" for the treatment of solid waste, sort solid waste for disposal, recycle recyclable waste as much as possible and hand over non-recyclable waste to qualified companies for disposal. Waste includes hazardous waste and non-hazardous waste. Hazardous waste means solid waste containing toxic, hazardous or dangerous waste that needs to be treated in accordance with local government regulations. We have set up hazardous waste bins in each plant. Hazardous waste generated in the production process is handled by each unit in contact with the business department, which commissions a qualified unit to handle and report to the safety and environmental protection department. Each unit monitors the disposal of hazardous waste to ensure that the hazardous waste is handled legally.

Category		Unit	2022	2023	**2024**
Waste	Hazardous waste[1]	ton	64	61	**47**
	Density of hazardous waste	ton/total revenue in RMB million	0.18	0.12	**0.10**
	Non-hazardous waste[2]	ton	92	121	**171**
	Density of non-hazardous waste	ton/total revenue in RMB million	0.25	0.23	**0.37**

Notes:

1. The hazardous waste of the Company mainly includes cut off scraps, waste acetone solvents, welding slag, waste lubricating oil, and waste activated carbon.

2. The non-hazardous waste of the Company can be categorized into office and general household waste, kitchen waste, construction waste and other non-hazardous waste. Other non-hazardous waste primarily includes waste boxes and scrap metal.

Impacts of Climate Change

Climate-related issues pose a certain degree of threat to us. We adhere to the risk management principle of "prevention-oriented, rapid response and continuous monitoring" to assess the possibility and impact of environmental and climate changes on our business, and take timely countermeasures to minimize our losses caused by environmental risks. We identify and disclose the potential impacts of climate-related risks on our business according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The major climate risks we have identified can be categorized into (i) physical risk, which is defined as the physical impacts arising from extreme weather conditions or long-term chronic shifts in climate patterns; and (ii) transition risks, which is defined as the risk associated with the transition to a low-carbon economy, which may involve policy risk, legal risk, technology risk, market risk, reputation risk and other risks.

Type of risks	Potential impacts	Responses
Physical risk		
Acute risk	Climate-related issues may bring about the risk of increasingly severe extreme weather events. The Company mainly locates at Zhangjiagang City, Jiangsu Province, which is located at the Yangtze River Delta region and belongs to the southern humid climate zone of the North Asian Tropics. Due to the combined effects of climate changes and geographical conditions, Zhangjiagang City is vulnerable to natural disasters, such as floods and draughts, typhoons, rainstorms and high temperatures. Natural disasters and extreme weather conditions may cause power outages, gas and water shortages as well as damages to production and processing facilities and warehouses, which may cause significant disruptions to our operations and economic losses to the Company.	With reference to relevant laws and regulations, we have formulated the "Emergency Rescue Plan" (《應急救援預案》), set up an emergency rescue team and purchase emergency supplies and equipment in advance. Also, we conduct emergency drills and training from time to time to enhance our staff's awareness of precautionary measures and their ability to avoid risks.
Chronic risk	The major suppliers of the Company are located in various provinces and cities across the country, including Qinghai Province, Henan Province, Chongqing City, Shandong Province, Jiangsu Province and other provinces. Of which, the supplier of carbon fiber, the principal raw material of hydrogen cylinders (accounted for 18.5% of cost of sales for 2024 and 21.8% of cost of sales for 2023), is located at Xi'ning, Qinghai Province. Subject to weather changes, the frequency of extreme weather events will cause disruption to our transportation services, which in turn will affect the stability of the supply chains of the Company, and may in turn lead to delays in the delivery of raw materials and products.	We have strengthened our efforts in researching the raw material market and studying the trend of the raw material market, so as to ensure the stability of the raw material supply. In addition, the Company has set up a reasonable and scientific safety inventory to safeguard the Company's production and operation.

Type of risks	Potential impacts	Responses
Transition risk		
Policy and legal risk	Hydrogen energy is one of the important forms of energy and transportation to achieve "carbon neutrality and carbon neutrality". National and local governments have launched numerous favorable policies in the field of hydrogen energy, national top-level planning, guidance from relevant ministries and commissions and the execution policies of local governments are implemented successively. The rapid development of the Company in the hydrogen energy sector has benefited from the support of national policies. As the hydrogen energy industry is still in a fast-growing stage, any unfavorable changes in the national policies and industrial policies, or if the Company's application in the demonstration city clusters is not as expected, the Company's business development may be adversely affected.	The Company continues to pay attention to the development trend of the industry, increase investment in research and development, promote technological innovation, product upgrading and iteration to maintain product competitiveness.
Legal risk	Our business operations are subject to environmental protection laws and regulations issued by the PRC government. The transition to a low-carbon economy will inevitably lead to changes in climate-related regulations and policies and maintain compliance with applicable environmental regulations and laws, which may change from time to time and may increase our compliance costs. Failure to comply with such laws and regulations may result in serious consequences for us, including administrative, civil and criminal penalties and liability for damages and negative publicity. In the event of a serious violation, the PRC government may suspend or close any business.	We continue to pay attention to various environment-related laws and regulations and ensure that the Company complies with the requirements of the laws and regulations through the management of three types of waste and third-party testing and other means.

Type of risks	Potential impacts	Responses
Technological risks	The vehicle-mounted high-pressure hydrogen supply systems and hydrogen refueling stations (as a package of equipment) of the Company are technology-intensive products. The vehicle-mounted high-pressure hydrogen supply systems have the technical requirements of high safety, high stability, and light weight, while the hydrogen refueling stations (as a package of equipment) focus on the safety and accuracy of filling, and the two products are applied to fuel cell vehicles, transportation infrastructure and hydrogen filling stations, respectively. Currently, Japan and the United States have an absolute technological lead in the global hydrogen industry, monopolizing a large number of core technology patents. In addition, in the low-carbon context, as large energy companies and some of the relevant listed companies strengthen their investment in research and development resources in the hydrogen energy sector, if there are breakthrough technologies or brand new technological routes in the industry in the future, it may result in the Company's products not being able to adapt to the market demand.	The Company continues to pay attention to the development trend of the industry, increase investment in research and development, promote technological innovation, product upgrading and iteration, and maintain product competitiveness.

Type of risks	Potential impacts	Responses
Market risk	Against the backdrop of global emissions reduction, developed countries and regions, such as the United States, Japan and Europe, want to capitalize on their economic and trade strengths as well as their technological advantages in the field of low-carbon energy, and enhance their competitive advantages through low-carbon trade barriers such as carbon tariffs, especially in the energy industry to expand their global markets. The fierce competition of allocating carbon allowances between developed countries and emerging economies will continue in the future. With the launch and operation of the national carbon market, China is expected to become the largest carbon market in the world. The common feature of China Certified Emission Reduction (CCER) projects is the reduction of carbon emissions. Blue and green hydrogen as well as new low- or zero-emission hydrogen projects in the future, are the only ones that meet the emission reduction criteria for inclusion in the CCER project pipeline. In addition, with the market's deepening understanding of the concepts of low-carbon economy and carbon trading, market choices will be more inclined to low-carbon products. If the Company fails to provide more environmentally friendly products or services, it may result in the loss of some customers and lead to market risk.	The Company has participated in the compilation of the "Accounting method on Carbon Emission from Industrial co-product Hydrogen" (《工業副產氫碳排放核算方法》) which is led by the China Petroleum and Chemical Industry Federation and the Shanghai Environmental and Energy Exchange. The methodology starts from clarifying the formal emissions of hydrogen by-products. Through a more scientific and objective calculation method, it clarifies the carbon emission accounting and proportion allocation method of hydrogen by-products under various processes, so as to promote the application of industrial hydrogen by-products in the market.
Reputation risk	Failure to conduct preliminary surveys on intellectual property rights in the market during product development and design may result in the risk of patent infringement of the product. Failure to apply for patents or intellectual property protection for the Company's design and R&D results in a timely manner, or failure to monitor and respond to malicious infringement in the market after the application is completed. This may result in a failure to protect the results of the design and development effectively, which may result in damage to the reputation of the Company.	The Company has established a comprehensive intellectual property management system and strictly complies with all national laws and regulations, and we endeavor to protect all patents of the Company from infringement while eliminating infringement itself.

OPTIMISING EMPLOYMENT ENVIRONMENT

Employee Overview

Over the years, we have always adhered to the "people-oriented" management philosophy and regard our staff as the most valuable resource and treasure. We strictly comply with the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Law on the Protection of Minors of the PRC (《中華人民共和國未成年人保護法》), Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》), Special Rules on the Labour Protection of Female Employees (《女職工勞動保護特別規定》) as well as other relevant national and regional laws and regulations, and accordingly formulate the Company's internal procedures governing the policies and practices of the Company in relation to remuneration and termination, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination as well as other entitlements and benefits.

We have established a healthy employment system and standardize the employment criteria of the Company, so as to provide timely and continuous human resources support for the development of the enterprise through standardized and professional recruitment activities. We have formulated the "Recruitment Management System" (《招聘管理制度》) to specify the recruitment policies and processes. Recruitment of the Company is based on the principles of equal opportunity, fair competition, comprehensive investigation and job matching. In 2024, the Group had a total of 543 employees, of which, there were 453 male employees and 90 female employees. 125 employees are under 30 years old, 353 employees are 30-45 years old and 65 employees over 45 years old.

We have established a comprehensive Labor Employment Management Rules (《勞動用工管理制度》) based on the Law on the Protection of Minors of the PRC (《中華人民共和國未成年人保護法》), Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) as well as various laws and regulations and requirements of regulatory departments. Also, we strictly abide by various international conventions in related to human rights, such as the Convention on the Minimum Age for Employment (《准予就業最低年齡公約》), the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (《禁止和立即行動消除最惡劣形式的童工勞動公約》) and the 1930 Forced Labour Convention (《1930年強迫勞動公約》).

We uphold the principle of fair employment and prohibit any discrimination in employment on the basis of nationality, sex, age, color or religion. We are determined to eliminate child labor and strictly comply with the relevant requirements of the labor and security authorities, which explicitly prohibit the employment of minors under the age of 16. We implement stringent inspection measures in the recruitment process and require applicants to provide a series of dossiers, such as resumes, identity cards, medical reports and academic certificates, and we forbid applicants who do not meet the employment requirements from applying for the job. We adopt a "zero tolerance" approach to forced and exploitative labor practices and the use of underage child labor. Our staff, suppliers and the community at large can report to the management of the Company through multiple channels, such as phone calls and emails, if they find any related problems, and the relevant departments will investigate and handle them in a timely manner. During the year, there was no child labor or forced labor in the Company.

We have continuously optimized our remuneration system and formulated the Performance Management System (《績效管理制度》) and the Remuneration Management System (《薪酬管理制度》), and continue to implement the payroll model of fixed wages plus performance incentives. On the basis of providing our staff with a basic salary that is in line with the market, we have also adopted a series of incentive measures to increase the performance bonuses for employees in key positions such as marketing, research and development and sales, and to grant incentive pay to staff who have made outstanding contributions to the company at our discretion

We have established a comprehensive leave system and welfare protection system. In the Staff Manual (《員工手冊》), we have stipulated the leave system and related protection measures for our staff, who are not only entitled to all the statutory leaves stipulated by the country, including maternity leave and 5-15 days of annual leave, we will apply for and pay for various social security benefits for our staff in accordance with the relevant national and local regulations at the same time, such as old age, medical care, work injury, maternity, unemployment insurance and housing provident fund. In addition, the Company organizes various group activities on traditional festivals, so as to enhance cohesion and bring warmth to employees.

PROTECTION OF HEALTH AND SAFETY

Occupational Health System

We have received the ISO 45001 occupational health and safety management system certification. Guofu Hydrogen has established a system for occupational health and labor protection, including the Occupational Safety And Health Regulatory System (《職業安全健康規章制度》), the Responsibility System for The Prevention and Control of Occupational Diseases (《職業病防治責任制》), the Occupational Disease Hazard Notice System (《職業病危害告知制度》), the Occupational Disease Hazard Declaration System (《職業病危害申報制度》), the Occupational Health Education and Training System (《職業衛生教育培訓制度》), the Management System for Labor Protection Supplies (Appliances) and Health Products (《勞動保護用品(具)和保健品管理制度》), the Occupational Disease Protection Facilities Maintenance System (《職業病防護設施維護制度》) and the Occupational Health Surveillance Screening and Diagnostic System (《職業健康監護體檢與診療制度》), so as to regulate occupational safety management duties, prevention and control of occupational diseases and labor safety protection.


职业健康安全管理体系认证证书

证书编号：00123S32091R1M/3200

兹证明

江苏国富氢能技术装备股份有限公司

注册/运营/生产地址：中国江苏省张家港市国泰北路 236 号

职业健康安全管理体系已经符合如下管理体系标准：

GB/T 45001-2020 / ISO 45001:2018

本证书适用于与下述相关的所有活动

氢能源装备【资质范围内罐式集装箱（C2）、纤维缠绕气瓶（B3）及车载供氢系统、加氢机、加氢站配套装备】设计、制造及相关管理活动

首次发证日期：2020年7月18日 本次发证日期：2023年7月12日 有效期至：2026年7月17日

在一个监督周期后，本证书必须与CQC签发的监督审核合格通知书合并使用方可有效。查询证书有效状态请登陆www.cqc.com.cn。本证书信息可在国家认证认可监督管理委员会公示的网站（www.cnca.gov.cn）上查询

Signed by: Xie Zhaoxu

中国质量认证中心

中国・北京・南四环西路188号9区 100070

http://www.cqc.com.cn

A 0046403

2022年版

We engage a qualified third-party company to evaluate the effectiveness of occupational disease control on an annual basis and initiate continuous improvement based on this evaluation. For the operation positions that generate serious occupational disease hazards, we have set up warning signs and Chinese warning instructions at conspicuous locations to inform the operation personnel of the types of occupational disease hazards, consequences, prevention, and emergency treatment measures. In addition, we not only provide our staff with labor protection products that comply with national regulations, including PVC gloves, anti-virus, anti-dust masks, earplugs, and special protection for special positions that may come into contact with chemicals, but also organize regular medical checkups for our staff, so as to protect their physical and mental health.

PRODUCTION SAFETY SYSTEM

The health and safety of our staff is always our top priority. We strictly comply with the Work Safety Law of the PRC (《中華人民共和國安全生產法》) and the Fire Protection Law of the PRC (《中華人民共和國消防法》). In order to minimize the risk of accidents and raise employees' awareness of health and safety issues, we have (i) assigned specialists to handle production safety accidents and keeping records; (ii) developed guidelines and manuals on operational safety and incident handling; (iii) launched various kinds of training, including induction training and on-the-job training, and encouraging employees to remain vigilant and responsible for their safety and health in the performance of their duties at work; (iv) installed fire safety equipment and flammable gas alarms in accordance with relevant PRC laws and regulations (e.g., the Work Safety Law of the PRC (《中華人民共和國安全生產法》)); and (v) required departments at production sites to keep records of regular safety inspections, random checks of safety protection equipment, sign-in for safety training, hydrogen pipeline inspections and equipment maintenance.

We have formulated a series of systems related to production safety, including the Compendium of Production Safety Responsibility System (《安全生產責任制彙編》), the Assessment System for Production Safety Responsibility System (《安全生產責任制考核制度》), the Measures for Inspection and Assessment of Long-Term Planning (《長遠規劃檢查與考核辦法》), the Measures for Assessment of the Implementation of Safety Targets (《安全目標實施考核辦法》), the Management of Funds for Labor Protection Measures (Safe Measures Fee)" (《勞動保護措施經費(安措費)管理》), the Management System for Three Simultaneity of New, Alteration and Expansion Projects (《新、改、擴建工程「三同時」管理制度》), the Safety Technical Operation Procedures (《安全技術操作規程》) and the Safety Operation System (《安全作業制度》). Safety Technical Operation Regulations", 'Safety Operation System' and so on, so as to regulate production and construction safety management, and to clarify the production safety responsibilities of various departments and personnel at all levels, production safety assessment, rewards and punishments, and safety workflow. Based on the Safety Production Law (《安全生產法》) as well as other laws, regulations industrial safety standards and norms, we have set up a leading group for the promotion of the "double prevention mechanism" (雙重預防機制) to strengthen the foundation of enterprise safety management through the construction of a double prevention mechanism for the hierarchical management and control of safety risks and the identification and management of hidden dangers, to enhance the enterprises' ability to prevent risks and accidents, and to prevent and curb the occurrence of various types of accidents, especially serious and large-scale accidents, so as to ensure the safety of the enterprises in the future and curb the occurrence of various types of accidents, especially serious accidents. We have continuously improved our Emergency Response Plan (《應急預案》), specifying the response measures and procedures for possible accidents or emergencies and arranging drills on a regular basis. We also conduct regular inspections and checks on various safety aspects (e.g. fire-fighting, water and electricity usage and wearing of protective gears) to ensure that all safety nodes in the production process are monitored in real time.

During the Reporting Period, we did not experience any significant incidents, accidents or complaints that would have a material adverse effect on our business operations, nor did we suffer any significant administrative penalties for breaches of occupational health and safety at work.

SUPPORTING EMPLOYEES DEVELOPMENT

We have established a sound talent cultivation mechanism and career advancement channels, thus our staff can enjoy a variety of benefits and extensive career development opportunities. Trainings of the Company adopt the mode of combining internal and external training. At the beginning of each year, the human resources department of the Company prepares the Annual Training Plan (《年度培訓計劃》) according to the needs of each business module and tracks the completion of trainings on a monthly basis. During the year, we achieved significant results in our talent development plan, with a 99.4% staff training rate and an average training hours of 68 hours per person.

PROTECTING EMPLOYEE'S RIGHTS

Based on the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other laws and regulations as well as the requirements of the supervisory authorities, we have established a sophisticated labour system and strictly complies with the Convention on the Minimum Age for Employment (《准予就業最低年齡公約》), the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (《禁止和立即行動消除最惡劣形式的童工勞動公約》), the 1930 Forced Labour Convention (《1930年強迫勞動公約》) and other international conventions related to human rights.

We adopt a "zero tolerance" attitude towards forced, exploitative labour and child labour. If our staff, suppliers and all parties of society discover relevant problems, they can report to the Company's management through multiple channels such as telephone and email for further investigation and treatment by the relevant departments in a timely manner. During the year, the Company did not engage in child labour or forced labour.

The specific measures of the Company for the protection of employees' rights and interests include:

1. Equal employment: Ensure that there is no discrimination in the recruitment process and that fair assessments are made on the basis of ability, experience and job requirements, and prohibit prejudice on the basis of race, gender, age and other factors.

2. Labor contracts: We sign legal and compliant labor contracts with our staff to clarify the rights and obligations of both parties and to protect the legitimate rights and interests of our staff.

3. Compensation and benefits: Provide competitive salaries and benefits, such as social security, provident fund, paid vacation, etc., to ensure that employees receive reasonable compensation.

4. Working environment: Provide a safe and healthy working environment, regularly inspect equipment to prevent occupational injuries, and equip necessary safety facilities.

5. Training and development: Provide vocational training and promotion opportunities to help employees improve their skills and promote career growth.

6. Complaint mechanism: establish a smooth complaint channel, employees can anonymously report misconduct, the company will promptly investigate and deal with.

7. Privacy protection: Respect employees' privacy, handle personal information appropriately, and do not disclose it without consent.

8. Support from labor union: Support employees to join labor unions and protect their rights and interests through labor unions.

Measurement Indicators (Social Responsibility)

We have always adhered to the principles of diversity and inclusiveness, and are committed to developing an equal and diverse employment environment while continuously optimizing our staffing structure in order to maintain our internal and external competitiveness. The following table sets out quantitative data on the social performance of the Group in 2024.

Social responsibility Category	Unit	**Data in 2024**
	Employee data[1]	
Employees	Total number	**543**
Gender	Male	**453**
	Female	**90**
Age	Below 30	**125**
	30-45	**353**
	Over 45	**65**
Education	Doctor	**1**
	Master	**28**
	Bachelor	**195**
	Tertiary	**139**
	Senior high school and below	**180**
Employment type	Full-time employees	**540**
	Interns	**3**
	Dispatched labour	**–**
	Part-time employees	**–**

Social responsibility Category	Unit	Data in 2024
Position	Senior management	9
	Middle management	33
	General management	501
Region	Guofu Hydrogen	491
	Hydrogen Cloud Research Institute	27
	Shanghai Qingmai	25
Monthly average employee turnover rate		
Monthly average employee turnover	Total number	7.3
	Turnover rate	2.7%
Turnover rate by gender	Male	2.4%
	Female	0.3%
Turnover rate by age	Below 30	1.3%
	30-45	1.4%
	Over 45	0.08%
Region	Guofu Hydrogen	1.2%
	Hydrogen Cloud Research Institute	0.9%
	Shanghai Qingmai	0.6%
Staff training data		
Staff training	Number of trained employees	540
	Percentage of trained employees	99.4%
Gender	Male	450
	Female	90
Position	Senior management	6
	Middle management	85
	General management	449

Social responsibility Category	Unit	Data in 2024
Average training hours for staff		
Average training hours	Hours	**68**
Gender	Male	**68**
	Female	**68**
Position	Senior management	**68**
	Middle management	**68**
	General management	**78**
Employee health and safety data		
Work-related mortality	2022	**0**
	2023	**0**
	2024	**0**
Number of lost days due to work injury	Days	**281**

Note:

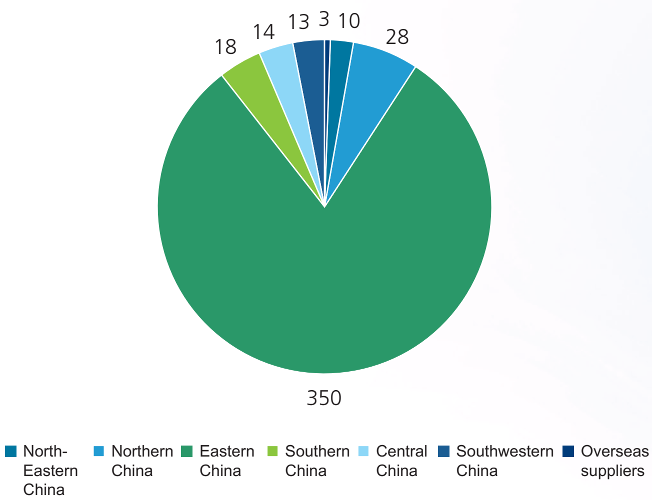
1. Employee data are calculated based on the monthly average in 2024.

Supplier Management

The Company has long been committed to working with suppliers from all over the world to build a mutually beneficial and win-win long-term relationship. We strictly comply with the Tendering and Bidding Law of the PRC (《中華人民共和國招投標法》), the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) as well as other laws and regulations. We have also established a comprehensive internal supplier management mechanism: Promote the good development of cooperative ecology through the Procurement System and Norms (《採購制度與規範》) and the Supplier Control Procedures (《供方控制程序》).

Over the years, we have insisted on cooperating with suppliers from different regions, nationalities, cultures and backgrounds to realize a diversified supply chain. At the same time, we also emphasize cooperation with local suppliers to promote the development of the local economy and reduce logistics costs at the same time. In 2024, we had 438 suppliers and our suppliers are mainly concentrated in East China, the specific distribution is as follows:

Number and distribution of suppliers



We have long insisted on conducting objective, rigorous and fair background investigation work on potential suppliers and utilizing a standardized process system to assess and manage our suppliers in order to establish quality and long-term stable supplier relationships. We have formulated the Supplier Control Procedures (《供方控制程序》) to strictly regulate the development, selection, management, assessment and supervision of suppliers. The purchasing department organizes an evaluation team consisting of quality, technology, production equipment and quality assurance departments within the division, so as to participate in the supplier access process and mainly examines three major areas of corporate strength, corporate credit and quality control management. At the same time, we will regularly evaluate and assess the suppliers in the Qualified Supplier List (《合格供應商名錄》) and remove those suppliers who do not meet the standards from the Qualified Supplier Directory (《合格供應商名錄》).

In addition, when selecting suppliers, the Company will prioritize partners who share our sense of social responsibility and the concept of sustainable development to ensure that we can obtain more healthy, safe and environmental-friendly products and services, we consider the supplier's initiatives in social responsibility and environmental management, whether to maximize the use of environmentally friendly materials and whether to obtain the corresponding system certification. The Company also attaches great importance to the environmental and social responsibility related to office supplies. The Company also attaches great importance to environmental and social responsibility in relation to office supplies. For example, in the procurement of consumables, we try to strike a balance between environmentally friendly products, user-friendliness and price.

PRODUCT RESPONSIBILITY

Product Services and Complaints

Product is the cornerstone of enterprise development, to provide customer satisfaction is the company's long-standing goal, we are deeply committed to product quality management, and strictly comply with the Product Quality Law of the PRC (《中華人民共和國產品質量法》), Regulations of the PRC on the Administration of Production License for Industrial Products (《中華人民共和國工業產品生產許可證管理條例》) as well as relevant laws and regulations. We regard quality management as an important part of the internal audit of the product, the establishment of a comprehensive quality management system, including but not limited to the Production Process Control Procedures (《生產過程控制程序》), the Continuous Improvement Control Procedures (《持續改進控制程序》), the Corrective and Preventive Measures Control Procedures《糾正和預防措施控制程序》, the Customer Satisfaction Control Procedures (《顧客滿意度控制程序》), the After-Sales Service Management System (《售後服務管理制度》) and the Customer Complaint Management System (《客戶投訴管理制度》), which comprehensively covers quality objectives, quality control, quality acceptance, quality data statistics, quality dispute handling and other aspects, as well as raw materials, product production process and factory products and other links. We have obtained ISO 9001:2015 certification for our quality management system for the design and manufacture of hydrogen energy equipment and IATF 16949:2016 certification for our quality management system for the design and production of hydrogen supply systems (including hydrogen cylinders).

We always strive for the highest quality products. In order to ensure that the quality of the products provided by the Company is safe and effective, we have formulated a series of management systems including the "Purchasing Management System" (《採購管理制度》), "Product Quality Advance Planning Control Program" (《產品質量先期策劃控制程序》), "Product Audit Control Program" (《產品審核控制程序》), "Product Release Management System" (《產品放行管理制度》), "Quality Abnormality Management System" (《品質異常管理制度》) and "Quality Record Control Program" (《質量記錄控制程序》) for conducting inspections on the quality characteristics of incoming materials, production processes, finished products and outgoing inventory in the production activities of Company, so as to ensure that the relevant materials and products meet the standard requirements and record the inspection results for preparing a report. At the same time, we have formulated the "Non-conforming Product Control Procedures" (《不合格品控制程序》) to analyze the reasons of discovering non-conforming products during the inspection process and to carry out corrective and preventive measures for major and recurring non-conforming products, so as to improve the quality of the Company's products continuously.

Since our establishment, we did not have any major product quality issues or recalls due to safety and health reasons.

During the Reporting Period, we have not received any complaints related to our product quality. If the Company receives a complaint from a customer about the quality of a product, the after-sales service department staff will immediately feedback the information about the customer's complaint to the relevant internal departments of the Company (the Business Department, the Quality Assurance Department and the Production Planning Department). According to the level of customer complaints, the quality personnel of the Business Department will categorize the complaints into "general customer complaints" and "major customer complaints". For "general customer complaint", the business department will give a rectification plan internally, formulate preventive and improvement measures and close the problem after the customer accepts the rectification status and passes the inspection. For "major complaints", the division must respond within 12 hours with an interim response, within 24 hours with an analysis report, and within 72 hours with a solution, or as requested by the customer.

When analyzing major customer complaints, the company adopts the format of 8D Report (《8D報告》) to do the analysis (except for special requirements of customers), and the documents and information that need to be modified eventually after the analysis will be updated and submitted to the system responsible person for controlled filing. The updated documents will be used by human resources to organize training for relevant departments, such as the need to modify procedure documents, control plans, FMEA, SOP, SIP, etc. The system specialist is responsible for the modification of procedure documents. The system commissioner is responsible for modifying procedural documents, the technical craft of each division is responsible for modifying control plans, FMEA, SOP and other technical documents, the quality inspection department is responsible for SIP and other inspection documents, human resources lists the training plan, and the supervisors of each department evaluate the effectiveness of the training. After the customer complaint handling is completed, the quality personnel of the division will register and record it into the Customer Complaint Handling Account (《客戶投訴處理台賬》), so that the details of the customer complaint can be registered clearly and become the input for the management evaluation.

When the products have significant or potential non-conformity, the company organizes the relevant departments to form an internal quality audit team in accordance with the Internal Audit Management Procedures (《內部審核管理程序》) and carry out the analysis of the causes, and at the same time take effective corrective or preventive measures to achieve continuous quality improvement, so as to minimize the possibility of the occurrence of similar problems, and to prevent the reoccurrence of the non-conformity that has already occurred, and the occurrence of the potential non-conformity. Specific operating procedures are implemented in accordance with the quality management system document, namely the Corrective and Preventive Measures Control Procedures (《糾正和預防措施控制程序》).

Protection of Intellectual Property Rights

We have established a comprehensive intellectual property management system. In all production and operation activities, the Company strictly follows the "Trademark Law of the PRC" (《中華人民和國商標法》), "Patent Law of the PRC" (《中華人民共和國專利法》), "Copyright Law of the People's Republic of China" (《中華人民共和國著作權法》) as well as other laws and regulations. For the research and development, production and sales of the hydrogen energy equipment of the Company, the above processes in relation to the purchase of intellectual property management activities in 2022 obtained the GB/T 29490-2013 intellectual property management system certification. In order to eliminate the occurrence of infringement at the same time, and strive to protect all of the company's patents are not infringed upon.

GB/T 29490-2013 Intellectual Property Management System Certificate:


知识产权管理体系认证证书

[证书编号] 18122IP0874R0M

兹证明

江苏国富氢能技术装备股份有限公司

统一社会信用代码：91320582MA1MMNB95T

注册地址：张家港市国泰北路 236 号
审核地址：江苏省苏州市张家港市国泰北路 236 号

知识产权管理体系符合标准：GB/T 29490-2013

通过认证范围：

氢能源装备的研发、生产、销售、上述过程相关采购的知识产权管理。

注：认证范围不包括未获得有效的国家规定的相关行政许可、资质许可的产品/服务范围。
首次发证日期：2022 年 12 月 31 日 本次发证日期：2022 年 12 月 31 日 有效期至：2025 年 12 月 30 日
本证书需经颁证机构年度监督审核，并与年度监督审核合格通知书一并使用方可确认其有效性。

中规（北京）认证有限公司 1101020147754

IPMS

中规认证

签发：

中规（北京）认证有限公司

注册地址：北京市海淀区高梁桥斜街11号11层1105室（100044）

Tel：010-82102168；Web：www.zgrzbj.com

本证书信息可在中国国家认证认可监督管理委员会官方网站（www.cnca.gov.cn）查询

The Company and its key personnel have entered into Confidentiality, Intellectual Property Transfer and Non-competition Agreements (《保密、知識產權轉讓和不競爭協議》), which specify the terms of intellectual property attribution, confidentiality requirements, and non-competition. During the validity period of the confidentiality contract, employees shall strictly observe the Company's confidentiality system to prevent leakage of corporate commercial, technical and other secrets; shall not leak the Company's commercial, technical and other secrets to others; and shall not utilize the Company's commercial or technical secrets to carry out production and business activities, or to carry out new research and development using the technical secrets, without the Company's written consent.

The Company has established the Confidentiality Management System (《保密管理制度》) to categorize the confidentiality of Company secrets into Top Secret/Level 1, Confidential/Level 2, and Secret/Level 3. The Board of Directors' Office, as the Company's confidentiality administration department, will work with each department to differentiate the specific scope of the Company's secrets. The Confidentiality Management System (《保密管理制度》) stipulates the scope of confidentiality and confidentiality standards for each confidential counterpart. The confidentiality measures for the Company's confidential information are generally categorized into document confidentiality, institutional confidentiality and technical confidentiality. The confidentiality management of documents and files is carried out in accordance with the Company's file management measures. Institutional confidentiality is the confidentiality management of secret information in accordance with the relevant provisions of the System, and any violation of which will be dealt with in accordance with the Confidentiality Management System (《保密管理制度》). The main means of technical confidentiality is the encryption management of confidential documents and the control of internal and external transmission paths with the help of security management software/hardware systems.

All data stored in the Company through computers, information printed or copied, emails and instant messaging tools, are encrypted or recorded by the Institute through computer information security tools. Weekly comparison of OA application data and backend decrypted data and sending paths is conducted, and data and behavior monitoring reports are issued to the board office, which conducts timely tracking and verification based on abnormal data or behavior, and issues confidentiality supervision notifications on a monthly basis, and the Human Resources Department imposes penalties on personnel violating this system based on the notification of supervision.

We have entered into confidentiality and non-competition agreements with our key full-time employees and full-time research and development personnel, pursuant to which the intellectual property rights conceived and developed during their employment with the Company belong to us and they waive all rights or claims relating to such intellectual property rights. We have also put in place an internal policy governing the confidentiality of all corporate information and we have not been subject to any intellectual property infringement claims in 2024 that have had any material adverse effect on the Group.

PRODUCT QUALITY

Product is the cornerstone of enterprise development, to provide customer satisfaction is the company's long-standing goal, we are deeply committed to product quality management, adhere to the refinement of the operation. We have established different quality management systems according to the characteristics of different products, and we have been working on multiple systems in parallel to continuously improve the quality management level of the company, to adapt to the market competitiveness, and to satisfy the requirements of our customers. The Quality Manual (《質量手冊》) is the basis for the operation of the company's quality management system, is the code of conduct for all employees, and also embodies the Company's commitment to customers, requiring all employees to fully understand and correctly implement the company's quality policy, strictly in accordance with the requirements of the Quality Manual (《質量手冊》) to implement the quality functions, the full development of the quality management system operation, in order to satisfy customers' requirements and expectations, and to achieve customer satisfaction.

The whole life-cycle quality management of our products follows the requirements of ISO9001:2015 quality management system standard and the special requirements of customers to formulate documented procedures to implement, maintain, and continuously improve in order to make the quality management system to maintain the conformity, adaptability and effectiveness, and to continuously satisfy the requirements of customers.

We always pursue the highest quality products. During this year, we continue to carry out quality management, inspection, training work, including:

1) **According to the management needs of the division and the company's internal audit, launch internal quality system operation training from time to time**

2) **Conduct monthly quality inspections and process discipline inspections, and output non-conformity corrective preventive measures**

3) **Export monthly inspection reports and started internal quality mutual learning and support activities**

4) **Convene monthly quality meeting according to the quality meeting management system and form a monthly quality report to publicize quality issues and raise quality awareness**

5) **Quality kamban management is implemented in production units, and the quality assurance department conducts monthly inspections and evaluations of each division**

CONSUMER PRIVACY PROTECTION

We have long been concerned about the protection and privacy of our customers' information. We have established a Confidentiality Management System (《保密管理制度》), which categorizes company secrets into Top Secret/Level 1, Confidential/Level 2, and Secret/Level 3. We have signed Confidentiality Agreements (《保密協議》) with our confidential employees, and encrypted confidential documents and controlled internal and external transmission paths with the help of security management software/hardware systems.

ANTI-CORRUPTION MANAGEMENT

Bribery and corruption have always been prohibited. We strictly abide by the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》) and other laws and regulations in relation to bribery, extortion, fraud and money laundering, which prohibit corruption, bribery and other illegal behaviors. We constantly reiterate anti-corruption principles and regulations to all employees and partners, and have established a series of preventive and supervisory measures to prevent corruption from occurring.

We have established a number of anti-corruption management systems, including the Anti-Corruption and Reporting and Complaints Management System (《反舞弊與舉報投訴管理制度》), the Sunshine Integrity Management System (《陽光廉政管理制度》) and the Employee Integrity Management System (《員工廉潔管理制度》) and systems, so as to regulate the professional behavior of the Company's middle and senior management and all employees to strictly comply with relevant laws, industry norms and standards, professional ethics, and Company regulations and systems, and to establish a good culture of honesty and diligence, so as to prevent the occurrence of behavior that is detrimental to the interests of the Company and its shareholders.

The Audit Department of the Company, as an organization directly under the Audit Committee of the Board of Directors, is a standing organization for anti-fraud and anti-corruption work, and is responsible for organizing and executing inter-departmental and company-wide anti-fraud and anti-corruption work. We have established and publicized reporting channels through which all employees of the Company and social parties that have direct or indirect economic relationships with the Company may report to the Company information on actual or suspected fraud and corruption by employees, including complaints and reports on violations of professional ethics by employees of the Company, by means of reporting telephones, e-mail boxes and other channels. We continue to provide training on integrity culture, compliance management and anti-corruption to raise the awareness of all employees on anti-fraud and anti-corruption.

We are proud to announce that there were no cases regarding corruption, bribery, blackmail, fraud or money laundering against the Group or its employees during the Reporting Period. Such achievement is due to our strict requirements for employees' behaviors and our persistence in corporate governance, as well as our intensifying internal supervision and risk management mechanisms. We will continue to keep this high standard, and commit ourselves to improving employees' recognition of transparency and self-discipline through continuing training and advocacy, to maintain the good image and market leading position of the Company. In the future, we will further improve our anti-corruption reporting mechanism and provide anti-corruption trainings for Board members regularly.

During the Year, we conducted a 2-hour anti-corruption training for our management of the Company and key personnel of all departments. A total of 45 employees participated the training.

SOCIAL RESPONSIBILITY

We are committed to becoming a leader in the field of hydrogen energy technologies and equipment. In the future, we will continue to adhere to promote the concept of green energy in product development, manufacturing and technological innovation and make sizeable contributions to the transformation of green energy, energy saving and carbon reduction and realization of the objective of "Carbon Peaking and Carbon Neutrality ("碳達峰，碳中和")".

We have been actively responding to the government's call to fulfill its social responsibility by attaching great importance to various social welfare activities. We attach great importance to our corporate role in establishing social values and leading the public in the awareness of civic responsibility. In response to the initiative of the Zhangjiagang Charity Federation, we have donated RMB20,000 annually to the "Love Hong Kong City" Charity Fund in recent years.

We regularly organize blood donation activities to demonstrate our corporate responsibility, form a good atmosphere of solidarity and mutual help, and realize the concept of mutual help.

TO THE SHAREHOLDERS OF
JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
(江蘇國富氫能技術裝備股份有限公司)
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (江蘇國富氫能技術裝備股份有限公司) (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 122 to 216, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KEY AUDIT MATTER (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables and contract assets	
As set out in Note 24 and Note 25 of the consolidated financial statements, as at December 31, 2024, the gross value of trade receivables and contract assets were RMB758,868,000 and RMB27,749,000, net of allowance for credit losses of RMB104,000,000 and RMB951,000 respectively. The expected credit losses ("**ECL**") on trade receivables and contract assets with credit-impaired are assessed individually, which are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The remaining is collectively assessed using a provision matrix through grouping trade receivables and contract assets based on shared credit risk characteristics by reference to past due exposure and nature, size and industry for the customers, and the expected loss rates are estimated on the basis of the payment profiles of customers and the corresponding historical credit losses, which were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We identified impairment assessment of trade receivables and contract assets as a key audit matter due to the significance of the balance of trade receivables and contract assets and the complexity of management's estimates and judgements in assessing ECL mentioned above.	Our procedures in relation to management's assessment on impairment of trade receivables and contract assets included: • Obtaining an understanding and testing the design and implementation of the relevant key controls on how management determine the allowance for ECL; • Challenging management's basis and judgement in determining credit loss allowance on trade receivables and contract assets, including their identification of credit-impaired trade receivables and contracts assets, the reasonableness of grouping of the remaining trade debtors in the provision matrix, and the basis of estimated loss rates applied; • Evaluating the appropriateness of management's assessment on customer grouping based on our understanding of the Group's business and operations and the credit risk characteristics of the relevant customers; • Evaluating the competence, capabilities and objectivity of independent external valuer engaged by the management for impairment assessment of trade receivables and contract assets; • Testing, on a sample basis, the historical data used in the calculation of the historical credit losses, including the settlement records and the accuracy of the ageing analysis of trade receivables and contract assets; • Involving internal valuation specialists to evaluate the ECL model, methodology and key assumptions adopted by management.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kay Man Wo, Dick.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 27, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2024

	Notes	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Revenue	5	**458,609**	522,442
Cost of sales		**(412,672)**	(429,077)
Gross profit		**45,937**	93,365
Other income	6	**15,949**	25,288
Other gains and losses	7	**371**	318
Impairment losses under expected credit loss model, net of reversal	8	**(21,999)**	(6,125)
Selling expenses		**(46,894)**	(43,530)
Research and development expenses		**(43,760)**	(39,063)
Administrative expenses		**(140,600)**	(90,888)
Listing expenses		**(26,164)**	(3,223)
Share of results of associates	19	**(2,662)**	(2,105)
Finance costs	9	**(32,807)**	(22,846)
Loss before tax	10	**(252,629)**	(88,809)
Income tax credit	11	**44,001**	13,766
Loss for the year		**(208,628)**	(75,043)
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instrument at fair value through other comprehensive income ("**FVTOCI**")		**2,233**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(200)**	(495)
Fair value gain on debt instruments at FVTOCI, net of income tax		**67**	238
		(133)	(257)
Other comprehensive income (expense) for the year, net of income tax		**2,100**	(257)
Total comprehensive expense for the year		**(206,528)**	(75,300)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2024

	Notes	**Year ended 31/12/2024 RMB'000**	Year ended 31/12/2023 RMB'000
Loss for the year attributable to			
– Owners of the Company		**(210,280)**	(73,303)
– Non-controlling interests		**1,652**	(1,740)
		(208,628)	(75,043)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		**(208,180)**	(73,560)
– Non-controlling interests		**1,652**	(1,740)
		(206,528)	(75,300)
Loss per share			
– Basic (RMB)	*14*	**(2.12)**	(0.81)

Consolidated Statement of Financial Position

At December 31, 2024

	Notes	31/12/2024 RMB'000	31/12/2023 RMB'000
Non-current assets			
Property, plant and equipment	*15*	**816,144**	690,023
Right-of-use assets	*16*	**78,533**	55,310
Intangible assets	*17*	**11,024**	12,787
Investments in associates	*19*	**155,390**	36,277
Investment in a joint venture		**469**	–
Equity instrument at FVTOCI	*20*	**36,566**	34,333
Contract assets	*25*	**16,428**	11,644
Deferred tax assets	*21*	**112,959**	68,970
Prepayment for acquisition of property, plant and equipment		**4,335**	21,455
Loan receivables	*23*	**1,320**	1,760
Trade and other receivables	*24*	**65,081**	12,938
		1,298,249	945,497
Current assets			
Inventories	*22*	**128,753**	178,387
Loan receivables	*23*	**1,430**	10,440
Trade and other receivables	*24*	**623,962**	486,611
Contract assets	*25*	**10,370**	24,310
Debt instruments at FVTOCI	*26*	**28,697**	33,530
Amounts due from associates	*34*	**85,487**	63,816
Amount due from a related party	*34*	**–**	427
Other financial asset	*27*	**18,502**	–
Financial asset at fair value through profit or loss ("**FVTPL**")	*28*	**28,803**	–
Restricted bank deposits	*29*	**4,413**	21,219
Cash and cash equivalents	*29*	**335,863**	333,298
		1,266,280	1,152,038
Current liabilities			
Trade and other payables	*30*	**547,694**	626,492
Borrowings	*31*	**520,977**	447,989
Lease liabilities		**495**	770
Provisions	*33*	**3,735**	3,718
Contract liabilities	*32*	**6,230**	13,850
Amount due to an associate	*34*	**118**	–
Amounts due to related parties	*34*	**2,395**	1,777
Deferred income	*35*	**49,882**	1,341
		1,131,526	1,095,937
Net current assets		**134,754**	56,101
Total assets less current liabilities		**1,433,003**	1,001,598

	Notes	**31/12/2024 RMB'000**	31/12/2023 RMB'000
Capital and reserves			
Share capital	*36*	**104,710**	92,829
Reserves		**886,315**	472,562
Equity attributable to owners of the Company		**991,025**	565,391
Non-controlling interests		**1,883**	231
Total equity		**992,908**	565,622
Non-current liabilities			
Borrowings	*31*	**405,602**	389,160
Lease liabilities		**519**	372
Provisions	*33*	**7,771**	6,810
Deferred income	*35*	**26,203**	39,634
		440,095	435,976
		1,433,003	1,001,598

The consolidated financial statements on pages 122 to 216 were approved and authorised for issue by the board of directors on March 27, 2025 and are signed on its behalf by:

Mr. Wu Pinfang	**Mr. Wang Kai**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2023	90,044	731,614	(5,258)	15,840	–	–	(220,373)	611,867	(29)	611,838
Loss for the year	–	–	–	–	–	–	(73,303)	(73,303)	(1,740)	(75,043)
Other comprehensive income (expense) for the year	–	–	–	238	(495)	–	–	(257)	–	(257)
Total comprehensive income (expense) for the year	–	–	–	238	(495)	–	(73,303)	(73,560)	(1,740)	(75,300)
Issue of restricted shares *(Note 36)*	2,785	19,495	–	–	–	–	–	22,280	–	22,280
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	2,000	2,000
Recognition of equity-settled share-based payments *(Note 37)*	–	–	–	–	–	4,804	–	4,804	–	4,804
At December 31, 2023	92,829	751,109	(5,258)	16,078	(495)	4,804	(293,676)	565,391	231	565,622
(Loss) profit for the year	–	–	–	–	–	–	(210,280)	(210,280)	1,652	(208,628)
Other comprehensive income (expense) for the year	–	–	–	2,300	(200)	–	–	2,100	–	2,100
Total comprehensive income (expense) for the year	–	–	–	2,300	(200)	–	(210,280)	(208,180)	1,652	(206,528)
Issue of shares *(Note 36)*	5,881	219,480	–	–	–	–	–	225,361	–	225,361
Issue of shares upon the initial public offering ("IPO") *(Note 36)*	6,000	354,734	–	–	–	–	–	360,734	–	360,734
Transaction costs attribute to issue of new shares	–	(12,764)	–	–	–	–	–	(12,764)	–	(12,764)
Recognition of equity-settled share-based payments *(Note 37)*	–	–	–	–	–	60,483	–	60,483	–	60,483
At December 31, 2024	104,710	1,312,559	(5,258)	18,378	(695)	65,287	(503,956)	991,025	1,883	992,908

Consolidated Statement of Cash Flows

For the year ended December 31, 2024

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
OPERATING ACTIVITIES		
Loss before tax	**(252,629)**	(88,809)
Adjustments for:		
Interest income from banks	**(1,695)**	(1,397)
Interest income on loan receivables	**(574)**	–
Finance costs	**32,807**	22,846
Gain on disposal of property, plant and equipment	**(73)**	–
Gain on termination of lease contracts	**(37)**	–
Depreciation of property, plant and equipment	**51,914**	28,738
Depreciation of right-of-use assets	**3,696**	2,448
Write-down of inventories	**1,791**	488
Amortisation of intangible assets	**1,763**	1,761
Release of assets-related government subsidies	**(2,062)**	(621)
Impairment losses under expected credit loss model, net of reversal	**21,999**	6,125
Share of results of associates	**2,662**	2,105
Unrealised gains relating to transactions with associates, net of reversal	**1,018**	7,471
Equity-settled share-based payment expenses	**60,483**	4,804
Operating cash flow before movements in working capital	**(78,937)**	(14,041)
Decrease in inventories	**47,843**	111,740
Decrease in debt instruments at FVTOCI	**4,912**	36,412
Increase in trade and other receivables	**(213,065)**	(103,620)
Decrease (increase) in contract assets	**11,282**	(10,717)
Increase in amounts due from associates	**(22,556)**	(62,185)
Increase in provisions	**978**	5,156
Increase in trade and other payables	**164,549**	57,643
Increase in amounts due to related parties	**618**	1,610
Increase (decrease) in amount due to an associate	**118**	(9,002)
Decrease in contract liabilities	**(7,620)**	(3,871)
Increase (decrease) in deferred income	**28,533**	(764)
Cash (used in) from operations	**(63,345)**	8,361
Income tax paid	**–**	–
Net cash (used in) from operating activities	**(63,345)**	8,361

Consolidated Statement of Cash Flows

For the year ended December 31, 2024

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
INVESTING ACTIVITIES		
Interest received from banks	**1,695**	1,397
Assets-related government subsidies received	**8,639**	–
Proceeds on disposal of associates	**384**	100
Purchase of other financial asset	**(18,502)**	–
Purchases of a financial asset at FVTPL	**(28,803)**	–
Purchase of property, plant and equipment	**(203,086)**	(222,601)
Payments for right-of-use assets	**(25,925)**	–
Proceeds from disposal of property, plant and equipment	**425**	–
Investments in associates	**(123,177)**	(20,641)
Investment in a joint venture	**(469)**	–
Placement of restricted bank deposits	**(24,504)**	(121,964)
Withdraw of restricted bank deposits	**41,310**	127,216
Loan to third parties	**(452)**	(10,000)
Loan to a staff	**–**	(2,200)
Advance payment of investment in an associate	**(1,438)**	–
Repayments of loan from a third party	**10,000**	–
Interest received from a staff	**76**	–
Net cash used in investing activities	**(363,827)**	(248,693)
FINANCING ACTIVITIES		
Interest paid	**(32,297)**	(29,291)
Contribution from non-controlling shareholders	**–**	2,000
Proceeds from issue of restricted shares	**–**	22,280
Proceeds from issue of new ordinary shares	**28,600**	–
Payments for transaction costs for the issue of new ordinary shares	**(3,239)**	–
Proceeds from issue of shares upon the IPO	**360,734**	–
Payment of transaction costs attributable to issue of shares	**(11,784)**	(700)
New borrowing raised	**528,650**	576,715
Repayment of borrowings	**(440,014)**	(274,000)
Advanced receipt of investment	**–**	200,000
Payments of lease liabilities	**(1,158)**	(454)
Net cash from financing activities	**429,492**	496,550
Net increase in cash and cash equivalents	**2,320**	256,218
Cash and cash equivalents at beginning of the year	**333,298**	76,897
Effect of foreign exchange rate changes	**245**	183
Cash and cash equivalents at the end of the year	**335,863**	333,298

Notes to Consolidated Financial Statements

For the Year ended December 31, 2024

1. GENERAL INFORMATION

Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on June 13, 2016 as a limited liability company. On August 31, 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since November 15, 2024 (the "**Listing**"). The address of the registered office and the principal place of business of the Company is No. 236 Guotai North Road, Zhangjiagang City, Jiangsu Province, PRC.

The principal activities of the Company and its subsidiaries (the "**Group**") are production and sale of hydrogen equipment. Particulars and principal activities of the subsidiaries are disclosed in Note 45.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after January 1, 2025.
3 Effective for annual periods beginning on or after January 1, 2026.
4 Effective for annual periods beginning on or after January 1, 2027.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

The application of IFRS 18 has impact on presentation of the consolidated statement of profit or loss and other comprehensive income and no impact on the Group's financial positions and performance. Except for IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Investments in subsidiaries

Investments in subsidiaries are stated in the statement of financial position of the Company at cost less identified impairment loss, if any.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Changes in the Group's interests in associates

Acquisition of additional interests in associates

When the Group increases its ownership interest in an associate but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Notes 5, 25 and 32.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties and equipment in the course of construction for production, supply or administrative purpose are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimate selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of offices and staff apartments that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments are fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "**lease modifications**").

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditures

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible assets;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets (continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash generating units. In allocating the impairment loss, the impairment loss is allocated to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Share-based payments

Equity-settled share-based payment transactions

Restricted shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of products are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets the Group hold are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit losses ("**ECL**") model on financial assets (including loan receivables, trade and other receivables, amount due from a related party, amounts due from associates, debt instruments at FVTOCI, restricted bank deposits and cash and cash equivalents) and contract assets which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting dates to reflect changes in credit risk since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment of trade receivables, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, the Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables, contract assets, amount due from a related party, and amounts due from associates where the corresponding adjustment is recognised through a loss allowance account. For investments in receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (Note 7) as part of the net foreign exchange gains.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in debt instruments classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, borrowings, amount due to an associate, and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 7) as part of net foreign exchange gains for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Borrowing costs (continued)

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Detail of the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 15, 16 and 17 respectively, and no impairment loss was recognised by the management of the Group during the year ended December 31, 2024 (2023: Nil).

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables and contract assets, which are not assessed individually using a provision matrix. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 24, Note 25 and Note 43 respectively.

Deferred tax assets

As at December 31, 2024, deferred tax assets of RMB112,959,000 (2023: RMB68,970,000) in relation to deductible temporary differences and unused tax losses for certain operating subsidiaries have been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB73,199,000 (2023: RMB73,960,000), for certain subsidiaries due to the unpredictability of future profit streams as at December 31, 2024. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
At a point in time recognition:		
– vehicle-mounted high-pressure hydrogen supply systems and related products	**279,089**	301,060
– equipment for hydrogen refueling stations and related products	**147,945**	123,036
– water electrolysis hydrogen production equipment and related products	**31,575**	15,564
– equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen	**–**	82,782
	458,609	522,442

(ii) Performance obligations for contracts with customers and revenue recognition policies

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

The Group sells vehicle-mounted high-pressure hydrogen supply systems and related products, equipment for hydrogen refueling stations and related products, equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen, water electrolysis hydrogen production equipment and related products directly to customers.

Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to customers and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the customer acceptance, the customer has ability to direct the use of the products and bears the risks of obsolescence and loss in relation to the products. The normal credit term is within one year upon acceptance.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from 1 to 8 years related to vehicle-mounted high-pressure hydrogen supply systems and related products and 1 to 2 years related to the remaining products from the date of the acceptance of the products. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers a contract asset to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the products comply with agreed-upon specifications and such assurance cannot be purchased separately.

5. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (continued)

Sales-related warranties cannot be purchased separately and they serve as an assurance type of warranty that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37. Please refer to Note 33 for details.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer.

(iii) Transaction price allocated to the remaining performance obligation for contract with customers

Contracts with customers were for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

Information is reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment focuses on revenue analysis of all products as a whole. The accounting policies are the same as the Group's accounting policies described in Note 3. No other discrete financial information is provided to the CODM for review other than the Group's results and financial position as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

Geographical information

The Group primarily operates in the PRC. The Group's non-current assets are all located in the PRC.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Customer A	**105,930**	54,785
Customer B	**45,864**	79,981
Customer C	**N/A**[1]	85,969
Customer D	**N/A**[1]	57,476

1 The corresponding revenue did not contribute over 10% of total revenue of the Group.

6. OTHER INCOME

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Government grants *(Note)*	**12,643**	22,135
Interest income on banks	**1,695**	1,397
Rental income	**–**	44
Sales of scrap materials	**1,037**	1,712
Interest income on loan receivables	**574**	–
	15,949	25,288

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's research and development activities and acquisition of property, plant and equipment. Some subsidies had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition.

7. OTHER GAINS AND LOSSES

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Gain on disposal of property, plant and equipment	**73**	–
Net foreign exchange gains	**200**	98
Gain on termination of lease contracts	**37**	–
Others	**61**	220
	371	318

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Impairment losses, net of reversal, recognised on:		
trade receivables	**23,135**	5,566
contract assets	**(2,126)**	(543)
other receivables	**253**	262
amounts due from associates	**885**	837
amount due from a related party	**(148)**	3
	21,999	6,125

Details of impairment assessment are set out in Note 43.

9. FINANCE COSTS

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Interest on borrowings	**33,091**	29,447
Interest on lease liabilities	**73**	29
	33,164	29,476
Less: amounts capitalised in the cost of construction in progress	**(357)**	(6,630)
	32,807	22,846

Borrowing costs capitalised during the year arose on the specific borrowings and are calculated by applying a capitalisation rate of 3.95% (2023: 3.90%) per annum to expenditure on qualifying assets.

10. LOSS BEFORE TAX

Loss before tax for the year has been arrived at after charging:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Directors' and supervisors' emoluments *(Note 12)*	**21,887**	5,386
Other staff costs:		
– salaries and other benefits	**79,699**	70,723
– discretionary bonuses	**1,382**	4,072
– retirement benefit scheme contributions	**17,668**	12,825
– equity-settled share-based payments	**42,640**	3,425
Total staff costs	**163,276**	96,431
Capitalised in inventories	**(28,768)**	(21,323)
	134,508	75,108
Depreciation of property, plant and equipment	**51,914**	28,738
Depreciation of right-of-use assets	**3,696**	2,448
Amortisation of intangible assets	**1,763**	1,761
Total depreciation and amortization	**57,373**	32,947
Capitalised in inventories	**(25,529)**	(12,781)
Capitalised in property, plant and equipment	**–**	(1,077)
	31,844	19,089
Auditors' remuneration	**2,300**	1,575
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB1,791,000 (2023: RMB488,000))	**412,672**	429,077

11. INCOME TAX CREDIT

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Current tax	**–**	–
Deferred tax *(Note 21)*	**(44,001)**	(13,766)
	(44,001)	(13,766)

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company and the PRC subsidiaries is 25% for both years.

The Company was accredited as a "High and New Technical Enterprise" ("**HNTE**") in November 2021 and November 2024, respectively. Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd. (張家港氫雲新能源研究院有限公司) ("**Hydrogen Cloud Research Institute**") was accredited as a HNTE in November 2023. So the Company and Hydrogen Cloud Research Institute were both entitled to a preferential income tax rate of 15% for both years.

Beijing Guofu Wanjia Hydrogen Energy Technology Co., Ltd. (北京國富萬家氫能科技有限公司) ("**Beijing Guofu**"), Sichuan Guofu Hydrogen Energy Technology Co., Ltd. (四川國富氫能科技有限公司) ("**Sichuan Guofu**"), Shanghai Guofu Hydrogen Energy Technology Equipment Co., Ltd. (上海國富氫能技術裝備有限公司) ("**Shanghai Guofu**"), Shanghai Qingping Technology Equipment Co., Ltd. (上海氫平技術裝備有限公司) ("**Shanghai Qingping**") and Shanghai Qingmai Engineering Technology Co., Ltd. (上海氫邁工程技術有限公司) ("**Shanghai Qingmai**"), subsidiaries of the Group, were subject to "small and thin-profit enterprises" and would benefit from a preferential tax rate of 20% under the EIT Law. The qualifying group entities enjoyed 87.5% reduction on annual taxable income on first RMB1,000,000 and 50% reduction between the annual taxable income of RMB1,000,000 to RMB3,000,000 for both years.

11. INCOME TAX CREDIT (continued)

The tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Loss before tax	**(252,629)**	(88,809)
Income tax expense calculated at 25%	**(63,157)**	(22,202)
Tax effect of expenses that are not deductible for tax purpose	**1,435**	3,052
Tax effect of additional deduction of research and development expenses *(note)*	**(11,770)**	(8,634)
Tax effect of deductible temporary differences not recognised	**(74)**	35
Tax effect of tax losses not recognised	**2,836**	4,767
Utilisation of tax losses previously not recognised	**(3,026)**	–
Income tax at concessionary rates	**29,755**	9,216
	(44,001)	(13,766)

Note: Pursuant to Caishui 2023 circular No. 7, the Group are entitled to claim 200% qualified research and development expenses incurred as tax deductible expenses when determining their assessable profit for both years.

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Executive and non-executive directors and supervisors

Name	Position	Date of appointment
Mr. Wu Pinfang	Chief executive officer Executive Director	March 23, 2020
Mr. Wang Kai	Executive Director	October 13, 2017
Mr. Shi Jian	Executive director	April 10, 2021
Mr. Zhou Lin	Non-executive director	September 18, 2019
Mr. Gu Yanjun	Non-executive director	October 13, 2017
Ms. Liu Yilin	Non-executive director	January 2, 2024
Mr. He Guangliang	Supervisor	August 12, 2020
Mr. Fu Jiong	Supervisor	August 12, 2020 (Resigned on February 21, 2023)
Ms. Cai Yan	Supervisor	August 12, 2020 (Resigned on February 21, 2023)
Ms. Zhao Jing	Supervisor	February 21, 2023
Mr. Kuang Kaifeng	Supervisor	February 21, 2023
Mr. Zhang Yongjun	Independent non-executive director	August 20, 2021
Mr. Zou Jiasheng	Independent non-executive director	August 20,2021
Mr. Chen Heping	Independent non-executive director	April 20, 2021 (Resigned on February 18, 2024)
Ms. Tong Sze Wan	Independent non-executive director	February 18, 2024

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Executive and non-executive directors and supervisors (continued)

Details of the emoluments paid or payable to the directors and supervisors of the Company for the service provided to the Group during both years are as follows:

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended December 31, 2024					
Executive directors:					
Mr. Wu Pinfang	672	–	9,830	200	10,702
Mr. Wang Kai	624	74	–	100	798
Mr. Shi Jian	422	74	207	43	746
Non-executive directors:					
Mr. Zhou Lin	70	–	–	–	70
Mr. Gu Yanjun	70	–	–	–	70
Ms. Liu Yilin	70	–	–	–	70
Independent non-executive directors:					
Mr. Zhang Yongjun	80	–	–	–	80
Mr. Zou Jiasheng	80	–	–	–	80
Mr. Chen Heping	33	–	–	–	33
Ms. Tong Sze Wan	143	–	–	–	143
Supervisors:					
Mr. He Guangliang	254	45	5,458	43	5,800
Ms. Zhao Jing	302	63	2,070	66	2,501
Mr. Kuang Kaifeng	432	74	278	10	794
	3,252	330	17,843	462	21,887

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Executive and non-executive directors and supervisors (continued)

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended December 31, 2023					
Executive directors:					
Mr. Wu Pinfang	671	–	742	200	1,613
Mr. Wang Kai	623	109	–	100	832
Mr. Shi Jian	422	109	17	50	598
Non-executive directors:					
Mr. Zhou Lin	70	–	–	–	70
Mr. Gu Yanjun	70	–	–	–	70
Independent non-executive directors:					
Mr. Zhang Yongjun	80	–	–	–	80
Mr. Zou Jiasheng	80	–	–	–	80
Mr. Chen Heping	80	–	–	–	80
Supervisors:					
Mr. He Guangliang	200	60	431	81	772
Mr. Fu Jiong	62	16	–	–	78
Ms. Cai Yan	35	10	–	–	45
Ms. Zhao Jing	240	79	172	55	546
Mr. Kuang Kaifeng	360	80	17	65	522
	2,993	463	1,379	551	5,386

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

None of the directors of the Company waived or agreed to waive any emoluments during the years ended December 31, 2024 and 2023.

During the year ended December 31, 2023, certain directors and supervisors were granted restricted shares, in respect of their services to the Group, details are set out in Note 37 to the consolidated financial statements.

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Five highest paid employees

The five highest paid individuals of the Group during the year included one (2023: two) director of the Company. Details of whose remuneration are set out above. Details of the remuneration for the year of the remaining four (2023: three) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Salaries and other benefits	**1,779**	795
Discretionary bonuses	**141**	968
Retirement benefit scheme contributions	**268**	231
Share-based payments	**19,312**	824
	21,500	2,818

The emoluments of the five highest paid individuals are within the following bands:

	Year ended 31/12/2024 No. of Individuals	Year ended 31/12/2023 No. of individuals
Nil to Hong Kong dollars ("**HK$**") 1,000,000	**–**	2
HK$1,000,001 to HK$1,500,000	**–**	2
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**1**	–
HK$2,500,001 to HK$3,000,000	**1**	–
HK$6,000,001 to HK$6,500,000	**1**	–
HK$11,500,001 to HK$12,000,000	**1**	–
HK$12,000,001 to HK$12,500,000	**1**	–
	5	5

During the both years, no emoluments were paid by the Group to any of the executive director, non-executive directors, independent non-executive directors, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

No dividend was paid or declared by the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

14. LOSS PER SHARE

	Year ended 31/12/2024	Year ended 31/12/2023
Loss (RMB'000):		
Loss for the purpose of calculating basic loss per share	**(210,280)**	(73,303)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	**99,406**	90,075
Loss per share (RMB)		
– Basic	**(2.12)**	(0.81)

No diluted loss per share for both 2024 and 2023 were presented as there was no potential ordinary shares in issue for both 2024 and 2023.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RMB'000	Machinery and equipment RMB'000	Furniture and fixture RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At January 1, 2023	217,080	78,982	19,698	3,844	284,386	603,990
Additions	3,906	11,315	3,028	77	134,713	153,039
Transfers	321,256	7,129	372	–	(328,757)	–
At December 31, 2023	542,242	97,426	23,098	3,921	90,342	757,029
Additions	2,035	7,737	2,796	1,373	164,446	178,387
Transfers	17,885	135,356	–	–	(153,241)	–
Disposals	–	–	(162)	(752)	–	(914)
At December 31, 2024	562,162	240,519	25,732	4,542	101,547	934,502
DEPRECIATION						
At January 1, 2023	(16,053)	(15,221)	(5,741)	(1,253)	–	(38,268)
Provided for the year	(14,652)	(8,131)	(5,241)	(714)	–	(28,738)
At December 31, 2023	(30,705)	(23,352)	(10,982)	(1,967)	–	(67,006)
Provided for the year	(28,812)	(16,813)	(5,599)	(690)	–	(51,914)
Disposals	–	–	78	484	–	562
At December 31, 2024	(59,517)	(40,165)	(16,503)	(2,173)	–	(118,358)
CARRYING AMOUNTS						
At December 31, 2023	511,537	74,074	12,116	1,954	90,342	690,023
At December 31, 2024	502,645	200,354	9,229	2,369	101,547	816,144

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Buildings and structures	10 – 20 years
Machinery and equipment	8 – 10 years
Motor vehicles	5 years
Furniture and fixture	3 – 5 years

The Group has pledged buildings and construction in progress with carrying amounts of RMB503,988,000 (2023: RMB457,224,000) and equipment with carrying amounts of RMB22,367,000 (2023: Nil) to secure general banking facilities granted to the Group.

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
At January 1, 2023	56,151	365	56,516
Addition for the year	–	1,242	1,242
Depreciation charge for the year	(1,973)	(475)	(2,448)
At December 31, 2023	54,178	1,132	55,310
Addition for the year	25,925	1,498	27,423
Termination of lease contract	–	(504)	(504)
Depreciation charge for the year	(2,694)	(1,002)	(3,696)
At December 31, 2024	77,409	1,124	78,533

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Expenses relating to short-term leases	563	242
Total cash outflow for leases	27,646	725

During the years ended December 31, 2024 and 2023, the leasehold lands of the Group represented the prepaid lease payment for lands located in the PRC with the fixed period of 30 years to 50 years. The remaining lease term is 25 years to 47 years as at December 31, 2024 (2023: 26 years to 48 years).

16. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leased various properties for its operating activities. Lease contracts were entered into for fixed terms of 2 years to 3 years (2023: 14 months to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has pledged leasehold lands with carrying amounts of RMB77,409,000 (2023: RMB54,178,000) to secure general banking facilities granted to the Group.

The Group's lease liabilities of RMB1,014,000 are recognised with related right-of-use assets of RMB1,124,000 as at December 31, 2024 (2023: lease liabilities of RMB1,142,000 and related right-of-use assets of RMB1,132,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Except for the leasehold lands, leased assets may not be used as security for borrowing purposes.

The Group regularly entered into short-term leases for various properties. As at December 31, 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the year ended December 31, 2024, the Group has raised borrowings of RMB44,711,000 (2023: Nil) in respect of such sale and leaseback arrangements. Details of the borrowings are set out in Note 31.

17. INTANGIBLE ASSETS

	Non-patented technologies RMB'000	Patent RMB'000	Total RMB'000
COST			
At January 1, 2023 and December 31, 2023 and 2024	16,324	1,941	18,265
AMORTISATION			
At January 1, 2023	(3,265)	(452)	(3,717)
Charge for the year	(1,632)	(129)	(1,761)
At December 31, 2023	(4,897)	(581)	(5,478)
Charge for the year	(1,634)	(129)	(1,763)
At December 31, 2024	(6,531)	(710)	(7,241)
CARRYING AMOUNTS			
At December 31, 2023	11,427	1,360	12,787
At December 31, 2024	9,793	1,231	11,024

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Non-patented technologies	10 years
Patent	15 years

18. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

For the purpose of impairment testing, property, plant and equipment, right-of-use assets and intangible assets as set out in Note 15, 16 and 17 respectively, belong to a single cash-generating unit ("**CGU**") according to the operating segment the Group has identified.

Due to the loss of the CGU for both years, the management of the Group concluded there was indication of impairment loss and conducted impairment assessment on property, plant and equipment, right-of-use assets and intangible assets with carrying amounts of RMB905,701,000 as at December 31, 2024 (2023: RMB758,120,000).

The recoverable amount of the CGU has been determined based on a value in use calculation, which uses cash flow projections based on financial budgets approved by the management of the Group. The financial budgets covered a six-year period (the "**Period**") since the management anticipated a longer time for the Group to reach a stable growth state, especially taking into account the fact that the hydrogen energy industry is in its early developing stage with fast growth and the Group is going to develop rapidly in the coming years. The key assumptions of the financial budgets included annual growth rates within the Period, growth rate to extrapolate cash flows beyond the Period and pre-tax discount rate. The values to the assigned key assumptions were determined based on the CGU's past performance and management expectations for the market development. During the Period, the annual growth rates ranged from 11.98% to 76.65% as at December 31, 2024 (2023: 6.33% to 76.65%). The cash flows beyond the Period are extrapolated using 2% growth rate, which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Pre-tax discount rate of 12.42% was used to reflect market assessment of time value and the specific risks relating to the CGU for the impairment review as at December 31, 2024 (2023: 12.52%).

Management of the Group determined that there was no impairment on the CGU for both years.

19. INVESTMENTS IN ASSOCIATES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Cost of investments in associates	**169,909**	47,116
Share of loss and total comprehensive expenses	**(5,900)**	(3,238)
Unrealised gains relating to transactions with associates, net of reversal	**(8,619)**	(7,601)
	155,390	36,277

19. INVESTMENTS IN ASSOCIATES (continued)

Details of each of the Group's principal associates at the end of the reporting period are as follows:

Name of associates	Country of incorporation	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			31/12/2024	31/12/2023	
Jiangsu Jiahua Hydrogen Technology Co., Ltd. (江蘇嘉化氫能科技有限公司) ("**Jiahua Hydrogen**") *(Note i)*	China	Jiangsu	**10%**	10%	Sales of hydrogen-related equipment
Qilu Hydrogen Energy (Shandong) Development Co., Ltd. (齊魯氫能(山東)發展有限公司) ("**Qilu Hydrogen**")	China	Shandong	**22.50%**	22.50%	Sales of hydrogen-related equipment
Huajiu Hydrogen Energy (Henan) Co., Ltd. (華久氫能源(河南)有限公司) ("**Huajiu Hydrogen**") *(Note ii)*	China	Henan	**13.02%**	13.02%	Sales of chemical products
Manas Longshengda Yudu Hydrogen Technology Co., Ltd. (瑪納斯隆盛達玉都氫能科技有限公司) ("**Yudu Hydrogen**") *(Note iii)*	China	Xinjiang	**40.00%**	40.00%	Sales of hydrogen-related equipment
Inner Mongolia Mengfa Guofu Hydrogen Energy Technology Co., Ltd. (內蒙古蒙发国富 能科技有限公司) ("**Mengfa Guofu**") *(Note iv)*	China	Inner Mongolia	**40.00%**	–	Sales of hydrogen refueling stations equipment and related products
Broaden Energy Hydrogen Solutions-L.L.C ("**Broaden Energy**") *(Note v)*	United Arab Emirates	Abu Dhabi	**20.00%**	–	Sales of hydrogen related equipment
Urumqi Outejie Environmental Protection Technology Co., Ltd. (烏魯木齊市歐特捷環保科技有限公司) ("**Urumqi Outejie**") *(Note vi)*	China	Xinjiang	**45.00%**	45.00%	Sales of hydrogen refueling stations equipment and related products
Hutubi Longshengda Jinhua Hydrogen Technology Service Co., Ltd. (呼圖壁隆盛達錦華氫能科技服務有限公司) ("**Longshengda Jinhua**") *(Note vii)*	China	Xinjiang	**40.00%**	–	Sales of hydrogen refueling stations equipment and related products

19. INVESTMENTS IN ASSOCIATES (continued)

Notes:

i. The Group is able to exercise significant influence over Jiahua Hydrogen because it has the power to appoint one out of the five directors of Jiahua Hydrogen under the articles of association of Jiahua Hydrogen.

ii. The Group is able to exercise significant influence over Huajiu Hydrogen because it has the power to appoint two out of the five directors of Huajiu Hydrogen under the articles of association of Huajiu Hydrogen.

iii. In September 2023, Xinjiang Guofu Hydrogen Energy Technology Service Co., Ltd. (新疆國富氫能科技服務有限公司) ("**Xinjiang Guofu**"), a subsidiary of the Group, entered into an agreement with an independent third party to acquire 40% subscription interest in Yudu Hydrogen with a consideration of Nil. The net assets of Yudu Hydrogen were Nil on the acquisition date as it had no operation since incorporation. Upon completion of the acquisition, Xinjiang Guofu contributed cash of RMB4,240,000 as capital injection in Yudu Hydrogen by December 2023. In January and April 2024, Xinjiang Guofu contributed cash of RMB7,760,000 in total as additional capital injection in Yudu Hydrogen.

iv. In February 2024, the Group contributed cash of RMB100,000,000 as capital injection in Mengfa Guofu and held 40% of its voting rights as at December 31, 2024.

v. In May and December 2024, Guofuhee Holdings Pte. Ltd., a subsidiary of the Group, contributed cash of United States dollars ("**USD**") 800,000 (equivalent to RMB5,751,000) as capital injection in Broaden Energy and held 20% of its voting rights as at December 31, 2024.

vi. In October 2023, Xinjiang Guofu, a subsidiary of the Group, contributed cash of RMB945,000 as capital injection in Urumqi Outejie. In March, June and July 2024, Xinjiang Guofu contributed cash of RMB6,525,000 as additional capital injection in Urumqi Outejie and held 45% of its voting rights as at December 31, 2024.

vii. In June and August 2024, Xinjiang Guofu, a subsidiary of the Group, contributed cash of RMB1,800,000 as capital injection in Longshengda Jinhua and held 40% of its voting rights as at December 31, 2024.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information of a material associate

Mengfa Guofu

	31/12/2024 **RMB'000**	31/12/2023 RMB'000
Current assets	**196,725**	–
Non-current assets	**70,090**	–
Current liabilities	**19,324**	–

19. INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information of a material associate (continued)

Mengfa Guofu (continued)

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Revenue	92	–
Loss and total comprehensive expense for the year	(2,509)	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

	31/12/2024 RMB'000	31/12/2023 RMB'000
Net assets of Mengfa Guofu	247,491	–
Proportion of the Group's ownership interest in Mengfa Guofu	40%	–
The Group's share of net assets of Mengfa Guofu	98,996	–
Adjustment of unrealised gains relating to transactions with Mengfa Guofu	(701)	–
Carrying amount of the Group's interest in Mengfa Guofu	98,295	–

Aggregate information of associates that are not individually material

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
The Group's share of loss and total comprehensive expenses	(1,658)	(2,105)
Aggregate carrying amount of the Group's interests in these associates	57,095	36,277

20. EQUITY INSTRUMENT AT FVTOCI

	31/12/2024 RMB'000	31/12/2023 RMB'000
Unlisted equity investment, at fair value		
– Lingniu New Energy Technology (Shanghai) Co., Ltd. (羚牛新能源科技(上海)有限公司) ("**Lingniu**")	**36,566**	34,333

The above unlisted equity investment represents the Group's equity interest of 14.31% in Lingniu, a private entity established in the PRC.

The directors of the Company have elected to designate the investment in equity instrument at FVTOCI as they believed that recognizing short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

The fair value of the unlisted equity instrument as at December 31, 2024 was determined by directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited (艾華迪評估諮詢有限公司).

The fair value of the unlisted equity instrument as at December 31, 2023 was determined with reference to the issue price included in Lingniu's investment agreements with independent investors in that year.

21. DEFERRED TAX ASSETS

The followings are the major deferred tax assets recognised and movements thereon during the current and prior years:

	Fair value change of debt instruments RMB'000	ECL provision RMB'000	Tax losses RMB'000	Accrued expenses RMB'000	Deferred income RMB'000	Share based payment RMB'000	Others RMB'000	Total RMB'000
At January 1, 2023	87	11,891	26,167	5,256	5,786	5,889	170	55,246
Credit (charge) to profit or loss	–	917	11,541	772	(244)	720	60	13,766
Charge to the other comprehensive income	(42)	–	–	–	–	–	–	(42)
At December 31, 2023	45	12,808	37,708	6,028	5,542	6,609	230	68,970
Credit (charge) to profit or loss	–	3,315	26,629	(596)	5,312	9,072	269	44,001
Charge to the other comprehensive income	(12)	–	–	–	–	–	–	(12)
At December 31, 2024	33	16,123	64,337	5,432	10,854	15,681	499	112,959

At the end of the reporting period, the Group had unused tax losses of approximately RMB502,116,000 (2023: RMB325,353,000), available for offsetting against future profits. No deferred tax asset has been recognised in respect of tax losses of RMB73,199,000 (2023: RMB73,960,000) due to the unpredictability of future profit streams.

The unrecognised tax losses of the Group will be carried forward and expire in years as follows:

	31/12/2024 RMB'000	31/12/2023 RMB'000
2026	**1,845**	7,510
2027	**17,855**	19,743
2028	**19,440**	23,991
2029	**11,400**	57
2030	**4,144**	4,144
2031	**13,729**	13,729
2032	**4,594**	4,594
2033	**192**	192
	73,199	73,960

22. INVENTORIES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Raw materials and consumables	**56,775**	55,868
Work in progress	**59,223**	85,412
Finished goods	**12,755**	37,107
	128,753	178,387

The write down of inventories of the Group recognised as cost of sales amounted to RMB1,791,000 during the year ended December 31, 2024 (2023: RMB488,000).

23. LOAN RECEIVABLES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Fixed-rate loan receivables	**2,750**	12,200
Analysed as		
current	**1,430**	10,440
non-current	**1,320**	1,760
	2,750	12,200

In May 2023, the Group entered into a loan agreement with a staff. Pursuant to the loan agreement, the staff borrowed RMB2,200,000 from the Group with fixed interest rate of 4.75% per annum. The amount would be repaid in a series of five successive equal yearly installments starting from the borrowing date. The installments of RMB1,320,000 that would be due after one year as at December 31, 2024 were recorded as non-current asset (2023: RMB1,760,000).

In November 2023, the Group entered into a loan agreement with an independent third party. Pursuant to the loan agreement, the third party borrowed RMB10,000,000 from the Group with fixed interest rate of 4% per annum. The amount was guaranteed by the borrower's controlling shareholder and was settled in full in November 2024.

Details of impairment assessment of loan receivables are set out in Note 43.

24. TRADE AND OTHER RECEIVABLES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Current		
Trade receivables – contract with customers	**679,433**	523,109
Less: Allowance for credit losses	**(88,208)**	(74,443)
	591,225	448,666
Prepayment to suppliers	**15,104**	27,414
Value added tax recoverable	**11,369**	3,993
Deposits for bidding	**4,112**	2,633
Receivables for disposal of an associate	**500**	500
Deferred issue costs	**–**	1,443
Prepayments for listing expenses and issue costs	**–**	429
Others	**2,217**	1,845
Less: Allowance for credit losses	**(565)**	(312)
	623,962	486,611

	31/12/2024 RMB'000	31/12/2023 RMB'000
Non-current		
Trade receivables – contract with customers *(Note)*	**79,435**	19,360
Less: Allowance for credit losses	**(15,792)**	(6,422)
	63,643	12,938
Advance payment of investment in an associate	**1,438**	–
	65,081	12,938

Note: According to the payment terms in the sales contracts with certain customers, certain part of the sales consideration will be collected after one year.

24. TRADE AND OTHER RECEIVABLES (continued)

As at January 1, 2023, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB355,461,000.

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on invoice dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Within 90 days	**287,012**	220,832
91 to 180 days	**37,347**	21,204
181 to 365 days	**34,171**	45,634
1 to 2 years	**185,011**	110,907
2 to 3 years	**55,219**	23,687
More than 3 years	**56,108**	39,340
	654,868	461,604

The normal credit term to the customers is within one year. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 43.

25. CONTRACT ASSETS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Retention receivables	**27,749**	39,031
Less: allowance for credit losses	**(951)**	(3,077)
	26,798	35,954
Analysed as		
Current	**10,370**	24,310
Non-current	**16,428**	11,644
	26,798	35,954

25. CONTRACT ASSETS (continued)

As at January 1, 2023, contract assets of the Group amounted to RMB24,694,000.

Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as non-current asset based on expected settlement dates.

Details of impairment assessment of contract assets of the Group are set out in Note 43.

26. DEBT INSTRUMENTS AT FVTOCI

	31/12/2024 **RMB'000**	31/12/2023 RMB'000
Bills receivables	**28,697**	33,530

As at December 31, 2024 and 2023, certain bills which were held by the Group for the practice of endorsing to suppliers or discounting to banks before the bills due for payment were classified as "debt instruments at FVTOCI". All the bills receivables are with a maturity period of less than one year.

The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

Details of impairment assessment are set out in Note 43.

27. OTHER FINANCIAL ASSET

Other financial asset represented a HKD denominated note receivable with fixed-rate interest, issued by an independent private entity, with the principal amount of HK$20,000,000 (approximately equivalent to RMB18,502,000). Both principal and respective interest were settled in March, 2025.

28. FINANCIAL ASSET AT FVTPL

	31/12/2024 **RMB'000**	31/12/2023 RMB'000
Structure note	**28,803**	–

On December 11, 2024, the Group subscribed a USD denominated note issued by Huatai International Financial Products Limited through an independent security agent in Hong Kong, with the aggregate amount of USD4,000,000 (approximately equivalent to RMB28,803,000) and maturity of six months. The redemption amount of the USD Note is determined by reference to the market foreign exchange rate on the maturity date, therefore it is recognised as a financial asset at FVTPL.

Details of the fair value measurement of the financial asset at FVTPL are set out in Note 43(c).

29. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Restricted bank deposits and cash and cash equivalents carry interest at prevailing market interest rates ranging from 0.05% to 0.10% per annum as at the end of the reporting period (2023: 0.10% to 0.20%). As at December 31, 2024, the Group holds time deposits amounting to RMB146,502,000 (2023: RMB149,022,000) with an original maturity of three months or less and carry interests at prevailing market rated which was from 3.50% to 3.70% per annum (2023: 1.50% to 1.80%), included in the cash and cash equivalents.

The Group's restricted bank deposits were pledged to banks for issuing bills.

Details of impairment assessment of bank balances are set out in Note 43.

30. TRADE AND OTHER PAYABLES

	31/12/2024 **RMB'000**	31/12/2023 RMB'000
Trade payables	**241,250**	198,369
Trade payables under supplier finance arrangements *(Note i)*	**105,822**	69,470
Bills payables	**9,398**	12,064
	356,470	279,903
Payables for property, plant and equipment	**147,821**	105,645
Accrued staff costs and benefits	**13,432**	16,162
Other tax payables	**2,658**	3,293
Accrued service fee	**10,428**	9,347
Deposits from vendors	**2,035**	1,879
Payables to staff	**2,304**	1,236
Advanced receipt of investment *(Note ii)*	**–**	200,000
Accrued listing expenses	**6,697**	1,957
Accrued issue costs	**280**	876
Others	**5,569**	6,194
	191,224	346,589
	547,694	626,492

Notes:

(i) In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Group has entered into reverse factoring arrangements. The contractual arrangements in place permit the suppliers to obtain the amounts billed less 3.40% discount with the amounts paid by the relevant bank. The Group will repay bank the full invoice amounts on the scheduled payment dates as required by the invoices. As the arrangements do not permit the group to extend finance from bank by paying bank later than the group would have paid its supplier, the Group considers amounts payable to the bank should be classified as trade payables. The reverse factoring arrangements permit the bank to early settle invoices equal to RMB120,000,000 per month during the year ended December 31, 2024 (2023: RMB90,000,000), and the maximum amount used in a month were RMB36,414,000 during the year ended December 31, 2024 (2023: RMB27,083,000). As at December 31, 2024, 30.49% of trade payables were amounts owed under these arrangements (2023: 25.94%).

(ii) The amounts represented advanced receipt from an independent investor related to issue of ordinary shares in January 2024.

The normal credit term to the Group is ranged within one year.

30. TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables/trade payables under supplier finance arrangements of the Group based on the invoice dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Within 90 days	**156,057**	188,764
91 – 180 days	**66,266**	22,591
181 – 365 days	**75,379**	5,373
1 to 2 years	**39,465**	44,337
2 to 3 years	**6,759**	5,454
More than 3 years	**3,146**	1,320
	347,072	267,839

The following is an aging analysis of bills payables based on the bill issuance dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
0 – 180 days	**9,398**	12,064

The Group's bills payables were issued by banks and were secured by the Group's restricted bank deposits and debt instruments at FVTOCI for both years.

31. BORROWINGS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Bank borrowings	**884,042**	837,149
Other borrowings *(Note i)*	**42,537**	–
	926,579	837,149
Secured *(Note ii)*	**454,037**	407,555
Unsecured	**472,542**	429,594
	926,579	837,149
Fixed-rate borrowings	**556,119**	477,665
Variable-rate borrowings	**370,460**	359,484
	926,579	837,149
Carrying amount repayable: (based on scheduled payment terms)		
Within one year	**520,977**	447,989
More than one year, but not exceeding two years	**126,798**	149,600
More than two years, but not exceeding five years	**88,253**	239,560
More than five years	**190,551**	–
	926,579	837,149
Less: Amount due for settlement within 12 months shown under current liabilities	**520,977**	447,989
Amount due for settlement after 12 months shown under non-current liabilities	**405,602**	389,160

Notes:

(i) As at December 31, 2024, other borrowings of the Group represented the transfer proceeds received from sale leaseback transactions in 2024. The effective interest rate of other borrowing ranged from 6.39% to 7.78% per annum.

(ii) As at December 31, 2023, the Group's borrowings of RMB454,037,000 and RMB54,139,000 were pledged by the buildings and leasehold lands as disclosed in Note 15 and Note 16, and guaranteed by Hydrogen Cloud Research Institute, a subsidiary of the Company, and Zhangjiagang New Cloud Technology Industry Consulting Enterprise (Limited Partnership) (張家港新雲科技產業諮詢企業(有限合夥) ("**New Cloud Technology**"),a shareholder of the Company.

In May 2024, the aforementioned guarantee from Hydrogen Cloud Research Institute and New Cloud Technology were released.

31. BORROWINGS (continued)

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

	31/12/2024	31/12/2023
Effective interest rate per annum:		
Fixed-rate borrowings	**3.05%-7.78%**	3.65%-4.50%
Variable-rate borrowings	**3.90%-5.00%**	3.90%-5.00%

32. CONTRACT LIABILITIES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Vehicle-mounted high-pressure hydrogen supply systems and related products	**2,461**	514
Equipment for hydrogen refueling stations and related products	**202**	12,754
Water electrolysis hydrogen Production equipment and related products	**3,567**	582
	6,230	13,850

Contract liabilities are expected to be settled within the Group's normal operating cycle and are classified as current liability based on the Group's earliest obligation to transfer goods to the customers.

The contract liabilities of the Group as at January 1, 2024 and 2023, amounted of RMB13,850,000 and RMB17,721,000 were recognised as revenue during the years ended December 31, 2024 and 2023, respectively.

The Group usually receives 20% to 30% of the contract value as deposits from customers for majority of the contracts related to vehicle-mounted high-pressure hydrogen supply systems and related products, equipment for hydrogen refueling stations and related products and water electrolysis hydrogen production equipment and related products when they sign the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of those products.

33. PROVISIONS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Warranty provision		
At beginning of the year	**10,528**	5,372
Additional provision	**9,700**	11,115
Utilization	**(8,722)**	(5,959)
At end of the year	**11,506**	10,528
Analyzed as		
current	**3,735**	3,718
non-current	**7,771**	6,810
	11,506	10,528

The warranty provision represents management's best estimate of the Group's liability under assurance-type warranty granted on products sold which were still under warranty at the end of the reporting period, based on prior experience for defective products.

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/AMOUNT(S) DUE TO AN ASSOCIATE/RELATED PARTIES

Amounts due from associates

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade related		
Huajiu Hydrogen	**100**	120
Jiahua Hydrogen	**1,026**	888
Qilu Hydrogen	**49,127**	59,477
Suzhou Changjia Hydrogen Energy Technology Co., Ltd. (蘇州常嘉氫能源科技有限公司) ("**Suzhou Changjia**") *(Note i)*	**1,511**	1,495
Huajiu New Energy (Luoyang) Co., Ltd. (華久新能源(洛陽)有限公司) ("**Huajiu New Energy**") *(Note ii)*	**2,880**	2,980
Urumqi Outejie	**12,260**	–
Mengfa Guofu	**20,612**	–
	87,516	64,960
Less: Allowance for credit losses	**(2,029)**	(1,144)
	85,487	63,816

Notes:

(i) The entity is a wholly-owned subsidiary of Jiahua Hydrogen.

(ii) The entity is a wholly-owned subsidiary of Huajiu Hydrogen.

As at January 1, 2023, the carrying amount of amounts due from associates net of allowance for ECL from contracts with customers amounted to RMB2,468,000.

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/AMOUNT(S) DUE TO AN ASSOCIATE/RELATED PARTIES (continued)

Amounts due from associates (continued)

The amounts due from associates are trade in nature and from contract with customers. The following is an aged analysis of amounts due from associates of the Group, presented based on invoice dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Within 90 days	**32,257**	58,839
91 – 180 days	**10**	–
181 – 365 days	–	2,730
1 to 2 years	**51,376**	97
2 to 3 years	**97**	118
More than 3 years	**1,747**	2,032
	85,487	63,816

Amount due from a related party

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade related		
Jiangsu Huade Hydrogen Energy Technology Co.,Ltd. (江蘇鏵德氫能源科技有限公司) ("**Jiangsu Huade**") *(Note)*	–	575
Less: Allowance for credit losses	–	(148)
	–	427

Note: The entity is significantly influenced by Zhangjiagang Yongyuan Share Equity Investment Partnership (Limited partnership) (張家港涌源鏵能股權投資合夥企業(有限合夥)), a shareholder of the Company.

As at January 1, 2023, the carrying amount of amount due from a related party net of allowance for ECL from contracts with customers amounted to RMB430,000.

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/AMOUNT(S) DUE TO AN ASSOCIATE/RELATED PARTIES (continued)

Amount due from a related party (continued)

The amount due from a related party are in trade nature and from contract with customers. The following is an aged analysis of amount due from a related party based on invoice dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
More than 3 years	–	427

Amount due to an associate

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade related		
Hycee Pte. Ltd	**118**	–

The amount represented contract liability recognised for sales in which revenue has yet been recognised. The contract liabilities of the Group as at January 1, 2024 and 2023, amounted of nil and RMB9,002,000 were recognised as revenue during the years ended December 31, 2024 and 2023, respectively. The Group usually receives 20% to 30% of the contract value as deposits from associates when they sign the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of those products.

The amount was trade in nature, unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade related balances presented based on the invoice dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
181 – 365 days	**118**	–

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/AMOUNT(S) DUE TO AN ASSOCIATE/RELATED PARTIES (continued)

Amounts due to related parties

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade related		
Shanghai Huajing Hydrogen Energy Technology Co., Ltd. (上海華敬氫能科技有限公司) ("**Shanghai Huajing**") *(Note)*	–	167
Jiangsu Huade	2,395	1,610
	2,395	1,777

Note: The spouse of Mr. Gu Yanjun, one of the non-executive directors of the Group, is the executive director of Shanghai Huajing.

The amount was trade in nature, unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade related balances presented based on the invoice dates:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Within 90 days	2,050	1,610
1 – 2 years	345	–
More than 3 years	–	167
	2,395	1,777

35. DEFERRED INCOME

	31/12/2024 RMB'000	31/12/2023 RMB'000
Subsidies related to assets *(Note i)*	**14,273**	7,696
Subsidies related to research and development activities *(Note ii)*	**61,812**	33,279
	76,085	40,975
Less: current portion	**(49,882)**	(1,341)
Non-current portion	**26,203**	39,634

Notes:

(i) The Group recorded government subsidies related to acquisition of property, plant and equipment as deferred income and amortised it on a systematic basis over the useful lives of the relevant assets.

(ii) During the year ended December 31, 2024, the Group received RMB33,747,000(2023: RMB2,497,000) in relation to its research and development activities. The amounts were recorded as deferred income and released to profit or loss upon certain conditions are fulfilled. During the year ended December 31, 2024, subsidy income of approximately RMB5,214,000 (2023: RMB3,261,000) was released to profit or loss.

As at December 31, 2024, subsidy income of approximately RMB49,882,000(2023: RMB1,341,000) was categorized as current liabilities because the fulfilment date are reasonably estimated within one year.

36. SHARE CAPITAL

	Number of shares	Nominal value of shares RMB'000
Authorized and issued		
As at January 1, 2023	**90,044,488**	90,044
Issue of restricted shares *(Note i)*	**2,784,881**	2,785
As at December 31, 2023	**92,829,369**	92,829
Issue of shares *(Note ii)*	**5,881,191**	5,881
Issue of ordinary shares by way of global offering *(Note iii)*	**6,000,000**	6,000
As at December 31, 2024	**104,710,560**	104,710

Notes:

(i) In December 2023, the Company granted 2,784,881 restricted shares to certain eligible employees and directors through two employee stock ownership platforms with total consideration of RMB22,280,000. The Company received all of the subscription amounts in December 2023, in which, RMB2,785,000 was recognised in share capital and RMB19,495,000 was recognised in share premium. Details of the grant of shares are set out in Note 37.

(ii) In January 2024, the Company issued a total of 5,881,191 ordinary shares at the consideration of RMB228,600,000 to several independent investors. RMB5,881,000 were credited to the Company's share capital and the remaining balance, after deducting issue cost of RMB3,239,000, was credited as share premium. The Company had received all financing proceeds by February 2024.

(iii) On November 15, 2024, the Company has completed a global offering of 6,000,000 H shares of par value of RMB1.00 each at the price of HK$65.00 per ordinary share (approximately equivalent to RMB60.12 per ordinary share). On the same day, the Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited. The proceeds of HK$6,487,000 (approximately equivalent to RMB6,000,000) were credited to the Company's share capital. The remaining proceeds of approximately HK$383,513,000 (approximately equivalent to RMB354,734,000), before share issuance cost, were credited to share premium.

37. SHARE-BASED PAYMENT TRANSACTIONS

(a) Restricted Shares Scheme in 2019

To provide incentives to eligible employees and directors of the Group, an employee share incentive plan (the "**2019 RS Scheme**") was adopted in September 2019. An employee stock ownership platform, namely Zhangjiagang Hydrogen Jie New Energy Technology Partnership (Limited Partnership) (張家港氫捷新能源科技合夥企業(有限合夥)) ("**Hydrogen Jie**"), was established on January 17, 2019 and directly held 1,500,000 ordinary shares of the Company. Eligible employees and directors subscribed for partnership interest of the Hydrogen Jie at a consideration price of RMB1 for RMB1 partnership interest and RMB4 partnership interest of Hydrogen Jie represented 1 ordinary share of the Company.

Details of the restricted shares and share options issued under the 2019 RS Scheme are as follows:

Grant date	Quantity of restricted shares	Grantee	Vesting schedule defined in contract term	Sell back/ repurchase right
January 17, 2019	750,000	Directors and employees	100% fulfillment of requisite service conditions and completion of a qualified IPO	*Note*
November 3, 2019	750,000	Directors and employees	100% fulfillment of requisite service conditions and completion of a qualified IPO	*Note*

Note: If the grantees voluntarily or involuntarily terminate the labor relationship with the Company within three years since grant date, the general partner of Hydrogen Jie has the right to repurchase the granted shares from the grantees at original consideration or original consideration plus interest at rate of 8% per annum, respectively. If the grantees terminate the labor relationship with the Company after three years from grant date but before completion of IPO, the general partner of Hydrogen Jie has the right to repurchase the granted shares from the grantees at the higher of original consideration plus interest at rate of 8% per annum and 50% of fair value of the Company indirectly held by the grantees. The fair value of the Company would be determined with reference to the latest issue price to independent investors during its financing activities.

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(a) Restricted Shares Scheme in 2019 (continued)

The following table summarized the movement of the Group's unvested restricted shares:

	Unvested registered capital '000	Weighted average grant date fair value per registered capital RMB
As at January 1 and December 31, 2023	**1,500**	9.08
Vested	**(1,500)**	9.08
As at December 31, 2024	–	–

Included in the 2019 RS Scheme, 234,800 restricted shares ("**RS**") were granted to Mr. He Guangliang, 25,000 RSs were granted to Mr. Shi Jian, and 25,000 RSs were granted to Ms. Cai Yan.

The total fair value of restricted shares granted under 2019 RS Scheme in January 2019, November 2019 and January 2022 was RMB3,000,000, RMB6,870,000 and RMB4,718,000 at the grant date, respectively. The fair value of restricted shares granted in January 2019, November 2019 and January 2022 were determined with reference to the equity transfer price set out in the equity transfer agreements between the shareholders of the Company and independent third parties in January 2019, the issue price set out in the Company's investment agreements with independent investors in October 2019 and the equity transfer price set out in the equity transfer agreements between the shareholders of the Company and independent third parties in February 2022, respectively. Share-based payment expenses of RMB2,849,000 were fully recognised during the year ended December 31, 2024 (2023: Nil).

(b) Restricted Shares Scheme in 2023

To provide incentives to eligible employees and directors of the Group, an employee share incentive plan (the "**2023 RS Scheme**") was adopted in December 2023. Two employee stock ownership platforms, namely Zhangjiagang Hydrogen Win New Energy Industry Partnership (Limited Partnership) (張家港氫贏新能源產業合夥企業(有限合夥)) ("**Hydrogen Win**") and Zhangjiagang Hydrogen Ying New Energy Industry Partnership (Limited Partnership) (張家港氫盈新能源產業合夥企業(有限合夥)) ("**Hydrogen Ying**") were established on December 14, 2023 and directly held 2,784,881 ordinary shares of the Company. Eligible employees and directors subscribed for partnership interest of the Hydrogen Win and Hydrogen Ying at a consideration price of RMB1 for RMB1 partnership interest and RMB8 partnership interest of Hydrogen Jie represented 1 ordinary share of the Company.

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) Restricted Shares Scheme in 2023 (continued)

Details of the restricted shares issued under the 2023 RS Scheme are as follows:

Grant date	Quantity of restricted shares	Grantee	Vesting schedule defined in contract term	Sell back/ repurchase right
December 1, 2023	992,639	Directors and employees	50% 13 months after grant date; 30% 25 months after grant date; 20% 37 months after grant date with the achievement of the Group's performance conditions	*Note*
December 1, 2023	1,792,242	Directors and employees	50% 13 months after grant date; 30% 25 months after grant date; 20% 37 months after grant date with the achievement of certain individual and the Group's performance conditions	*Note*

Note: If the grantees voluntarily terminate the labor relationship with the Company, the ultimate controlling shareholders of the Company has the right to repurchase the unvested shares from the grantees at original consideration plus interest at loan prime rate ("**LPR**") of similar period.

The following table summarized the movement of the Group's unvested restricted shares:

	Unvested registered capital '000	Weighted average grant date fair value per registered capital RMB
As at January 1, 2023	–	–
Granted	**2,785**	38.87
As at December 31, 2023	**2,785**	38.87
Forfeited	**(108)**	38.87
Granted	**108**	38.87
Vested	**(1,392)**	38.87
As at December 31, 2024	**1,393**	38.87

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) Restricted Shares Scheme in 2023 (continued)

Included in the 2023 RS Scheme, 475,000 RSs were granted to Mr. Wu Pinfang, 10,000 RSs were granted to Mr. Shi Jian, and 250,000 RSs were granted to Mr. He Guangliang.

The total fair value of restricted shares granted under 2023 RS Scheme was RMB108,247,000 at the grant date which were determined with reference to the issue price set out in the Company's investment agreements with independent investors in January 2024. Share-based payment expenses of RMB57,634,000 were recognised during the year ended December 31, 2024 (2023: RMB4,804,000).

38. RELATED PARTY TRANSACTIONS

The Group has the following transactions and balances with the related parties:

(a) Related party transactions

Sales of products to associates

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Huajiu Hydrogen	**212**	40
Jiahua Hydrogen	**123**	–
Qilu Hydrogen	**–**	85,969
Suzhou Changjia	**114**	91
Huajiu New Energy	**57**	5,542
Mengfa Guofu	**23,912**	–
Urumqi Outejie	**10,850**	–
	35,268	91,642

Purchase of materials from a related party

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Jiangsu Huade	**1,814**	2,035

38. RELATED PARTY TRANSACTIONS (continued)

(b) Related party balances

Details of the outstanding balances with related parties are set out in Note 34.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Salaries and other benefits	**4,085**	3,792
Discretionary bonuses	**537**	701
Retirement benefit scheme contributions	**479**	679
Share-based payments	**19,808**	1,544
	24,909	6,716

39. CAPITAL COMMITMENTS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements:		
– Property, plant and equipment	**52,649**	68,994

40. PLEDGE OF OR RESTRICTIONS ON ASSETS

The Group had pledged the following assets to banks as securities against general banking facilities, including banks borrowings and bills payables granted to the Group:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Property, plant and equipment	**526,355**	457,224
Right-of-use assets	**77,409**	54,178
Restricted bank deposits	**4,413**	21,219
Debt instruments at FVTOCI	**5,000**	–
	613,177	532,621

41. TRANSFER OF FINANCIAL ASSETS

(i) Transferred financial assets that were derecognised in their entirety

The bills accepted by banks with high credit quality were derecognised when they were transferred to banks by discounting or endorsed to certain suppliers for settlement of trade payables. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated statement of financial position. As at December 31, 2024, the Group had derecognised bills discounted or endorsed to certain suppliers amounting to RMB55,154,000 (2023: RMB16,444,000).

(ii) Transferred financial assets that were not derecognised in their entirety

At December 31, 2024, bills receivable with a total carrying amount of RMB2,166,000 (2023: RMB550,000) were transferred to banks by discounting or endorsed to certain suppliers for settlement of trade payables. If the bills are not paid on maturity, the banks or suppliers have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the bills receivables to its banks or suppliers upon endorsement, it continues to recognise the full carrying amount of bills receivables and has recognised the payables from the endorsement of the bills with full recourse.

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt.

43. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	31/12/2024 **RMB'000**	31/12/2023 RMB'000
Financial assets		
Amortised cost (including cash and cash equivalents)	**1,108,147**	897,230
Equity instrument at FVTOCI	**36,566**	34,333
Debt instruments at FVTOCI	**28,697**	33,530
Financial assets at FVTPL	**28,803**	–
	1,202,213	965,093
Financial liabilities		
Amortised cost	**1,460,578**	1,445,963

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, debt instruments at FVTOCI, equity instrument at FVTOCI, other financial asset, financial assets at FVTPL, amounts due from associates, amount due from a related party, restricted bank deposits, cash and cash equivalents, trade and other payables, borrowings, amounts due to related parties. Details of the financial instruments are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign exchange hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of each reporting period are mainly as follows:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Assets		
HK$	**267,402**	–
USD	**64,707**	15,072
Liabilities		
HK$	**4**	–
USD	**978**	–

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in RMB against the relevant foreign currencies, the foreign currency with which the Group may have a material exposure. 5% (2023: 5%) represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. A negative number below indicates an increase in loss where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on loss for the year.

	31/12/2024 RMB'000	31/12/2023 RMB'000
Impact on profit or loss		
HK$	**(11,364)**	–
USD	**(2,708)**	(641)

(ii) Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to debt instruments at FVTOCI, other financial asset, fixed-rate borrowings (note 31), lease liabilities and cash flow interest rate risk in relation to variable-rate cash and cash equivalents, pledged bank deposits and variable-rate borrowings (note 31). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2023: 50 basis points) increase or decrease in variable-rate bank borrowings are used represents management's assessment of the reasonably possible change in interest rates. Cash and cash equivalents and pledged bank deposits are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate cash and cash equivalents and pledged bank deposits is insignificant.

If the interest rate on variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2024 would increase/decrease by RMB1,574,000 (2023: increase/decrease by RMB1,528,000).

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to loan receivables, trade and other receivables, contract assets, restricted bank deposits, amounts due from associates, debt instruments at FVTOCI, amount due from a related party and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables and contract assets (including amounts due from associates and amount due from a related party)

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 99.83% of all trade receivables and contract assets as at December 31, 2024 (2023: 98.83%). The Group has concentration of credit risk as 27.32% (2023: 10.14%) and 54.54% (2023: 54.36%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group performs impairment assessment under ECL model on all trade receivables and contract assets with credit-impaired individually, and the remaining trade receivables and contract assets are grouped based on shared credit risk characteristics by reference to past due exposure and nature, size and industry for the customers.

The table below detail the credit loss allowance provided by the Group based on collective assessment as at December 31, 2024 and 2023:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade receivables	**9,197**	6,759
Contract assets	**538**	544
Amounts due from associates	**2,029**	1,144
Amount due from a related party	**–**	148

The table below detail the credit loss allowance provided by the Group based on individual assessment as at December 31, 2024 and 2023:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade receivables	**94,803**	74,106
Contract assets	**413**	2,533

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables and contract assets (including amounts due from associates and amount due from a related party) (continued)

As at December 31, 2024, the Group individually assessed trade receivables with gross carrying amount of RMB308,590,000 (2023: RMB171,612,000), and contract assets with gross carrying amount of RMB2,187,000 (2023: RMB7,255,000).

Other receivables and loan receivables

For other receivables and loan receivables, the management makes periodic individual assessment on the recoverability of other receivables and loan receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Debt instruments at FVTOCI

Debt instruments at FVTOCI were all bank-issued notes. Since the issuers were reputable banks of good credit quality, the management of the Group considered the credit risk of these bank issued bills is insignificant and no impairment was provided on them at the year end.

Restricted bank deposits and cash and cash equivalents

The credit risk on restricted bank deposits and cash and cash equivalents are limited because the counterparties are reputable banks with high credit ratings assigned by credit-rating agencies.

The Group assessed 12m ECL for restricted bank deposits and cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits and cash and cash equivalents is considered to be insignificant and therefore no loss allowance was recognised.

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets/ trade-related amount due from associates/ a related party	Other financial assets/other items
Low risk	The counterparty has a low risk of default	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount 31/12/2024 RMB'000	31/12/2023 RMB'000
Financial assets at amortised cost					
Cash and cash equivalents	*29*	N/A	12m ECL	**335,863**	333,298
Restricted bank deposits	*29*	N/A	12m ECL	**4,413**	21,219
Amounts due from associates	*34*	Note	Lifetime ECL (collective assessment)	**87,516**	64,960
Amount due from a related party	*34*	Note	Lifetime ECL (collective assessment)	**–**	575
Trade receivables	*24*	Note	Lifetime ECL (collective assessment)	**450,278**	370,857
Credit impaired				**308,590**	171,612
				758,868	542,469
Other receivables	*24*	Low risk	12m ECL	**6,829**	4,978
Loan receivables	*23*	Low risk	12m ECL	**2,750**	12,200
Financial asset at FVTOCI					
Debt instruments at FVTOCI	*26*	N/A	12m ECL	**28,697**	33,530
Other Item					
Contract assets	*25*	Note	Lifetime ECL (collective assessment)	**25,562**	31,776
Credit impaired				**2,187**	7,255
				27,749	39,031

Note: For trade receivables, contract assets, amounts due from associates and amount due from a related party, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by internal credit rating.

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its business operation. The following table provides information about the exposure to credit risk for all trade receivables, contract assets, amounts due from associates and amount due from a related party, which are assessed on a collective basis within lifetime ECL (not credit-impaired) as at December 31, 2024 and 2023. Debtors with credit-impaired with gross carrying amounts of RMB310,777,000 as at December 31, 2024 were assessed individually (2023: RMB178,867,000).

	Gross carrying amount			
	31/12/2024		31/12/2023	
	Average loss rate %	**Trade receivables, contract assets, amounts due from associates and amount due from a related party RMB'000**	Average loss rate %	Trade receivables, contract assets, amounts due from associates and amount due from a related party RMB'000
Internal credit rating				
Low risk	**1.53**	**137,642**	1.51	307,622
Doubtful	**2.70**	**425,714**	2.45	160,546
		563,356		468,168

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts.

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Internal credit rating (continued)

In the opinion of the directors of the Company, all trade receivables, contract assets, amounts due from associates and amount due from a related party within Group low risk and doubtful at the end of the reporting period which have been past due over 90 days are not considered as in default by considering the historical and expected subsequent repayment from the trade debtors.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables, contract assets, amounts due from associates and amount due from a related party under the simplified approach.

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at January 1, 2023	6,375	72,996	79,371
Transfer to credit-impaired	(4,583)	4,583	–
Impairment loss recognised	9,015	11,390	20,405
Impairment loss reversed	(2,212)	(12,330)	(14,542)
As at December 31, 2023	8,595	76,639	85,234
Transfer to credit-impaired	(992)	992	–
Impairment loss recognised	9,223	19,942	29,165
Impairment loss reversed	(3,211)	(4,208)	(7,419)
As at December 31, 2024	13,615	93,365	106,980

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the utilizations of bank borrowings and relies on issuance of ordinary shares and bank borrowings as significant sources of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2024							
Trade and other payables	–	531,604	–	–	–	531,604	531,604
Amounts due to related parties	–	2,395	–	–	–	2,395	2,395
Borrowings – fixed rate	3.68	492,051	77,473	–	–	569,524	556,119
Borrowings – variable rate	4.22	56,172	63,728	121,950	211,372	453,222	370,460
Lease liabilities	4.83	531	531	–	–	1,062	1,014
		1,082,753	141,732	121,950	211,372	1,557,807	1,461,592

43. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At December 31, 2023						
Trade and other payables	–	607,037	–	–	607,037	607,037
Amounts due to related parties	–	1,777	–	–	1,777	1,777
Borrowings – fixed rate	3.91	371,743	61,932	59,637	493,312	477,665
Borrowings – variable rate	4.12	101,430	102,663	200,979	405,072	359,484
Lease liabilities	4.00	798	373	–	1,171	1,142
		1,082,785	164,968	260,616	1,508,369	1,447,105

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group use market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engage third party qualified valuers to perform the valuation and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

43. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at December 31, 2024 RMB'000	Fair value as at December 31, 2023 RMB'000	**Fair value hierarchy**	**Valuation technique(s) and key inputs**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Debt instruments at FVTOCI	28,697	33,530	Level 2	Discounted cash flow Method, estimated based on discount rate observed in the available market	N/A	N/A
Equity instrument at FVTOCI	36,566	34,333	As at December 31, 2024: Level 3	Market approach, estimated based on market Price-to-Book Ratio ("**PBR**") after discounts for lack of marketability ("**DLOM**")	PBR and DLOM	The higher the PBR, the higher the fair value The higher the DLOM, the lower the fair value *(Note)*
			As at December 31, 2023: Level 2	Recent transaction price	N/A	N/A
Financial assets at FVTPL	28,803	–	As at December 31, 2024: Level 3	Discounted cash flows method, estimated based on expected return and market foreign exchange rate	Expected return and market foreign exchange rate	The higher the expected return and market foreign exchange rate, the higher the fair value

Note: A 1% increase or decrease in PBR holding all other variables keep constant would increase or decrease the carrying amount of the equity instrument at FVTOCI as at December 31, 2024 by RMB366,000.

A 1% increase or decrease in DLOM holding all other variables keep constant would decrease or increase the carrying amount of the equity instrument at FVTOCI as at December 31, 2024 by RMB366,000.

43. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

There were no transfers between level 1 and level 2 during the years ended December 31, 2024 and 2023.

The Group owns 14.31% and 14.31% equity interest in Lingniu as at December 31, 2024 and 2023 respectively that is classified as investment at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at December 31, 2024 and 2023 amounted to RMB36,566,000 and RMB34,333,000 respectively. The fair value of the investment as at December 31, 2023 was measured using recent transaction price and hence were classified as Level 2 of the fair value hierarchy. Recent transaction price of Lingniu was not available for its fair value determination as at December 31, 2024, therefore, the fair value of the investment was determined based on market approach and was classified as Level 3 of the fair value hierarchy.

(ii) Reconciliation of Level 3 fair value measurements

	Equity instrument at FVTOCI RMB'000	Financial assets at FVTPL RMB'000
At December 31, 2023	–	–
Total gains in other comprehensive income	2,233	–
Purchased	–	28,803
Transfers into level 3 due to change of valuation technique	34,333	–
At December 31, 2024	36,566	28,803

Included in other comprehensive income is an amount of RMB2,233,000 gain relating to unlisted equity investment classified as equity instrument at FVTOCI held as at December 31, 2024 and is reported as changes of FVTOCI reserve.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

44. RETIREMENT BENEFIT PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB17,998,000 (2023: RMB13,288,000) for the year ended December 31, 2024.

45. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place and date of establishment/ incorporation	Issued and fully paid-in/ registered capital	Proportion of ownership interest and voting power held by the Company 31/12/2024 %	31/12/2023 %	Principal activities
Directly held					
Hydrogen Cloud Research Institute	PRC August 10, 2017	RMB20,341,100	**90.46**	90.46	Research and development activities
Beijing Guofu	PRC April 25, 2021	RMB2,790,000	**100**	100	Special equipment manufacturing
Shanghai Qingping	PRC January 14, 2021	RMB62,600,000	**100**	100	Special equipment manufacturing
Sichuan Guofu	PRC August 13, 2021	Nil	**100**	100	Science and technology application services
Inner Mongolia Guofu Hydrogen Energy Technology Co., Ltd. (內蒙古國富氫能科技有限公司)	PRC November 29, 2022	Nil	**100**	100	Sales of hydrogen equipment
Shanghai Guofu	PRC January 25, 2022	RMB48,000,000	**100**	100	Special equipment manufacturing
Xinjiang Guofu *(Note i)*	PRC January 25, 2022	RMB23,050,000	**92.02**	90	Sales of hydrogen equipment services
GF Hydrogen Europe GmbH *(Note iv)*	Germany July 11, 2022	USD99,999 and EUR200,000	**100**	–	International wholesale and retail trade, including import and export of hydrogen energy products and equipment, e-commerce and commercial agency services

45. PARTICULARS OF SUBSIDIARIES (continued)

Name of subsidiaries	Place and date of establishment/ incorporation	Issued and fully paid-in/ registered capital	Proportion of ownership interest and voting power held by the Company 31/12/2024 %	31/12/2023 %	Principal activities
Indirectly held					
Shanghai Qingmai *(Note ii)*	PRC January 4, 2021	RMB30,000,000	**81**	81	Science and technology application services
GF Hydrogen Europe GmbH *(Note iv)*	Germany July 11, 2022	USD99,999 and EUR200,000	–	100	International wholesale and retail trade, including import and export of hydrogen energy products and equipment, e-commerce and commercial agency services
Guofuhee Holdings Pte. Ltd. *(Note iii)*	Singapore December 4, 2023	USD5,000,000	**100**	100	Research and experimental development in environmental and clean technologies (excluding biotechnology)
GFH2 Dubai *(Note iii)*	United Arab Emirates October 10, 2023	USD600,000	**100**	100	Renewable energy consultancy

Notes:

i. In September 2023, the Group acquired 70% equity interest of Xinjiang Guofu from an independent third party, Urumqi Longshengda Environmental Protection Technology Co., Ltd. (烏魯木齊市隆盛達環保科技有限公司), with a total consideration of RMB400,000. Upon the completion of this acquisition, Company held 90% equity interest of Xinjiang Guofu. In April, June, July and August 2024, the Group contributed cash of RMB16,550,000 as additional capital injection in Xinjiang Guofu and held 92.02% equity interest as at December 31, 2024.

ii. Shanghai Qingmai is a subsidiary of Hydrogen Cloud Research Institute.

iii. Guofuhee Holdings Pte. Ltd. and GFH2 Dubai are subsidiaries of Shanghai Guofu.

iv. GF Hydrogen Europe GmbH was a subsidiary of Shanghai Guofu for the year ended December 31, 2023. On March 21, 2024, Shanghai Guofu entered into an agreement with the Company to transfer 100% equity interest of GF Hydrogen Europe GmbH to the Company with a consideration of Nil. Upon the completion of the equity transfer, GF Hydrogen Europe GmbH became a wholly-owned subsidiary of the Company.

None of the subsidiaries had issued any debt securities at the end of the year.

46. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings RMB'000	Lease liabilities RMB'000	Accrued/Prepaid issue costs RMB'000	Advanced receipt of investment RMB'000	Total RMB'000
At January 1, 2023	534,249	354	–	–	534,603
Financing cash flows	273,453	(483)	(700)	200,000	472,270
Issue costs incurred	–	–	1,443	–	1,443
New leases entered	–	1,242	–	–	1,242
Finance costs	29,447	29	–	–	29,476
At December 31, 2023	837,149	1,142	743	200,000	1,039,034
Financing cash flows	56,339	(1,158)	(11,784)	–	43,397
Issue costs incurred	–	–	11,321	–	11,321
New leases entered	–	1,498	–	–	1,498
Lease terminated	–	(541)	–	–	(541)
Issue of shares	–	–	–	(200,000)	(200,000)
Finance costs	33,091	73	–	–	33,164
At December 31, 2024	926,579	1,014	280	–	927,873

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31/12/2024 RMB'000	31/12/2023 RMB'000
Non-current assets		
Property, plant and equipment	701,360	651,609
Right-of-use assets	52,205	55,310
Intangible assets	9,795	11,427
Investments in associates	130,710	30,636
Investments in subsidiaries	157,591	77,746
Contract assets	16,428	11,644
Deferred tax assets	112,959	68,970
Prepayment for acquisition of property, plant and equipment	4,335	21,455
Loan receivables	1,320	1,760
Trade receivables	63,643	12,938
	1,250,346	943,495
Current assets		
Inventories	129,470	178,431
Loan receivables	978	10,440
Trade and other receivables	609,733	477,384
Contract assets	10,370	24,310
Debt instruments at FVTOCI	27,469	33,530
Amounts due from associates	85,487	63,816
Amounts due from subsidiaries	52,553	55,378
Financial assets at FVTPL	28,803	–
Restricted bank deposits	4,413	21,219
Cash and cash equivalents	316,326	300,934
	1,265,602	1,165,442

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	31/12/2024 RMB'000	31/12/2023 RMB'000
Current liabilities		
Trade and other payables	**546,277**	614,844
Borrowings	**485,197**	447,989
Lease liabilities	**–**	770
Provisions	**3,735**	3,718
Contract liabilities	**5,782**	13,850
Amounts due to related parties	**2,395**	1,777
Amounts due to subsidiaries	**28,348**	5,233
Deferred income	**49,882**	1,341
	1,121,616	1,089,522
Net current assets	**143,986**	75,920
Total assets less current liabilities	**1,394,332**	1,019,415
Capital and reserves		
Share capital	**104,710**	92,829
Reserves	**907,487**	494,642
Total equity	**1,012,197**	587,471
Non-current liabilities		
Borrowings	**351,893**	389,160
Lease liabilities	**–**	372
Provisions	**7,771**	6,810
Deferred income	**22,471**	35,602
	382,135	431,944
	1,394,332	1,019,415

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium RMB'000	FVTOCI reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2023	731,614	(493)	–	(194,403)	536,718
Loss for the year	–	–	–	(66,613)	(66,613)
Other comprehensive income for the year	–	238	–	–	238
Total comprehensive income (expense) for the year	–	238	–	(66,613)	(66,375)
Issue of restricted shares *(Note 36)*	19,495	–	–	–	19,495
Recognition of equity-settled share-based payments *(Note 37)*	–	–	4,804	–	4,804
At December 31, 2023	751,109	(255)	4,804	(261,016)	494,642
Loss for the year	–	–	–	(209,155)	(209,155)
Other comprehensive income for the year	–	67	–	–	67
Total comprehensive income (expense) for the year	–	67	–	(209,155)	(209,088)
Issue of shares *(Note 36)*	219,480	–	–	–	219,480
Issue of shares upon the IPO *(Note 36)*	354,734	–	–	–	354,734
Transaction costs attribute to issue of new shares	(12,764)	–	–	–	(12,764)
Recognition of equity-settled share-based payments *(Note 37)*	–	–	60,483	–	60,483
At December 31, 2024	1,312,559	(188)	65,287	(470,171)	907,487

48. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Group after December 31, 2024 and up to the date of this report.

Definitions

"AGM"	the annual general meeting of the Company to be held on Tuesday, May 20, 2025
"Articles of Association"	the articles of association of our Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Company" or "our Company"	Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (江蘇國富氫能技術裝備股份有限公司), a limited liability company established in the PRC on June 13, 2016 and converted into a joint stock limited company on August 31, 2020, whose H Shares have been listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of our Company
"Domestic Unlisted Share(s)"	ordinary Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"FY2023"	the year ended December 31, 2023
"FY2024"	the year ended December 31, 2024
"Global Offering"	an offering of 6,000,000 H Shares, comprising a final Hong Kong public offering of 600,000 H Shares and a final international offering of 5,400,000 H Shares
"Group", "we", "us" or"our"	the Company and its subsidiaries from time to time
"Inner Mongolia Guofu"	Inner Mongolia Guofu Hydrogen Energy Technology Co., Ltd.* (內蒙古國富氫能科技有限公司), a limited liability company incorporated in the PRC on November 29, 2022 and a wholly-owned subsidiary of the Company
"H Share(s)"	overseas-listed, foreign-invested, ordinary Shares issued by the Company with a nominal value of RMB1.00 each in the share capital of the Company, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

Definitions

"Hydrogen Cloud Research Institute"	Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd.* (張家港氫雲新能源研究院有限公司), a limited liability company incorporated in the PRC on August 10, 2017, held by the Company as to 90.46% and Jiangsu Southeast University Asset Management Co., Ltd.* (江蘇東南大學資產經營有限公司) as to 9.54%, and a non-wholly owned subsidiary of the Company
"Hydrogen Win New Energy"	Zhangjiagang Hydrogen Win New Energy Industry Partnership (Limited Partnership)* (張家港氫贏新能源產業合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2023 as an employee incentive platform and was owned by 38 limited partners, with the general partner being Mr. Wu
"Hydrogen Ying New Energy"	Zhangjiagang Hydrogen Ying New Energy Industry Partnership (Limited Partnership)* (張家港氫盈新能源產業合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2023 as an employee incentive platform and was owned by 39 limited partners, with the general partner being Mr. Wu
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange on November 15, 2024
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Wang"	Mr. Wang Kai (王凱), the general manager of the Company and an executive Director
"Mr. Wu"	Mr. Wu Pinfang (鄔品芳), the chairman of the Board and an executive Director
"New Cloud Technology"	Zhangjiagang New Cloud Technology Industry Consulting Enterprise (Limited Partnership)* (張家港新雲科技產業諮詢企業(有限合夥)), a limited partnership incorporated in the PRC on April 11, 2016, with two general partners, being Mr. Wu and Mr. Wang, and 24 limited partners
"Nomination Committee"	the nomination committee of the Board
"PRC" or "China"	The People's Republic of China

"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Pre-IPO Share Incentive Plan(s)"	the pre-IPO employee share incentive plans adopted by the Company on January 13, 2019, October 10, 2020 and November 24, 2023, the principal terms of which are summarized under the section headed "Report of the Board of Directors – Pre-IPO Share Incentive Plans" in this annual report
"Prospectus"	the prospectus issued by the Company in connection with the Global Offering dated November 7, 2024
"Qingjie New Energy"	Zhangjiagang Qingjie New Energy Technology Partnership (Limited Partnership)* (張家港氫捷新能源科技合夥企業(有限合夥)), a limited partnership established in the PRC on January 17, 2019 as an employee incentive platform and was owned by 37 limited partners, with the general partner being Mr. He Guangliang (何光亮), a Supervisor
"R&D"	research and development
"Remuneration and Review Committee"	the remuneration and review committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Guofu"	Shanghai Guofu Hydrogen Energy Technology Equipment Co., Ltd.* (上海國富氫能技術裝備有限公司), a limited liability company incorporated in the PRC on January 25, 2022 and a wholly-owned subsidiary of the Company
"Shanghai Qingmai"	Shanghai Qingmai Engineering Technology Co., Ltd.* (上海氫邁工程技術有限公司), a limited liability company incorporated in the PRC on January 4, 2021, held by Hydrogen Cloud Research Institute, Li Huaqiang (李華強) and Wang Xiaohong (王曉虹) as to 90.00%, 5.00% and 5.00%, respectively, and a non-wholly owned subsidiary of the Company
"Shanghai Qingping"	Shanghai Qingping Technology Equipment Co., Ltd.* (上海氫平技術裝備有限公司), a limited liability company incorporated in the PRC on January 14, 2021 and a wholly-owned subsidiary of the Company
"Share(s)"	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, comprising the Domestic Unlisted Shares and our H Shares

Definitions

"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of our Company
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"%"	per cent

If there is any inconsistency between the names of any of the entities, laws and regulations mentioned in this annual report which are not in the English language and their English translations, the names in their respective original languages shall prevail. The English translations are marked with "" for identification purpose only.*