



亿华通  
SinoHytec

北京億華通科技股份有限公司  
Beijing SinoHytec Co., Ltd.

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

Stock Code: 2402



ANNUAL REPORT  
2024

## IMPORTANT NOTICE

- I. The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors (the “Supervisors”) and senior management of Beijing SinoHytec Co., Ltd. (the “Company”) confirm that the information contained in this annual report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

## II. THE COMPANY WAS NOT PROFIT-MAKING UPON LISTING AND NOT YET PROFIT-MAKING

The Company was listed in accordance with the standard set out in item (4) of Rule 2.1.2 of the SSE STAR Market Listing Rules and was not profit-making upon listing. In 2024, the Company realized operating income of RMB366.6714 million; net losses attributable to owners of the listed company of RMB456.4329 million; net losses after deducting non-recurring gains or losses attributable to owners of the listed company of RMB542.7570 million. During the Reporting Period, the Company was not profit-making.

## III. NOTICE OF SIGNIFICANT RISKS

### 1. Risk of loss in performance

During the Reporting Period, the net losses attributable to shareholders of the listed company was RMB456.4329 million, representing a year-on-year increase of RMB213.2292 million. The loss in performance for the period was mainly due to the following: (1) fuel cell industry is still in the initial stage of industrialization, and the overall market size was limited. With the increasing macroeconomic uncertainties, the Company is experiencing rising pressure on cash flow, which has affected the progress of order projects; (2) fuel cell industry was highly competitive. The decrease in selling prices of the products was greater than the decrease in costs, resulting in a decline in the Company’s gross profit margins and the compression of profit margins; (3) the provisions for expected credit risk losses on receivables made by the Company increased, further reducing operating profits.

The Company fully implements fine management to reduce unit product cost, and tries to intervene in the upstream hydrogen source link to achieve the collaborative operation of the industrial chain from fuel cell system to hydrogen supply, enhance the Company’s comprehensive competitiveness and enhance the ability to resist risks. However, if the development of the industry in the future fails to meet expectations, the market demand continues to decline, or the industry competition further intensifies, the Company cannot obtain sufficient more orders and expand sales to the level of economic scale that the Company is able to make a turnaround, losses may continue to suffer.

### 2. Risk of continuous negative operating cash flow

The operating cash flow of the Company continued to be negative, mainly due to the large amount of working capital appropriated to the accounts receivable and inventory of the Company. The industry in which the Company is located is still in the development stage, the capital demand will still grow rapidly, and the continuous negative operating cash flow may lead to insufficient working capital of the Company. As the Company is still in the early stage of development, its ability of alternative financing is limited. If the Company is unable to broaden its financing channels and effectively improve operating cash flow in the future, the Company may expose to the risk of insufficient working capital.



## IMPORTANT NOTICE

- IV.** All Directors of the Company attended the Board meeting.
- V.** BDO China Shu Lun Pan Certified Public Accountants LLP has issued an auditors' report with standard unqualified opinions for the Company.
- VI.** Zhang Guoqiang, the Person-in-charge of the Company, Song Haiying, the Chief Financial Controller and Zhang Hongli, Head of the Finance Department (Person in Charge of Accounting) represent and warrant the truthfulness, accuracy and completeness of the financial statements set out in the annual report.

### **VII. PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL FOR CONVERSION OF CAPITAL RESERVE TO THE SHARE CAPITAL DURING THE REPORTING PERIOD APPROVED BY THE BOARD BY RESOLUTIONS**

The Company's profit distribution plan for the year of 2024 is: it intended not to distribute cash dividend or bonus share or transfer capital reserve into share capital.

The profit distribution plan above considered and approved at the Twenty-third Meeting of the Third Session of the Board of Directors and the Eighteenth Meeting of the Third Session of the Board of Supervisors. The profit distribution plan is subject to consideration at the 2024 Annual General Meeting of the Company.

### **VIII. WHETHER THERE ARE IMPORTANT MATTERS SUCH AS SPECIAL ARRANGEMENTS FOR CORPORATE GOVERNANCE**

No

### **IX. DISCLAIMER OF FORWARD-LOOKING STATEMENTS**

Forward-looking statements such as future plans and development strategies of the Company contained in this report do not constitute any substantive commitment to investors by the Company. Investors should be aware of the investment risks.

### **X. WHETHER THERE IS APPROPRIATION OF FUNDS OF THE COMPANY BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES**

For details, please refer to "II. Occupation of Funds by Controlling Shareholders and Other Related Parties for Non-operating Purpose During the Reporting Period" under "Section VI Significant Events".

## IMPORTANT NOTICE

**XI. WHETHER THE COMPANY HAS PROVIDED EXTERNAL GUARANTEES IN VIOLATION OF ANY PRESCRIBED DECISION-MAKING PROCEDURES**

No

**XII. WHETHER MORE THAN HALF OF THE DIRECTORS CANNOT GUARANTEE THE AUTHENTICITY, ACCURACY AND COMPLETENESS OF THE ANNUAL REPORT DISCLOSED BY THE COMPANY**

No

**XIII. OTHERS**

N/A

# CONTENTS

SECTION I	DEFINITIONS	2
SECTION II	COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS	6
SECTION III	MANAGEMENT DISCUSSION AND ANALYSIS	15
SECTION IV	CORPORATE GOVERNANCE	72
SECTION V	ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	122
SECTION VI	SIGNIFICANT EVENTS	153
SECTION VII	CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS	169
SECTION VIII	INFORMATION ON PREFERENCE SHARES	181
SECTION IX	INFORMATION ON BONDS	182
SECTION X	FINANCIAL STATEMENTS	183

Documents available for inspection	Financial statements signed and sealed by the person-in-charge of the Company, the person-in-charge of accounting affairs and the person-in charge of the accountant firm;
	Original copy of the audit report with the seal of the accounting firm and the signatures and seals of the certified public accountants;
	Original copies of all documents and announcements of the Company publicly disclosed during the Reporting Period.

# SECTION I DEFINITIONS

## I. DEFINITIONS

In this report, unless the context otherwise requires, the following terms shall have the following meanings:

### Definition of common terms

Company/SinoHytec	Beijing SinoHytec Co., Ltd.,
SinoFuelCell	Shanghai SinoFuelCell Co., Ltd., a non wholly-owned subsidiary of the Company
SinoHytec Power	SinoHytec Power Technology Co., Ltd., a wholly-owned subsidiary of the Company
Chengdu SinoHytec	Chengdu SinoHytec Power Technology Co., Ltd., a wholly-owned subsidiary of the Company
SinoHytec Hydrogen	Beijing SinoHytec Hydrogen Technology Co., Ltd., a non wholly-owned subsidiary of the Company
Juxinghuatong	Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zhangjiakou Haiper	Zhangjiakou Haiper New Energy Technology Co., Ltd., an associate of the Company
Toyota Sinohytec	Toyota Sinohytec Fuel Cell Co., Ltd., a joint venture of the Company
United Fuel Cell	United Fuel Cell System R&D (Beijing) Co., Ltd., an associate of the Company
Shuimu Sail	Beijing Shuimu Sail Venture Capital Investment Center (L.P.)
Shuimu Yuanjing	Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.)
Shuimu Changfeng	Beijing Shuimu Changfeng Equity Investment Center (L.P.)
Beiqi Foton	Beiqi Foton Motor Co., Ltd.
Yutong Bus	Yutong Bus Co., Ltd.
Shaanxi Automotive	Shaanxi Automotive Group Co., Ltd.

## SECTION I DEFINITIONS

Ministry of Science and Technology	Ministry of Science and Technology of the People's Republic of China
MOF	Ministry of Finance of the People's Republic of China
MIIT	Ministry of Industry and Information Technology of the People's Republic of China
CSRC	China Securities Regulatory Commission
Beijing Municipal Science and Technology Commission/STCSM	Beijing Municipal Science & Technology Commission/Science and Technology Commission of Shanghai Municipal
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
A Shares	A shares of the Company, with a nominal value of RMB1.00 each, which are listed on the SSE STAR Market and traded in RMB
A Shareholders	Holders of A Shares
H Shares	H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
H Shareholders	Holders of H Shares
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended, supplemented or otherwise modified from time to time)
the SSE STAR Market Listing Rules	Listing Rules of SSE STAR Market (as amended, supplemented or otherwise modified from time to time)
Listing Date	January 12, 2023, being the date on which the H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
RMB	Renminbi, the lawful currency of the PRC
Shares	A Shares and H Shares
Shareholders	Holders of Shares

## SECTION I DEFINITIONS

Trading Days	Business days of the Shanghai Stock Exchange
Sponsor	Guotai Haitong Securities Co., Ltd.
Accountant	BDO China Shu Lun Pan Certified Public Accountants LLP
Articles of Association	the Articles of Association of Beijing SinoHytec Co., Ltd., currently in force
Company Law	Company Law of the PRC
Securities Law	Securities Law of the PRC
A-share Prospectus	Prospectus for the Initial Public Offering and Listing of Shares on the GEM of Beijing SinoHytec Co., Ltd.
Reporting Period	the Year of 2024
fuel cell/hydrogen fuel cell	A power generation device that directly converts externally supplied fuel and chemical energy in oxidants into electricity, heat and other reactants through electrochemical reactions. The externally supplied fuel is hydrogen, while the oxidant is oxygen. Unless otherwise specified, the fuel cell system or hydrogen fuel cell or fuel cell mentioned in this report refers to proton-exchange membrane hydrogen fuel cell, a type of hydrogen fuel cell with perfluorosulfonic acid solid polymer as electrolyte
fuel cell vehicles/hydrogen fuel cell vehicles	vehicles with fuel cell system as the power source or main power source
fuel cell system/engine system/power system	the hydrogen storage and power generation compound system in fuel cell vehicles consists of stacks, air supply system, hydrogen supply system, cooling system, control system, hydrogen storage system, DC/DC and other components
stack	A combination of two or more monomer cells with common pipes and unified power output through a fastener structure
bipolar plates	stack parts, a conductive partition that collects electric current, separates oxidants and reducers and guides the flow of oxidants and reducers on the electrode surface of the battery
PEM	membrane with proton as the conductive charge



## SECTION I DEFINITIONS

catalyst	a substance that can produce an electric catalytic effect and does not enter the molecular composition of the final product itself. The catalyst in this report specifically refers to the catalyst in the membrane electrode module. Catalysts are typically tiny particles that are evenly coated on the proton exchange membrane. These tiny particles are typically carbon carriers and platinum particles, allowing hydrogen to be separated into hydrogen ions (hydrogen ions are the protons), so that hydrogen ions can react to the oxygen in the air through the proton exchange membrane
air compressor	air compressor, a device used to compress gas and increase gas pressure
DC/DC	DC-to-DC converter, in the application scenarios of fuel cell vehicles, is responsible for converting the DC voltage from fuel cell output to the working voltage of the vehicle-driven motor, forming a stable and controllable DC power supply with the fuel cell
rated power	the maximum continuous output power of fuel cell system under the normal operating conditions as specified by the state. The measurement unit of the rated power is kilowatt (kW)
freeze-start temperature	freeze-start temperature, which enables the fuel cell system start up when environmental temperature is lower than 0° C and refers to the start-up of a fuel cell system at a standard environmental temperature after a fully immersive vehicle
durable performance	a period that the fuel cell system can last when it works at a rated work point with power loss of 20%, measured in hours (h)
energy conversion efficiency	conversion of chemical energy in hydrogen into power output efficiency, the higher energy conversion efficiency, the more effective use of hydrogen
Hong Kong	Hong Kong Special Administrative Region of the PRC
RMB, RMB0,000, RMB00 million	Renminbi, Renminbi10,000 and Renminbi100 million

*Note:* Any discrepancies between the sum of the data in the tables of the annual report and the sum shown are due to rounding.

## SECTION II

# COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

### I. BASIC INFORMATION OF THE COMPANY

Chinese name of the Company	北京億華通科技股份有限公司
Abbreviation of the Chinese name	億華通
English name of the Company	Beijing SinoHytec Co., Ltd.
Abbreviation of the English name	SINOHYTEC
Legal representative of the Company	Zhang Guoqiang
Registered address of the Company	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, the PRC
Principal place of business of the Company in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Historical change of the registered address of the Company	No change of registered address after the listing of the Company
Office address of the Company	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, the PRC
Postal code of the office address of the Company	100192
Company website	<a href="http://www.sinohytec.com">http://www.sinohytec.com</a>
E-mail	<a href="mailto:sinohytec@autoht.com">sinohytec@autoht.com</a>

### II. CONTACT PERSON AND CONTACT METHOD

	<b>Secretary to the Board</b>	<b>Securities Affairs Representative</b>
Name	Kang Zhi	Bao Xingzhu
Address	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing
Telephone	86-10-62796418-821	86-10-62796418-821
Fax	010-62794725	010-62794725
E-mail	<a href="mailto:sinohytec@autoht.com">sinohytec@autoht.com</a>	<a href="mailto:sinohytec@autoht.com">sinohytec@autoht.com</a>

## SECTION II

# COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

### III. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name and website of media for disclosure of A shares annual report	Shanghai Securities News, Securities Times
Website of the stock exchange for disclosure of annual report (A shares annual report)	www.sse.com.cn
Website of the stock exchange for disclosure of annual report (H shares annual report)	www.hkex.com.hk
Place for inspection of annual report (A shares annual report)	Company Board Office
Place for inspection of annual report (H shares annual report)	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong

### IV. PROFILE OF COMPANY STOCK/DEPOSITARY RECEIPTS

#### (I) STOCK PROFILE OF THE COMPANY

✓ Applicable    ☐ Not Applicable

Class of stock	Profile of Stock		Stock code	Stock abbreviation before change
	Class of stock and sector on which the shares are listed	Stock exchange and stock abbreviation		
A shares	The SSE STAR Market	SinoHytec	688339	Nil
H shares	Main Board of the Hong Kong Stock Exchange	SINOHYTEC	02402	Nil

### V. OTHER RELEVANT INFORMATION

Accounting firm engaged by the Company (Domestic)	Name	BDO China Shu Lun Pan Certified Public Accountants LLP
	Office Address	4th Floor, No. 61, Nanjing East Road, Huangpu District, Shanghai
	Name of signing accountants	Tian Wei, Wu Yadi

## SECTION II

### COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

#### VI. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST THREE YEARS

##### (I) Major Accounting Data

Unit: RMB0'000

Major Accounting Data	2024	2023		Increase/ decrease as compared with the same period last year (%)	2022	
		Post- adjustment	Pre- adjustment		Post- adjustment	Pre- adjustment
Operating income	36,667.14	80,070.19	80,070.19	-54.21	73,811.66	73,811.66
Operating income after deducting income not related to principal business and income without commercial substance	34,762.73	78,074.44	78,074.44	-55.47	72,234.13	72,234.13
Net profit attributable to shareholders of the listed company ("-" for loss)	-45,643.29	-24,320.37	-24,320.37	-	-16,673.34	-16,645.43
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss ("-" for loss)	-54,275.70	-30,113.28	-28,783.84	-	-18,479.41	-18,451.50
Net cash flows from operating activities ("-" for loss)	-1,862.38	-56,063.82	-56,063.82	-	-33,211.17	-33,211.17

  

	End of 2024	End of 2023	Increase/ decrease as compared with the end of last year (%)	End of 2022	
				Post- adjustment	Pre- adjustment
Net assets attributable to shareholders of the listed company	256,103.29	304,485.03	-15.89	234,210.31	234,262.20
Total assets	477,896.89	494,572.08	-3.37	378,395.63	377,897.66

## SECTION II

# COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

## (II) Key Financial Indicators

Key Financial Indicators	2024	2023 Post- adjustment	Pre- adjustment	Increase/ decrease as compared with the same period last year (%)	2022 Post- adjustment	Pre- adjustment
Basic earnings per share (RMB/share) ("-" for loss)	-1.97	-1.48	-1.48	-	-1.19	-1.67
Diluted earnings per share (RMB/share) ("-" for loss)	-1.97	-1.48	-1.48	-	-1.19	-1.67
Basic earnings per share after non- recurring profit or loss (RMB/share) ("-" for loss)	-2.34	-1.84	-1.76	-	-1.32	-1.85
Weighted average return on net assets (%)	-16.19	-7.93	-7.93	Decrease by 8.26 percentage points	-6.87	-6.86
Weighted average return on net assets after non-recurring profit or loss (%)	-19.25	-9.82	-9.39	Decrease by 9.43 percentage points	-7.61	-7.60
Proportion of R&D investment in operating income (%)	37.99	21.31	21.31	Increase by 16.68 percentage points	21.65	21.65

### Explanation on the major accounting data and financial indicators of the Company for the last three years as of the end of the Reporting Period

During the Reporting Period, basic losses per share and diluted losses per share was RMB1.97, representing a increase of 33.13% as compared with the same period of previous year; basic losses per share after deducting non-recurring profit or loss was RMB2.34; weighted average return on net assets was -16.19%, representing a decrease of 8.26 percentage points as compared with the same period of previous year; weighted average return on net assets after deducting non-recurring profit or loss was -19.25%, representing a decrease of 9.43 percentage points as compared with the same period of previous year; proportion of R&D investment in operating income was 37.99%, representing an increase of 16.68 percentage points as compared with the same period of previous year.



## SECTION II

### COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

The main reasons for the changes in the above major accounting data and financial indicators are as follows:

- (1) During the Reporting Period, the hydrogen energy industry entered a periodic adjustment cycle, and the Company fell into the dilemma of “taking orders” and “financial security”. Although the top-level policy blueprint was clear, the uncertainty of the macro environment exacerbated the industry dilemma. The Company’s capital turnover pressure is on the rise, forcing the Company to adopt a cautious market expansion strategy, resulting in a year-on-year decrease in the Company’s operating income during the Reporting Period;
- (2) During the Reporting Period, the Company’s fuel cell system sales declined, resulting in a slowdown in the decline in product costs, but the selling price of the fuel cell system continued to decline due to the pressure of market competition during the same period, the combination of the above two factors led to the decline of gross profit margin in the Reporting Period compared with the last year;
- (3) The Company made additional provisions for expected credit risk losses on receivables for the sake of prudence, and the provision for credit impairment loss of RMB201 million in 2024, representing a year-on-year increase of 102.2%, is also an important driver of for the decline of profit in the current period.

#### VII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

**(I) Difference Arising from the Net Profit and Net Assets Attributable to Shareholders of the listed Company in the Financial Statements Disclosed Simultaneously Pursuant to the International Accounting Standards and the Domestic Accounting Standards**

✓ Not Applicable

**(II) Difference Arising from the Net Profit and Net Assets Attributable to Shareholders of the listed Company in the Financial Statements Disclosed Simultaneously Pursuant to the Overseas Accounting Standards and the Domestic Accounting Standards**

✓ Not Applicable

**(III) Explanation on Difference between Overseas and Domestic Accounting Standards:**

✓ Not Applicable

## SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

### VIII. KEY FINANCIAL DATA OF 2024 ON A QUARTERLY BASIS

Unit: RMB0'000

	First quarter (January to March)	Second quarter (April to June)	Third quarter (July to September)	Fourth quarter (October to December)
Operating income	1,314.40	14,069.95	16,276.45	5,006.33
Net profit attributable to shareholders of the listed company ("-" for loss)	-9,120.44	-5,028.49	-11,666.11	-19,828.25
Net profit attributable to shareholders of the listed company after deducting non- recurring profit or loss ("-" for loss)	-9,705.31	-6,096.81	-10,840.68	-27,632.90
Net cash flows from operating activities ("-" for outflow)	-7,989.03	-10,322.98	-3,824.02	20,273.65

Explanation on Difference between Quarterly Results and Information Disclosed in Periodic Reports

☐ Applicable    ☒ Not Applicable

## SECTION II

### COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

#### IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Unit: RMB

Non-recurring profit or loss items	Amount in 2024	Notes (where applicable)	Amount in 2023	Amount in 2022
Profit/loss on disposal of non-current assets, Including the write-off portion of the provision for impairment of assets ("-" for loss)	33,465,122.31	VII.68/73/74/75	-649,227.70	-596,948.97
Government grants included in profit or loss for the current period, except for those closely related to the normal operation of the Company, in line with national policies and regulations, enjoyed according to certain standards and had a continuous impact on the profit or loss of the Company	49,212,037.71	VII.51/67	20,836,608.69	28,011,455.42
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and profits and losses from disposal of financial assets and financial liabilities, except for effective hedging business related to the Company's normal operations	22,529,435.27	VII.68/70	40,289,201.14	7,861,352.93
Profit and loss from debt restructuring ("-" for loss)		VII.68		-4,902,680.00
Other non-operating income and expenses other than the above	1,671,232.62	VII.74/75	-2,228,574.91	85,467.91
Less: Effect of income tax	5,136,993.37		339,395.56	4,528,181.43
Effect of minority interests (after tax)	15,416,696.60		-20,536.38	7,869,716.02
Total	86,324,137.95		57,929,148.04	18,060,749.84

## SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

If the Company identifies the items not listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1– Non-recurring Gains or Losses as non-recurring gain or loss items with significant amount, and if the Company defines the non-recurring gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses as the recurring gain or loss items, it should explain the reasons.

☐ Applicable ☒ Not Applicable

### X. FINANCIAL INDICATORS OF NON-ENTERPRISE ACCOUNTING STANDARDS

☐ Applicable ☒ Not Applicable

### XI. ITEMS MEASURED AT FAIR VALUE

☒ Applicable ☐ Not Applicable

Unit: RMB

Item name	Opening balance	Closing balance	Current period changes	Impact on profit for the period
Financial assets held-for-trading	690,330,355.31	727,426,376.60	37,096,021.29	18,626,661.29
Receivables financing	31,009,909.60	2,592,424.40	-28,417,485.20	
Other equity instrument investments	195,510,000.00	157,846,800.00	-37,663,200.00	
Other non-current financial assets	2,800,000.00	4,096,500.00	1,296,500.00	1,296,500.00
Total	919,650,264.91	891,962,101.00	-27,688,163.91	19,923,161.29

### XII. EXPLANATION OF DISCLOSURE SUSPENSIONS AND WAIVERS DUE TO STATE SECRETS, TRADE SECRETS, ETC.

☒ Applicable ☐ Not Applicable

Names of certain customers and suppliers of the Company are commercially sensitive and they are disclosed in the report on an alternative name basis.

## SECTION II

### COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

#### XIII. FINANCIAL HIGHLIGHTS OF THE COMPANY FOR THE PAST FIVE YEARS

##### (I) Performance of the Company in the past five years

Unit: RMB0'000

Item Name	2024	2023	2022	2021	2020
Operating income	<b>36,667.14</b>	80,070.19	73,811.66	62,936.88	57,229.29
Net profit attributable to shareholders of the Company ("-" for loss)	<b>-45,643.29</b>	-24,320.37	-16,673.34	-16,192.41	-2,252.36
Net profit after non-recurring profit or loss attributable to shareholders of the listed company ("-" for loss)	<b>-54,275.70</b>	-30,113.28	-18,479.41	-17,839.56	-4,036.59
Net cash flows from operating activities ("-" for outflow)	<b>-1,862.38</b>	-56,063.82	-33,211.17	-12,130.75	-22,950.43

##### (II) Assets, liabilities and shareholders' equity of the Company in the past five years

Unit: RMB0'000

Item Name	2024	2023	2022	2021	2020
Net assets attributable to shareholders of the Company	<b>256,103.29</b>	304,485.03	234,210.31	250,263.65	227,434.42
Total assets	<b>477,896.89</b>	494,572.08	378,395.63	362,425.58	304,750.96
Total liabilities	<b>193,562.45</b>	153,857.79	104,003.91	73,137.78	62,575.88



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### I. BUSINESS DISCUSSION AND ANALYSIS

In 2024, the Company actively promoted the implementation of development strategies and operational objectives, and continued to promote the fuel cell industrialisation and marketing. The Company always prioritized R&D and technical innovation in our business development, continued to update and iterate product technology, and set our footprints in new business areas. At the same time, the Company continuously strengthened organizational construction, deepened operation and management and optimized the talent structure in operation and management, to provide a favorable guarantee for the sustainable and sound development of the Company's business.

The Company's operational status in 2024 was mainly as follows:

1. The operating income amounted to RMB366.6714 million, representing a year-on-year decrease of 54.21%; sales volume of 742 sets fuel cell systems, representing a year-on-year decrease of 60.95%; total sales power of 98,800 kW, representing a year-on-year decrease of 47.84%, net loss attributable to owners of the listed company of RMB456.4329 million, representing a year-on-year increase in loss of RMB213.2292 million, net cash flows from operating activities of RMB-18.6238 million, representing a year-on-year increase of RMB542.0143 million. This was mainly because under the current tensioned macroeconomic environment, the Company's capital turnover pressure continues to increase, affecting the advancement of industrial chain order projects. In addition, the fuel cell industry is still in the early stages of commercialization with a small overall market production and sales size. The intensified industry competition plus a lag in construction of supporting infrastructure have affected the sustained release of market demand.
2. In terms of technology research and development and product development, the Company has always adhered to the research and development principle of "Advance Research, Continuous Development and In-depth Promotion", carried out research and development activities focusing on core technical indicators such as environmental adaptability, durability and reliability of fuel cell systems, and increased product performance and consistency continuously. During the Reporting Period, an important subsidiary of the Company was appraised as "GG Golden Globe Awards in 2024" (2024年度高工金球獎) while winning the "First Prize for Scientific and Technological Progress" (科技進步一等獎) awarded by the China Society of Automotive Engineers by virtue of long-term research and development investment and strong focus on intellectual property rights protection.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

3. In terms of industrial cooperation, the Company has carried out in-depth cooperation with universities in sci-tech innovation and talents training. During the Reporting Period, the Company, as the lead unit, formed a technical research team with ten units including Tsinghua University, China Electric Power Research Institute and Beijing Jiaotong University to facilitate national key research and development project of hydrogen fuel cells in the field of cogeneration, and developed a single megawatt-class proton exchange membrane fuel cell cogeneration system, which was applied as a demonstration in Yili, Xinjiang. At the same time, the Company established an on-site teaching base with the Party School of the CPC Shanghai Fengxian District Committee and Shanghai Fengxian District Administration Institute, and jointly built a platform for school-enterprise talents training and industry-academy-research cooperation, and reserved relevant talents and technologies in advance.
4. In terms of sales market and production application, the Company adheres to the development strategy of “point, line and plane”, focusing on the development of fuel cell demonstration city clusters and potential cities. Fuel cell vehicles equipped with the Company’s products have been put into operation in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou, Tangshan and other cities, and the Company’s product application scenarios have been further expanded to various scenarios such as cold chain transportation, sanitation and heavy truck. According to the public data of the Orange Group Research Institute, there was a sale of 5,405 fuel cell vehicles across China in 2024. According to the statistics of “Road Motor Vehicle Manufacturers and Products” released by the Ministry of Industry and Information Technology, by the end of December 2024, a total of 1,167 fuel cell vehicle announcements (excluding chassis announcements) were issued nationwide, of which 163 vehicles were equipped with the Company’s fuel cell system, ranking on top of the industry.

During the Reporting Period, the Company established a non wholly-owned subsidiary, Guangxi SinoHytec Hydrogen Technology Co., Ltd., and in line with China’s “dual carbon” strategy and local hydrogen energy industry policies in Guangxi, the Company means to rely on Guangxi’s geographical advantages and renewable energy resources to further expand markets in South China and ASEAN. By integrating regional industrial resources and expanding application scenarios of hydrogen energy technology, the Company actively responded to national hydrogen energy industry development policies to promote commercial application of fuel cell technology and construction of an industrial ecosystem, while leveraging the RCEP cooperation framework to accelerate output of technology standards and international market development.

Analysis and Outlook on Performance Changes under Non-Enterprise Accounting Standards

☐ Applicable    ☒ Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### II. DESCRIPTION OF THE MAIN BUSINESSES, BUSINESS MODELS, INDUSTRY CONDITIONS AND STATUS OF RESEARCH AND DEVELOPMENT OF THE COMPANY DURING THE REPORTING PERIOD

#### (I) Main businesses, main products or services

The Company is a high-tech enterprise focusing on the R&D, production and industrial application of hydrogen fuel cell engine systems and core components with independent core intellectual property rights and achieved mass production of fuel cell systems. Its business focuses on the hydrogen transportation field, and is committed to promoting the commercialisation of fuel cell technology in commercial vehicles, passenger cars, ships and other scenarios.

The Company's main products and services include the R&D and manufacturing of hydrogen fuel cell systems and related technology development and technical services. The Company's products are mainly used for commercial vehicles such as busses, logistics vehicles and heavy trucks. The Company has established in-depth cooperation with major domestic commercial vehicle enterprises such as Shaanxi Automotive, Yutong Bus and Beiqi Foton, and works with energy enterprises to explore an integrated mode of "hydrogen production – storage and transportation – refuelling – application". Fuel cell vehicles equipped with our fuel cell systems have been operating in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou and Tangshan.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Main business models

#### 1. R&D model

Under the R&D concept of “Advance Research, Continuous Development and In-depth Promotion”, the Company focuses on technological breakthroughs in fuel cell systems and core components. The Company follows the vertically integrated R&D roadmap, and insists on independent R&D. At the same time, the Company committed to improving the power density, durability and reducing product costs as well as enhancing the technical barriers of fuel cell systems by undertaking major national scientific and technological projects and carrying out industry-university-research cooperation with colleges and universities and cooperating with industry-leading technology enterprises, major customers and suppliers.

#### 2. Procurement model

The main materials for production of fuel cell systems in the Company include cell stack and related components, air compressors and direct current voltage transformers. The Company is capable to manufacture made-in-China cell stacks. Our procurement procedures mainly include approval of parts and components, supplier development and management, and order procurement.

#### 3. Production model

The Company adopted the mode of “sales based production + moderate stocking”, adjusting the production schedule dynamically according to customers’ orders to reduce the backlog of inventory. Production processes mainly comprise production preparation, first-piece production, formal production, production process monitoring, and inspection and warehousing of finished product. The national quality control system is strictly followed throughout the production process to ensure the quality of final products. Our production bases are located in hydrogen energy demonstration areas such as Beijing, Tianjin, Hebei and Yangtze River Delta, so that we can support commercial vehicle enterprises in the vicinity and improve delivery efficiency.

#### 4. Sales model

Direct sales are the sales model of the Company, under which the goods are mainly sold to domestic commercial vehicle manufacturers. Our sales processes mainly comprise the formation of preliminary sales intention, technical matching and certification of prototype, publication of catalog and mass sales. During the sales process, we focus on technical adaptation and customer certification to ensure efficient synergy between our products and the vehicle platform.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (III) Industry conditions

#### 1. Development stage, basic characteristics and main technical threshold of the industry

As a type of secondary energy, hydrogen energy has the characteristics and advantages of diversified sources, zero emission, low carbon, easy storage and transportation, flexibility and efficiency. Hydrogen energy can be widely used in chemical, transportation, construction, energy storage, power generation and other fields. In response to the global environmental crisis, major economies around the world unanimously decide to peak carbon emission and achieve carbon neutrality, and they have formulated their development strategy plan for the hydrogen energy industry at the national level. The Development of hydrogen energy has become a global consensus.

Developing hydrogen energy industry is one of the important ways to achieve China's strategic goals of carbon peaking and carbon neutrality, and has special strategic significance for improving China's energy structure, promoting low-carbon transformation in the transportation sector, and improving the international competitiveness and technological innovation of key industries. China attaches great importance to the development of hydrogen energy and fuel cell vehicles. In 2021, hydrogen energy was included into the "Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" as a future-proof industry. The hydrogen energy industry thus became an important part of China's energy strategy. The strategic position of the hydrogen energy and fuel cell industry is clarified in the Medium- and Long-term Plan for the Development of Hydrogen Energy Industry (2021–2035), the Outline of the National Innovation-driven Development Strategy, the China Energy Technology Innovation Action Plan (2016–2030), the Made in China 2025 and the New Energy Vehicle Industry Development Plan (2021–2035). In March 2022, the Medium- and Long-term Plan for the Development of Hydrogen Energy Industry (2021–2035) clarified that hydrogen energy is an important part of the future national energy system, an important focus in the green and low-carbon transformation with energy terminals, and a key development prospect for strategic emerging industries and future-proof industries. Local governments have also made efforts in the hydrogen energy and fuel cell industry. In November 2024, the 12th meeting of the Standing Committee of the 14th National People's Congress voted to pass the Energy Law of the People's Republic of China, hydrogen is explicitly included in the energy management system and energy attributes in this law for the first time, laying the legal foundation for the development of the hydrogen industry. Local governments have also made efforts in the hydrogen energy and fuel cell industry. As of the end of 2024, dozens of regions across the country have issued relevant policies on hydrogen energy and fuel cell vehicles, promoting the development of hydrogen energy and fuel cell industry.

At present, the hydrogen fuel cell vehicle market has not yet achieved economies of scale as it is in the initial stage of commercialization, resulting in high overall cost. However, with the large-scale application of hydrogen fuel cell vehicles in events such as the Beijing Winter Olympics, the global goal of carbon peaking and carbon neutrality and the opportunities arising from China's fuel cell vehicle demonstration city cluster policy, unprecedented new driving force will drive development of hydrogen fuel cell vehicles. According to the public data released by Orange Group Research Institute, the sales volume of fuel cell vehicles in China in 2024 was 5,405 vehicles, with a total ownership of approximately 28,000 units. Meanwhile, from the perspective of application scenarios, the application scenarios of fuel cell vehicles in China have been transformed from the commercial demonstration application in public transportation field to the demonstration application in multiple scenarios such as public transportation, sanitation, urban logistics and distribution, cold chain transportation, slag transportation, and bulk cargo. At the same time, it has also been applied in new fields such as ships and combined heat and power.



## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Analysis of the industry position of the Company and its changes

As a pioneer in the R&D and commercialization of fuel cell systems in China, the Company possesses proprietary core intellectual property rights and mass production capabilities of fuel cell systems and stack, and continues to maintain its position in the industry by relying on its independent R&D capabilities and advantages in the integration of the industrial chain.

Based on the industry experience and forward-looking market assessment, the Company expanded the 100KW high-power fuel cell system in advance, and actively cooperated with domestic mainstream automobile manufacturers to develop new vehicles such as passenger vehicles, sanitation vehicles, tractors and cold chain logistics, which increased the market coverage of products, thus satisfying diversified market demands.

As the country has clarified the positioning of hydrogen energy industry in the top-level design, and the fuel cell demonstration city cluster policy has been implemented, the number of market participants in the fuel cell industry is increasing, and the Company continues to maintain its position in the industry by virtue of its technological accumulation and the layout of its industrial chain. According to the statistics of “Road Power-Driven Vehicle Manufacturing Enterprises and Products” published by the Ministry of Industry and Information Technology of the PRC, as of the end of December 2024, a total of 1,167 fuel cell vehicles (excluding chassis announcement) were published in the PRC, of which 163 vehicles were equipped with the Company’s fuel cell system, ranking on top of the industry.

### 3. Development status and future development trend of new technologies, industries, types of operation and models during the Reporting Period

Thanks to technology accumulation and demonstration application in the fuel cell industry over the past years, China boasts basically complete industry chain related to fuel cell. At present, domestic enterprises in China have basically mastered the key technologies of fuel cell systems and core parts and components, realizing domestic mass manufacturing and application of core parts and components from fuel cell systems to cell stacks, air compressors, and hydrogen circulation systems to bipolar plates, and membrane electrodes. That brings about certain improvement in comprehensive system costs and product reliability.

Driven by the goal of “carbon peaking and carbon neutrality”, infrastructure related to hydrogen energy will be continuously improved. At the same time, with the promotion of the fuel cell demonstration city cluster policy, the scale effect of fuel cell vehicle application will gradually emerge, and the fuel cell cost will continue to decline. In the future, China will stimulate the development of the fuel cell industry and expand the scale of downstream applications by through creation of a system for storage, transportation and supply of hydrogen energy, regional demonstration applications and financial incentives. According to the estimates of China Society of Automotive Engineers, by 2035, China will maintain more than 1,000,000 fuel cell vehicles.

In addition, the hydrogen energy and fuel cell industry, as an emerging sector, presents not only development opportunities for the automotive industry but also serves as a critical pillar in building a green, low-carbon industrial system. Its applications are extensive, encompassing rail transport, shipping, and other transportation sectors, as well as distributed power generation and combined heat and power systems for buildings. From hydrogen production, storage, and transportation to downstream applications across the entire value chain, hydrogen energy technology spans multiple industries, including energy, materials, equipment manufacturing, automotive, power, and construction. Supported by national policies, the industry is accelerating technological breakthroughs and ecosystem development, driving cost reduction, efficiency improvements, and innovation in application scenarios to transition hydrogen energy from strategic value to commercial viability. This not only provides new momentum for the green energy transition but also fosters an entirely new green, low-carbon industrial chain, strongly supporting the realization of China’s green and sustainable development goals.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (IV) Core technology and research and development progress

##### 1. Core technologies, their advantages and changes during the Reporting Period

During the Reporting Period, the Company kept investing in research and development, and maintained core competitiveness by continuously improving technical capabilities and enhancing research and development management system. Currently, the core technologies of the Company mainly include:

No.	Core technology	Source of technology	Technical features and advantages
1	Electric-electric hybrid power system matching and control technology	Self-developed	Based on matching of fuel cell system and dynamic modeling of electric-electric hybrid power system through multi-objective optimization design, the Company establishes multi-objective optimization energy management control strategy and power distribution strategy, and achieve simultaneous enhancement of fuel cell life and energy conversion efficiency through flexible load control and efficiency search control.
2	Long-life fuel cell system control technology	Self-developed	Based on the simulation analysis of the dynamic performance of fuel cells, the Company takes a deep dive into the impact relationship between fuel cell operation parameters and life expectancy, conduct in-depth analysis on fuel cell failure mechanism, clarify the association between impact factors of fuel cell life and the operation working conditions, and ensures the life of fuel cells through the anode pressure control, flow pressure coupling control, voltage clamping control, and closed loop control of water content.
3	High-reliability fuel cell system fault diagnosis and fault tolerance control technology	Self-developed	Based on the long-term technology accumulation, the system failure mechanism of fuel cell system is revealed, allowing for accurate identification of the failure in the system, and then fault tolerance control to be exercised for the failure.
4	Low-temperature rapid fuel cell activation technology	Self-developed	The cell stack self-heating technology developed by the Company enables the cell stack to operate in low-efficiency areas, and transform the chemical energy in hydrogen into thermal energy, rapidly improving the temperature of the cell stack, thus reducing the cold start energy consumption, shortening the cold start time, and ultimately improving the driving experience of fuel cell vehicles.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical features and advantages
5	High-power density fuel cell system integration technology	Self-developed	Through high integration, the technology allows for less energy loss of pipelines, wire harness, mechanical drive and other parts, reduction in energy consumption of auxiliary systems, less structural redundancy, and lighter fuel cell system.
6	Utilization of waste heat utilization from efficient fuel cell	Self-developed	Based on the simulation analysis of multi-heat domain and multi-heat flow of fuel cell vehicles, the Company designs a waste heat utilization programme that is highly adaptable and efficient for low-temperature environment, and develops a waste heat utilization control strategy for fuel cell system based on multi-heat domain coupling control to improve the energy conversion efficiency of the system.
7	High-safety on-board hydrogen system integration and control technology	Self-developed	Taking into account factors such as the layout of hydrogen system in the vehicle, safety monitoring, fault diagnosis, fault tolerance control, failure protection, electric protection and high-speed stability, the Company conducted coupling design for hydrogen safety, electrical safety and structural safety, and verified the hydrogen system of fuel cell vehicle in extreme scenarios such as fire, collision and collision. The Company develops the rapid hydrogen filling technology while ensuring safety.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical features and advantages
8	Design and integration technology of cell stack of high power density fuel cell	Self-developed	To address problems related to power density, cost and durability of cell stacks, the Company improves the power density of stack by optimizing the bipolar plate flow field to improve power generation performance, and enhances power density of stack through high-level integration of end plates, lightweight materials, and optimized synergy between MEA and electrode plates. Cost of stacks is reduced by means of localization of MEA, optimization of graphite bipolar plate process and use of lightweight bipolar plates, combination of component functions, and overall molding design of multi-functional end plate. By controlling the parts and components of stacks and assembly process, as well as testing methods, the yield rate is enhanced, which is to reduce consumption from the production perspective. Based on the analysis on the overall stack failure pattern and the failure pattern of parts and components, the life of stack is extended through design and control strategy optimization.
9	Test and evaluation technology	Self-developed	With the goals of enhancing adverse weather capabilities, long life, high reliability, high efficiency, low cost and high safety, the Company establishes an all-round integrated test and evaluation system covering five aspects: electric-electric hybrid power system, fuel cell system and BOP components, stack assembly and core components, on-board hydrogen system, and special DC/DC for fuel cell.

During the Reporting Period, there was no change in the Company's core technology.

Details of awards for the National Technology Award

☐ Applicable   ☒ Not Applicable

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

*Awarding the national-level specialized and sophisticated “little giant” enterprises that produce new and unique products and manufacturing individual champion*

✓ Applicable    ☐ Not Applicable

Title	Date of awarding	Product name
National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	November 2020 to November 2023	Hydrogen fuel cell motor
National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	July 2023 to June 2026	Hydrogen fuel cell motor
National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	July 2023 to June 2026	Hydrogen fuel cell stack

#### 2. R&D Achievements during the Reporting Period

The Company has always adhered to independent research and development, continuously explored and researched cutting-edge technologies in the field of fuel cell systems, and realized technological progress, product performance optimization and iteration based on its own research and development advantages and long-term transformation of scientific and technological achievements. In 2024, the Company was awarded the title of “National Intellectual Property Rights Advantageous Enterprises in 2024”. The “Hydrogen Fuel Cell Durability Enhancement and Life Guarantee Technology” developed by the Company was approved by the Beijing Patent Navigation Project of the Beijing Municipal Intellectual Property Office. The new generation 300kW hydrogen fuel cell engine (M30+) was released by the end of 2024.

During the Reporting Period, the Company obtained a total of 126 new intellectual property rights, including 55 invention patents, 57 utility model patents, 2 design patents and 12 software copyrights.

*List of intellectual property achieved during the Reporting Period*

	Newly added this year		Grant total	
	Number of applications	Number of achieved IP	Number of applications	Number of achieved IP
Inventive patents	105	55	1,304	314
Utility model patents	25	57	816	791
Design patents	2	2	25	25
Software copyrights	12	12	116	116
Others	–	–	–	–
Total	144	126	2,261	1,246



## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### 3. R&D investment

Unit: RMB

	This year	Last year	Percentage changes (%)
Expensed R&D investment	97,013,572.48	140,907,189.33	-31.15
Capitalized R&D investment	42,293,683.63	29,758,158.69	42.12
Total R&D investment	139,307,256.11	170,665,348.02	-18.37
Proportion of total R&D investment in operating income (%)	37.99	21.31	16.68
Proportion of capitalized R&D investment (%)	30.36	17.44	12.92

*Reasons for the material change in total R&D investment as compared to last year*

☒ Applicable    ☐ Not Applicable

The Company's total R&D investment for the period decreased by 18.37 percentage points as compared with the previous period, mainly due to the Company's reduction of the research on new R&D fields and directions during the Reporting Period.

*Reasons for significant changes in the proportion of capitalized R&D investment in the total R&D investment and their rationality*

☒ Applicable    ☐ Not Applicable

The proportion of R&D investment capitalization of the Company for the period increased by 12.92 percentage points as compared with the previous period, mainly due to the Company's new investment in capitalised topics during the Reporting Period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. Status of projects under development

✓ Applicable    ☐ Not Applicable

Unit: RMB0'000

No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
1	R&D and industrialization demonstration of key technology for off-grid hybrid hydrogen storage system	915.00	45.42	45.42	The Company completed the schematic design of the off-grid hybrid hydrogen generation system (including indoor and test), selection and adaptation of certain core components, and the research and programming of the system control strategy.	To meet the demand for off-grid hydrogen production from renewable energy sources, the Company aims to study the key technologies and application demonstrations of hybrid hydrogen production systems, break through the key technologies for hydrogen production from new energy sources under off-grid conditions, and provide technical support for large-scale green hydrogen production.	Domestic advanced	Transportation (new energy, key technology for off-grid hybrid hydrogen storage systems)
2	Development of high-power long-life fuel cell engine system for long-distance heavy-load application scenarios	200.00	53.96	130.99	The Company completed the design and selection of fuel cell core components, system modelling and control strategy research, and the development of high-power fuel cell engine system for heavy-duty trucks.	The engine system achieves the goals of high-power output in terms of performance, good durability in terms of life, high reliability and multiple safety protections, and reduced manufacturing and operating costs.	Domestic advanced	Transportation (long-distance heavy-haul commercial vehicles)
3	Development of fuel cell system applicable to on-board liquid hydrogen storage and supply system with low pressure input and its application in vehicles-2023	900.00	594.08	884.14	The Company completed validation tests on the performance of system integration.	To complete the research on the system integration technology of high-power fuel cell engines and the design and complete of high-power, high-density, high-efficiency and low hydrogen inlet pressure fuel cell engine systems for heavy trucks applying liquid hydrogen.	Domestic advanced	Transportation (heavy commercial vehicles applying liquid hydrogen)
4	Research and development and application demonstration of key technologies for hydrogen production and hydrogen refueling station	21.00	33.92	33.92	The Company completed application and software debugging of an information monitoring and intelligent management platform for the whole chain of hydrogen production and hydrogen refueling stations.	To develop an information monitoring and intelligent management platform for the whole chain of hydrogen production and hydrogen refueling stations.	Domestic advanced	Integrated energy station (hydrogen refueling stations)

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
5	High consistency high power fuel cell stack design and development	2,400.00	749.36	749.36	The Company carried out research on the structural design of highly consistent and integrated batteries and the assembly technology of high-strength and low-deformation stacks, and completed the design and manufacture of high-speed and uniform mass and heat transfer electrode plates.	To develop precision manufacturing methods for large-format, complex, thin-walled components, formulate production process and quality control standards for fuel cell stacks, reduce the production cost of the stacks, and accumulate operational data and experience in order to prepare for industrialization and promotion.	Domestic advanced	Transportation (logistics vehicles, large and medium-sized passenger vehicles, and trucks), distributed power generation (cogeneration system)
6	Development of high-performance membrane electrodes and key materials for fuel cells	1,200.00	636.27	636.27	The Company completed the selection of membrane electrodes and key materials membranes and gas diffusion layers.	To explore the interrelationship between "structure-process-performance" of key materials for membrane electrodes, achieve high-performance membrane electrode design and mass production, and improve the service life, economy and practicability of fuel cells.	Domestic advanced	Transportation (logistics vehicles, large and medium-sized passenger vehicles, and trucks), distributed power generation (cogeneration system)
7	Development of energy-efficient megawatt-scale fuel cell electricity and heat cogeneration system	1,200.00	175.22	175.22	The Company completed the architectural optimization of the megawatt-scale fuel cell cogeneration system and the design and development of key components.	Through the research of centralized gas supply, distributed regulation, multi-stack parallel system architecture design and matching technologies to develop low-power consumption, highly controllable key components and complete the development of megawatt-scale cogeneration system.	Domestic advanced	Transportation (logistics vehicles, large and medium-sized passenger vehicles, and trucks), distributed power generation (cogeneration system)
8	Wide temperature range PEM membrane electrode key technology	320.00	113.51	113.51	The Company completed the research on the problem of full-size consistency of the PEM and the constitutive relationship between the three-phase interface and the performance of the catalyst layer.	The research focuses on the core materials of membrane electrodes, PEM with strong temperature adaptability and the matching high-performance, low-platinum-loaded catalyst layer, as well as the structural design of the gas diffusion layer.	Domestic advanced	Transportation (new energy, fuel cell stack technology)

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
9	Hydrogen and fuel cell innovation project	84.00	54.40	54.40	The Company completed the design of the technical solution and the study of the design optimization of the fuel cell power generation system.	The study focuses on the development of fuel cell power generation systems and the realization of the intellectual property rights layout, with the ultimate goal of developing a single set of megawatt-class proton exchange membrane fuel cell power generation system products to provide technical support for the hydrogen storage technology roadmap.	Domestic advanced	Transportation (new energy, a set of megawatt-scale PEM fuel cell power systems)
10	R&D and industrialization of high-performance fuel cell engine integration technology	915.00	5.66	5.66	The Company completed the key technology research on fuel cell stacks, and fuel cell engines, as well as the research on the mechanism of key materials for fuel cells.	Based on the fuel cell system integration technology support, focusing on breakthroughs in high-performance fuel cell engine hydrogen, air, water, heat, electricity and other key technologies, to promote China's fuel cell technology overall upgrading and development of the industrial chain.	Domestic advanced	Transportation (new energy, fuel cell system integration technology)
11	Development of cell stack series products	2,539.66	1,030.15	1,259.96	Through continuous development of core materials, components and structures for reverse osmosis reactors, as well as the development of related processes, the Company focuses on solving the problems related to the expansion of hydrogen energy applications and the solution of related pain points for fuel cells and their core components in the fields of long-distance heavy trucks, stationary power stations and energy storage.	To realize the productization of various technologies and form market-related product orders.	Domestic advanced	Transportation (logistics vehicles, large and medium-sized passenger vehicles, and trucks), energy storage sector
12	R&D of domestic fuel cell system series	7,711.66	1,729.04	2,744.71	Upgraded the fuel cell system by continuously optimizing the system architecture design.	The technical indicators of each power product prototype to pass the test and to be launched.	Domestic advanced	Centralized power and heat supply for industrial parks and building clusters, and backup power supply for emergency microgrids

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
13	Research on forward-looking technology	394.28	285.36	285.36	Continued to reserve the core technology of the new products through pre-research and development.	The common technology, underlying pillar technology and basic science of fuel cell system as the research results would improve product attributes.	Domestic advanced	To be applied in new product series
14	Design of 35MPa on-board large-capacity lightweight hydrogen storage cylinders and low-cost molding technology study	30.00	2.29	2.29	The Company completed the development of large-capacity cylinder installation and system design standards, and produced a stability verification data analysis report and system design specifications.	Through fluid simulation to identify and solve the leakage risks and safety hazards of high-pressure hydrogen storage cylinders during hydrogen filling, rapid unloading and on-board use, in order to enhance the safety and reliability of hydrogen fuel cell systems.	Domestic advanced	Transportation (logistics vehicles, large and medium-sized passenger vehicles, and trucks)
15	Development of fuel cell stack testing equipment	420.00	77.45	491.52	The Company completed the design, development and optimization of a 300kW fuel cell stack testing platform, which can be used to test 60-300kW fuel cell stacks.	To complete a set of test equipment that can test fuel cell stacks of 60-300kW in output.	Domestic advanced	R&D and testing of fuel cell stacks in various fields such as transportation and distributed power supply equipment
16	Single battery life verification and research on material attenuation characteristics of key components	1,200.00	676.33	951.97	The Company completed the endurance test of 7,000h for a single battery and 500h for a short stack.	To focus on the characteristics of power station operation, the Company studies typical characteristics of accelerated life conditions, develops accelerated life conditions for core components such as single cells and MEAs, and uses single cells as a tool to investigate the material decay and structural evolution within fuel cells, and derives a strategy for improving the life of fuel cells and their key components based on power station application conditions.	Domestic advanced	Renewable energy interconnection station, city standby power station
17	R&D of multi-energy efficient coupling control and key components of hybrid power generation system	908.20	160.02	291.99	The Company completed the assembly and performance testing of high level of power stacks, and the design of 240kW high level of fuel cell system testing equipment.	To develop a fuel cell system prototype with a power generation of more than 240kW, and apply for and authorize invention patents at the same time, so as to form a national standard for fuel cells.	Domestic advanced	Transportation (heavy-duty equipment), distributed power supply equipment sector

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
18	Integration and demonstration of hybrid power generation system of fuel cell and hydrogen combustion engine	360.00	10.92	14.40	The Company completed the import and export boundary conditions and layout requirements for high level of power fuel cell systems.	To provide a system control module for hydrogen fuel cells and obtain patent applications and authorization of the invention patent.	Domestic advanced	Industrial parks (stable energy supply, emission reduction), remote off-grid areas (complementary wind and solar energy, energy storage for electricity and heat), building clusters (centralized heating and electricity, replacement of boilers), transportation hubs (high reliability of energy supply)
19	Ultra-thin graphite bipolar plate and high-performance stack key technologies	156.00	50.46	50.46	The Company completed the selection and design of flexible graphite material bipolar plate, and successfully prepared 1.1mm grade ultra-thin flexible graphite bipolar plate with large active area.	To realize the volume power increase of 1.1mm grade ultra-thin flexible graphite bipolar plate stack.	Domestic advanced	Transportation (commercial vehicles with high volume power density stacks)
20	High-performance bipolar plates based on high-purity flexible graphite materials	60.00	58.95	58.95	The Company completed the selection of flexible graphite and resin materials as well as the preparation and testing of composite materials.	To realize the design and process development of 1.3mm grade high-purity flexible graphite bipolar plates.	Domestic advanced	Transportation (commercial vehicles with high volume power density stacks)
<b>Total</b>	<b>/</b>	<b>21,934.80</b>	<b>6,542.77</b>	<b>8,980.51</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>



## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 5. R&D personnel

Unit: RMB0'000

##### Basic information

	Amount of current period	Amount of last period
Number of the R&D personnel of the Company	156	346
Proportion of the R&D personnel in the total number of employees of the Company (%)	22.03	33.14
Total emoluments of the R&D personnel	8,347.90	8,344.68
Average emoluments of a R&D worker	33.26	25.17

##### Educational backgrounds of R&D personnel

Educational background category	Number
Doctor's degree	21
Master's degree	77
Bachelor's degree	44
Junior college degree	10
High school diploma and below	4

##### Age structure of R&D personnel

Age structure category	Number
Under 30 years old (exclusive)	38
30-40 years old (including 30, excluding 40)	100
40-50 years old (including 40, excluding 50)	17
50-60 years old (including 50, excluding 60)	1
60 years old and above	0

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

*Reasons for the significant changes in the composition of R&D personnel and their impact on the Company's future development*

☒Applicable   ☐Not Applicable

During the Reporting Period, the number of the Company's R&D personnel decreased from 346 to 156, mainly due to the Company's adoption of a strategy of cutting costs in response to changes in the market environment and operating pressures. In this context, the Company optimized and adjusted its R&D projects, thereby reducing the number of R&D personnel. This adjustment aims to concentrate resources on R&D directions that are more strategically significant and market competitive, so as to increase R&D efficiency and resource utilization efficiency.

Despite decreased number of R&D personnel, the Company's R&D capabilities in core areas remain stable. By optimizing the team structure, the Company has further strengthened its support for key projects and ensured efficient allocation of R&D resources. At the same time, the Company will continue to pay attention to industry trends and market demands, and adjust its R&D strategy in a timely manner to maintain its technological innovation capabilities and market competitiveness.

In the future, the Company will continue to invest resources in core R&D areas to promote technological upgrades and product innovation. By optimizing R&D processes and improving team efficiency, the Company is confident that it can lay a solid foundation for long-term development while maintaining cost control.

#### 6. Other explanations

☐Applicable   ☒Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

#### (I) Analysis of core competitiveness

✓Applicable    ☐Not Applicable

After years of accumulation in technology and operation, the Company has gained a relatively strong technical and R&D advantages, large-scale production and promotion advantages, market layout advantages, core parts and components supply advantages and talent advantages, details of which are as follows:

##### 1. Technology and R&D advantages

The Company has always adhered to the R&D concept of “Advance Research”, “Continuous Development” and “In-depth Promotion”. After years of exploration and development, the Company has accumulated rich technical experience, breaking through a number of technical difficulties such as fuel cell system integration with high level of power density, rapid activation of fuel cell system at low temperature, air flow and pressure decoupling control, and water content closed loop control. The key performance of product can be close to the international advanced level and have been widely used in commercial practice. The Company has a series of proprietary core intellectual property rights. As of the end of the Reporting Period, the Company has obtained 1,130 patents and 116 software copyrights. At the same time, with the support of major projects from the Ministry of Science and Technology, the Beijing Municipal Science and Technology Commission and STCSM, a wealth of scientific research achievements and technical reserves have been achieved through the completion of national science and technology special projects.

##### 2. Market layout and large-scale promotion advantages

The Company has established good and long-term cooperation relationship with major commercial vehicle enterprises in China such as Yutong Bus and Beiqi Foton through demonstration operation, joint undertaking of national projects and joint development of fuel cell models, and has accumulated a large number of high-quality customer resources and received good brand reputation, and its technical capabilities have been widely recognized. At the same time, the Company has joined hands with Beiqi Foton and Yutong Bus to participate in the major demonstration operation projects of fuel cell vehicles led by the Beijing Municipal Science and Technology Commission and the United Nations Development Programme since its establishment, and has accumulated extensive operational experience. Fuel cell vehicles equipped with the Company’s fuel cell system have been put into commercial demonstration operations in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou and Tangshan. Large-scale promotion and operation have accumulated a large number of real operation data, providing reliable data support for the Company’s product update.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 3. Core parts and components supply system

The Company has formed a relatively complete selection, verification and quality inspection system for parts and components. The fuel cell system industry in China is at the early stage of industrialization, and the foundation of the industry chain is relatively weak. However, the production of fuel cell systems and stacks involves the procurement of a large amount of parts and components. The Company has established a stable supply relationship and cooperative development mechanism with domestic mainstream parts and components suppliers through long-term cooperation and self-cultivation of suppliers. Meanwhile, the Company has mastered a number of core technologies in the field of fuel cell system, stack and component testing through independent R&D, and has established a complete testing system covering fuel cell system and key valve parts. The domestic component supply system has laid a solid foundation for large-scale industrialization, which is conducive to large-scale cost reduction, ensuring the safety of component supply and improving the quality assurance of upstream components.

#### 4. Talent advantages

The Company introduced R&D, technology and production talents in the fuel cell field through the establishment of R&D innovation platforms such as academician workstations and engineering technology centers, and provided a good foundation for the subsequent cultivation of such talents by undertaking major national projects, industry-university-research cooperation, participating in the formulation of national standards and continuous R&D, and reserved a number of technical, R&D and production teams with professional capabilities and extensive experience.

As of the end of the Reporting Period, the Company had 156 R&D personnel, accounting for 22.03% of the total number of employees of the Company. More than 60% of the R&D personnel hold a master's degree or above, which has accumulated a more adequate talent reserve for the rapid development of the Company in the fuel cell industry.

#### (II) Events that occurred during the Reporting Period that seriously affected the company's core competitiveness, impact analysis and countermeasures

☐Applicable    ☒Not Applicable

### IV. RISK FACTORS

#### (I) Risks of negative profit margin

☒Applicable    ☐Not Applicable

As of the end of the Reporting Period, the Company was not profit-making. During the Reporting Period, the Company's net loss attributable to shareholders of the listed company after deducting non-recurring profits and losses was RMB542.7570 million. With the intensification of market competition, the selling prices of products and gross profit margins of the Company may decline, and with the development of the Company's business, operating and management expenses will further increase. In the future, the Company will focus on increasing investment in enhancing research and development capabilities, improving supply chain and enhancing brand awareness, while improving the operation efficiency and cutting down expenses. However, if the Company fails to meet expectations in terms of market promotion in the future, the Company may face the risk of continued losses.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Risk of sharp decline or loss of results

✓Applicable    ☐Not Applicable

During the Reporting Period, the net losses attributable to shareholders of the listed company was RMB456.4329 million, representing a year-on-year increase of RMB213.2292 million. The loss in performance for the period was mainly due to the following: (1) fuel cell industry is still in the initial stage of industrialization, and the overall market size was limited. With the increasing macroeconomic uncertainties, the Company is experiencing rising pressure on cash flow, which has affected the progress of order projects; (2) fuel cell industry was highly competitive. The decrease in selling prices of the products was greater than the decrease in costs, resulting in a decline in the Company's gross profit margins and the compression of profit margins; (3) the provisions for expected credit risk losses on receivables made by the Company increased, further reducing operating profits.

The Company fully implements fine management to reduce unit product cost, and tries to intervene in the upstream hydrogen source link to achieve the collaborative operation of the industrial chain from fuel cell system to hydrogen supply, enhance the Company's comprehensive competitiveness and enhance the ability to resist risks. However, if the development of the industry in the future fails to meet expectations, the market demand continues to decline, or the industry competition further intensifies, the Company cannot obtain sufficient more orders and expand sales to the level of economic scale that the Company is able to make a turnaround, losses may continue to suffer.

### (III) Core competitiveness risk

✓Applicable    ☐Not Applicable

With the rapid development of the hydrogen fuel cell industry in recent years, the number of participants in the fuel cell field is increasing. Major vehicle manufacturers and system manufacturers have continuously increased their resource investment in the fuel cell field, which have intensified the market competition. Although the Company continues to increase investment in research and development to maintain high technical barriers and meet the requirements of customers and market, it will still face the risk of losing market share and a decline in selling prices of the products as a result of intensified market competition if the results of its research and development activities are not as expected, or if it cannot respond to changes in the fuel cell vehicle market in a timely manner in the future.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (IV) Operational risk

✓Applicable    ☐Not Applicable

#### 1. Risk of high customer concentration

China's fuel cell vehicle industry is in the early stages of commercialization, and application scenarios focused on specific segments. The downstream vehicle manufacturers have not yet carried out large-scale research, development and production of fuel cell models. Domestic leading vehicle manufacturers have entered the fuel cell vehicle market early and had a significant advantage in their key regional markets, accounting for more than half of the sales of fuel cell vehicles, resulting in a small number of customers and a high concentration of customers at the current stage of the Company.

If the current business expansion of major customers is unfavorable or the Company lacks the support of a diversified customer structure, it may affect the Company's independent continuous operation ability.

#### 2. Risk of falling gross profit margins

The gross profit margin of fuel cell system, the main product of the Company, was 11.70% for the period, representing a decrease of 21.19 percentage points from the previous year. As the fuel cell technology matures and industrializes, the Company is facing intensified competition from domestic and overseas counterparts, the costs and prices of fuel cells will rapidly decline, achieving the industrial planning goal of costs that are similar to conventional internal combustion engines. Therefore, the Company may face the risk of a continuous decline in the selling prices and gross profit margin of products as the industrialization progresses. The Company does not expect a long-standing high selling price and high gross profits. Meanwhile, fluctuations in market demand will make it difficult for the Company to achieve stable production and sales, and it will be impossible for the Company to reduce costs through economies of scale, which will in turn affect gross profit margins.

#### 3. Product quality and safety risks

The fuel cell system manufactured by the Company is widely used in public transport and other fields. As the core component of fuel cell vehicles, the fuel cell system plays an important role in the safety of vehicle operation. Because of the physical and chemical characteristics of hydrogen, such as flammability, explosiveness and fast diffusion, the public has widespread concerns about the safety of fuel cell vehicles. Standardization is the basis for improving the quality of fuel cell products. At present, China's fuel cell and hydrogen energy standard system is gradually improving. With the continuous improvement of the industry environment and the rapid iteration of products, the industry management level and product competitiveness will be gradually improved.

If the Company cannot adapt to changes in national quality standards in the future; it cannot strictly control the product quality of purchased core components; or quality defects or even safety hazards occur due to the issues of its own design, production and techniques, the Company may face administrative penalties, litigation compensations and negative public opinion, which may adversely affect the Company's brand reputation and business performance.



## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### 4. Risk of seasonal fluctuations in performance

At present, the production and sales of fuel cell vehicles in PRC are seasonal, and the Company's business is affected by such seasonality. Automobile manufacturers usually select the required product models after reviewing the government subsidy policies and market demand at the beginning of the year to ensure that the fuel cell vehicles to be manufactured meet the subsidy conditions and market demand. The Company also confirm the order and schedule the production based on such practice.

Although the Company's operating income for the fourth quarter of the Reporting Period declined due to the impact of the macro environment, given that the fuel cell industry in PRC is still in the early stage of commercialization, and that the industry remains affected by the subsidy policies and insufficient industrial development for a certain period of time in the future, it is expected that production and operation activities will remain seasonal.

### 5. Risks of supply chain management

The domestic fuel cell vehicle industry in China is still in an early stage of development, and its supply chain is not yet fully mature as compared with the fuel cell or pure electric vehicle industries, the number of existing high-quality fuel cell system component suppliers is relatively limited, and the Company's supplier selection is also limited to some extent.

If the Company's main suppliers cannot continuously meet the Company's quality standards, delivery time and other delivery requirements, or the development of the fuel cell vehicle industry is fall short of expectations, resulting in a lag in the Company's supply chain integration, the Company's operating costs may rise, affecting the Company's performance.

## (V) Financial risk

☒Applicable   ☐Not Applicable

### 1. Risk of overdue accounts receivable

Affected by the fuel cell subsidy policies, new energy vehicle manufacturers settle accounts with consumers based on the prices which are the differences between original prices and subsidies when selling products, and central or local financial departments allocate the subsidy funds advanced by the enterprises to the production enterprises according to procedures, resulting in varying degrees of capital turnover problems among upstream and downstream enterprises in the new energy vehicle industry chain.

Because of the relatively strong position of vehicle manufacturers in the automotive industry chain, the Company is greatly affected by the fund chain of vehicle manufacturers, and the Company has a long collection period of accounts receivable. The Company's collection progress generally depends on the customer's own financial situation. If a customer's business situation deteriorates, or the financial environment of the new energy vehicle industry chain cannot be fundamentally improved, the Company's collection instability will last, which may lead to the Company's risk of not being able to timely recover or even losing accounts receivable. As of the end of the Reporting Period, the balance of accounts receivable of the Company was RMB2,195.5809 million.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 2. Risk of continued negative operating cash flows

The operating cash flow of the Company continued to be negative, mainly due to the large amount of working capital appropriated to the accounts receivable and inventory of the Company. The industry in which the Company is located is still in the development stage, the capital demand will still grow rapidly, and the continuous negative operating cash flow may lead to insufficient working capital of the Company. As the Company is still in the early stage of development, its ability of alternative financing is limited. If the Company is unable to broaden its financing channels and effectively improve operating cash flow in the future, the Company may expose to the risk of insufficient working capital.

#### 3. Debt service risk

The hydrogen fuel cell vehicle industry is still in the early stages of commercialization. With the subsequent increase in business scale, a continuously increase resource investment is needed, resulting in a continuous increase in the scale of bank loans for the Company. If the Company does not manage well, it may face greater debt repayment risks. Even if the support from state is strong, changes in policies may, to a certain extent, lead to fluctuations in earnings for enterprises and debt repayment risks.

#### (VI) Industry risk

☒Applicable   ☐Not Applicable

Subsidy policy risks in the fuel cell vehicle industry. Currently, the Company's main business income comes from the sale of fuel cell systems. The current development of the fuel cell vehicle industry highly relies on the support of subsidy policies. In 2020, the Ministry of Finance and other departments adjusted the subsidy policies for fuel cell vehicles, shifting from subsidizing qualified fuel cell vehicle manufacturers to incentivizing eligible megalopolises achieving the commercialization and pilot application of fuel cell vehicle core technologies. Since August 2021, China has successively approved five fuel cell vehicle demonstration application megalopolises, i.e. Beijing, Shanghai, Guangdong, Hebei and Henan. Most of the Company's customers are in these megalopolises. Due to the relatively new and evolving regulatory framework and policies for fuel cell vehicles in China, these policies may be affected by restrictions and uncertainties that the Company cannot control. If policies change, fiscal austerity or other reasons result in the reduction or cancellation of preferential policies such as financial subsidies and economic incentives, it will have a negative impact on the Company's fuel cell system business.

#### (VII) Macroeconomic environment risk

☐Applicable   ☒Not Applicable

#### (VIII) Risks related to depositary receipts

☐Applicable   ☒Not Applicable

#### (IX) Other major risks

☐Applicable   ☒Not Applicable

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### V. MAJOR OPERATING INFORMATION FOR THE REPORTING PERIOD

For details, please refer to “I. Business Discussion and Analysis” under “Section III Management Discussion and Analysis”.

##### (I) Analysis of principal business

##### 1. Details of changes related to income statement and cash flow statement

Unit: RMB

Item	Current period	Previous period	Percentage of change (%)
Operating income	<b>366,671,355.92</b>	800,701,885.77	-54.21
Operation cost	<b>320,955,128.57</b>	552,190,945.49	-41.88
Financial expenses	<b>1,982,243.23</b>	-16,056,462.99	112.35
Research and development expenses	<b>97,013,572.48</b>	140,907,189.33	-31.15
Other income	<b>51,772,241.34</b>	24,856,478.84	108.28
Investment income	<b>6,148,454.03</b>	-34,186,331.54	117.99
Income from changes in fair value	<b>19,923,161.29</b>	33,050,692.03	-39.72
Losses on credit impairment	<b>-201,142,245.18</b>	-99,482,634.25	-102.19
Gains from asset disposal	<b>713,481.04</b>	44,136.58	1,516.53
Non-operating income	<b>3,059,559.09</b>	632,535.42	383.70
Non-operating expenses	<b>2,062,832.97</b>	13,603,125.91	-84.84
Income tax expenses	<b>8,690,382.05</b>	-19,487,444.93	144.59
Net cash flows from operating activities ("—" for outflows)	<b>-18,623,817.28</b>	-560,638,150.79	—
Net cash flows from investing activities ("—" for outflows)	<b>-20,135,793.35</b>	-754,636,153.44	—
Net cash flows from financing activities ("—" for outflow)	<b>161,860,205.26</b>	1,276,801,074.12	-87.32

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

1. Explanation on changes in operating income: The Company's operating income decreased by 54.21% as compared with the same period of previous year, mainly due to a sharp decline in the sales volume of the Company's product fuel cell system during the Reporting Period.
2. Explanation on changes in operating costs: The Company's operating costs decreased by 41.88% as compared with the same period of previous year, mainly due to a significant decline in the sales volume of the Company's product fuel cell system during the Reporting Period.
3. Explanation on changes in financial expenses: The Company's financial expenses increased by RMB18.0387 million as compared with the same period of previous year, mainly due to the increase in borrowing interest and the decrease in exchange gains of the Company during the Reporting Period.
4. Explanation on changes in R&D expenses: The Company's R&D expenses decreased by 31.15% as compared with the same period of previous year, mainly due to reduced investment in R&D projects as a result of the Company's optimization of R&D structure during the Reporting Period.
5. Explanation on changes in other income: The Company's other income increased by 108.28% as compared with the same period of previous year, mainly due to the increase in government subsidies during the Reporting Period.
6. Explanation on changes in investment income: The Company's investment income increased by RMB40.3348 million as compared with the same period of previous year, mainly due to the income recognized from the external transfer of equity interests in subsidiaries during the Reporting Period.
7. Explanation on changes in gains from changes in fair value: The Company's changes in fair value decreased by 39.72% as compared with the same period of previous year, mainly due to the decline in wealth management income during the Reporting Period.
8. Explanation on changes in credit impairment losses: The Company's credit impairment losses increased by RMB101.6596 million year-on-year, mainly due to the provision for bad debts made by the Company as it took a prudent attitude towards accounts receivable during the Reporting Period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

9. Explanation on changes in gains from disposal of assets: The Company's gains from disposal of assets increased by 1,516.53% year-on-year, mainly due to the gains generated from the disposal of assets during the Reporting Period.
10. Explanation on changes in non-operating income: The Company's non-operating income increased by 383.70% year-on-year, mainly because that the Company carried out a series of failure analysis of hydrogen fuel cell products and initiated claims against the responsible party after clarifying the root cause of the failure.
11. Explanation on changes in non-operating expenses: The Company's non-operating expenses decreased by 84.84% year-on-year, mainly due to the decrease in maintenance compensation paid to customers during the Reporting Period as compared with the same period of previous year.
12. Explanation on changes in income tax expenses: The Company's income tax expenses increased by RMB28.1778 million year-on-year, mainly due to the expiration of the loss recovery period, resulting in the discontinuation of recognizing deferred income tax assets.
13. Explanation on changes in net cash flows from operating activities: The Company's net cash flows from operating activities increased by RMB542.0143 million as compared with the same period of previous year, mainly due to the Company's enhanced customer credit management and optimized expenditure structure, resulting in an increase of 68.20% year-on-year in the amount of customers' repayment and a decrease of 24.86% year-on-year in the daily operating cash outflows during the Reporting Period.
14. Explanation on changes in net cash flows from investing activities: The Company's net cash flows from investing activities increased by RMB734.5004 million year-on-year, mainly due to the large cash outflows as a result of the purchase of special wealth management products in the same period of previous year.
15. Explanation on changes in net cash flows from financing activities: The Company's net cash flows from financing activities decreased by 87.32%, mainly due to the receipt of proceeds raised upon the Company's completion of listing on the Main Board of the Hong Kong Stock Exchange in the same period of previous year.

*Detailed explanation of any significant changes in the Company's business type, profit composition or profit sources during the period*

☐ Applicable    ☒ Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Analysis of revenue and cost

During the Reporting Period, the Company achieved operating revenue of RMB366.6714 million, representing a year-on-year decrease of 54.21%, and operating costs of RMB320.9551 million, representing a year-on-year decrease of 41.88%, of which the main business income was RMB363.6702 million and the main business cost was RMB319.4579 million. The specific analysis is as follows:

#### (1). Principal business by industry, product, region and sales model

Unit: RMB

##### Main business by industry

By industry	Operating income	Operation cost	Gross profit margin (%)	Change in operating income over the previous year (%)	Change in operating cost over the previous year (%)	Change in gross profit margin over the previous year (%)
Hydrogen fuel cell industry	363,670,191.00	319,457,850.76	12.16	-54.50	-42.13	-18.77

##### Main business by product

By product	Operating income	Operation cost	Gross profit margin (%)	Change in operating income over the previous year (%)	Change in operating cost over the previous year (%)	Change in gross profit margin over the previous year (%)
Fuel cell system	272,659,635.69	240,768,346.64	11.70	-61.94	-49.91	-21.19
Components	35,004,174.63	29,170,561.66	16.67	14.60	9.28	4.06
Technology development and services	24,917,464.77	19,602,137.50	21.33	15.34	-3.66	15.51
Others	31,088,915.91	29,916,804.96	3.77	1.15	23.17	-17.21



## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### Main business by region

By region	Operating income	Operation cost	Gross profit margin (%)	Change in operating income over the previous year (%)	Change in operating cost over the previous year (%)	Change in gross profit margin over the previous year (%)
domestic	354,342,894.70	314,721,067.87	11.18	-55.57	-42.87	-19.74
overseas	9,327,296.30	4,736,782.89	49.22	442.49	317.03	15.28

### Main business by sales model

By sales model	Operating income	Operation cost	Gross profit margin (%)	Change in operating income over the previous year (%)	Change in operating cost over the previous year (%)	Change in gross profit margin over the previous year (%)
Direct sales	363,670,191.00	319,457,850.76	12.16	-54.50	-42.13	-18.77

Explanation of principal business by industry, product, region and sales model

- I. From the industry perspective, the hydrogen fuel cell industry is still in the early stages of commercialization. The uncertainty of macro-environment has exacerbated the industry's difficulties that any slight fluctuation in a customer's financial conditions would cause payment delays, which in turn may directly lead to a longer collection period for the Company's accounts receivable and increase of cash flow pressures, compelling the adoption of a cautious market expansion strategy that led to a decline in fuel cell system sales. Coupled with sustained selling price declines of fuel cell systems due to market competition pressures, the Company finally achieved annual main business income of RMB363.6702 million during the Reporting Period, representing a decrease of 54.50% as compared with the same period of previous year, and main business cost of RMB319.4579 million, representing a decrease of 42.13% as compared with the same period of previous year.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

- II. From the product perspective, the revenue of fuel cell system decreased by 61.94% and its cost decreased by 49.91% as compared with the same period of previous year, which was mainly due to the decrease in sales volume of the Company's fuel cell system during the Reporting Period, resulting in a slowdown in the decline in product cost, but the selling price of the fuel cell system continued to decline due to the pressure of market competition during the same period. The combination of above two factors resulted in a 18.77% decrease in the gross profit margin of the main business during the Reporting Period as compared with the same period of previous year.
- III. From the regional perspective, sales were mainly focused on the domestic region, and the sales revenue and sales costs in overseas regions increased as compared with the same period of previous year mainly due to the development of contracted processing business for overseas customers during the Reporting Period.
- IV. From the sales model perspective, the operating income and gross profit margin of the direct sales model directly reflected the scale of market demand for the Company's hydrogen fuel cell system products.

(2). *Analysis of production and sales volume*

✓Applicable    ☐Not Applicable

Main products	Unit	Production volume	Sales volume	Inventory	Change in production volume over the previous year (%)	Change in sales volume over the previous year (%)	Change in inventory over the previous year (%)
Fuel cell system	set	868	742	354	-56.45	-60.95	0.00

Explanation of production and sales volume

The decrease in sales volume of the Company's fuel cell system during the Reporting Period, resulting in a slowdown in the decline in product cost, but the price of the fuel cell system continued to decline due to the pressure of market competition during the same period.

(3). *Performance of major procurement contracts and major sales contracts*

☐Applicable    ☒Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (4). Cost analysis

Unit: RMB

By industry							Description
By industry	Cost components	Amount for the period	Proportion of total cost for the period (%)	Amount for the same period of previous year	Proportion of total cost for the same period of previous year (%)	Year-on-year change (%)	
Hydrogen fuel cell industry	Material costs	218,863,679.70	68.51	422,588,807.40	74.38	-48.21	Decrease in corresponding material consumption as a result of the direct impact of the decline in sales volume of fuel cell system.
Hydrogen fuel cell industry	Staff costs	50,393,238.71	15.77	60,240,182.58	10.91	-16.35	
Hydrogen fuel cell industry	Other expenses	50,200,932.35	15.71	69,217,710.67	12.54	-27.47	

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

By product							Description
By product	Cost components	Amount for the period	Proportion of total cost for the period (%)	Amount for the same period of previous year	Proportion of total cost for the same period of previous year (%)	Year-on-year change (%)	
Fuel cell system	Material costs	170,458,975.31	70.80	381,996,012.74	76.97	-55.38	Decrease in corresponding material consumption as a result of the direct impact of the decline in sales volume of fuel cell system.
Fuel cell system	Staff costs	30,360,726.14	12.61	37,612,221.71	7.82	-19.28	
Fuel cell system	Other expenses	39,948,645.20	16.59	61,109,109.62	12.71	-34.63	Decrease in corresponding allocated costs as a result of the direct impact of the decline in sales volume of fuel cell system.
Components	Material costs	28,410,336.81	97.39	25,510,465.82	95.57	11.37	
Components	Staff costs	303,489.37	1.04	878,902.94	3.29	-65.47	Components are closely related to the assembly of the main product fuel cell system. The decline in sales volume of the main product has led to a corresponding reduction in the scale of production, and the labor input allocated to components on the production line decreased accordingly.
Components	Other expenses	456,735.48	1.57	304,721.90	1.14	49.89	Mainly due to the increase in sales volume of components as compared with the previous period, resulting in an increase in the expenditure collection of corresponding energy consumption, equipment depreciation and others.
Technology development and services	Material costs	0.00	0.00	480.75	0.00	-100.00	Mainly due to the central purchase of core materials in the previous year as the technology research and development was in the stage of technology verification and required consumable materials in the previous year.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

By product							Description
By product	Cost components	Amount for the period	Proportion of total cost for the period (%)	Amount for the same period of previous year	Proportion of total cost for the same period of previous year (%)	Year-on-year change (%)	
Technology development and services	Staff costs	17,104,302.77	87.26	18,130,593.35	89.11	-5.66	The increase in material costs for other businesses was mainly due to the increased investment in hydrogen sales during the period, resulting in a corresponding increase in procurement costs.
Technology development and services	Others expenses	2,497,834.73	12.74	2,215,311.51	10.89	12.75	
Others	Material costs	19,994,367.58	66.83	15,081,848.09	62.09	32.57	
Others	Staff costs	2,624,720.43	8.77	3,618,464.59	14.90	-27.46	The increase in material costs for other businesses was mainly due to the increased investment in hydrogen sales during the period, resulting in a corresponding increase in allocated expenses.
Others	Others expenses	7,297,716.95	24.39	5,588,567.63	23.01	30.58	

Other explanations of cost analysis

Nil

- (5). *Change of consolidation scope due to changes in equity of major subsidiaries during the Reporting Period*

☐Applicable    ☒Not Applicable

- (6). *Any significant change or adjustment to the Company's businesses, products or services during the Reporting Period*

☐Applicable    ☒Not Applicable

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (7). Information on major customers and major suppliers

#### A. Major sales customers of the Company

☒Applicable ☐Not Applicable

The sales to the top five customers amounted to RMB304.3174 million, representing 82.99% of the total sales for the year; among which, the sales to related parties amounted to RMB14.6254 million, representing 3.99% of the total sales for the year.

Top five customers of the Company

☒Applicable ☐Not Applicable

Unit: RMB0'000

No.	Name of customer	Sales	Percentage of total annual sales (%)	Whether there is any related relationship with the listed company
1	Customer N	11,997.72	32.72	No
2	Beijing Foton Daimler Automotive Co. Ltd.	9,434.41	25.73	No
3	Customer A	4,094.01	11.17	No
4	Customer I	3,443.06	9.39	No
5	Toyota SinoHytec	1,462.54	3.99	Yes
Total	/	30,431.74	82.99	/

During the Reporting Period, sales to a single customer accounted for more than 50% of the total amount, and there were new customers or heavy reliance on a few customers among the top five customers

☒Applicable ☐Not Applicable

Among the top five customers of the company, Beijing Foton Daimler Automotive Co. Ltd. and Toyota SinoHytec were the new customers of the company in the period.



## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

B. Major suppliers of the Company

☒Applicable ☐Not Applicable

Purchases from the top five suppliers amounted to RMB190.8900 million, representing 66.35% of the total purchases for the year, of which purchases from related parties amounted to RMB118.9974 million, representing 41.36% of the total purchases for the year.

Top five suppliers of the Company

☒Applicable ☐Not Applicable

Unit: RMB0'000

No.	Name of supplier	Purchase amount	Percentage of annual total purchases (%)	Whether there is any related relationship with the listed company
1	Supplier F	11,899.74	41.36	Yes
2	Supplier B	4,158.22	14.45	No
3	Shandong AUYAN New Energy Technology Co., Ltd.	1,712.39	5.95	No
4	Supplier I	825.15	2.87	No
5	Shanghai Pujiang Specialty Gases Co., Ltd.	493.50	1.72	No
Total	/	19,089.00	66.35	/

During the Reporting Period, purchase from a single customer accounted for more than 50% of the total amount, and there were new suppliers or heavy reliance on a few suppliers among the top five suppliers

☒Applicable ☐Not Applicable

During the Reporting Period, Shandong AUYAN New Energy Technology Co., Ltd. and Shanghai Pujiang Specialty Gases Co., Ltd. were the top five new suppliers in the period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. Expenses

✓Applicable    ☐Not Applicable

Unit: RMB

Item	Amount of current period	Amount of last period	Percentage of change (%)
R&D expenses	97,013,572.48	140,907,189.33	-31.15
Financial expenses	1,982,243.23	-16,056,462.99	—
Credit impairment losses	-201,142,245.18	-99,482,634.25	—
Income tax expense	8,690,382.05	-19,487,444.93	—

1. Explanation on changes in financial expenses: The Company's financial expenses increased by RMB18.0387 million as compared with the same period of previous year, mainly due to the increase in borrowing interest and the decrease in exchange gains of the Company during the Reporting Period.
2. Explanation on changes in R&D expenses: The Company's R&D expenses decreased by 31.15% as compared with the same period of previous year, mainly due to reduced investment in R&D projects as a result of the Company's optimization of R&D structure during the Reporting Period.
3. Explanation on changes in credit impairment losses: The Company's credit impairment losses increased by RMB101.6596 million year-on-year, mainly due to the provision for bad debts made by the Company as it took a prudent attitude towards accounts receivable during the Reporting Period.
4. Explanation on changes in income tax expenses: The Company's income tax expenses increased by RMB28.1778 million year-on-year, mainly due to the expiration of the loss recovery period, resulting in the discontinuation of recognizing deferred income tax assets.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### 4. Cash flow

✓Applicable    ☐Not Applicable

Unit: RMB

Item	Amount of current period	Amount of last period	Percentage of change (%)
Net cash flows from operating activities	<b>-18,623,817.28</b>	-560,638,150.79	–
Net cash flows from investing activities	<b>-20,135,793.35</b>	-754,636,153.44	–
Net cash flows from financing activities	<b>161,860,205.26</b>	1,276,801,074.12	-87.32

- Net cash flow from operating activities of the Company increased by RMB542.0143 million year-on-year as compared with the same period of previous year, mainly due to the Company's strengthening of customer credit management and optimisation of the expenditure structure in 2024, with the amount of return from customers during the Reporting Period increasing by 68.20% as compared with the previous year, and the decrease in cash expenditure for day-to-day operations by 24.86% as compared with the previous year, which resulted in an improvement of the cash flow position of the Company's operating activities as compared with the same period of previous year.
- Net cash flows from investment activities of the Company increased by RMB734.5004 million year-on-year, mainly due to the purchase of specialised wealth management products in the same period of the previous year, resulting in a substantial cash outflow.
- Net cash flow generated from financing activities of the Company decreased by 87.32%, mainly due to the proceeds obtained from the completion of listing of the Company on the Main Board of the Hong Kong Stock Exchange in the same period last year.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Explanation on material changes in profit due to non-principal business

✓Applicable    □Not Applicable

Unit: RMB

Item	Amount of current period	Amount of last period	Percentage of change (%)
Other income	51,772,241.34	24,856,478.84	108.28
Investment income	6,148,454.03	-34,186,331.54	—
Income from changes in fair value	19,923,161.29	33,050,692.03	-39.72
Non-operating expenses	2,062,832.97	13,603,125.91	-84.84

1. Other income of the Company increased by 108.28 % as compared with the same period of previous year, mainly due to the increase in government grants during the Reporting Period.
2. The Company's investment income increased by RMB40.3348 million as compared with the same period of previous year, mainly due to the gains recognised on the transfer of equity interests in subsidiaries during the Reporting Period.
3. The income from changes in fair value of the Company decreased by 39.72 % as compared with the same period of previous year, mainly due to the decrease in wealth management gains during the Reporting Period.
4. The Company's non-operating expenses decreased by 84.84% as compared with the same period of previous year, mainly due to the decrease in the maintenance compensation paid to customers during the Reporting Period as compared with the same period of the previous year.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (III) Analysis of assets and liabilities

✓Applicable    □Not Applicable

#### 1. Assets and liabilities

Unit: RMB

Item Name	Closing balance of current period	Percentage of total assets at the end of the period (%)	Closing balance of previous period	Percentage of total assets at the end of the previous period (%)	Change in amount at the end of the period over the end of the previous period (%)	Explanation
Bills receivable	14,478,407.04	0.30	50,790,598.92	1.03	-71.49	1
Receivables financing	2,592,424.40	0.05	31,009,909.60	0.63	-91.64	2
Prepayments	4,723,114.27	0.10	27,845,110.18	0.56	-83.04	3
Contract assets	1,249,340.20	0.03	16,711,351.68	0.34	-92.52	4
Other non-current financial assets	4,096,500.00	0.09	2,800,000.00	0.06	46.30	5
Construction in progress	15,004,992.89	0.31	21,651,097.39	0.44	-30.70	6
Development expenditure	49,754,133.69	1.04	35,604,953.79	0.72	39.74	7
Bills payable	19,260,918.00	0.40	39,683,502.69	0.80	-51.46	8
Advances from customers			27,522.85	0.00	-100.00	9
Contract liabilities	62,510,456.52	1.31	6,444,858.63	0.13	869.93	10
Taxes payable	6,742,876.92	0.14	2,934,806.59	0.06	129.76	11
Other payables	158,033,221.89	3.31	18,742,209.30	0.38	743.19	12
Other current liabilities	10,852,649.97	0.23	6,507,783.13	0.13	66.76	13
Lease liabilities	12,329,805.18	0.26	21,299,220.60	0.43	-42.11	14
Long-term payables	2,062,150.49	0.04	5,911,814.94	0.12	-65.12	15
Deferred income tax liabilities	2,987,008.30	0.06	33,204,233.23	0.67	-91.00	16
Share capital	231,652,081.00	4.85	165,465,772.00	3.35	40.00	17
Special reserve	10,194,879.88	0.21	7,707,807.00	0.16	32.27	18

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### *Other explanation*

1. The bills receivable decreased by 71.49% as compared with the end of the previous period, mainly due to a decrease in transaction volume caused by the macroeconomic downturn. At the same time, the Company accelerated the discounting of bills receivable to ease financial pressure and use them to pay suppliers, resulting in a decrease in book balance.
2. Receivables financing decreased by 91.64% as compared with the end of the previous period, mainly due to a decrease in transaction volume caused by the macroeconomic downturn. At the same time, the Company accelerated the discounting of bills receivable to ease financial pressure and use them to pay suppliers, resulting in a decrease in book balance.
3. Prepayments decreased by 83.04% as compared with the previous period, mainly due to a decline in product sales during the Reporting Period, and the Company proactively reduced its procurement scale.
4. Contract assets decreased by 92.52% as compared with the end of the previous period, mainly due to a decrease in the Company's sales order volume during the Reporting Period, and the reclassification of warranty deposits expected to be recovered over one year to other non-current assets at the end of the Reporting Period.
5. Other non-current financial assets increased by 46.30% from the end of the previous period, mainly due to the capital appreciation of financial assets held during the Reporting Period.
6. Construction in progress decreased by 30.70% as compared with the end of the previous period, mainly due to the conversion to fixed assets after the completion of the project during the Reporting Period.
7. Development expenditure increased by 39.74% as compared with the end of the previous period, mainly due to the Company's new investment in capitalization projects during the Reporting Period.
8. Bills payable decreased by 51.46% as compared with the end of the previous period, mainly due to the partial payment of bills payable at maturity in the current period, the amount of new bills payable in the current period was smaller than that in the previous period, which resulted in a decrease in the balance of bills payable at the end of current period.
9. Advances from customers decreased by 100% as compared with the end of the previous period, mainly due to the fact that the advance receipts at the beginning of the period had been converted into income during the Reporting Period.
10. Contract liabilities increased by 869.93% as compared with the end of the previous period, mainly due to the inflow of contract payments from project orders signed in current period.
11. Taxes payable increased by 129.76% as compared with the end of the previous period, mainly due to the increase in corporate income tax caused by the profitability of subsidiaries.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

12. Other payables increased by 743.19% as compared with the end of the previous period, mainly due to the project subsidies received by the Company during the Reporting Period that had to be transferred to other units.
13. Other current liabilities increased by 66.76% as compared with the end of the previous period, mainly due to the accounting treatment for bank bills with low credit rating endorsed that have not been derecognised during the Reporting Period.
14. Lease liabilities decreased by 42.11% as compared with the previous period, mainly due to the reclassification of the portion due within the next year to other non-current liabilities.
15. Long-term payables decreased by 65.12% as compared with the end of the previous period, mainly due to a decrease in the financial leasing payables during the Reporting Period.
16. Deferred income tax liabilities decreased by 91.00% as compared with the end of the previous period, mainly due to the use of the net method to account for deferred income tax assets and deferred income tax liabilities during the Reporting Period.
17. Share capital increased by 40% as compared with the previous period, mainly due to the Company's implementation of conversion of capital reserve to the share capital in 2024.
18. Special reserve increased by 32.27% as compared with the end of the previous period, mainly due to the provision of special reserve based on the previous year's operating income, and the operating income in 2023 increased by 8.48% as compared with 2022, directly leading to a corresponding increase in the provision of special reserves in the year.

#### 2. Overseas assets

☐Applicable    ☒Not Applicable

#### 3. Restrictions on major assets as of the end of the Reporting Period

☒Applicable    ☐Not Applicable

For details, please refer to Note VII. 31. Assets with restricted ownership or right-of-use in "Section X Financial Statements".

#### 4. Other explanation

☐Applicable    ☒Not Applicable



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (IV) Analysis of industry operating information

✓Applicable    ☐Not Applicable

For details, please refer to “(III) Industry conditions” under “II. Description of the main businesses, business models, industry conditions and status of research and development of the Company during the Reporting Period” of “Section III Management Discussion and Analysis”.

### (V) Analysis of investment status

#### Overall analysis of external equity investment

✓Applicable    ☐Not Applicable

Unit: RMB0'000

Investment amount during the Reporting Period	Amount invested in the same period of previous year	Change
12,222.14	85,338.10	-85.68%

Details of the Company's external equity investment during the Reporting Period are as follows:

1. SinoFuelCell, a holding subsidiary of the Company, established Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. (廣州神力氫能科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB20 million;
2. SinoHytec Hydrogen, a holding subsidiary of the Company, established Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB50 million;
3. Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) established Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) as a holding subsidiary, with a registered capital of RMB5 million, of which Guangxi SinoHytec contributed 66%, or RMB3.3 million;
4. Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) established Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. (廣西凌雲中電華通新能源有限公司) as a wholly-owned subsidiary, with a registered capital of RMB5 million.
5. Toyota SinoHytec, the joint venture of the Company, increased its capital by 1,900 million yen, resulting in a registered capital of 6,400 million yen after the capital increase, of which 950 million yen was increased by the Company and Toyota Motor Corporation, respectively.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Material equity investments

☐ Applicable    ☒ Not Applicable

#### 2. Material non-equity investments

☐ Applicable    ☒ Not Applicable

#### 3. Financial assets measured at fair value

☒ Applicable    ☐ Not Applicable

Unit: RMB

Type of assets	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognized in equity	Impairment provided during the period	Amount purchased during the period	Amount sold/ redeemed during the period	Other changes	Closing balance
Others								
Including: Financial assets held-for-trading	690,330,355.31	18,626,661.29			18,469,360.00			727,426,376.60
Receivables financing	31,009,909.60				69,469,603.04	97,887,088.24		2,592,424.40
Other equity instrument investments	195,510,000.00		-37,663,200.00					157,846,800.00
Other non-current financial assets	2,800,000.00	1,296,500.00						4,096,500.00
<b>Total</b>	<b>919,650,264.91</b>	<b>19,923,161.29</b>	<b>-37,663,200.00</b>		<b>87,938,963.04</b>	<b>97,887,088.24</b>		<b>891,962,101.00</b>

The investment in securities

☐ Applicable    ☒ Not Applicable

The investment in derivatives

☐ Applicable    ☒ Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. Investment status of private equity investment funds

✓Applicable    □Not Applicable

Unit: RMB0'000

Name of private equity fund	Time of signature of investment agreements	Investment purposes	Total proposed investment	Investment amount during the Reporting Period	Amount invested as of the end of the Reporting Period	Participation Identity	Capital contribution ratio at the end of the Reporting Period (%)	Control or significant influence over the fund	Accounting subjects	Connected relationship or not	Fund underlying assets	Impact on profit during the Reporting Period	Cumulative profit impact
Beijing Shuimu Piloting Venture Capital Center (Limited Partnership)	February 2021	To fully integrate and utilize the advantageous resources of all parties, and adjust the asset structure of the Company, expand the investment channels of the Company on the premise of ensuring the steady development of the Company's principal business, so as to make the investment mode of the Company more diversified and disperse the risk of single channel investment. Through the professional investment management team of fund management, the Company timely grasps investment opportunities, reduces investment risks, and promotes the realization of the Company's strategic objectives.	8,000	0	8,000	Limited Partnership	100	Yes	Long-term equity investment	Yes	Focus on healthcare, new generation information technology, new energy fields	1,266.73	3,789.47
Total	/	/	8,000	0	8,000	/	100	/	/	/	/	1,266.73	3,789.47

#### Other explanation

The original plan of the Company was to invest a total of RMB100 million. During the Reporting Period, the Company transferred RMB20 million of unpaid registered capital to Yantai Shuimu Zhanhua Investment Co., Ltd., after which the Company's total investment amounted to RMB80 million.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 5. Specific progress of major asset restructuring and integration during the Reporting Period

☐Applicable    ☒Not Applicable

#### (VI) Significant disposal of asset and equity

☐Applicable    ☒Not Applicable

#### (VII) Analysis of major controlling and investee companies

☒Applicable    ☐Not Applicable

Name of company	Nature of company	Type of company	Registered capital	Percentage of shareholding	Nature of business
SinoFuelCell	Majority-controlled subsidiary	Limited liability company	8,495.27	25.60%	R&D, manufacturing and sales of fuel cell stacks
SinoHytec Power	Wholly-owned subsidiary	Limited liability company	35,966.80	100.00%	Manufacturing and sales of fuel cell power system and related components
Juxinghuatong	Wholly-owned subsidiary	Limited liability company	3,000.00	100.00%	Manufacturing and sales of fuel cell system and related components
Chengdu SinoHytec	Wholly-owned subsidiary	Limited liability company	5,000.00	100.00%	Promotion of new energy technology
SinoHytec International Limited	Wholly-owned subsidiary	Limited liability company	3,000.00	100.00%	Promotion of new energy technology
SinoHytec Hydrogen	Majority-controlled subsidiary	Limited liability company	6,923.21	72.22%	Promotion of new energy technology
Toyota Sinohytec	Joint venture	Limited liability company	640,000.00	50.00%	Manufacturing and sales of fuel cell products
United Fuel Cell	Associate	Limited liability company	167,300.00	15.00%	Design and development of fuel cell products
Zhangjiakou Haiper	Associate	Limited liability company	7,916.67	26.22%	Production and sales of hydrogen

Note: In the column of registered capital, the registered capital unit of Toyota Sinohytec and United Fuel Cell is ten thousand yen, the registered capital unit of SinoHytec International Limited. is ten thousand dollars, and the registered capital unit of other companies is ten thousand RMB. For detailed analysis of major holding and participating companies, please refer to "X. Interests in other entities" of "Section X Financial Statements".

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (VIII) Structural entities controlled by the Company

☐Applicable ☒Not Applicable

## VI. DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

### (I) Industry landscape and trend

For details, please refer to "(III) Industry conditions" under "II. Description of the main businesses, business models, industry conditions and status of research and development of the Company during the Reporting Period" of "Section III Management Discussion and Analysis".

### (II) Development strategy of the Company

The mission of the Company is to contribute to China's goal of "carbon peaking and carbon neutrality" with advanced hydrogen fuel cell technology as the entry point, promote the global energy revolution, and strive to become a global leader in hydrogen fuel cell technology to build a sustainable low-carbon future. To this end, the Company intends to achieve this goal by implementing the following strategies:

#### 1. Continue deepening the R&D of fuel cell system and core components

The Company will continue R&D and testing activities to improve the adaptability, high thermal resistance durability, reliability, energy conversion efficiency, safety and economy of our products in bad weather, for further optimisation and upgrading. The Company intends to continuously increase our R&D strength by virtue of our experiences in fuel cell system industry and our deep understanding of downstream markets over years. In order to further commercialise our fuel cell related researches, the Company plans to work with industrial, educational and scientific institutions, and further construct strong competitive advantages.

#### 2. Strategically expand our customer base and geographical coverage

The Company intends to continue to maintain and expand our customer base to increase market shares. The Company intends to use the new generation of R&D platform to improve products and increase product portfolios, to meet a diversity of customer demands. The Company intends to further expand the application scenarios of fuel cell system in commercial heavy vehicles (i.e. heavy trucks). The Company intends to promote new products to more vehicle manufacturers and their customers to obtain higher market share. The Company will carry out marketing activities based on the development of the regional fuel cell system market and the geographical distribution of hydrogen resources in China.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. Expand and strengthen the Company's supply chains

As the Company continues to improve production capacity and increases sales volume, relationship with supplier is the key to the Company's continuing future success. The Company has established business relationships with many well-known suppliers of fuel cell parts and components in the market. The Company intends to further cooperate with them, identify alternative suppliers and pursue the vertical integration of our supply chains and resources, to reduce raw material costs, ensure supply chain stability and improve product quality.

### 4. Strengthen corporate management and improve operational efficiency

In order to better address future market challenges and seize opportunities, the Company will further strengthen system construction to improve overall management level and operational efficiency. The Company will enhance overall corporate governance by building a team of high-quality professional talents and providing them with systematic training, improving the management system and optimising organisation structure. This will not only help the Company improve the scientific nature of decision-making and efficiency of execution, but also help to optimise resource allocation and reduce operating costs, thereby effectively consolidating and enhancing the Company's competitiveness in the industry to lay a solid foundation for the Company's sustainable development.

### 5. Extend and integrate upstream and downstream of the industrial chain

The development of hydrogen energy is one of the important ways to achieve our country's "dual carbon" strategic goals. In December 2024, the Ministry of Industry and Information Technology and three other departments issued the Implementation Plan for Accelerating Clean Low-Carbon Hydrogen Application in the Industrial Sector (《加快工業領域清潔低碳氫應用實施方案》), proposing policies such as "encouraging fuel cell vehicle demonstration projects to use high-quality industrial by-product hydrogen and renewable energy nearby to produce hydrogen." The Company intends to extend and integrate upstream and downstream of the industrial chain, tap into the "production-storage-transportation-processing-research-use" industry end, which would enable chain extension and supplement, explore application scenarios, and enhance comprehensive strength, thereby achieving sustainable development.

## (III) Operation plan

✓Applicable    ☐Not Applicable

In 2025, the Company will continue to adhere to the philosophy of market-oriented and customer-centric business, seize the opportunities of "dual carbon" and demonstration city clusters for fuel cell, further improve product development and quality management capabilities, strengthen marketing and expand sales scale. At the same time, we will strengthen strategic coordination to help listed companies to develop in high quality.

### 1. Leverage R&D advantages to improve R&D, testing and verification capabilities

The Company has always adhered to the overall layout of "Advance Research, Continuous Development and In-depth Promotion" during R&D. In 2025, the Company will continue to be market-oriented and customer-centric in product development planning, focusing on optimizing low-temperature activation performance, improving product reliability, durability and integration and other core technical indicators. At the same time, the Company will accelerate the construction of fuel cell comprehensive testing and evaluation center to further improve the R&D, testing and verification capabilities.

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 2. Optimize the quality management system and improve quality and service assurance capabilities

In 2025, the Company will continue to promote the full participation in product development and optimization, and strengthen the quality responsibility mechanism guided by target results. At the same time, in terms of quality control, the Company will start from management and technical means, and further consolidate the foundation of quality management by establishing a key business quality assurance system and a quality monitoring and management system. In terms of customer service, the Company improved service efficiency and capability by promoting the model of service station and improving after-sales facilities, so as to enhance customer experience and further improve customer satisfaction.

#### 3. Strengthen market expansion and expand sales scale

The Company continued to take “point, line and plane” as its market development strategy, focused on market development and expansion around demonstration city clusters for fuel cell and potential cities, strengthened communication with customers, and deployed development plans in advance based on the characteristics of customer demand to improve market development efficiency. On the other hand, the Company promoted the application of our fuel cell systems through assisting commercial vehicle manufacturers in their testing of prototypes and production and launch of new fuel cell vehicle models.

#### 4. Strengthen strategic coordination to help listed companies to develop in high quality

The Company will strengthen the in-depth strategic cooperation with the upstream enterprises of the industrial chain, extend to the upstream of the industrial chain, tap into the “production-storage-transportation-processing-research-use” industry end, and achieve strategic coordination in the areas of hydrogen production, storage and transportation, consumption and application of scenarios of scale, etc., which will help the Company to realise the integrated development of the application of the hydrogen industry, so as to facilitate the high-quality development of the listed company.

#### (IV) Others

☐Applicable    ☒Not Applicable

### VII. OTHER DISCLOSURES

#### (I) Sufficiency of public float of H shares

As of the date of this report, based on the publicly available information and to the best knowledge of Directors, the Directors believe that the public float of the Company complies with Rule 8.08 of the Listing Rules and the minimum public float requirement of the Hong Kong Stock Exchange.

#### (II) Interests of Directors and Supervisors in business in competition with the Company

As of the date of this report, none of the Directors or Supervisors had an interest in another business which competes or is likely to compete, either directly or indirectly, with the business of the Company.

#### (III) Directors' and Supervisors' service contracts

None of the Directors and Supervisors of the Company has entered into any service contract with the Company or its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### **(IV) Directors' and Supervisors' interests in transactions, arrangements or contracts of significance**

Neither the Company nor its subsidiaries had entered into any significant transactions, arrangements or contracts in which the Directors, Supervisors or entities connected with the Directors or Supervisors directly or indirectly had material interests during the Reporting Period.

### **(V) Permitted indemnity provision**

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Period. The Company has arranged appropriate insurance coverage in respect of potential legal actions and liabilities against the Directors, Supervisors and senior management.

### **(VI) Pre-emptive rights arrangement**

According to the PRC laws and the Articles of Association, the shareholders of the Company have no pre-emptive rights.

### **(VII) Responsibility statement of the Board on risk management, internal control and compliance management**

The Board has the ultimate responsibility for the Group's risk management, internal control and compliance management, and for reviewing the effectiveness of these systems. Considering that the above risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, the Board can only provide reasonable and not absolute assurance against material misstatement or loss.

### **(VIII) Remuneration of Directors, Supervisors and Senior Management**

Details of the remuneration of Directors, Supervisors and senior management are set out in "VI. Directors, Supervisors and Senior Management" of "Section IV Corporate Governance" of this report.

### **(IX) Purchase, sale or redemption of the Company's shares**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. As of December 31, 2024, the Company did not hold any treasury shares.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (X) Significant events after the Reporting Period

On March 12, 2025 (after trading hours), the Company entered into a framework agreement with Risun Group Co., Ltd. (旭陽集團有限公司) (“**Risun Group**”), pursuant to (i) the Company conditionally agreed to purchase, and Risun Group conditionally agreed to sell, the entire equity interests in Dingzhou Risun Hydrogen Energy Co., Ltd. (定州旭陽氫能有限公司) (the “**Target Company**”), a company established in the PRC with limited liability and is owned as to 68.75% and 31.25% by Risun Group and Heibei Risun Energy Co., Ltd. (河北旭陽能源有限公司), by way of issuance of consideration shares (the “**Proposed Acquisition**”); and (ii) the Company intends to issue new A Shares to Risun Group to raise ancillary funds (the “Proposed Issuance of A Shares”, together with the Proposed Acquisition, the “**Possible Transactions**”).

The final consideration for the Proposed Acquisition will be determined with reference to the appraised value of the Target Company after arm’s length negotiation between the Company and Risun Group and confirmed by way of entering into the supplemental agreement which shall be considered and approved by another Board meeting. The total consideration for the Proposed Acquisition shall be satisfied by the Company by the allotment and issuance of the consideration shares. The Proposed Issuance of A Shares is conditional upon completion of the Proposed Acquisition while the Proposed Acquisition is not conditional upon completion of the Proposed Issuance of A Shares.

It is expected that the Possible Transactions, if materialized, may constitute a major transaction of the Company under the Listing Rules which is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules. As of the date of this report, the final consideration and certain detailed terms of the Possible Transactions have not been finalized. It is expected that Risun Group may become the single largest Shareholder of the Company upon completion of the Possible Transactions, subject to the finalized terms under the supplemental agreement.

For details of the Possible Transactions, please refer to the announcements of the Company dated February 27, 2025, March 5, 2025, March 13, 2025, and April 11, 2025.

Save as disclosed above, the Group had no material subsequent events as of the date of this report.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### **(XI) Management contracts**

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during 2024.

### **(XII) Directors' and Supervisors' rights to acquire shares or debentures**

None of the Directors and Supervisors or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right during the Reporting Period.

### **(XIII) Equity-linked agreements**

No equity-linked agreements were entered into by the Company during 2024 and no any such agreement subsisted at the end of 2024.

### **(XIV) Major customers and suppliers**

For details of major customers and suppliers, please refer to "(7) Major customers and major suppliers" of "Section III Management Discussion and Analysis" of this report.

### **(XV) Pension schemes**

The Group participates in state-managed retirement benefit schemes established by the respective local governments for its employees in Mainland PRC. Pursuant to the relevant regulations, the premiums and welfare benefit contributions borne by the Group are calculated and paid to the relevant labor and social welfare authorities on a regular basis. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC-based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. In addition, our employees in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other social insurance plans. The Company contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling.

There are no forfeited contributions (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) available to the Group to reduce the contributions payable in future years or to reduce the Group's existing level of contributions to the pension scheme. Please refer to "39. Employee benefits payable" under "VII. Notes to the Consolidated Financial Statements of "Section X Financial Statements" of this report for details of the pension schemes provided by the Group.

### **(XVI) Reserves and distributable profit reserves**

Please refer to "59. Surplus reserve" and "60. Undistributed profits" of "VII. Notes to the Consolidated Financial Statements" of "Section X Financial Statements" in this Report for details of the changes in the reserves and reserves of distributable profits of the Company.

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (XVII) Fixed assets

For details of the fixed assets of the Group as of December 31, 2024, please refer to “21. Fixed assets” under “VII. Notes to the Consolidated Financial Statements” of “Section X Financial Statements” in this report.

### (XVIII) Contracts with controlling shareholders

During the Reporting Period, no material contract has been entered into between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries, and no material contract for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries was entered into.

### (XIX) Change of consolidation scope

The Company (i) established Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. (廣州神力氫能科技有限公司) as an indirect non wholly-owned subsidiary in January 2024; (ii) established Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) as an indirect non wholly-owned subsidiary in May 2024; (iii) established Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) as an indirect non wholly-owned subsidiary in June 2024; (iv) established Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. (廣西凌雲中電華通新能源有限公司) as an indirect non wholly-owned subsidiary in June 2024; and (v) in December 2024, transferred 60% of the equity interest in Shanghai Kuitong Technology Co., Ltd. (上海夔通科技有限公司), reducing its equity ratio therein to 40%, and from December 1, 2024, Shanghai Kuitong Technology Co., Ltd. and its subsidiaries Guochuang Hebei Hydrogen Energy Industry Innovation Center Co., Ltd. (國創河北氫能產業創新中心有限公司) and Hebei Guochuang Hydrogen Energy Technology Co., Ltd. (河北國創氫能科技有限公司) were no longer included in the Group's consolidated financial statements.

Save as disclosed above, there were no other significant changes in the scope of consolidation of the Company during the Reporting Period.

### (XX) Profit distribution policy of the Company

The Company attaches great importance to the return to shareholders and has specified the profit distribution policy of the Company in the Articles of Association, including the form of profit distribution, specific conditions and proportion of cash dividends, conditions for share dividend distribution, specific decision-making mechanism and procedures for profit distribution, etc.

There was no arrangement under which a shareholder waived or agreed to waive any dividends during the Reporting Period.

### (XXI) Tax credit

The Directors are not aware of any tax credit available to the Shareholders by reason of their holding of the Company's securities.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (XXII) Analysis of financial position

The Company implements a prudent financial policy, establishes a strict risk control system for investment, financing and cash management, and always maintains a stable capital structure and good financing channels. The Company strictly controls the scale of loans, and at the same time meets the capital needs of the Company's operating activities, and makes full use of financial instruments to reduce financial expenses and prevent financial risks in a timely manner, so as to achieve sustainable development of the Company and maximize shareholders' value.

Liquidity and capital structure	Closing	Opening
(1) Gearing ratio	40.50%	31.11%
(2) Quick ratio (times)	1.76	2.35
(3) Current ratio (times)	1.87	2.53

Notes:

- (1) Gearing ratio = Total liabilities/Total assets
- (2) Quick ratio = (Current assets – Inventories)/Current liabilities
- (3) Current ratio = Current assets/Current liabilities

### (XXIII) Exposure to fluctuations in exchange rates

The Company's main operations are located in the PRC and its main businesses are settled in RMB. However, the Company is exposed to foreign exchange risk arising from the recognized assets and liabilities and future transactions denominated in foreign currencies, primarily with respect to US dollars. The finance department of the Company is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities of the Company to minimize the exchange rate risk. In this regard, the Company will pay close attention to the foreign exchange rate on the public website of the State Administration of Foreign Exchange in real time to avoid the exchange rate risk.

### (XXIV) Contingent liabilities

Save as disclosed in this report, as of December 31, 2024, the Group did not have any material contingent liabilities.

### (XXV) Significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

Save as disclosed in this report, during the Reporting Period, the Group had no significant investments, no material acquisitions and disposals of subsidiaries, associates and joint ventures, and no future plans for material investments or capital assets.

### (XXVI) Details of charges on assets of the Company

For details of the charges on assets of the Company, please refer to "31. Assets with restricted ownership or right-of-use" under "VII. Notes to the Consolidated Financial Statements" of "Section X Financial Statements".

## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### (XXVII) Use of proceeds from the Global Offering

The Company issued ordinary shares at HK\$60 per share, offered 17,628,000 H shares in Hong Kong and over-allotted 670,450 H shares in the nominal value of RMB1.00 per H share, which were listed on the Main Board of the Hong Kong Stock Exchange on January 12, 2023 and February 8, 2023, respectively. The net proceeds from the Global Offering received by the Company, after deducting underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$1,022 million (equivalent to approximately RMB886 million), representing the net price of approximately HK\$55.85 per H share.

As of December 31, 2024, the net proceeds from the Global Offering were used as follows. The Group will further use the proceeds from the Global Offering for the proposed purposes set out in the prospectus of the Company dated December 29, 2022.

Use of proceeds	Approximate percentage of total net proceeds (%)	Net proceeds from the Global Offering (RMB million)	Net proceeds utilized up to December 31, 2024 (RMB million)	Remaining net proceeds up to December 31, 2024 (RMB million)	Expected time of full utilization of the remaining net proceeds
Develop a new generation of integrated research and development platform	50.20	444.90	47.28	397.63	By the end of the year ending December 31, 2025
Financing overseas research and development projects	24.80	219.79	0.00	219.79	By the end of the year ending December 31, 2025
Product promotion and marketing	15.00	132.94	48.34	84.60	By the end of the year ending December 31, 2025
General working capital	10.00	88.63	88.63	0.00	/
Total	100.00	886.26	184.24	702.02	

## SECTION III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (XXVIII) Interests and short positions of directors and supervisors in the shares and underlying shares or debentures of the Company and its associated corporations under Hong Kong laws and regulations

As of December 31, 2024, based on the information available to the Company and to the best knowledge of the directors, the following directors and supervisors of the Company had interests and/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 are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, or interests and/or short positions required to be recorded in the register kept by the Company under section 352 of the SFO:

#### Interests in shares of the Company

Name	Nature of interest	Class of shares	Number of shares held	Approximate percentage of interest in the relevant class of shares (%) <sup>(Note 1)</sup>	Approximate percentage of interest in the total shares (%) <sup>(Note 1)</sup>
Zhang Guoqiang	Beneficial owner	A Shares	36,444,469 (Long position)	18.61	15.73
Song Haiying	Beneficial owner	A Shares	2,381,163 (Long position)	1.22	1.03
Dai Dongzhe	Beneficial owner	A Shares	323,331 (Long position)	0.17	0.14

*Note:*

- The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of December 31, 2024 by the total number of shares.



## SECTION III

# MANAGEMENT DISCUSSION AND ANALYSIS

### Interests in associates of the Company

Name	Name of associate	Capacity/ Nature of interest	Approximate percentage of shareholding (%)
Song Haiying	Zhangjiakou Haiper	Interest of controlled corporation <sup>(Note 1)</sup>	29.26

Note:

1. As of the end of the Reporting Period, Zhangjiakou Qindahang Technology Partnership (L.P.) holds approximately 29.26% equity interest in Zhangjiakou Haiper. Zhangjiakou Qindahang Technology Partnership (L.P.) is owned as to 80% by Song Haiying. Accordingly, Song Haiying is deemed to be interested in the equity interest held by Zhangjiakou Qindahang Technology Partnership (L.P.) by virtue of the SFO.

Save as the interests disclosed above, as of December 31, 2024, none of the directors, supervisors, chief executive of the Company or their respective associates had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations.

### (XXIX) Donations

During the Reporting Period, the Group made a total of donations of approximately RMB0.04 million.

### (XXX) Related party transactions

During the Reporting Period, there was no related party transaction which constituted a connected transaction or continuing connected transaction required to be disclosed under Chapter 14A of the Listing Rules. For details of the Company's related party transactions, please refer to "XIV. Related Parties and Related Party Transactions" in "Section X. Financial Statements" of this report. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the Reporting Period.

### (XXXI) Connected transactions

During the year ended 31 December 2024, the Company entered into the following connected transactions which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules.

#### 1. Connected transactions with Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) ("Zhongdian Huatong")

On December 16, 2024, (i) the Company as the seller entered into an agreement with Zhondian Huatong as the purchaser in relation to the sales of fuel cell system test bench at a consideration of RMB530,000; (ii) SinoHytec Power as the seller entered into an agreement with Zhongdian Huatong as the purchaser for the sales of fuel cell system test benches at a total consideration of RMB1,300,000; (iii) SinoFuelCell as the seller entered into an agreement with Zhongdian Huatong as the purchaser for the sales of fuel cell system test benches, hydrogen safety construction and test bench supporting pipeline construction related products at a total consideration of RMB8,690,000.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Zhongdian Huatong is an indirectly non wholly-owned subsidiary of SinoHytec Hydrogen, and SinoHytec Hydrogen is owned as to 72.2%, 24.6%, 1.9% and 1.3% by the Company, Beijing Tonglan Technology Center (L.P.) (北京通嵐科技中心(有限合夥)) (“**Tonglan Technology**”), Beijing Yingshuo Huahydrogen Enterprise Management Consulting Center (Limited Partnership) (北京英燦華氫企業管理顧問中心(有限合夥)) and Mr. Chen Shoujie (陳守杰), respectively. Ms. Song Haiying and Ms. Dai Dongzhe, the executive Directors, are the general partners of Tonglan Technology. Each of SinoHytec Hydrogen and Zhongdian Huatong, being a subsidiary of SinoHytec Hydrogen, is thus a connected subsidiary of the Company and a connected person of the Company pursuant to the Listing Rules.

For details of the transactions with Zhongdian Huatong, please refer to the Company’s announcement dated December 16, 2024.

### 2. Continuing connected transactions with SinoHytec Hydrogen and its subsidiaries (the “SinoHytec Hydrogen Energy Group”)

On October 30, 2024, the Company and SinoHytec Hydrogen entered into (i) a sales of goods agreement pursuant to which the Group (other than the SinoHytec Hydrogen Energy Group) provides goods required for the production and operation of SinoHytec Hydrogen Energy Group; and (ii) a technological services agreement pursuant to which the Group (other than the SinoHytec Hydrogen Energy Group) provides technological services to SinoHytec Hydrogen Energy Group for its research and development process (together the “**CCT Agreements**”). Both of the CCT Agreements have a term commencing from October 30, 2024 to December 31, 2026 (both days inclusive).

SinoHytec Hydrogen is owned as to 72.22% and 24.56% by the Company and Tonglan Technology, respectively. Ms. Song Haiying and Ms. Dai Dongzhe, the executive Directors are the general partners of Tonglan Technology. SinoHytec Hydrogen is thus a connected subsidiary of the Company and a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into (i) in the ordinary and usual course of the business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company’s shareholders as a whole.

Pursuant to rule 14A.56 of the Listing Rules, the Company’s auditors were engaged to report on the above continuing connected transactions. The auditors have provided a letter to the Board confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (iv) have exceeded the cap.

For details of the above continuing connected transactions, please refer to the Company’s announcement dated October 30, 2024.

Save as disclosed above, during the Reporting Period, the Company did not enter into any transactions which are required to be disclosed in this report pursuant to Chapter 14A of the Listing Rules.

## SECTION IV CORPORATE GOVERNANCE

### I. CORPORATE GOVERNANCE

During the reporting period, the Company continuously improved its corporate governance system and established a standardized corporate governance structure in strict accordance with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and other laws, regulations, rules and regulatory documents. The supreme authority of the Company is the general meeting of shareholders, the Board is the standing decision-making and management body, and the Supervisory Committee is the supervisory body of the Company. Under the Board, there are Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, and Audit Committee, which are respectively responsible for the Company's strategic planning, major personnel appointment and removal, remuneration and appraisal system design and the Company's risk control. The general meeting of shareholders, the Board, the Supervisory Committee and the general manager shall strictly perform their respective functions and powers in accordance with the provisions of the Articles of Association. Each department of the Company's operation and management has its own responsibilities, with orderly division of labor and effective supervision, ensuring the standardization and effectiveness of enterprise operation decisions, and providing firm governance guarantees for the implementation of strategies. The specific situation of corporate governance is as follows:

#### 1. Shareholders and General Meetings

The Company shall convene and hold the general meeting of shareholders in strict accordance with the requirements of the Articles of Association, Rules of Procedure of the General Meetings and other laws and regulations. The annual general meeting of shareholders shall be held once a year. The notice, convening, resolution, voting method, signing, and information disclosure of the general meeting comply with the Company Law, the Securities Law, and various regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange. The content of the resolution is legal and effective, and the equal rights of all shareholders, especially minority shareholders, are fully protected. During the Reporting Period, the Company ensured the compliance and effectiveness of its decision-making in accordance with the Company Law, the China Securities Regulatory Commission's the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and other laws, regulations, rules and regulatory documents. During the Reporting Period, the Company held one annual general meeting and one extraordinary general meeting, as well as two A-share class general meetings and two H-share class general meetings. The procedures of convening, convening, deliberating, voting, voting, etc. of the general meetings meet the legal requirements, and the legal opinion issued by the lawyer is present to witness the general meetings to ensure the legality and effectiveness of the general meetings.

#### 2. Directors and Board of Directors

The Board of the Company is composed of 9 Directors, including 4 independent Directors. The number and composition of the Board meet the requirements of laws and regulations. The Board consists of four special committees: Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, and Audit Committee, and each special committee gives full play to its special functions to provide guarantee for the scientific decision-making of the Board. During the Reporting Period, the Company held 7 Board meetings. The Directors of the Company faithfully and diligently perform their duties, participate in the Board meetings and the general meeting with a serious and responsible attitude, and participate in the decision-making of the Company; independent directors are objective and impartial, make professional judgments, and put forward scientific and reasonable suggestions on major issues of the Company.

## SECTION IV CORPORATE GOVERNANCE

### 3. Supervisors and Supervisory Committee

The Supervisory Committee of the Company is composed of three supervisors, one of whom is the employee representative supervisor. During the Reporting Period, the Supervisory Committee carried out its work in a solid and meticulous manner in accordance with relevant systems, effectively supervised the Company's daily operation, financial expenditure, connected transactions and other matters, reduced the Company's operational risks, safeguarded the legitimate rights and interests of the Company and shareholders, and ensured the Company's standardized operation. During the Reporting Period, the Company held seven meetings of Supervisory Committee. With the attitude of being responsible for shareholders, the supervisors exercise the function of supervision and inspection, supervise the Company's financial condition and operation, the use of raised funds, the performance of duties by senior managers, etc., and safeguard the legitimate rights and interests of the Company and all shareholders.

### 4. The Controlling Shareholder and the Company

The Company has independent and complete business and self-management ability, the controlling shareholders can strictly regulate their own behavior, exercise the rights of shareholders according to law, and there is no direct or indirect interference in the decision-making and business activities of the Company beyond the Company's general meetings, and the Company's Board, Supervisory Committee and internal bodies operate independently. There has been no situation where major shareholders occupy the Company's funds and assets. The actual controller of the Company shall strictly regulate his own behavior, exercise his rights and fulfill his obligations according to law, and does not engage in any behavior of using its special position to seek additional benefits.

### 5. Information Disclosure and Transparency

The Company performs relevant duties in strict accordance with the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, the Articles of Association and the Management System of Company Information Disclosure, and makes truthful, accurate, complete and timely disclosure of relevant information of the Company, and earnestly receives shareholder visits and telephone consultations. The Company designates Shanghai Securities News, Securities Times and the website of Shanghai Stock Exchange as the Company's information disclosure media and websites to ensure that the Company's information disclosure is open, fair and impartial, and to ensure that all shareholders have equal opportunities to obtain information.

### 6. Investor Relations Management

The Company carries out and continuously improves investor relations management in strict accordance with the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange. The Company strengthens contact and communication with investors through various channels such as results presentation, "SSE e-Interaction", investor hotline, etc. Through good information communication with investors, it strengthens investors' understanding of the Company and establishes investors' confidence in the development of the Company.

## SECTION IV CORPORATE GOVERNANCE

### 7. Insider Management

During the Reporting Period, the Company strictly implemented the registration and management of insiders and users of insider information in accordance with the requirements of the Insider Registration System, so as to ensure the confidentiality of insider information and the fairness, openness and impartiality of information disclosure of the Company. During the Reporting Period, there was no situation in which insider used insider information to buy or sell the Company's shares before the disclosure of significant sensitive information that affected the Company's stock price.

Corporate governance is a long-term and continuous task. The Company will continue to deepen corporate governance in accordance with the requirements of laws and regulations issued by the regulatory authorities, timely revise the corporate governance system, continuously improve the internal management system of the Company and effectively improve the standard operation of the Company in accordance with the basic norms and guidelines for internal control issued by relevant state departments, safeguard the legitimate rights and interests of the Company and its shareholders, establish a long-term mechanism to improve the level of corporate governance, and promote the rapid and healthy development of the Company.

Does corporate governance significantly deviate from laws, administrative regulations and relevant CSRC provisions on governance of listed companies? If so, please explain the reason.

☐ Applicable    ☒ Not Applicable

### II. EXPLANATION OF THE COMPANY ON LOSING INDEPENDENCE OR INDEPENDENT MANAGEMENT ABILITY WITH RESPECT TO ISSUES CONCERNING BUSINESS, PERSONNEL, ASSETS, INSTITUTIONS, FINANCE, ETC. WITH ITS CONTROLLING SHAREHOLDERS

☐ Applicable    ☒ Not Applicable

Engagement in the business which is the same or similar to that of the Company by the controlling shareholder, beneficial controller or other units under their control, the impact of horizontal competition or major changes in horizontal competition on the Company, the resolution measures that have been taken, the progress of the resolution and the follow-up resolution plan

☐ Applicable    ☒ Not Applicable

Horizontal competition due to business activities engaged in by controlling shareholders, actual controllers and other entities under their control which have a material negative impact on the Company

☐ Applicable    ☒ Not Applicable

## SECTION IV CORPORATE GOVERNANCE

### III. BRIEF INTRODUCTION OF GENERAL MEETING

Session of the meeting	Date of convening	Query index of the designated website for publishing resolutions	Disclosure date of the published resolutions	Resolutions of the meeting
2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting	January 30, 2024	<a href="https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0130/2024013001258.pdf">https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0130/2024013001258.pdf</a>	January 30, 2024	Announcement of the resolutions of 2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting
2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting	June 28, 2024	<a href="https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0628/2024062802805.pdf">https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0628/2024062802805.pdf</a>	June 28, 2024	Announcement of the resolutions of 2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting of SinoHytec

Shareholders of preference shares with restored voting rights request convening extraordinary general meetings  
☐ Applicable ☒ Not Applicable

Explanation on the general meetings  
☒ Applicable ☐ Not Applicable

The Company's 2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting, 2024 First H Share Class Meeting, 2023 Annual General Meeting, 2024 Second A Share Class Meeting, and 2024 Second H Share Class Meeting were all witnessed by lawyers from DeHeng Law Offices appointed by the Company. The convening and holding procedures of the general meetings were in compliance with the laws, regulations, regulatory documents, and the Articles of Association; the qualifications of the attendees and the conveners were lawful and valid; the voting procedures and voting results of the meetings were lawful and valid; and the resolutions adopted at the general meetings were lawful and valid.

At the 2024 First H Share Class Meeting, the Resolution on Amending Certain Provisions of the Articles of Association (II) was not approved by the shareholders present at the H Share Class Meeting and was therefore not passed. Although the Resolution on Amending Certain Governance Policies (II) was approved by the shareholders present at the general meeting, the A Share Class Meeting, and the H Share Class Meeting, it was formulated based on the Resolution on Amending Certain Provisions of the Articles of Association (II) and was therefore subject to the approval of Resolution on Amending Certain Provisions of the Articles of Association (II). As the Resolution on Amending Certain Provisions of the Articles of Association (II) was not passed, the resolution was ultimately not passed.

### IV. IMPLEMENTATION AND CHANGES OF VOTING RIGHTS DIFFERENCE ARRANGEMENT DURING THE REPORTING PERIOD

☐ Applicable ☒ Not Applicable

### V. CORPORATE GOVERNANCE OF RED-CHIP STRUCTURE

☐ Applicable ☒ Not Applicable



## SECTION IV CORPORATE GOVERNANCE

### VI. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (I) Changes in shareholding and remuneration of current and resigned directors, supervisors, senior management and core technicians during the Reporting Period

✓Applicable    □ Not Applicable

Unit: share

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for change	Total remuneration before tax received from the Company during the Reporting Period (RMB'000)	Whether receiving remuneration from related parties of the Company
Zhang Guoqiang	Chairman, Executive Director, General manager	Male	44	2015/07/09	2025/05/23	26,031,764	36,444,469	10,412,705	Capitalization of capital reserves	117.60	No
Song Haiying	Executive Director, Deputy general manager, Chief financial officer	Female	48	2015/07/09	2025/05/23	1,864,831	2,381,163	516,332	Capitalization of capital reserves, personal reduction	100.60	No
Dai Dongzhe	Executive Director, Deputy general manager	Female	53	2022/05/24	2025/05/23	290,951	323,331	32,380	Capitalization of capital reserves, personal reduction	86.60	No
Teng Renjie	Non-executive Director	Female	72	2015/07/09	2025/05/23	/	/	/	/	0.00	No
Song Feng	Non-executive Director	Male	50	2023/6/16	2025/05/23	/	/	/	/	0.00	Yes
Li Zhijie	Independent Non-executive Director	Male	52	2023/06/16	2025/05/23	/	/	/	/	12.00	No
Liu Xiaoshi	Independent Non-executive Director	Male	69	2019/04/23	2025/05/23	/	/	/	/	12.00	No
Ji Xuehong	Independent Non-executive Director	Male	46	2022/01/10	2025/05/23	/	/	/	/	12.00	No
Chan So Kuen	Independent Non-executive Director	Male	45	2023/01/12	2025/05/23	/	/	/	/	12.00	No
Zhang He (resigned)	Chairman of the Supervisory Committee	Male	66	2022/05/24	2024/06/28	3,920,000	4,118,000	198,000	Capitalization of capital reserves, personal reduction	25.78	No
Teng Zhaojun	Employee Representative supervisor	Male	41	2022/05/24	2025/05/23	/	/	/	/	41.34	No
Wang Shanshan	Supervisor	Female	32	2021/12/16	2025/05/23	/	/	/	/	0.00	Yes



## SECTION IV CORPORATE GOVERNANCE

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason for change	Total remuneration before tax received from the Company during the Reporting Period (RMB'000)	Whether receiving remuneration from related parties of the Company
Liu Wei	Supervisor	Male	36	2024/06/28	2025/05/23	/	/	/	/	18.35	No
Yu Min	Deputy general manager	Male	48	2016/01/26	2025/05/23	447,630	508,690	61,060	Capitalization of capital reserves; personal reduction	90.60	No
Nengyou Jia	Deputy general manager, core technical personnel	Male	61	2016/01/26	2025/05/23	/	/	/	/	78.19	No
Li Feiqiang	Deputy general manager, core technical personnel	Male	42	2021/08/30	2025/05/23	/	/	/	/	120.89	No
Kang Zhi	Secretary to the Board	Male	46	2017/01/09	2025/05/23	308,414	67,780	(240,634)	Capitalization of capital reserves; personal reduction; properties division	86.60	No
Gan Quanquan	Core technical personnel	Male	42	2019	/	/	/	/	/	36.11	No
Yang Shaojun	Core technical personnel	Male	45	2019	/	/	/	/	/	48.78	No
Fang Chuan	Core technical personnel	Male	34	2021	/	28,011	39,215	11,204	Capitalization of capital reserves	100.60	No
Total	/	/	/	/	/	32,891,601	43,882,648	10,991,047	/	1,000.05	/

## SECTION IV CORPORATE GOVERNANCE

Name	Main work experience
Zhang Guoqiang	Born in 1980, Chinese nationality, without the right of permanent residence abroad, one of the founders of the Company, and a master's degree in Public Administration from Tsinghua University in July 2010. He obtained a doctorate degree in Management Science and Engineering from the University of Chinese Academy of Sciences in July 2017. From May 2005 to June 2012, Mr. Zhang worked at Beijing Qingneng Huatong Technology Development Co., Ltd. and successively served as a department manager and a deputy general manager. Since July 2012, he has served as an executive Director, Chairman and general manager of the Company. Since May 2024, he has served as a director of Guangxi SinoHytec Hydrogen Technology Co., Ltd.
Song Haiying	Born in 1976, Chinese nationality, without the right of permanent residence abroad, obtained her bachelor's degree in Accounting and master's degree in Corporate Management from the Liaoning Technical University in June 2000 and April 2003, respectively, obtained a master's degree in Business Administration from Tsinghua University in January 2024. From June 2005 to August 2012, she worked at Beijing Jiankun Investment Group Co., Ltd. as an investment manager. From September 2012 to October 2013, she worked at Tsinghua Unigroup Co., Ltd. as a senior investment manager. Since February 2014, she has served as the Company's Chief Financial Officer, executive Director and deputy general manager. Since May 2024, he has served as the general manager of Guangxi SinoHytec Hydrogen Technology Co., Ltd. and the executive director of Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. Since June 2024, he has served as the executive director of Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd.
Dai Dongzhe	Born in 1971, Chinese nationality, without the right of permanent residence abroad. She obtained her bachelor's degree in agronomy from the Beijing University of Agriculture* (北京農學院) in July 1994. From December 2001 to June 2004, she worked in the Department of Automotive Engineering at Tsinghua University as a project manager of the project office. From July 2004 to July 2012, she worked at Beijing Qingneng Huatong Technology Development Co., Ltd. Since July 2012, she has served as an executive Director of Human Resources and Administration, a Supervisor, an executive Director and deputy general manager of the Company.
Teng Renjie	Born in 1952, Chinese nationality, without the right of permanent residence abroad. She graduated from the department of electronic engineering at Tsinghua University in December 1975 with a bachelor's degree. From December 1975 to September 1998, she worked at Tsinghua University, and she served successively as a teacher of the department of electronic engineering, a teacher, deputy head and associate professor of the department of automation. From September 1998 to April 2013, she worked at Tsinghua Industrial R&D Institute as vice president. She retired in April 2013. Since October 2014, she has served as a non-executive Director of the Company.

## SECTION IV CORPORATE GOVERNANCE

Name	Main work experience
Song Feng	Born in August 1974, Chinese nationality, without the right of permanent residence abroad, with a master's degree. Mr. Song was the project manager of the business development department of Beijing Boruiqi Electronic Technology Co., Ltd. from September 1999 to December 2000; senior investment manager of Tsinghua Technology Venture Capital Co., Ltd. from January 2001 to June 2003; investment director of the strategic investment department of Beijing UFIDA Software Co., Ltd. from July 2003 to January 2005; the investment director of Beijing Qingyun Investment Management Co., Ltd. from February 2005 to April 2006; the general manager of Beijing Ruiying International Investment Consulting (Beijing) Co., Ltd. from May 2006 to April 2007; the vice president of the investment banking department of CEC Capital Group from May 2007 to September 2009; the deputy general manager of the number one investment department of China-Africa Development Fund Co., Ltd. from October 2009 to September 2017; a partner of Beijing Shuimu Guoding Investment Management Co., Ltd. since October 2017; and a non-executive director of the Company since June 2023.
Li Zhijie	Born in 1972, Chinese nationality, without the right of permanent residence abroad, with a doctoral degree in finance and economics from the Renmin University of China. Mr. Li served as the director of each of the China Post and Telecommunications Administration and China Telecom Corporation, and the director of the Group's Fund Dispatching Center from 1999 to 2008; the director and deputy general manager of China Telecom (Hong Kong) International Limited from 2008 to 2011; the chief financial officer of the innovation department (Internet business group) of China Telecom Corporation from January 2012 to June 2016; vice president and other senior management of a number of subsidiaries Xinyuan Group from June 2016 to April 2018; the deputy head of the Financial Technology Research Center of the National Institute of Financial Research at Tsinghua University from June 2016 to May 2019; an independent director of Yunnan Jinggu Forestry Co., Ltd. (stock code: 600265) from February 2021 to May 2022; the director and general manager of Zhian Chain Cloud Technology (Beijing) Co., Ltd. since 2019; and a non-executive director of the Company since June 2023.
Liu Xiaoshi	Born in 1955, Chinese nationality, without the right of permanent residence abroad. He received a bachelor's degree in chemical engineering from China University of Petroleum (formerly East China Petroleum Institute) in August 1976. In August 1986 and December 1987, he obtained a master of science in industrial management from the department of technological systems management at the State University of New York at Stony Brook and a master of science in public administration from Martin J. Whitman School of Management, respectively. From April 1997 to December 2021, he worked at China International Capital Corporation Limited, serving as senior manager, deputy general manager, executive general manager and a project expert in the business support department. Since July 2018, he has served as an executive director and general manager at Beijing Chebahui Technology Development Co., Ltd. Since April 2019, he has served as an independent non-executive Director of the Company.

## SECTION IV CORPORATE GOVERNANCE

Name	Main work experience
Ji Xuehong	<p>Former Chinese name being 紀雪紅. Born in 1978, Chinese nationality, without the right of permanent residence abroad. He obtained a bachelor's degree in Real Estate Management from Huazhong Normal University in June 1999 and a master's degree in enterprise management from Hubei Academy of Social Sciences in June 2002. In December 2005, he obtained a doctor's degree in management science and engineering from Huazhong University of Science and Technology. He is a member of the China Democratic League. From June 2006 to May 2008, he engaged in research work at the joint training postdoctoral workstation of Tianjin University and CATARC. Since May 2008, he has served as a lecturer, an associate professor and a professor at the school of economics and management of North China University of Technology; a director of Automobile Industry Innovation Research Center and a director of MBA Education Center; At the same time, he served as a member of the Automotive Economic Development Research Branch of the China Society of Automotive Engineers, a member of the Electric Vehicle Special Committee of the Chinese Institute of Electronics, an expert on high-quality development of the China Taxi and Car Rental Association, a special expert of the Beijing Industrial Economic Research Center, and concurrently served as a director of the Urban Transportation Branch of the China Highway&amp;Transportation Society, a judge of the Lingxuan Award, a member of the Standing Committee of the CPPCC Shijingshan District and deputy chairman of the Shijingshan District Working Committee of the Democratic League. Since January 2022, he has served as an independent non-executive Director of the Company. Since March 2024 to present, he has served as an independent non-executive director of BAIC Motor Corporation Limited (HK.1958).</p>
Chan So Kuen	<p>Born in 1979, a citizen of Hong Kong, China, obtained a bachelor's degree in accounting from the Hong Kong Polytechnic University in November 2001 and was certified as a certified public accountant by the Hong Kong Institute of Certified Public Accountants in April 2005. From June 2001 to October 2003, he served as semi-senior audit clerk of Ho and Ho &amp; Company in Hong Kong. From January 2004 to July 2009, he served as an audit manager (last position) of KPMG. From November 2009 to October 2012, he served as the chief financial officer and company secretary of China Great Wall Electric Holdings Limited. From February 2014 to November 2021 and February 2014 to December 2022, he served as the company secretary and chief financial officer of Huazhang Technology Holding Limited (HK.1673). Since October 2014 to January 2025, he has served as an independent non-executive director of Link Holdings Ltd. (HK.8237). Since January 2015 to January 2024, he has served as an independent non-executive director of Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (HK.1915). He has been an independent non-executive Director of the Company since January 2023. He has been an independent non-executive Director of Top Spring International Holdings Limited (HK.3688) since September 2024.</p>

## SECTION IV CORPORATE GOVERNANCE

Name	Main work experience
Zhang He (resigned)	Born in 1958, Chinese nationality, with the permanent residency in the United States. He graduated from Xinjiang University (formerly known as Xinjiang Engineering College* (新疆工學院)) with a bachelor's degree in 1982, and he is a senior engineer. In 1981, he served as an electrical engineer at Xinjiang Bagang Steelmaking Plant. From December 1998 to May 2003, he served as a senior engineer at Xinjiang Traffic Science Academy. From November 2002 to August 2005, he served as manager of the R&D department at Wanxiang Electric Vehicle Co., Ltd. From August 2005 to June 2012, he served as the deputy general manager at Beijing Qingneng Huatong Technology Development Co., Ltd. From July 2012 to June 2024, he has served successively as a supervisor, a Director, deputy general manager and Chairman of the Board of supervisors of the Company.
Teng Zhaojun	Born in 1983, Chinese nationality, without the right of permanent residence abroad. In July 2004 and June 2017, he obtained a bachelor's degree in mechanical engineering and automation from Tianjin Polytechnic University and a master's degree in engineering management from Tsinghua University. He used to be a quality director of Renesas Semiconductor (Beijing) Co., Ltd., a product development engineer of Foxconn Precision Component (Beijing) Co., Ltd. and a project manager of Beijing Qingneng Huatong Technology Development Co., Ltd. Since July 2012, he has successively served as director of the Company's purchase quality control department, deputy director of the production and manufacturing department, deputy manager of the quality management department, deputy director of the testing center, director of the information technology department and employee supervisor and Chairman of the Board of supervisors of the Company.
Wang Shanshan	Born in 1992, Chinese nationality, without the right of permanent residence abroad. In July 2016 and June 2018, she obtained a bachelor's degree in law from Jilin University and a master's degree in law from Transnational Law and Business University in Korea. From July 2018 to October 2018, she worked at King & Wood Mallesons Beijing Office. In November 2018, she has served as a legal specialist at Beijing Shuimu Guoding Investment Management Co., Ltd. Since December 2021, she has served as a Supervisor of the Company. From April 2022 to present, she served as the legal director at Beijing Shuimu Huading Venture Investment Management Co, Ltd.. From December 2021 to present, she serves as a supervisor of the Company.

## SECTION IV CORPORATE GOVERNANCE

Name	Main work experience
Liu Wei	Born in 1988, Chinese nationality, without the right of permanent residence abroad. He graduated from Beijing University of Posts and Telecommunications with a master's degree, and he is a senior engineer. He has served as the control strategy development engineer of the Company since August 2012 and a supervisor of the Company since June 2024.
Yu Min	Born in 1976, Chinese nationality, without the right of permanent residence abroad. He obtained a bachelor's degree in mechanical design and manufacturing from Hebei University of Engineering (formerly known as Hebei Institute of Building and Technology) in June 2000 and a MBA degree from Tsinghua University January 2023. From August 2000 to December 2015, he served successively as head of the sales management department, head of the marketing department, head of the customer development department, a director of regional business and executive deputy manager of the heavy-duty truck business of the overseas business department at BAIC Foton. Since January 2016, he has served as deputy general manager of the Company.
Nengyou Jia	Born in 1963, Canadian nationality. He obtained a bachelor's degree in corrosion and protection from East China University of Science and Technology (formerly known as East China Institute of Chemical Technology) in July 1985 and a master's degree in chemistry from Memorial University of Newfoundland, Canada in May 1999. From March 2012 to July 2015, he served as a senior engineer at Automotive Fuel Cell Cooperation in Canada. Since January 2016, he has served as deputy general manager of the Company.
Li Feiqiang	Born in 1982, Chinese nationality, without the right of permanent residence abroad. He obtained a bachelor's degree in vehicle engineering from Jilin University and a doctor's degree in vehicle engineering from Beijing Institute of Technology between July 2005 and January 2010. From September 2010 to June 2011, he worked at Beijing Jingwei Hirain Technologies Co., Inc. From July 2011 to January 2019, he served as a senior manager of fuel cells at Zhengzhou Yutong Bus Co., Ltd. From January 2016 to January 2020, he completed postdoctoral research in power engineering and engineering thermophysics at Tsinghua University. Since February 2020, he has served as Director of the TS business department of the Company. Since August 2021, he has served as Deputy General Manager of the Company.



## SECTION IV CORPORATE GOVERNANCE

Name	Main work experience
Kang Zhi	Born in 1978, Chinese nationality, without the right of permanent residence abroad. He obtained a bachelor's degree in industrial foreign trade from Shenyang University of Technology in July 2000. From August 2000 to August 2007, he worked at Beijing C & W Electronics (Group) Co., Ltd. From September 2007 to January 2012, he served as deputy general manager of the management center of Beijing Goldenway Biotech Co., Ltd. From February 2012 to March 2015, he served as a strategic investment manager of Beijing Peony Electronic Group Co., Ltd. From April 2015 to January 2017, he served as a manager of the Company's investment department. Since January 2017, he has served as secretary of the Board of Directors of the Company.
Gan Quanquan	Born in 1982, Chinese nationality, without the right of permanent residence abroad. In 2007, he obtained a master's degree in fuel cell catalysts from Dalian Jiaotong University. From August 2007 to November 2012, he served as a project manager of Sichuan New Energy Power Company Limited. From December 2012 to January 2016, he served as deputy director of the R&D center of the Company. Since February 2016, he served as a deputy general manager of SinoFuelCell.
Yang Shaojun	Born in 1979, Chinese nationality, without the right of permanent residence abroad. He graduated from Wuhan University of Technology with a master's degree in materials science in June 2005. From July 2005 to February 2011, he worked as chief engineer at Grace Semiconductor Manufacturing Corporation. From February 2011 to June 2016, he served as a senior engineer at Intel Semiconductor (Dalian) Ltd. Since July 2016, he has served successively as a deputy manager in manufacturing process department of the Company and a testing director of SinoFuelCell.
Fang Chuan	Born in 1990, Chinese nationality, without the right of permanent residence abroad. From July 2014 to January 2018, he obtained a master's degree and a doctor's degree in power engineering and engineering thermophysics at Tsinghua University. In 2020, he served as deputy director of the R&D Center of the Company. Since 2021, he has served as the R&D director of the Company.

Other explanations

☐ Applicable ☒ Not Applicable



## SECTION IV CORPORATE GOVERNANCE

### (II) Current and resigned directors, supervisors and senior management during the Reporting Period

#### 1. Positions held in shareholder entities

☐ Applicable ☒ Not Applicable

#### 2. Positions held in other entities

☒ Applicable ☐ Not Applicable

Name of employee	Name of other entities	Positions held other entities	Commencement date of term of office	Termination date of term of office
Zhang Guoqiang	Beijing Guorui Changda Technology Co., Ltd.	Executive Director	2016-12-19	To date
	Beijing Hongmeng Huatong Energy Group Co., Ltd.	Executive Director, General Manager	2019-7-10	2025-1-6
	Beijing Qingbai Huatong Technology Co., Ltd.	Executive Director	2011-5-6	To date
	Toyota Sinohytec	Director	2021-6-28	To date
	Beijing Caven New Energy Vehicle Co., Ltd.	Director	2022-10-18	To date
	Zhongguancun Hydrogen Energy and Fuel Cell Technology Innovation Industry Alliance	Person in charge	2021-7-6	To date
	Air Sinohytec Hydrogen Technology Co., Ltd.	Director, Chief Financial Officer	2020-5-13	To date
Song Haiying	United Fuel Cell	Director	2020-8-20	To date
	Shanghai Fangshi New Energy Car Rental Co., Ltd.	Financial Officer	2015-12-14	To date
	Zhangjiakou Haiper	Director	2020-2-11	To date
	Toyota Sinohytec	Director, general manager	2021-6-28	To date
	Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd.	Chairman, general manager	2023-11-2	To date
	Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd.	Chairman of the Board	2023-5-26	To date
	Foshan Shuimu Cooperation Green Traffic Xieli Co., Ltd.	Chief Financial Officer	2023-9-29	2024-11-19

## SECTION IV CORPORATE GOVERNANCE

Name of employee	Name of other entities	Positions held other entities	Commencement date of term of office	Termination date of term of office
Dai Dongzhe	Toyota Sinohytec	Supervisor	2021-6-28	2024-12-17
	United Fuel Cell	Supervisor	2020-8-20	To date
	Beijing Swift New Energy Technology Co., Ltd.	Supervisor	2021-1-29	To date
Song Feng	Beijing Shuimu Tongda Transportation Co., Ltd.	Director	2019-1-22	To date
	Beijing Dacheng Guoce Technology Co., Ltd.	Director	2022-11-4	To date
	Beijing Youwei Precision Measurement and Control Technology Research Co., Ltd.	Executive director	2023-10-2	To date
	Beijing Huachuang Fuel Cell Technology Co., Ltd.	Executive director	2022-3-28	2024-8-8
	Beijing Shuimu Huading Venture Investment Management Co, Ltd.	Supervisor	2022-4-2	To date
	Shanghai Maximfuelcell Technology Co., Ltd.	Director	2020-5-20	To date
	Zhongxin Suzhou Industrial Park Qingcheng Environmental Development Co., Ltd.	Director	2021-8-19	2024-12-16
	Zhejiang Zhentai Energy Technology Co., Ltd.	Director	2019-5-29	To date
	Beijing Shuimu Xinhe Medical Technology Co., Ltd.	Supervisor	2023-9-14	To date
	Beijing Shuiqing Technology Co., Ltd.	Director	2012-6-15	To date
Teng Renjie	Beijing Shuimu Guoding Investment Management Co., Ltd.	Supervisor	2004-7-5	To date
	Beijing Qingneng Huatong Technology Development Co., Ltd.	Director	2004-7-5	To date
	Beijing Shuimu Huayan Investment Management Co., Ltd.	Director	2011-5-24	To date
	Shuimu Bozhan Technology Development (Beijing) Co., Ltd.	Director	2013-2-8	To date

## SECTION IV CORPORATE GOVERNANCE

Name of employee	Name of other entities	Positions held other entities	Commencement date of term of office	Termination date of term of office
Liu Xiaoshi	EV100plus Automotive Technology Research (Beijing) Co. Ltd.	Executive Director, general manager	2022-10-28	To date
	United Electric Vehicle Innovation Center Co. Ltd.	Executive Director, general manager	2023-6-3	To date
	Beijing Chebai Intelligent Network Technology Co., Ltd.	Director	2023-5-14	To date
	Chebai Online (Beijing) Technology Co. Ltd.	Chairman of the Board	2023-9-28	To date
	Chebai Chain (Wuhan) Digital Technology Co. Ltd.	Executive Director, general manager	2023-6-30	2025-2-24
	Beijing Chebai Future Innovation Technology Co. Ltd.	Executive Director, general manager	2023-5-15	To date
	Hubei Changjiang Hi-Tech Industry Research Institute Co. Ltd.	Executive Director	2023-4-19	To date
	Shanghai Chebailian Wisdom Technology Co. Ltd.	Executive Director	2023-8-20	To date
	Beijing Chebaihui Technology Development Co., Ltd.	Executive Director, general manager	2018-7-10	To date
	Chebai Intelligent Network Research Institute (Wuhan) Co., Ltd.	Director	2020-6-23	To date
	Wuhan Chewang Zhilian Technology Co., Ltd.	Chairman, general manager	2019-6-17	2025-1-2
	Chebai Zhongqi Technology (Beijing) Co., Ltd.	Director	2021-10-9	To date
	EV100plus Automotive Industry Research Institute (Hefei) Co. Ltd.	Executive Director, general manager	2022-05-12	To date
	Beijing Chebai Intelligent Network Planning and Design Institute Co., Ltd.	Director, general manager	2024-12-22	To date

## SECTION IV CORPORATE GOVERNANCE

Name of employee	Name of other entities	Positions held other entities	Commencement date of term of office	Termination date of term of office
Ji Xuehong	Beijing Chechuang Huixiang Technology Development Co., Ltd.	Executive Director, general manager	2017-7-12	To date
	BAIC Motor Corporation Limited	independent non-executive director	2024-3-22	To date
Li Zhijie	Beijing Chaofu State-owned Assets Administration Co., Ltd.	Director	2020-7-3	To date
	Zhian Chain Cloud Technology (Beijing) Co., Ltd.	Executive Director, general manager	2019-4-16	To date
	Zhian Chain Cloud Technology (Zhejiang) Co., Ltd.	Executive Director, general manager	2020-12-1	To date
	Zhian Chain Cloud Technology (Xi'an) Co., Ltd.	Executive Director, general manager	2020-1-15	To date
	Libang Digital Technology (Guangzhou) Co., Ltd.	Executive Director, general manager	2018-10-8	To date
Wang Shanshan	Beijing Shuimu Tongda Transportation Co., Ltd.	Supervisor	2020-7-1	To date
	Hetang Future Health Technology Development (Beijing) Co., Ltd.	Supervisor	2021-9-10	To date
	Beijing Shuimu Zhongzhi Enterprise Management Co., Ltd.	Supervisor	2022-11-8	To date
Li Feiqiang	Toyota Sinohytec	Director	2021-6-28	To date
Kang Zhi	Zhangjiakou Haiper	Director	2020-2-11	To date
Chan So Kuen	Link Holdings Limited	Independent non-executive Director	2014-10-16	2025-1-6
	Top Spring International Holdings Limited	Independent non-executive Director	2024-9-30	To date
Particulars of positions held in shareholder entities		Nil		

# SECTION IV

## CORPORATE GOVERNANCE

### (III) Remuneration of directors, supervisors, senior management and core technicians

☒ Applicable
 ☐ Not Applicable

Unit: RMB0'000

The decision-making procedure for the remunerations of Directors, Supervisors and senior management	According to the relevant provisions of the Articles of Association, the remuneration and allowances of Directors and Supervisors are determined by the general meeting of the Company, and the remuneration of senior management is determined by the Board of the Company.
Whether a director should abstain from the Board’s discussion of his/her remuneration	Yes
The circumstances in which the Remuneration and Evaluation Committee or the special meeting of independent directors issued recommendations on the remuneration of directors, supervisors and senior managers	As reviewed by the Remuneration and Evaluation Committee, the current remuneration of senior management of the Company in 2024 was determined by reference to factors such as industry and regional salary levels, and based on comprehensive assessment indicators such as individual annual work, post responsibilities and management objectives, which was in line with the remuneration plan of senior management of the Company, the decision-making procedures were in line with the relevant regulations of the Company, and there was no harm to the interests of the Company and shareholders.
Basis for determining the remuneration of Directors, Supervisors and senior management	<ol style="list-style-type: none"> <li>1. The Company does not separately pay directors’ allowances to non-independent directors. Non-independent directors who hold other positions in the Company shall receive remuneration according to the specific management positions held by them in the Company and in accordance with the relevant remuneration and performance appraisal management system of the Company.</li> <li>2. The Company pays allowances to the independent non-executive Directors on the basis of independent non-executive Directors’ great contributions to the Company’s standardized operation, internal system construction and corporate development, with reference to the remuneration level of the industry, regional economic development, combining with the actual operation of the Company and the relevant conditions of the independent non-executive Directors of the Company.</li> <li>3. According to the proposal of the Remuneration and Evaluation Committee of the Board and with reference to factors such as industry and regional salary levels, the Company determines the current remuneration of the senior management by referring to the overall assessment indicators of individual annual work, job responsibilities and management objectives.</li> </ol>

## SECTION IV CORPORATE GOVERNANCE

Unit: RMB0'000

Actual payment of remuneration of Directors, Supervisors and senior management	During the Reporting Period, the actual payment of the remuneration of the Directors, Supervisors and senior management of the Company was in line with the disclosure of the Company.	
Total actual remunerations received by all Directors, Supervisors and senior management at the end of the Reporting Period		814.55
Total actual compensations received by core technicians at the end of the Reporting Period		384.57

### (IV) Changes in Directors, Supervisors, senior management and core technicians

☒ Applicable   ☐ Not Applicable

Name	Position	Changes	Reasons for changes
Zhang He	Chairman of the Supervisory Committee	Resignation	Gradual retirement plan
Liu Wei	Supervisor	Election	By-election of supervisors

### (V) Explanation on penalties imposed by securities regulatory authorities in the recent three years

☐ Applicable   ☒ Not Applicable

### (VI) Others

☐ Applicable   ☒ Not Applicable

## SECTION IV CORPORATE GOVERNANCE

### VII. BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Name of meeting	Date of meeting	Resolution of meeting
The 14th meeting of the third session of the Board	January 14, 2024	Proposal on the 2024 Estimated Quota of Ordinary Related Party Transactions Proposal on the Utilization of Part of the Over-subscription Proceeds for Repayment of Bank Loans Proposal on Amendments to the Articles of Association Proposal on Amendments to Some Governance Policies Proposal on Convening the 2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting
The 15th meeting of the third session of the Board	March 28, 2024	Proposal on the Unaudited Annual Results the Year ended December 31, 2023
The 16th meeting of the third session of the Board	April 26, 2024	Proposal on the 2023 Annual Report (and its Abstract) Proposal on the 2023 Work Report of the Board Proposal on the 2023 Work Report of Independent Non-executive Directors Proposal on Special Opinions of the Board on the Independence of Independent Non-executive Directors Proposal on the 2023 Report of the Performance of Duties by the Audit Committee Proposal on the 2023 Work Report of the General Manager Proposal on the Evaluation Report on the Performance of Duties by Accounting Firms in 2023 Proposal on the Report on the Performance of the Supervisory Duties of the Audit Committee on Accounting Firms Proposal on the 2023 Final Accounts Report Proposal on the 2023 Internal Control Assessment Report of the Company Proposal on the 2023 Special Report on the Deposit and Use of Proceeds Proposal on the 2023 Profit Distribution and Conversion of Capital Reserve to the Share Capital Plan of the Company Proposal on the Uncovered Losses of the Company Reaching One-third of the Total paid-in Share Capital Proposal on the Re-appointment of Accounting Firms



## SECTION IV CORPORATE GOVERNANCE

Name of meeting	Date of meeting	Resolution of meeting
		Proposal on 2024 Special Action Plan for “Enhancing Quality, Increasing Efficiency and Emphasizing Returns”
		Proposal on the Application to the General Meeting of Shareholders for Authorizing the Board to Issue Shares to Specific Targets through Simplified Procedures
		Proposal On the Granting of General Mandate to the Board to Issue A Shares/H Shares
		Proposal on Shareholding Reorganization of Majority-controlled Subsidiaries
		Proposal on Determining the Remuneration of Senior Management
		Proposal on the 2024 First Quarterly Report of the Company
		Proposal on Convening the 2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting

## SECTION IV CORPORATE GOVERNANCE

Name of meeting	Date of meeting	Resolution of meeting
The 17th meeting of the third session of the Board	June 7, 2024	<p>Proposal on Cancellation of Certain Proposals at the 2023 Annual General Meeting</p> <p>Proposal on Changes in the Proposed Appointment of Accounting Firms</p> <p>Proposal on the Increase of Comprehensive Credit Facilities and Provision of Guarantee Quota by the Company and its Subsidiaries for 2024</p>
The 18th meeting of the third session of the Board	August 29, 2024	<p>Proposal on the 2024 Interim Report (and its Abstract) and the Interim Results Announcement for the Six Months ended June 30, 2024</p> <p>Proposal on the 2024 Interim Special Report on the Deposit and Use of Proceeds</p> <p>Proposal on the Amendments to Part of the Management System of the Company</p> <p>Interim Evaluation Report on the Company's 2024 Action Plan for "Enhancing Quality, Increasing Efficiency and Emphasizing Returns"</p>
The 19th meeting of the third session of the Board	October 30, 2024	<p>Proposal on the 2024 Third Quarterly Report of the Company</p> <p>Proposal on Connected Transactions</p>
The 20th meeting of the third session of the Board	December 16, 2024	<p>Proposal on Capital Increase and Related Transactions of Joint Ventures</p> <p>Proposal on the Temporary Replenishment of Liquidity by Utilizing Part of the Idle Proceeds from the Issue of Shares to Specific Targets through Simplified Procedures</p> <p>Proposal on Connected Transactions</p>

## SECTION IV CORPORATE GOVERNANCE

### VIII. PERFORMANCE OF DUTIES BY DIRECTORS

#### (I) Attendance of Directors at Board meetings and general meetings

Director Name	Independent Director or not	Require attendance for the year	Attendance at Board meetings				Any failure in attending in person for two consecutive meetings	Attendance at general meetings
			Attendance in person	Attendance by way of communication	Attendance by proxy	Absence Times		
Zhang Guoqiang	No	7	7	1	0	0	No	2
Song Haiying	No	7	7	0	0	0	No	2
Dai Dongzhe	No	7	7	0	0	0	No	2
Teng Renjie	No	7	7	4	0	0	No	2
Song Feng	No	7	7	3	0	0	No	2
Liu Xiaoshi	Yes	7	7	3	0	0	No	2
Ji Xuehong	Yes	7	7	4	0	0	No	2
Chan So Kuen	Yes	7	7	3	0	0	No	2
Li Zhijie	Yes	7	7	3	0	0	No	2

Particulars on failure in attending in person for two consecutive meetings

☐ Applicable ☒ Not Applicable

Number of Board meetings held during the year	7
Including: Number of on-site meetings	7
Number of meetings held by way of communication	0
Number of meetings held on site and by way of communication	4

## SECTION IV CORPORATE GOVERNANCE

### (II) Disagreement of Directors on Relevant Issues of the Company

☐ Applicable ☒ Not Applicable

### (III) Others

☐ Applicable ☒ Not Applicable

## IX. SPECIAL COMMITTEES UNDER THE BOARD

☒ Applicable ☐ Not Applicable

### (I) Members of special committees under the Board

Category of special committee	Name of members
Audit Committee	Li Zhijie (Convener), Ji Xuehong, Chan So Kuen
Nomination Committee	Liu Xiaoshi (Convener), Ji Xuehong, Zhang Guoqiang
Remuneration and Evaluation Committee	Liu Xiaoshi (Convener), Ji Xuehong, Dai Dongzhe
Strategy Committee	Zhang Guoqiang (Convener), Song Haiying, Dai Dongzhe

### (II) The Audit Committee convened six meetings during the Reporting Period

Date of meeting	Contents of meetings	Important comments and suggestions	Other performance of duties
January 14, 2024	Proposal on the 2024 Estimated Quota of Ordinary Related Party Transactions	All members of the Audit Committee unanimously agreed on all proposals of the meeting.	Nil
March 28, 2024	Proposal on the Unaudited Annual Results the Year ended December 31, 2023	All members of the Audit Committee unanimously agreed on all proposals of the meeting.	Nil

## SECTION IV CORPORATE GOVERNANCE

Date of meeting	Contents of meetings	Important comments and suggestions	Other performance of duties
April 26, 2024	<p>Proposal on the 2023 Annual Report (and its Abstract)</p> <p>Proposal on the 2023 Final Accounts Report</p> <p>Proposal on the 2023 Report of the Performance of Duties by the Audit Committee</p> <p>Proposal on the Evaluation Report on the Performance of Duties by Accounting Firms in 2023</p> <p>Proposal on the Report on the Performance of the Supervisory Duties of the Audit Committee on Accounting Firms</p> <p>Proposal on the 2023 Internal Control Assessment Report of the Company</p> <p>Proposal on the 2023 Special Report on the Deposit and Use of Proceeds</p> <p>Proposal on the Re-appointment of Accounting Firms</p> <p>Proposal on the 2024 First Quarterly Report of the Company</p> <p>Proposal on Summary of the 2023 Internal Audit Work Report and the 2024 Internal Audit Work Plan</p>	All members of the Audit Committee unanimously agreed on all proposals of the meeting.	Nil
June 7, 2024	Proposal on Changes in the Proposed Appointment of Accounting Firms	All members of the Audit Committee unanimously agreed on all proposals of the meeting.	Nil
August 29, 2024	Proposal on the 2024 Interim Report (and its Abstract) and the Interim Results Announcement for the Six Months ended June 30, 2024	All members of the Audit Committee unanimously agreed on all proposals of the meeting.	Nil
October 30, 2024	Proposal on the 2023 Third Quarterly Report of the Company	All members of the Audit Committee unanimously agreed on all proposals of the meeting.	Nil

## SECTION IV CORPORATE GOVERNANCE

### (III) The Nomination Committee convened one meeting during the Reporting Period

Date of meeting	Contents of meetings	Important comments and suggestions	Other performance of duties
April 26, 2024	Proposal on Appointment of Senior Management of the Company	All members of the Nomination Committee unanimously agreed on all resolutions of the meeting.	Nil

### (IV) The Remuneration and Evaluation Committee convened one meeting during the Reporting Period

Date of meeting	Contents of meetings	Important comments and suggestions	Other performance of duties
April 26, 2024	Proposal on Determining the Remuneration of Senior Management in 2023	All members of the Remuneration and Evaluation Committee unanimously agreed on all resolutions of the meeting.	Nil

### (V) The Strategy Committee convened one meeting during the Reporting Period

Date of meeting	Contents of meetings	Important comments and suggestions	Other performance of duties
December 16, 2024	Resolution on Proposed Capital Increase to the Joint Venture and Related Transaction	Mr. Zhang Guoqiang and Ms. Song Haiying, connected members of the Strategy Committee, abstained from voting, and this resolution was directly submitted to the Board of the Company for consideration.	Nil

### (VI) Details of objections

☐ Applicable ☒ Not Applicable

## SECTION IV CORPORATE GOVERNANCE

### X. EXPLANATION OF THE SUPERVISORY COMMITTEE ON DISCOVERY OF THE COMPANY'S RISKS

☐ Applicable    ☒ Not Applicable

The Supervisory Committee had no objection to the supervision matters during the Reporting Period.

### XI. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

#### (I) Employees

Number of in-service employees of the parent company	273
Number of in-service employees of major subsidiaries	435
Total number of in-service employees	708
The number of retired employees whose expenses are borne by the parent company and its major subsidiaries	0

Type of Professional Composition	Profession	Number (person)
Production staff		147
Sales personnel		81
Technical staff		124
Financial staff		20
Administrative staff		38
Management		142
R&D staff		156
Total		708

Type of education level	Education	Number (person)
Doctoral degree		27
Master's degree		158
Undergraduate		257
Junior college		148
High school and below		118
Total		708



## SECTION IV CORPORATE GOVERNANCE

### (II) Remuneration policy

☒ Applicable ☐ Not Applicable

The Company strictly abides by national labor-related laws and regulations, and has established a remuneration policy system based on the principles of legality, competitiveness, motivation and fairness centering on business performance and following the concept of mutual growth between enterprises and employees. The Company is guided by strategic goals, decomposes organizational performance goals from top to bottom, ensures that employees' abilities match their positions according to the efficiency management evaluation method. At the same time, the Company pays remuneration based on the value of the position, individual ability and performance, and attracts and retains outstanding talents through a relatively fair remuneration mechanism.

### (III) Training programme

☒ Applicable ☐ Not Applicable

The Company formulates specialized training programs based on strategic business development plans and annual business goals, especially specific business needs. The Company pays attention to the improvement of professional skills of employees, in order to improve the comprehensive quality of the talent team, the Company makes full use of internal and external resources and implements various forms of talent training mechanisms according to the professional and technical needs of different positions; According to the actual training situation, the plan is adjusted to ensure the timeliness and effectiveness of employee training, and constantly improve the comprehensive quality and ability of employees, so as to improve the overall operation efficiency of the Company. The Company builds good career development channels for employees to reserve talents, and realizes win-win progress between the Company and employees. The Company builds good career development channels for employees to reserve talents, and realizes win-win progress between the Company and employees.

### (IV) Labor outsourcing

☒ Applicable ☐ Not Applicable

Total number of working hours of outsourced labor	70,898.50
Total remuneration paid to outsourced labor (RMB)	2,074,904.37

## XII. PROPOSAL FOR PROFIT DISTRIBUTION OR CAPITALIZATION OF CAPITAL RESERVE

### (I) The formulation, implementation or adjustment of cash dividend policy

☐ Applicable ☒ Not Applicable

## SECTION IV CORPORATE GOVERNANCE

### (II) Special explanation on cash dividend policy

☐ Applicable ☒ Not Applicable

### (III) If the Company is profitable and the parent company's profit available for distribution to shareholders is positive, but no proposal of cash profit distribution plan has been proposed during the Reporting Period, the Company shall disclose the reasons in detail and the purpose and use plan of the undistributed profit

☐ Applicable ☒ Not Applicable

### (IV) Proposal for profit distribution and conversion of capital reserve to the share capital during the Reporting Period

☐ Applicable ☒ Not Applicable

### (V) Cash dividends in the last three accounting years

☐ Applicable ☒ Not Applicable

## XIII. EQUITY INCENTIVE SCHEME, EMPLOYEE SHAREHOLDING SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACTS

### (I) The overall information of the equity incentive

☐ Applicable ☒ Not Applicable

### (II) Relevant incentive matters disclosed in the temporary announcements and with no progress or change in subsequent implementation

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

Employee shareholding scheme

☐ Applicable ☒ Not Applicable

Other incentive measures

☐ Applicable ☒ Not Applicable

## SECTION IV CORPORATE GOVERNANCE

### (III) Equity Incentives Granted to Directors, Senior Management and Core Technicians During the Reporting Period

1. Share option  
☐ Applicable ☒ Not Applicable
2. The first type of restricted shares  
☐ Applicable ☒ Not Applicable
3. The second type of restricted shares  
☐ Applicable ☒ Not Applicable

### (IV) Establishment and Implementation of Evaluation and Incentive Mechanisms for Senior Management During the Reporting Period

☒ Applicable ☐ Not Applicable

The Company has established a standardized and sound governance structure. The remuneration of senior management consists of basic salary and performance-based bonus determined by different positions and work performance. The Board and the Remuneration and Evaluation Committee of the Company formulated the remuneration systems based on the job responsibilities, importance of relevant personnel and the remuneration level of relevant positions in the society, and continuously improved the fairness and justice in salary distribution, so as to more effectively mobilize the enthusiasm and creativity of the senior management of the Company and improve corporate governance.

## XIV. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

In 2024, the Company continued to improve its internal control related systems in accordance with the requirements of the Enterprise Internal Control Standard System in combination with actual business operations, and all business activities were carried out normally and orderly. During the Reporting Period, no significant or important defects were found in financial statements and non-financial statements during the Company's internal control self-evaluation work.

## SECTION IV CORPORATE GOVERNANCE

In 2025, the Company will continue to adhere to the risk-oriented principle to strengthen its internal control management, and actively promote the revision of internal control-related systems and processes in accordance with the requirements of regulatory authorities, changes in the internal and external operating environments, and the Company's actual operating conditions, thus providing a reasonable guarantee for the realization of the Company's economic benefits and strategic goals, and promoting its sound and sustainable development.

Significant deficiency existed in internal control during the Reporting Period

☐ Applicable ☒ Not Applicable

### XV. MANAGEMENT CONTROL OVER SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

During the Reporting Period, the Board of the Company adhered to the risk prevention-oriented principle and aimed to improve the management effectiveness, so as to enhance the execution of internal control system and the effectiveness of internal control management. By delegating senior management to subsidiaries to participate in their decision-making of major matters and holding regular business analysis meetings, the Company evaluated and guided business progress and market risks of subsidiaries, aiming to establish an effective control mechanism to control the risk of the Company's governance structure, assets and resources, and improve the overall operational efficiency and risk resistance capacity of the Company.

### XVI. EXPLANATION ON INTERNAL CONTROL AUDIT REPORT

☒ Applicable ☐ Not Applicable

In accordance with the Company Law, the Securities Law, the Shanghai Stock Exchange STAR Market Listing Rules and other laws, regulations and regulatory documents, the Company has formulated a relatively complete internal control system to improve and refine the internal control system based on the characteristics of the industry and the actual operation of the enterprise. During the Reporting Period, the operation and management of the Company were in compliance with laws and regulations, the asset security, the financial statements and relevant information were true and complete, which improved the operation efficiency and efficacy of the Company and facilitated the implementation of the development strategy of the Company.

Da Hua Certified Public Accountants (Special General Partnership) has conducted an independent audit on the effectiveness of the Company's internal control over financial reporting for 2024 and issued the Audit Report on Internal Control (XIN KUAI SHI BAO ZI [2025] No. ZB10931), and considered that the Company has maintained effective internal control over financial reporting in all material aspects in accordance with relevant regulations during the Reporting Period, which is consistent with the opinion of the internal control evaluation report issued by the Board of the Company.

Whether to disclose the internal control audit report: Yes

Type of opinion on the internal control audit report: Standard unqualified opinion

## SECTION IV CORPORATE GOVERNANCE

### XVII. RECTIFICATION OF PROBLEMS FOUND IN THE SPECIAL SELF-EXAMINATION OF GOVERNANCE OF LISTED COMPANY

Nil

### XVIII. OTHERS

☐ Applicable    ☒ Not Applicable

### XIX. CORPORATE GOVERNANCE REPORT

#### (I) Corporate Governance Practices

The Group is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its shareholders and enhance its value and accountability. The Board endeavors to adhere to the principles of corporate governance and has set and implemented sound corporate governance practices to fulfill the legal and commercial standards in the management structures, internal control, risk management and fair disclosure to achieve effective transparency and accountability.

During the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules from the Listing Date to December 31, 2023, save for the deviation as set out below in this report.

The Company will continue to review its corporate governance practices to ensure its continued compliance of the CG Code, enhance its corporate governance standard, comply with the increasingly tightened regulatory requirements, and meet the rising expectations of the Shareholders and investors.

#### (II) VALUES AND CULTURE

It is our corporate culture to maintain an inclusive and safe workplace for its employee. The Group promotes diversity at all levels to enhance the effectiveness of our corporate governance and ensure that there is gender diversity when recruiting staff at mid to senior levels. The Group also provides diversified career development opportunities and engage different training resources for our staff. In addition, the Group believes production safety is a critical factor to the success of our business and operation. It is our top priority to maintain work safety at our business operations.

During the Reporting Period, the Group has established and implemented policies that promote a diversified and safe workplace. The Board is dedicated to upholding high ethical and legal standards to promote our corporate culture, and we provide regular training to our employees to strengthen their awareness and understanding of our values and internal policies. Before employees assume their positions, we also provide induction courses to introduce them to our culture and internal rules and regulations.

## SECTION IV CORPORATE GOVERNANCE

### (III) Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct governing securities transactions by the Directors and the supervisors of the Company. Having made specific enquiry of all the Directors and the Supervisors, the Company confirmed that each of the Directors and Supervisors has confirmed that he/she has complied with the required standards as set out in the Model Code from the Listing Date to the date of this report.

### (IV). Directors

#### 1. Board of Directors

The Company is governed by the Board which is responsible for the leadership and control of the Group, overseeing and managing the Group’s businesses, strategic decisions and performance, convening Shareholders’ general meetings and reporting our Board’s work at the Shareholders’ general meetings, implementing the resolutions passed at the Shareholders’ general meetings; determining our business plans and investment plans, preparing annual budget proposals and final accounts proposals; preparing plans for profit distribution and recovery of losses, preparing plans for the increase or decrease in registered capital; and exercising other power, functions and duties as conferred by the Articles of Association.

All the Directors carry out their duties in good faith and are in compliance with applicable laws and regulations, take decisions objectively and act in the interests of the Company and its Shareholders at all times.

Formal service agreements or letters of appointment have been entered into with the executive Directors, the non-executive Directors and the independent non-executive Directors respectively setting out the key terms and conditions of their respective appointments. Pursuant to the Articles of Association, the term of office of each Director is for a fixed term of three years commencing from the respective appointment date. A Director may serve consecutive term if re-elected upon the expiration of his/her term.

The Company has arranged for appropriate insurance coverage in respect of liability arising from legal action against the Directors and senior officers the Company and will conduct annual review on such insurance coverage.

Save as disclosed in “VI. Directors, Supervisors and Senior Management” under “Section IV Corporate Governance” of this annual report, to the best knowledge of the Directors, there is no personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors.

## SECTION IV CORPORATE GOVERNANCE

### 2. Board composition

The Board currently comprises of the following Directors:

#### **Executive Directors**

Mr. Zhang Guoqiang (張國強) (*Chairman and General Manager*)

Ms. Song Haiying (宋海英) (*Deputy General Manager and Chief Financial Officer*)

Ms. Dai Dongzhe (戴東哲) (*Deputy General Manager*)

#### **Non-executive Directors**

Ms. Teng Renjie (滕人杰)

Mr. Song Feng (宋峰)

#### **Independent Non-Executive Directors**

Mr. Liu Xiaoshi (劉小詩)

Mr. Ji Xuehong (紀雪洪)

Mr. Chan So Kuen (陳素權)

Mr. Li Zhijie (李志杰)

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors, Supervisors and Senior Management” of this annual report. The Company considers that the composition of the Board provides a strong independent element with a balanced of skill, experience, knowledge and expertise, and diversity perspectives appropriate for the requirements of the business of the Company.

During the Reporting Period, the Company has complied with Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors, representing more than one-third of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors also meet the guidelines for assessment of their independence pursuant to Rule 3.13 of the Listing Rules. The Company has received a confirmation of independence from each of the independent non-executive Directors as required under the Rule 3.13 of the Listing Rules and the Company considers all the independent non-executive Directors to be independent during the Reporting Period. The Board will assess their independence on an annual basis.

### 3. Chairman and Chief Executive

Under code provision C.2.1 of the CG Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang Guoqiang (張國強) is our general manager, and he also serves as the chairman of our Board as he has over ten years of experience in the fuel cell system industry. Our Board believes that vesting the roles of both the chairman of our Board and the general manager in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group.



## SECTION IV CORPORATE GOVERNANCE

### 4. Responsibilities and delegation of functions

The Company has formalized and adopted written terms on the division of functions reserved to the Board and those delegated to the management of the Company. The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have full and timely access to the relevant information of the Group as well as the advice and services of the Joint Company Secretaries and senior management of the Company, in order to ensure compliance with the Board procedures and all applicable laws and regulations. Any Director may request independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request being made to the Board. The Board has delegated the responsibility for implementing its corporate strategies and the day-to-day management, operation and administration to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal control, communication with Shareholders, Board composition, delegation of authority and corporate governance. The Board periodically reviews the delegated functions and work tasks. Prior to entering into any significant transactions, the aforesaid officers have to obtain the Board's approval.

The Board recognizes that the collective responsibilities of the Directors to the Company in respect to the corporate governance include but are not limited to:

- (1) to develop and review the policies and practices on corporate governance of the Company and make recommendations to the Board;
- (2) to review and monitor the training and continuous professional development of Directors and senior management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- (5) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company.

## SECTION IV CORPORATE GOVERNANCE

### 5. Appointment, re-election and removal of Directors

All executive Directors, non-executive Directors and independent non-executive Directors are appointed for a specific term of three years. None of the Directors has a service contract or letter of appointment with the Company or any of its subsidiaries other than the contracts/letters of appointment expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation). All Directors, including the independent non-executive Directors, may serve consecutive terms if re-elected upon the expiration of his/her term in accordance with the provisions of the Articles of Association.

Without prejudicing the relevant laws, regulations, and regulatory rules of the place where the shares of the Company are listed, any person appointed by the Board as a Director to fill a casual vacancy or increase the number of Directors shall serve only until the first annual general meeting of the Company following his or her appointment and shall in that time be eligible for re-election. All Directors appointed to fill a casual vacancy should be subject to election by the Company's shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

### 6. Board meetings, general meetings and procedures

Pursuant to the CG Code, at least four regular Board meetings should be held in each year. The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. The Company was listed after its financial year end date. During the Reporting Period, the record of the Directors attending the Board meetings and general meetings are as follows:

	<b>Number of meetings attended/ Number of Board meetings</b>	<b>Number of meetings attended/ Number of general meetings</b>
Mr. Zhang Guoqiang	7/7	2/2
Ms. Song Haiying	7/7	2/2
Ms. Dai Dongzhe	7/7	2/2
Ms. Teng Renjie	7/7	2/2
Mr. Song Feng	7/7	2/2
Mr. Liu Xiaoshi	7/7	2/2
Mr. Ji Xuehong	7/7	2/2
Mr. Chan So Kuen	7/7	2/2
Mr. Li Zhijie	7/7	2/2

## SECTION IV CORPORATE GOVERNANCE

During the Reporting Period, a meeting was held between the chairman of the Board and the independent non-executive Directors without the presence of other Directors in accordance with code provision C 2.7 of the CG Code.

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly.

Schedules for regular Board meetings and meeting agenda are sent to all Directors in advance. Notice of at least 14 days is given for a regular Board meeting. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and relevant information are dispatched to all Directors at least three days before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

The Joint Company Secretaries of the Company are responsible for keeping minutes of all Board and committee meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final version is open to Directors for inspection. The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

### 7. Continuous professional development

Prior to the Company's listing, all Directors have been given relevant guideline materials regarding the responsibilities and obligations of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Company and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors to ensure that he or she has a proper understanding of the operation and business of the Company and full awareness of Directors' responsibilities and obligation under the Listing Rules and relevant statutory requirements. All Directors have been regularly provided with updates of the Group's performance, financial position and prospects to keep the Directors' abreast of the Group's affairs in order to discharge their duties. All Directors are also updated from time to time on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices, as set out in their respective terms of reference which are available on the websites of the Hong Kong Stock Exchange and the Company.

## SECTION IV CORPORATE GOVERNANCE

During the Reporting Period, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1.4 of the CG Code:

Name of Directors	Type of training
Mr. Zhang Guoqiang	A, B
Ms. Song Haiying	A, B
Ms. Dai Dongzhe	A, B
Ms. Teng Renjie	A, B
Mr. Song Feng	A, B
Mr. Liu Xiaoshi	A, B
Mr. Ji Xuehong	A, B
Mr. Chan So Kuen	A, B
Mr. Li Zhijie	A, B

A: attending seminars/courses/conference to develop professional skills and knowledge

B: reading materials in relation to regulatory update

### 8. Corporate governance functions

As mentioned in the above “4. Responsibilities and delegation of functions” of this report, the Board is responsible for performing the corporate governance functions set out in code provision A.2.1 of the CG Code. During the Reporting Period, the Board has reviewed the Company’s policies and practices on corporate governance and compliance with the CG Code, reviewed and monitored the continuous professional development of the Directors and also reviewed and monitored the Company’s policies and practices on compliance with legal and regulatory requirements.

The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner. These include periodic Board reviews, dedicated meeting sections with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The Board will review the implementation and effectiveness of the abovementioned mechanism on an annual basis to ensure that independent views and input are available to the Board.

## SECTION IV CORPORATE GOVERNANCE

### (V) Board Committees

The Board has established four Board committees, namely, the audit committee (the “**Audit Committee**”), the remuneration and evaluation committee (the “**Remuneration and Evaluation Committee**”), the nomination committee (the “**Nomination Committee**”) and the strategy committee (the “**Strategy Committee**”), to assist them in the efficient implementation of their functions and to oversee particular aspects of the Company’s affairs. Specific responsibilities, as set out in their respective terms of reference which are available on the websites of the Hong Kong Stock Exchange and the Company, have been delegated to the above committees. All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

#### 1. Audit Committee

We have established the Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, including (i) to review the Company’s financial information and monitor the integrity of the Company’s financial statements, annual report and accounts, half-year report, and quarterly reports (if prepared for publication) and to review significant financial reporting judgments contained therein before submission to the Board; (ii) to manage the relationship with the external auditors, including but not limited to making recommendation to the Board on the appointment, reappointment and removal of external auditors, reviewing and monitoring the external auditors’ independence and objectivity and the effectiveness of the audit process, discussing with the auditors the nature and scope of the audit and reporting obligations, and developing and implementing policy on engaging an external auditor to supply non-audit services; (iii) to oversee the Company’s financial reporting system, risk management and internal control systems and associated procedures; and (iv) to develop, review and monitor the Company’s policies and practices on corporate governance issues, including but limited to training and continuous professional development of Directors and senior management, and the Company’s compliance with legal and regulatory requirements and the CG Code. For details of the duties and obligations of the Audit Committee, please refer to the terms of reference of the Audit Committee published on the websites of the Hong Kong Stock Exchange and the Company on January 14, 2024.

As of December 31, 2024, the Audit Committee comprised three members, namely Mr. Li Zhijie, Mr. Ji Xuehong and Mr. Chan So Kuen, all of whom are independent non-executive Directors and is chaired by Mr. Li Zhijie who has the appropriate professional qualifications or accounting or related financial management expertise. During the year ended December 31, 2024, the Audit Committee held 6 meetings and the work performed by the Audit Committee was summarized as follows:

- (1) reviewed the Company’s financial statements and financial report for the year ended December 31, 2023, including Group’s accounting policies, financial performance and position set out therein;
- (2) reviewed the findings and recommendations from external auditors and the independent internal control reviewer;
- (3) reviewed the independence of the external auditors and engagement of external auditors;
- (4) reviewed the audit plan, internal control plan, the development in accounting standards and their effects on the Group, financial reporting and risk management matters;

## SECTION IV CORPORATE GOVERNANCE

- (5) reviewed effectiveness of the Company's internal audit function;
- (6) reviewed the adequacy of resources, qualifications and experience of staff in the Group's accounting and financial reporting functions; and
- (7) reviewed the effectiveness of the Group's risk management and internal control systems.

The attendance records of each committee members are set out below:

	<b>Number of attendance/ Number of meetings</b>
Mr. Li Zhijie ( <i>Convener</i> )	6/6
Mr. Ji Xuehong	6/6
Mr. Chan So Kuen	6/6

The Company's annual report and annual results announcement for the year ended December 31, 2024 have been reviewed by the Audit Committee. The Audit Committee is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

### 2. Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to (i) review the structure, size, composition and diversity (including without limitation, professional experience, skills, knowledge, age, gender, education, cultural background and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) determine the policy for the nomination of Directors, identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships, and in identifying suitable individuals, consider individuals on merit and against the object criteria, with due regard for the benefits of diversity on the Board; (iii) assess the independence of independent non-executive Directors of the Company; (iv) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and (v) formulate and regularly review measurable objectives for the implementation of the board diversity policy and monitor the progress of the implementation of such objectives. For details of the duties and obligations of the Nomination Committee, please refer to the terms of reference of the Nomination Committee published on the websites of the Hong Kong Stock Exchange and the Company on January 14, 2024.

## SECTION IV CORPORATE GOVERNANCE

As of December 31, 2024, the Nomination Committee comprised three members, namely Mr. Liu Xiaoshi (Convener), Mr. Zhang Guoqiang and Mr. Ji Xuehong. During the year ended December 31, 2024, the Nomination Committee held 1 meeting and the work performed by the Nomination Committee was summarized as follows:

- (1) reviewed and confirmed the structure, size and composition of the Board and the split between number of executive Directors and independent non-executive Directors remained appropriate for the Board to perform its duties;
- (2) reviewed and confirmed the Board has a diverse mix of skills, knowledge, experience and gender;
- (3) reviewed the board diversity policy (the “**Board Diversity Policy**”); and
- (4) formulated the nomination policy (the “**Nomination Policy**”) and made a recommendation to the Board for adoption.

The attendance records of each committee members are set out below:

	Number of attendance/ Number of meetings
Mr. Liu Xiaoshi ( <i>Convener</i> )	1/1
Mr. Zhang Guoqiang	1/1
Mr. Ji Xuehong	1/1

### *Board Diversity Policy*

We have adopted the Board Diversity Policy which sets out the objective and approach to achieve and maintain a high level of diversity on our Board in order to enhance the effectiveness of our Board. The Board Diversity Policy provides that the Company should endeavor to ensure that the Board members have the appropriate balance of skills, experience, and diversity of perspectives that are required to support the execution of its business strategy. Pursuant to the Board Diversity Policy, a number of factors will be taken into account in determining the board composition to achieve board diversity, including but not limited to professional experience, skills, knowledge, age, gender, education, cultural background and length of service. The Nomination Committee is delegated by the Board to be responsible for compliance with relevant code governing board diversity under the CG Code.

The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness including assessing annually on the board’s diversity profile including gender balance and making recommendation on suitable candidates for Board appointments and the Company will disclose in its corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

The Nomination Committee will identify and recommend suitable female candidates for the Board’s consideration and our Company will maintain not less than 30% female representation in the Board so as to maintain an appropriate balance of gender diversity with reference to stakeholders’ expectation and international and local recommended best practices. As of the date of this report, the Board has three female members and six male members.



## SECTION IV CORPORATE GOVERNANCE

As of December 31, 2024, the Board has a reasonable age structure, with five directors aged 41 to 50, two directors aged 51 to 60 and two directors aged 61 or above. Furthermore, members of the Board have a balanced mix of knowledge, skills and experience, including engineering, overall business management, finance and investment. The Directors obtained degrees in various majors, including public administration, agronomy, business administration, accounting, engineering and science. The Board has four independent non-executive Directors who have different industry backgrounds, representing over one-third of our Board members.

The Nomination Committee has considered measurable objectives based on four focus areas: gender, age, professional experience and length of service to implement the Board Diversity Policy. Such objectives will be reviewed from time to time as and when appropriate and at least once a year to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Nomination Committee will review the Board Diversity Policy and our diversity profile as appropriate and at least once a year to ensure its continued effectiveness from time to time, and where necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

The effective implementation of the Board Diversity Policy also depends on the judgement of the Shareholders of the Company on the suitability of individual candidates and their views on the scale of gender diversity of our Board. As such, the Board will provide the Shareholders with detailed information of each candidate for appointment or re-election to the Board through announcements and circulars published prior to general meetings of our Company.

The Nomination Committee will disclose in the corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

### *Employee diversity*

The Company also takes into account relevant factors when recruiting and selecting key business management personnel and other personnel to maintain gender diversity. As of December 31, 2024, all employees (including senior management) of the Company comprised 78.81% male employees and 21.19% female employees. We will continue to maintain gender diversity at all levels as our goal and review our policies on employee recruitment and management in accordance with the Company's business development and needs as and when appropriate.

### *Nomination Procedures*

The Nomination Committee identifies individuals suitably qualified to become Board members, having due regard to the Board Diversity Policy, Nomination Policy and the needs of the Company by considering the skills, knowledge, experience, expertise, etc. of the proposed candidate and assesses the independence of the proposed independent non-executive director, as the case may be. The Nomination Committee then makes recommendation(s) to the Board. The Board considers the candidate(s) recommended by the Nomination Committee, having due regard to the Board Diversity Policy, the Nomination Policy and the needs of the Company. The Board will then confirm the list of candidates for appointment to be proposed at the general meeting for voting.

## SECTION IV CORPORATE GOVERNANCE

### 3. Remuneration and Evaluation Committee

The Company has established the Remuneration and Evaluation Committee with written terms of reference in accordance with rule 3.26 of the Listing Rules and code provision E.1.2(c)(ii) of the CG Code. The primary duties of the Remuneration and Evaluation Committee are to (i) make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iii) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management/determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; and (iv) make recommendations to the Board on the remuneration of independent non-executive Directors. For details of the duties and obligations of the Remuneration and Evaluation Committee, please refer to the terms of reference of the Remuneration and Evaluation Committee published on the websites of the Hong Kong Stock Exchange and the Company on January 14, 2024.

The Remuneration and Evaluation Committee currently comprised three members, namely Mr. Liu Xiaoshi (Convener), Mr. Ji Xuehong and Ms. Dai Dongzhe. The remuneration of the Directors was determined with reference to the salaries paid by comparable companies and the experience, responsibilities, workload, time devoted to the Group and individual performance of the Directors, as well as the performance of the Group.

During the year ended December 31, 2024, the Remuneration and Evaluation Committee held 1 meeting and the work performed by the Remuneration and Evaluation Committee was summarised as follows:

- (1) made recommendations to the Board on the remuneration packages of the independent non-executive Directors.

The attendance records of each committee members are set out below:

	<b>Number of attendance/ Number of meetings</b>
Mr. Liu Xiaoshi ( <i>Convener</i> )	1/1
Mr. Ji Xuehong	1/1
Ms. Dai Dongzhe	1/1

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the senior management of the Company by band for the year ended December 31, 2024 was set out in "8. Others (1) Remuneration of Directors and Supervisors" under "18. Other Significant Events" of "Section X Financial Statements".

## SECTION IV CORPORATE GOVERNANCE

### 4. Strategy Committee

The Company has established the Strategy Committee with written terms of reference. The primary duties of the Strategy Committee include (i) the formulation of long-term development strategies for the Company; (ii) the supervision and verification of major investment decisions of the Company; and (iii) other matters authorized by the Board. For details of the duties and obligations of the Strategy Committee, please refer to the terms of reference of the Strategy Committee published on the websites of the Hong Kong Stock Exchange and the Company on January 11, 2023.

The Strategy Committee currently comprised three members, namely Mr. Zhang Guoqiang (Convener), Ms. Song Haiying and Ms. Dai Dongzhe, all of whom are executive Directors.

During the year ended December 31, 2024, no meeting was held by the Strategy Committee.

### (VI) Directors' Responsibilities for the Financial Statements

The Board acknowledges its responsibilities for preparing the Company's financial statements for each financial year and to ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements in accordance with statutory and/or regulatory requirements. The Directors, having made appropriate enquiries, confirm that they 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 statement by the auditor of the Company about their reporting responsibilities and opinion on the financial statements for the year ended December 31, 2024 is set out in the Independent Auditor's Report in the "Section X Financial Statements" of this annual report.

### (VII) RISK MANAGEMENT AND INTERNAL CONTROL

The Company had established appropriate and effective risk management and internal control systems. The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The management is responsible for designing, implementing and monitoring the risk management and internal control systems while the Board oversees the management in performing its duties on an on-going basis.

The management, under the supervision of the Board, has implemented and maintained appropriate and effective risk management and internal control system, which aims to manage and reduce (i) risks associated with the Group's daily operations; (ii) risks of failing to achieve business objectives; (iii) risks of asset misappropriation; and (iv) risks of making potential material misstatements or losses. However, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatements or losses. Main features of the risk management and internal control systems are described in the sections below:

## SECTION IV CORPORATE GOVERNANCE

### 1. Risk Management System

The Company adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Risk identification: Identify risks that could potentially affect the Group's operation and business.
- Risk evaluation: Analyze the likelihood and impact of risks on the Group's business and evaluate the risk portfolio accordingly.
- Management: Determine the risk management strategies and internal control processes to prevent, avoid or mitigate the risks; monitor the risks on an on-going basis and ensure effective and appropriate internal control processes are in place; report the results and effectiveness of risk management and internal control to the Board regularly.

With regard to the principal risks encountered by the Company/Group, please refer to "IV. Risk Factors" under the "Section III Management Discussion and Analysis" set out in this annual report.

### 2. Internal Control System

The Company has in place an internal control system which enables the Company to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The internal control procedures are designed to monitor operations of the Group and ensure overall compliance. The components of the internal control system framework are shown as follow:

- Control Environment: A set of standards, processes and structures has been implemented to provide the basis for carrying out internal control across the Company.
- Risk Assessment: A dynamic and iterative process for identifying, assessing and analyzing risks to achieve the Company's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Regular and effective internal and external communication to provide the Company with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain the existence and effective operation of each component of the internal control system.

In order to enhance the Company's system of handling and disseminating inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Company also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that potential inside information being captured and confidentiality of such information being maintained in order to prevent a breach of a disclosure requirement in relation to the Company, which include:

## SECTION IV CORPORATE GOVERNANCE

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Company enters into significant negotiations.
- Reporting channels are in place for different operating units to report any potential inside information to designated departments.
- The executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors and to respond to external enquiries.

Based on the internal control reviews conducted by the Company in 2024, no significant internal control deficiency was identified.

### 3. Internal Audit Function

The Company has adopted an internal audit system and designated auditors to supervise the internal audits of income and expenses as well as the business activities of the Company. The internal audit team is responsible for reviewing the approval status, implementation status, and cash management as well as verifying the accounting procedure. The person in charge of audits shall be accountable to and report to the Board.

### 4. Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for overseeing the implementation and managing the risk management and internal control systems of the Company and ensuring review of the effectiveness of these systems has been conducted annually. The review covered all material controls of the Group, including financial, operational and compliance controls. Several areas have been considered during the Board's review, including but not limited to (i) the changes in the nature and extent of significant risks (including ESG risks) since the last annual review, and the Company's ability to respond to changes in its business and the external environment; (ii) the scope and effectiveness of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems; (iii) the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the issuer and the effectiveness of risk management; (iv) significant control failings or weaknesses that have been identified during the period, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the issuer's financial performance or condition; and (v) the effectiveness of the issuer's processes for financial reporting and Listing Rule compliance. and (vi) the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

The Board, through its review and the review made by internal audit team and the Audit Committee, concluded that the risk management and internal control systems were effective and adequate during the year ended December 31, 2024. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board also reviewed and considered that during the year ended December 31, 2024, the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

## SECTION IV CORPORATE GOVERNANCE

### 5. Anti-corruption

The Group does not tolerate any form of corruption, such as bribery, extortion, fraud or money laundering. The Group requires all employees to comply with professional ethics, and prohibits any form of corruption. The Group has prepared manuals for internal training and implemented anti-bribery and anti-corruption compliance policies. The Group has adopted a zero-tolerance policy for any form of corruption. Employees who are found to have committed corruption will receive disciplinary action, including being discharged from their duties and required to indemnify the losses caused. If their acts are found to be in violation of any regulatory requirement, the employee will be held accountable for his/her judicial responsibility. The Group further strengthens the awareness of employees and new recruits by conducting periodic anti-corruption training.

### 6. Whistleblowing policy

The Board has established and adopted a whistleblowing policy which sets out the channels for employees and those who deal with the Group, including customers and suppliers, to raise concerns about possible improprieties in any matters about the Group, including financial reporting, internal control, corruption, or any kind of misconduct. Complaints will be kept confidential and anonymous, and will be handled in a timely and fair manner. The Audit Committee is responsible for the implementation and oversight of the policy and will review the policy annually.

## (VIII) INDEPENDENT AUDITOR'S REMUNERATION

The remuneration paid/payable to the independent auditor of the Company for the year ended December 31, 2024 is set out as follows:

Services rendered	Paid/payable RMB0'000
Audit services <sup>(Note 1)</sup>	130
Non-audit services <sup>(Note 2)</sup>	20
Total	150

Notes:

- For the year ended December 31, 2024, the audit services provided by the independent auditor included audit on annual results.
- The non-audit services included internal control audit services provided by the independent auditor.

## (IX) REMUNERATION OF SENIOR MANAGEMENT

For the year ended December 31, 2024, the remuneration before tax paid to a total of 4 senior management (excluding Directors and Supervisors) by the Company is set out below:

Remuneration Bands	Number
RMB1,000,000 or below	3
Over RMB1,000,000	1



## SECTION IV CORPORATE GOVERNANCE

### (X) JOINT COMPANY SECRETARIES

Mr. Kang Zhi (“**Mr. Kang**”) and Mr. Lau Kwok Yin (“**Mr. Lau**”), a vice president of SWCS Corporate Services Group (Hong Kong) Limited (a professional service provider specializing in corporate services), were appointed as the Joint Company Secretaries of the Company and are responsible for overseeing the company secretarial work of the Group. The primary corporate contact of Mr. Lau at the Company is Mr. Kang.

In accordance with the requirements under Rule 3.29 of the Listing Rules, both Mr. Kang and Mr. Lau confirmed that they have taken not less than 15 hours of relevant professional training during the year ended December 31, 2024.

### (XI) COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board believes that a transparent and timely disclosure of the Company’s information is essential for enhancing investor relations and will enable the Shareholders and investors to make the best investment decision and to have better understanding of the Company’s business performance and strategies. The Company endeavours to maintain an on-going dialogue with the Shareholders and the investment community, and in particular, through the Company’s annual reports, interim reports and quarterly reports (if any), annual general meetings and other general meetings that may be convened, as well as by making available disclosures submitted to the Hong Kong Stock Exchange for publication and corporation communications and other corporate publications. The chairman of the Board and the chairmen of the Board committees will endeavour to meet the Shareholders at the general meetings to answer any questions raised by the Shareholders.

The Company has adopted a Shareholders’ Communication Policy (the “**Shareholders’ Communication Policy**”) to ensure that Shareholders’ views and concerns are appropriately addressed with the objective of ensuring transparent, accurate and open communications with the Shareholders, which will be reviewed annually to ensure its implementation and effectiveness.

The Company also maintains its website at [www.sinohytec.com](http://www.sinohytec.com) where corporate communication documents, other documents issued by the Company which are published on the website of the Stock Exchange, constitutional documents, corporate information, other corporate publications and up-to-date information and updates of the Company’s operations, performances and strategies are available to public access. The Company’s website serves as a communication platform with the Shareholders and investors.

During 2024, the Company regularly communicated with institutional investors and actively responded to questions from the Shareholders and investors online. Having considered the communications with the Shareholders and investors, the Board is of the view that the implementation of the Shareholders’ Communication Policy of the Company was effective during 2024.

The contact details of the Company are set out on the Company’s website to enable Shareholders to make any query that they may have with respect to the Company.



### (XII) SHAREHOLDERS' RIGHTS

#### 1. Procedures for convening extraordinary meeting or class meeting on requisition

The Shareholders shall follow the procedures as prescribed in Article 56 of the Articles of Association to convene an extraordinary general meeting or class meeting of the Company. The Shareholders who individually or jointly hold more than 10% (inclusive) of the issued shares of the Company carrying the right to vote shall have the right to propose to the Board to convene an extraordinary general meeting or a class meeting, and shall make such proposal to the Board in writing and illustrate the topic of the meeting. The Board shall, in accordance with the provisions of laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association, give written feedback on approval or disapproval of the convening of an extraordinary general meeting or class meeting within 10 days after receiving the written request. When the Board agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of relevant shareholders. Where the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed have any other provisions, such provisions shall prevail. If the Board does not agree to hold the extraordinary general meeting or a class meeting or fails to give a reply within 10 days after receipt of the request, shareholders severally or jointly holding more than 10% (inclusive) of the shares carrying the right to vote at the meeting sought to be held shall be entitled to propose and request in writing to the supervisory committee of the Company (the **"Supervisory Committee"**) to convene an extraordinary general meeting or a class meeting. If the Supervisory Committee agrees to convene the extraordinary general meeting or a class meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. Changes in the original requisition in the notice shall be subject to the approval of relevant shareholders. If the Supervisory Committee fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, shareholders who individually or collectively hold more than 10% (inclusive) of the shares carrying the right to vote at the meeting sought to be held for more than 90 consecutive days may convene and preside over the meeting themselves. According to Article 57 of the Articles of Association, when the Supervisory Committee or the shareholders decide to convene the general meeting or a class meeting by themselves, they must notify the Board in writing and at the same time submit the relevant documentation to the stock exchange in the place where the shares of the Company are listed.

If the Supervisory Committee or shareholders convene the general meeting or class meeting on their own, the Company shall bear the reasonable expenses incurred thereby and deduct the expenses from the amount owed by the Company to the defaulting Directors.

The Shareholders of the Company shall follow the procedures as prescribed in Article 61 of the Articles of Association to propose new resolutions at general meetings. When the Company convenes an annual general meeting, shareholders holding more than 3% of the shares of the Company individually or jointly are entitled to submit proposals to the Company. The shareholders individually or jointly holding more than 3% of the shares of the Company may raise provisional proposal and submit it to the convener in writing 10 days before the general meeting is held. Upon the satisfaction that the proposal complies with the provisions in Article 60 of the Articles of Association, the convener shall, within 2 days after the receipt of the proposal, issue a supplementary notice of general meeting and announce the contents of the provisional proposal.

## SECTION IV CORPORATE GOVERNANCE

### 2. Procedures for raising enquiries

Shareholders can direct their enquiries about their shareholdings to the Company's H share registrar. Their details are as follows:

**Tricor Investor Services Limited**

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

Tel: (852) 2980 1333

Fax: (852) 2810 8185

The Shareholders may at any time make any queries in respect of the Company at the following designated contacts, correspondence address, email address(es) and enquiry hotline(s) of the Company. Information on the designated contact person, correspondence address, email address and enquiry hotline of the Company is set out in "II. Contact Persons and Contact Methods" of "Section II Company Profile and Major Financial Indicators".

The Shareholders are reminded to lodge their queries together with their detailed contact information for the prompt response of the Company if it deems appropriate.

The list of candidates for Directors and Supervisors shall be submitted by way of proposal for voting at the general meeting. Article 89 of the Articles of Association provides that any shareholders holding 3% or above of the shares individually or in aggregate or the Board may propose a resolution for the nomination of Directors at the general meeting, while any shareholders holding 3% or above of the shares individually or in aggregate or the Supervisory Committee may propose a resolution for the nomination of Supervisors at the general meeting. Candidates for independent non-executive Directors are nominated by the Board or the Supervisory Committee, or any shareholders holding 1% or above of the issued shares of the Company individually or in aggregate. In considering the proposal for the election of Directors and Supervisors, the general meeting shall vote on each candidate for Director and Supervisor one by one. The Board shall inform the Shareholders of the resumes and basic information of the candidates for Directors and Supervisors.

Further details of the procedures for Shareholders to propose a person for election as a Director are posted on the website of the Company. Shareholders or the Company may also refer to the above procedures for putting forward any other proposals at general meetings.

## SECTION IV CORPORATE GOVERNANCE

### (XIII) CONSTITUTIONAL DOCUMENTS

On January 30, 2024, special resolution was passed by the Company at an extraordinary general meeting for amendment of its Articles of Association for the purposes of, among others, (i) reflecting the latest updates on requirements and interpretation of applicable PRC laws, administrative regulations and normative documents and the related Listing Rules; and (ii) making housekeeping amendments. On June 28, 2024, another special resolution was passed by the Company at the annual general meeting to amend its Articles of Association, for the purposes of reflecting the changes in registered capital. Save for the above, there has been no amendment made to the Articles of Association during the year ended December 31, 2024 and up to the date of this report. The updated Articles of Association is available on the respective websites of the Company and the Hong Kong Stock Exchange published on June 28, 2024.

# SECTION V

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ABOUT THE REPORT

Beijing SinoHytec Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**” or “**we**”) are pleased to publish its third Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**” or the “**Report**”) to summarize the Group’s concepts and measures in the environmental and social aspects, promote the understanding, communication and interaction among the Group, stakeholders and the public and achieve the sustainable development of the Group.

### Reporting Scope and Period

The Group’s business focuses on the R&D and industrialization of fuel cell systems. The information and data disclosed in the Report cover the Company and its major subsidiaries included in the scope of the annual report. Unless otherwise specified, the reporting period is from January 1, 2024 to December 31, 2024 (the “**Reporting Period**” or the “**Year**” or “**2024**”).

### Reporting Standards

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and based on the four reporting principles of materiality, quantitative, balance and consistency.

From January 1, 2025, the Environmental, Social and Governance Reporting Guidelines will be renamed the Environmental, Social and Governance Reporting Code. We are currently in a transitional phase and are committed to preparing relevant ESG Report in 2025 in accordance with this code.

1. **Materiality:** ESG issues may have an impact on stakeholders and require disclosure in this ESG Report. For the procedure of identifying material ESG factors and the criteria for selecting these factors, please refer to the section headed “Analysis of Material ESG Issues” for details.
2. **Quantitative:** The ESG targets identified are measurable, so our ESG performance can be compared with the performances of our peers or the industry. Please refer to the section headed “Environment” for the standards, methods, assumptions and sources of conversion factors used to report emissions for details.
3. **Balance:** The information contained in this ESG Report shall be unbiased, and there are no presentation formats, selections or omissions that may mislead the judgments of stakeholders.
4. **Consistency:** To ensure comparability, the calculation and assumptions of all ESG key performance indicators (“**KPIs**”) shall be consistent. Changes in assumptions or calculation methods shall be specifically disclosed.

## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Environmental, Social and Governance Statement of the Board

We understand that developing hydrogen energy industry is one of the important ways to achieve China's strategic goals of carbon peaking and carbon neutrality, and has special strategic significance for improving China's energy structure, promoting low-carbon transformation in the transportation sector, and improving the international competitiveness and technological innovation of key industries. China attaches great importance to the development of hydrogen energy and fuel cell vehicles. In 2021, hydrogen energy was included into the "Outline of the Fourteenth Five Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" as a future-proof industry. The hydrogen energy industry thus became an important part of China's energy strategy. The strategic position of the hydrogen energy and fuel cell industry is clarified in the Medium- and Long-term Plan for the Development of Hydrogen Energy Industry (2021–2035), the Outline of the National Innovation-driven Development Strategy, the China Energy Technology Innovation Action Plan (2016–2030), the Made in China 2025 and the New Energy Vehicle Industry Development Plan (2021–2035) and Energy Law of the People's Republic of China.

In 2022, the National Development and the Reform Commission (NDRC) and National Energy Administration announced the Medium- and Long-term Plan for the Development of Hydrogen Energy Industry (2021–2035), which clarified that hydrogen energy is an important part of the future national energy system, an important focus in the green and low-carbon transformation, and a key development prospect for strategic emerging industries and future-proof industries. Currently, many local governments in China are making efforts in promoting the hydrogen energy and fuel cell industry, and so far dozens of regions have issued policies related to hydrogen energy and fuel cell vehicles, which have boosted the development of the hydrogen energy and fuel cell industry. In the future, we expect that China will continue to advance hydrogen energy technology innovation, infrastructure development and diversified demonstration applications to achieve the goals of peak carbon and carbon neutrality.

On 8 November 2024, the Energy Law of the People's Republic of China was officially promulgated, incorporating hydrogen energy into the energy management system for the first time. As a fundamental and overarching law in the energy sector, this law further strengthens investment support for hydrogen energy projects in the market, and facilitates industrial scale development and technological innovation. Meanwhile, it comprehensively promotes the high-quality development of China's hydrogen energy industry by optimizing the approval mechanism for hydrogen energy projects.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to making contributions to the goals of “Carbon Peak and Carbon Neutrality” with hydrogen fuel cell technology as the breakthrough point, promoting the global energy revolution, becoming the leader of global hydrogen fuel cell technology and building a sustainable and diversified green and low-carbon new life. We strive to improve the rights and interests of the government, shareholders, customers, employees, suppliers and other stakeholders through technological innovation, product innovation and a more comprehensive business model than ever before.

To better monitor the environmental and social performance of the Group, we have established the Safety, Occupational Health and Environmental, Health and Safety Committee (EHS Committee) to be responsible for our safety, occupational health and environmental protection work. The EHS committee is chaired by Mr. Zhang Guoqiang, Chairman of the Company’s Board of Directors, and its members are the Deputy General Managers overseeing each business line and the persons-in-charge of our subsidiaries. We have also engaged an independent third-party agency to assist in assessing the Group’s ESG risks and policies.

Promoting a sustainable and low-carbon future is one of the key missions of the Group. Our fuel cell system plays a vital role in promoting decarbonized transport. As the core component of hydrogen fuel cell vehicles, our products generate electricity by combining hydrogen with oxygen, with only water and heat being its byproduct. We are committed to making a positive impact on the global climate by promoting the development of hydrogen energy applications and promoting energy transformation. In the future, we will keep on adhering to the concept of promoting green energy in product development, manufacturing and technological innovation, and further advance the process of sustainable development.

We assess our business to identify our environmental, social and governance responsibilities and adopt comprehensive environmental, social and governance policies in accordance with the requirements of the Stock Exchange to shoulder our corporate sustainability responsibilities to our shareholders as a corporate citizen. The Board pays close attention to the latest legal developments in ESG matters to ensure that we comply with the latest regulatory requirements. The Board is responsible for reviewing the content and quality of the ESG Report.

## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Stakeholders' Concerns

We define stakeholders based on their relations with the Group and the extent of their impacts on business operations. Interaction with our stakeholders helps to take our mutual understanding to a higher level and strengthens the Group's relations with stakeholders.

The following table illustrates the Group's major stakeholders, communication channels and their key concerns:

Stakeholders	Communication Channels	Key Concerns
Employees	<ul style="list-style-type: none"> <li>Employee training and team building activities</li> <li>Labor union activities</li> <li>Performance evaluation and appraisal</li> </ul>	<ul style="list-style-type: none"> <li>Career development and training opportunities</li> <li>Healthy and safe working environment</li> <li>Remuneration and benefits</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>Annual and interim reports</li> <li>General meetings</li> <li>Investor conferences</li> </ul>	<ul style="list-style-type: none"> <li>Financial and business stability</li> <li>Compliant operation</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Examining suppliers</li> <li>On-the-spot examination</li> <li>Supplier performance evaluation</li> <li>Industry discussion</li> </ul>	<ul style="list-style-type: none"> <li>Fair cooperation</li> <li>Green purchasing</li> <li>Quality and stability</li> </ul>
Government	<ul style="list-style-type: none"> <li>Research and examination</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Green production and operation</li> <li>Compliance operation</li> <li>Product quality and safety</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Charitable and philanthropic events and voluntary activities</li> <li>ESG reports</li> <li>Social media channels</li> </ul>	<ul style="list-style-type: none"> <li>Social welfare</li> <li>Green production</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Online and offline promotion activities</li> <li>Product launch events</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Privacy protection</li> </ul>



## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ESG Materiality Analysis

We regularly identify the environmental, social and governance impacts that may occur in the course of our business. The Board shall assess the risks and review our existing strategies, objectives and control measures to further drive our sustainable business development. We shall adopt the following methods to identify, assess and manage material ESG issues:

**Identification:** Identifying ESG issues by analyzing the focuses of stakeholders (including major customers, major suppliers and employees) and collecting their opinions and views on our ESG measures and practices help us better identify and prioritize ESG issues and risks in our business operations. We believe that maintaining an open dialog with our stakeholders is essential to the sustainability of our business.

**Evaluation:** We and our stakeholders shall evaluate the performance of our ESG measures through effective communication. We shall continue to engage independent third parties to examine and evaluate, aiming to identify and evaluate our level of environmental compliance.

**Management:** We have implemented key ESG policies guiding the Group's management of ESG issues. The Board and the Committees shall review ESG issues arising from business operations when reviewing ESG measures, risk management policies, business plans and setting relevant performance targets.

In accordance with the Environmental, Social and Governance Guide issued by the Stock Exchange, after comprehensively taking into account the opinions of various stakeholders and conducting internal analyses, the Group considers and identifies the most important ESG issues from the two dimensions concerning the importance of relevant issues to the Group and to the stakeholders.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's current materiality assessment includes the following ESG issues:

Environment	Society	Governance
<b>Energy management</b>	<b>Product and service quality</b>	<b>Compliance operation</b>
Waste and hazardous substances management	<b>Customer satisfaction</b>	Risk management for major events
Pollutant and greenhouse gas emission management	<b>Intellectual property protection</b>	Business ethics
Water resources and wastewater treatment management	Employee occupational health and safety	
Ecological diversity conservation	Supply chain management	
Green packaging and procurement	Employee benefits and compensation	
Product environmental management	Material procurement and efficiency	
	Employee diversity and equal opportunities	
	Caring for the community	
	Prevention of child labour and forced labour	

Based on the analysis of materiality issues during the year, the Group has identified **compliance operation, product and service quality, customer satisfaction, energy management and intellectual property protection** as important ESG issues of the Group. The identification of relevant issues helps ensure that the Group's business objectives and development direction are in line with stakeholders' expectations and requirements. We shall tilt our limited resources towards the management of these issues.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### INFORMATION AND FEEDBACK

Latest information on the Group's financial performance and corporate governance during the Reporting Period can be found on our official website ([www.sinohytec.com](http://www.sinohytec.com)) and our annual report. The Group welcomes all feedback from investors and stakeholders. We highly value your opinions. If you have any suggestions or opinions, please contact us through the following channels.

Address: 7/F, Building b-6, Area B, No. 66, Xixiaokou Road, Haidian District, Beijing

Telephone: (010) 62796418

Email: [sinohytec@autoht.com](mailto:sinohytec@autoht.com)

### A. ENVIRONMENT

Environmental protection is closely related to sustainable development. The purpose of sustainable development is to meet contemporary demands without compromising the ability of future generations to meet their demands. Environmental pollution may have a significant impact on human health. Air and water pollution, harmful chemicals, and other sources of pollution may all contribute to a variety of diseases and health problems. Visibly, environmental protection is one of the key elements of sustainable development, which involves the conservation and reuse of resources, the reduction of pollution, the protection of biodiversity, and the balanced development of society and economy.

Environmental protection measures may ensure our actions will not cause irreversible environmental impacts to future generations. With such measures, we can reduce the emissions of pollutants, and provide healthier and safer living conditions for human beings. The Group has formulated relevant measures related to environmental protection, the reduction of emissions and consumption and integrated environmental protection management into its daily operations. Meanwhile, the Group always ensures that it complies with relevant local laws and regulations in its business activities, including but not limited to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste.

The importance of environmental protection is reflected in the protection of the ecological environment, the protection of human health, the response to climate change and the realization of sustainable development. The Group is aware that environment is closely linked with life and human benefits, and through environmental actions, the Group can also create a more beautiful environment for the present and future generations. Our key ESG objectives are to minimize our environmental impacts and contribute to improving the environment.

## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on the Group's analysis of existing environment-related data and in order to accurately monitor and quantify the performance of our environmental data, we have updated our environmental KPIs in the current year. The relevant quantitative environmental KPI targets are based on the base year of 2023, aiming to achieve the following emission reduction and waste reduction targets by 2030.

- Reduce absolute emissions of air pollutants and wastewater pollutants by approximately 5% respectively,
- Reduce the total hazardous and non-hazardous wastes by approximately 5% respectively.
- Maintain total Scope 1 and Scope 2 greenhouse gas emissions and the total usage of energy and water resources at their current levels.

We will continuously monitor and track the changes in our environmental data and update the targets based on the actual situation.

The Group reviews and evaluates its environmental key performance targets and actual consumption and emissions on an annual basis and it is currently in the transition phase. The chart below shows our progress in some areas of environmental management, and we will continue to monitor all key environmental performance and endeavour to meet the relevant targets.

Environmental KPIs	Units	Base year 2023	Current year 2024	Comparison of current year with base year
Total air pollutant emissions	kg	99.2	49.3	Decrease by 50.3%
Total wastewater discharge	tonne	7.4	1.7	Decrease by 77.0%
Total hazardous wastes	kg	18,230.0	11,416.0	Decrease by 37.4%
Total non-hazardous wastes	kg	37,680.0	20,920.0	Decrease by 44.5%

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A1 Emissions

Clean air and water are essential to our lives and health. Air pollution makes the air dirty and even harmful to human beings. Air pollution may occur globally or locally, and air pollutants mainly include suspended particulates and hazardous gases, which can cause negative impacts on the mankind, the environment and the world.

The resources consumed by the Group during its operation mainly include energy and water. The consumption of resources is related to our production and R&D activities. The Group strictly complies with national and local emission regulations, laws and requirements, attaches great importance to the mission of various pollutants, manages them according to different situations and strives to study the feasibility of reducing emissions.

#### Air Pollutants

Common air pollutants include nitrogen oxides, sulphur oxides, respirable suspended particulates and volatile organic compounds. Fuel combustion and transportation are the two main sources of air pollutants. Fuel combustion is a stationary source of pollution, while vehicles in driving are a mobile source of pollution. The Group's air pollutants are mainly generated by the use of motor vehicles, with a small amount of emissions from stationary sources from factory canteens, while volatile organic compounds are mainly generated from production activities

The following table sets forth the types of emissions and total emissions of air pollutants in 2023 and 2024:

Air Pollutants	Units	2023	2024
Nitrogen oxides (NOx)	kg	27.8	23.1
Sulfur oxides (SOx)	kg	0.6	0.5
Particulate Matter (PM)	kg	2.0	1.7
Volatile organic compounds (VOCs)	kg	68.8	24.0
<b>Total air pollutant emissions</b>	kg	99.2	49.3

Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs".

The production plants under the Group have set up an exhaust gas emission treatment system in our production plants, to ensure the treated exhaust gases meet the discharge standards before discharging. In order to align with and achieve the Group's emission reduction goals, the Group will actively adopt clean production technologies in the future, to minimize future emissions of air pollutants.

## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### GHG Emissions

Greenhouse gases are the main cause of greenhouse effect, and the most important greenhouse gas is carbon dioxide, followed by pollutants such as nitrous oxide and methane, which are mainly generated from the combustion of petrochemical raw materials (i.e. coal and oil). The greenhouse effect will cause global temperature increase, and the resulting climate change will cost us enormously.

To combat climate change, reducing GHG emissions is a crucial goal. GHG emissions can be grouped into two scopes, namely, all direct emissions from Group-controlled activities (Scope 1) and indirect emissions from the use of energy supplied by energy suppliers (Scope 2).

The following table sets forth the total greenhouse gas ("GHG") emissions and intensity in 2023 and 2024:

GHG Emissions	Units	2023	2024
Scope 1 – Direct GHG emissions	tCO <sub>2</sub> eq	121.8	100.2
Scope 2 – Energy indirect GHG emissions	tCO <sub>2</sub> eq	7,967.0	7,026.7
Total GHG Emissions	tCO <sub>2</sub> eq	8,088.8	7,126.9
Total GHG intensity	tCO <sub>2</sub> eq/RMB10,000 of operating revenue	0.1010	0.1944

#### Notes:

References of GHG emission data include but are not limited to the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development and the "How to prepare an ESG Report --Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange. To better reflect the Group's actual performance, during this Reporting Period, the intensity is calculated on the basis of Group's operating revenue, RMB366,671,400 in 2024 and RMB800,701,900 in 2023.

Within the Reporting Period, the Group's GHG emissions were mainly within Scope 2, that is, by use of electrical energy; our electrical energy was mainly used in the operation of office premises and the production of goods, and the total intensity of GHG emissions was almost unchanged from previous year.

The Group will be committed to reducing GHG emissions by improving energy efficiency, promoting the development of renewable energy and implementing other energy conservation and emission reduction measures in line with national goals and policies. The Group will evaluate the existing energy utilization, seek the feasibility of improving the efficiency of production equipment by regularly inspecting production equipment and facilities, and strive to optimize production processes and R&D testing procedures.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Wastewater Discharge

Wastewater pollution is a growing threat to humans and marine life and constitutes the largest proportion of global coastal pollution. Wastewater treatment as an important process to deal with water pollution is to treat domestic sewage and industrial wastewater by various means, which can separate solid pollutants from water and reduce organic pollutants in water, so as to reduce the wastewater pollution to the environment.

We have set up an wastewater treatment system in our production plants, and dedicated personnel are responsible for the operation and monitoring of the environmental protection facilities, training and management of the operators of the environmental protection facilities to ensure that the environmental protection facilities operate properly and meet the discharge standards, and meanwhile the Group will also recycle part of the wastewater for production through a deionized water preparation unit.

The following table sets forth the total amount of wastewater discharged in 2023 and 2024:

Waste water	Units	2023	2024
Total wastewater discharge	tonne	7.4	1.7
Chemical oxygen demand (COD) emissions	tonne	5.3	0.8
Ammonia nitrogen (NH <sub>3</sub> -N) emission	tonne	0.4	0.1
Other pollutant emissions	tonne	1.7	0.8

#### Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs". The relevant data sources are mainly disclosed in accordance with the pollutant discharge permit implementation report. Other pollutants mainly include petroleum, anionic surfactants, suspended substance, total phosphorus and nitrogen pollutants. The Group has initiated the construction project of a comprehensive wastewater treatment plant, which mainly includes such facilities as a comprehensive wastewater treatment plant, a water reuse system and an online inspection system. With the corresponding increase in wastewater treatment capacity, the total discharge of wastewater pollutants significantly reduced in 2024.



## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Waste Management

Although the Group generates a low level of hazardous wastes and industrial solid wastes during production, the Group pays great attention to related pollution. We're committed to minimizing the environmental impacts of wastes by effective waste emission management. We sign contracts with professional third-party companies to regularly dispose of hazardous wastes, while other wastes are collected and disposed of by qualified waste treatment companies.

The following tables set forth the total hazardous wastes produced and intensity in 2023 and 2024:

Hazardous Wastes	Units	2023	2024
Total hazardous wastes	kg	18,230.0	11,416.0
Hazardous waste intensity	kg/RMB10,000 of operating revenue	0.2277	0.3113

Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs". To better reflect the Group's actual performance, during this Reporting Period, the intensity is calculated on the basis of Group's operating revenue, RMB366,671,400 in 2024 and RMB800,701,900 in 2023.

The following tables set forth the total non-hazardous wastes produced and intensity in 2023 and 2024:

Non-hazardous Wastes	Units	2023	2024
Total non-hazardous wastes	kg	37,680.0	20,920.0
Non-hazardous waste intensity	kg/RMB10,000 of operating revenue	0.4706	0.5705

Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs". To better reflect the Group's actual performance, during this Reporting Period, the intensity is calculated on the basis of Group's operating revenue, RMB366,671,400 in 2024 and RMB800,701,900 in 2023.

The Group closely monitors the sources of pollutants published by the local governments and complies with national and local environmental regulations in the PRC. To comply with the applicable environmental protection laws, we have obtained the necessary pollutant discharge permits and complied with the PRC laws and regulations applicable to the treatment and disposal of pollutants. During the Reporting Period, we were in compliance with the applicable national and local environmental laws and regulations, and we were not subject to any administrative penalties in relation to environmental laws and regulations.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A2 Use of Resources

We keep a close eye on energy consumption, regularly evaluate the electricity and water consumption during production, and compare with historical data etc to identify abnormalities and assess potential risks. We try to continuously improve energy efficiency and reduce carbon footprints by following means:

- Giving priority to low-energy consumption products when purchasing equipment and facilities;
- Regularly maintaining productive equipment, increasing efficiency and reducing energy consumption;
- Advocating environmental protection philosophy among employees, encouraging employees to use electronic records;
- Requiring employees to turn off lights when they are off duty and turn off all non-essential items such as calculators and photocopiers during non-business hours; and
- Setting the temperature of air conditioner to 25 degrees Celsius to reduce unnecessary energy consumption..

#### Direct and Indirect Energy Consumption

Energy consumption includes both direct and indirect energy consumption. Direct energy consumption is the use of non-renewable fuels, including the use of fuels in vehicles and factory canteens. Indirect energy consumption is mainly through the use of purchased electricity, and our electricity is mainly consumed in products production and R&D testing activities.

The following table sets forth the total energy consumption and intensity in 2023 and 2024:

Energy types	Units	2023	2024
– Gasoline	kWh	387,011.8	<b>325,881.8</b>
– Diesel	kWh	6,221.3	<b>6,216.0</b>
– LPG	kWh	64,686.7	<b>42,428.9</b>
<b>Non-renewable fuel (direct)</b>	kWh	457,919.8	<b>374,526.7</b>
– Electricity	kWh	13,969,881.7	<b>11,324,294.8</b>
<b>Energy (indirect) purchased</b>	kWh	13,969,881.7	<b>11,324,294.8</b>
<b>Total energy consumption</b>	kWh	14,427,801.5	<b>11,698,821.5</b>
<b>Total energy consumption intensity</b>	kWh/RMB10,000 of operating revenue	180.2	<b>319.1</b>

Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs". To better reflect the Group's actual performance, during this Reporting Period, the intensity is calculated on the basis of Group's operating revenue, RMB366,671,400 in 2024 and RMB800,701,900 in 2023.

## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Water Consumption

Water is mainly consumed in the Group's production of products. We pay close attention to the energy and water control measures implemented by local governments, including potential restrictions. During the Reporting Period, we did not experience material disruptions due to shortage of water, or face any problem in search of applicable water source.

The total water consumption and intensity in 2023 and 2024 are shown in the following table:

Water Consumption	Units	2023	2024
Total water consumption	m <sup>3</sup>	60,070.7	42,404.1
Water consumption intensity	m <sup>3</sup> /RMB10,000 of operating revenue	0.7502	1.1565

Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs". To better reflect the Group's actual performance, during this Reporting Period, the intensity is calculated on the basis of Group's operating revenue, RMB366,671,400 in 2024 and RMB800,701,900 in 2023.

### Packaging Materials Management

The Group attaches great importance to the management of packaging materials, and the packaging materials involved in our products mainly include plastic bags, cartons, and wooden boxes. In order to reduce the use of packaging materials, we will recycle some of our packaging materials for reuse. During the Reporting Period, a total of 472 wooden boxes were recovered.

The following table sets forth the total packaging materials used and intensity in 2023 and 2024:

Packaging materials used for finished products	Units	2023	2024
Total packaging materials used	kg	142,696.5	65,790.1
Intensity of packaging materials used	kg/unit	35.4	35.6

Notes:

The above data are collected, calculated and reported in accordance with the Stock Exchange's "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs".

Due to the complex and severe macroeconomic environment and as the fuel cell industry is still in the early stage of industrialization, the direct and indirect consumption of energy, water resources and packaging materials showed a downward trend during the Reporting Period. The year-on-year decline in the production and sales of fuel cell vehicles in 2024 led to a subsequent decrease in the consumption of related resources and materials.

# SECTION V

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A3 The Environment and Natural Resources

Human life depends on various natural resources, and natural resources is currently in short supply. The Group is well aware of the importance of natural resources, and in order to reduce the Group’s significant impact on the environment and natural resources, we pay close attention to the possible impact of the Group’s business on the environment and natural resources. The major natural resources the Group had an impact on were the energy and water consumed in product production and R&D and testing activities. To effectively reduce the consumption of these resources, we implement green operation policies, continuously optimize productive technology and improve resource efficiency.

Meanwhile, our product fuel cell system plays an important role in decarbonized transport as our products are the core of hydrogen fuel cell vehicles, and the working principle of fuel cell system is to combine hydrogen with oxygen to generate electricity with water and heat being its only by-product. We have a positive impact on the global climate by promoting the development of hydrogen energy applications and promoting energy transformation.

### A4 Climate Change

Climate change refers to the change of climate caused by the change of atmospheric composition due to human activities. Climate-related issues pose a certain degree of threat to us. Our identified climate-related risks can be categorized into (i) physical risks, which are the risks that may cause physical impacts on us due to extreme weather conditions; and (ii) transition risks, which are the risks arising from compliance with applicable environmental laws and regulations and stringent environmental protection standards.

The following risks are the physical risks and transition risks we have identified:

Physical risks	Response plans
Chronic risks	<p>As the climate changes, the global temperatures may rise, resulting in an increase in electricity consumption and potential regional power shortages.</p> <p>The Group will closely monitor relevant risks and take timely countermeasures, like preparing backup power or studying the feasibility of other sources of electricity.</p>
Acute risks	<p>Rising global temperatures may also lead to more unpredictable weather conditions, such as frequent severe typhoons, droughts, floods and increased rainfalls. Such weather conditions are expected to cause disruption to transportation services, and our supply chain may be adversely affected, which may result in delays in the delivery of raw materials and products.</p> <p>The Group will closely monitor relevant risks and take all necessary protective measures to minimize the impact on our operations.</p>

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Transition risks

### Response plans

Policy and legal risks

The Group's productive facilities and operations are subject to certain environmental requirements, including those relating to air, water, noise and solid waste pollution, and production safety and labor protection requirements of the PRC laws. In the face of increasingly stringent policies and regulations in the future, there is a possibility of failure to comply with relevant regulations in response to changes in regulations. The major relevant laws and regulations that the Group should comply with are detailed below:

#### Environmental-related and social-related risks

#### Future potential impacts and risks

General environmental requirements

Non-compliance with the Environmental Protection Law of the People's Republic of China

Air pollution and emissions

Non-compliance with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and Regulation on the Administration of Permitting of Pollutant Discharges

Environmental impact assessment

Non-compliance with the Law of the People's Republic of China on Environmental Impact Assessment

The Group will closely monitor any change of relevant requirements, and if relevant requirements are changed, adjust relevant productive and living activities and management approaches, to comply with the changed requirements.

Market risks

Tightened environmental regulations and the future launch of the national carbon emission trading program may lead to an increase in the prices of major raw materials, increasing the operating costs.

However, the PRC government's growing focus on environmental protection and the implementation of environmental protection measures may encourage the manufacturing of environmentally friendly products.

The Group's business focuses on hydrogen fuel cell technology and endeavours to promote the global energy revolution through technological and product innovation. It is expected that the relevant market shifts will bring more opportunities to the Group.

During the Reporting Period, the Group was not adversely affected or harmed by climate-related risks.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL

### B1 Employment

We attach great importance to the rights, interests and career development of our employees. The Group provides employees with attractive employment opportunities, ideal promotion plans, competitive remuneration packages and harmonious working environment and strives to create a fair, just and open working and development environment for employees. We adopt the principle of appointing people on their merit and providing equal opportunities for employees regardless of genders, ages, races, religions or other social or personal characteristics.

For our operations in the PRC and Hong Kong, we strictly comply with relevant employment laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor of the People's Republic of China and the Employment Ordinance of Hong Kong. We are subject to various PRC laws and regulations relating to occupational health and safety. We are committed to complying with the regulatory requirements in the PRC to prevent and reduce hazards and risks associated with our business and ensure the health and safety of our employees and surrounding communities. We pay contributions to five social insurances and one housing fund for employees, provide housing benefits, and employees are entitled to annual leave, maternity leave and other welfare leave in accordance with law. We also provide benefits such as meal allowance, cultural and social activities and holiday and birthday gifts to our employees.

### Diversity and Inclusion

We are committed to building and maintaining an inclusive workplace where all employees are expected to grow healthily, fostering a diverse and skilled workforce. Meanwhile, we ensure that the workplace is free from discrimination, physical or verbal harassment against employees in terms of races, religions, skin colors, genders, physical or mental disabilities, ages, places of birth and marital statuses. In addition, any forms of harassment or abuses in the workplace are strictly prohibited. The Group is committed to creating a diverse workplace with an increased diversity of workforce.

During the Reporting Period, we employed a total of 708 employees, representing a year-on-year decrease of approximately 32%, and the Group's total turnover rate was approximately 39%. At present, the Group is constantly optimizing and improving our human resources structure, leading to an increase of turnover rate.

The following table sets forth the total number of full-time employees by genders, age groups and geographical location as of December 31, 2023 and December 31, 2024:

Types	Categories	Units	December 31, 2023	December 31, 2024
<b>Genders</b>	Male	persons	842	558
	Female		202	150
<b>Age Groups</b>	Aged 30 or below	persons	388	171
	31-40 years old		501	371
	41-50 years old		138	147
	51 years old or above		17	19
<b>Geographical Location</b>	The People's Republic of China	persons	1,044	708
<b>Total</b>		persons	1,044	708



## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The following table sets forth the total employee turnover rates by genders, age groups and geographical location as of December 31, 2023 and December 31, 2024:

Types	Categories	Units	December 31, 2023	December 31, 2024
<b>Genders</b>	Male	%	22.4%	<b>40.9%</b>
	Female		16.8%	<b>33.0%</b>
<b>Age Groups</b>	Aged 30 or below	%	26.8%	<b>60.1%</b>
	31–40 years old		19.8%	<b>33.7%</b>
	41–50 years old		13.0%	<b>17.5%</b>
	51 years old or above		11.8%	<b>22.2%</b>
<b>Geographical Location</b>	The People's Republic of China	%	21.4%	<b>39.3%</b>

*Note:*

In 2023, as the number of employees in the workforce did not have significant changes during the Reporting Period, the relevant calculation of employee turnover rate was based on the number of employees lost in the category divided by the number of employees at the end of the year. In 2024, due to the significant change in the number of employees at the end of the Reporting Period, the employee turnover rate for the Reporting Period was calculated by dividing the number of employees lost in the category by the average number of employees in the category during the year in order to increase the comparability of the data.

## B2 Health and Safety

The Group adheres to the people-oriented development concept, and safety production is the basic requirement for the sustainable development of the Group. The Group is committed to protecting the health and safety of its employees with a highly responsible attitude towards its employees and society. We continuously improve the occupational health management system and emergency management system, enhance the safety management level, comply with regulatory requirements, standardize the Company's behavior, achieve normalized and standardized management, seriously carry out safe production management and establish a long-term mechanism to protect employees' occupational health and safety.

Therefore, we have established and implemented a series of policies and measures accordingly, including but not limited to: safety, health and environmental risk identification and assessment management; safety and emergency management; occupational health management; safety input management, hazard warning & notice management, and emergence management.

According to the characteristics of different departments, different positions and different businesses, we analyze the types, possibilities and severities of risks based on historical data, current status information, future plans and other factors and assess the effectiveness of existing measures. Based on the results of risk assessment, we take improvement measures such as optimizing equipment and facilities, improving system regulations and strengthening daily monitoring.

The Group has established a sound occupational health and safety management system. Being bound by the ties of basic safety and occupational health management policies, according to the management principles of different geographical areas, considering our own situation, the Group has developed the comparatively differentiated management model, established the dual responsibility structure for business and functions/regions, and under the management of unified base persons-in-charge, according to the characteristics of different business operation manners, has divided respective responsible areas, traceable level by level to every level of person-in-charge of each business line, to ensure every level has clear awareness of responsibilities.



## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

According to the characteristics of different departments, different positions and different businesses, the Group will analyze the types, possibilities and severities of risks based on historical data, current status information, future plans and other factors, and assess the effectiveness of existing measures. Based on the results of risk assessment, the Group will further optimize equipment and facilities, and improve system regulations.

Based on different safety risks, the Group has established a comprehensive, special and on-the-spot emergency plan system, including accident emergency response organizations, response classification, and response processes, which can timely and effectively guide employees in response to safety incidents. The Group does drills and training regularly, to increase employees' emergency response awareness and skills.



Fire emergency drill



Emergency response to hydrogen leakage accidents



Practical operation of fire-fighting equipment



Emergency response to object strike accidents

We encourage our employees to stay alert in performing their job duties and be responsible for their safety and health. We also provide training to help employees identify abnormal situations and enhance their safety awareness. The Group pays contributions to work-related injury insurance for all new employees, helps the injured employee make a work-related injury insurance claim after the work-related injury accidents and pays wages normally and provides sufficient days of leave. During the Reporting Period, the total number of days lost due to work-related injuries of the Group was 76 (2023: 204) days, with an average of 76 (2023: 51) lost days due to work-related injury per case, and the Group's work-related injury rate was 0.1% (2023: 0.4%). We will continue to improve the employee health, safety and welfare protection mechanism to protect the rights and interests of employees. In the past three years, no work-related fatalities were recorded.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B3 Development and Training

We regularly provide specialized training based on the needs of different employees. We hope that employees' skills improve continuously by training, and we also hope that a learning organization can be built. We distribute the Company's Employee Handbook to all new employees, which includes company introduction, corporate culture, work ethics and internal regulations relating to banning dereliction of duty and corruption prevention. We explain the requirements in the Employee Handbook during employee onboarding.

The Group attaches great importance to the professional skill improvement and the training and learning of employees, encourages employees to keep on making progress and improves their skills by training, aiming to bring the strengths and potential of employees into blossom at their posts. The Group encourages employees to integrate their strengths, interests and opportunities for the Group's business development to forge ahead, and internal mobility and cross-border development of employees are also encouraged.

On August 8, 2024, in the "Hydrogen Fuel Cell Preparation and Inspection and Testing Worker Competition" of the 6th Beijing Vocational Skills Competition, we performed outstandingly, with a total of 16 people qualifying for the finals, winning the first, second and third prizes as well as the top 5 excellence awards, demonstrating our profound accumulation and professional expertise in the hydrogen energy business field. In the competitive events of this competition, we closely integrated with the development direction of hydrogen energy skills talent cultivation in the new era and fully assessed the comprehensive quality of the contestants. This not only affirms our achievements in technological innovation and talent cultivation, but also demonstrates our strength in promoting the high-quality development of the hydrogen energy industry. In the future, we will continue to deepen the construction of the skilled talent team, enhance the skills of our employees, and contribute to the vigorous development of the national hydrogen energy industry.

During the Reporting Period, the total number of training hours of management personnel and ordinary employees of the Group's subsidiaries was 540 and 4,137 (2023: 11,069), and the proportion of trained employees in total employees reached 76.3% (2023: 91.4%).

The following table lists the proportion of trained employees in total employees and average training hours by gender and employee category in 2024:

Types	Categories	Proportion of trained employees in total employees (%)	Average training hours
<b>Genders</b>	Male	77.2%	8.59
	Female	22.8%	4.52
<b>Employee Categories</b>	Senior management	1.3%	2.29
	Middle management	11.1%	5.88
	Frontline employees and other employees	87.6%	7.97

Notes:

The number of average training hours is the total number of training hours divided by the total number of employees so trained.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B4 Labor Standards

#### Talent Recruitment

The Group's labor employment policies and standards are in strict compliance with the Labor Contract Law of the People's Republic of China, the Labor Law of the People's Republic of China and other applicable employment laws and regulations. The employment environment, employment term, working hours, rest breaks, statutory leave and time off and other terms related to labor employment are in compliance with the laws and regulations. The Group's employment procedures are in compliance with national and regional regulations and policies. The Group pays close attention to the updates of relevant government laws and regulations and timely adjusts and updates relevant systems and procedures.

The Group adheres to an "people-oriented" employment policy, adopts open recruitment, regardless of qualifications, sources and backgrounds. All candidates shall comply with the Group's recruitment rules, and only high-test candidates can be employed. Being in keeping with the Company's culture and values is one of the basic standards for recruitment. We give first place to suitability to posts and take into account the potential for future development.

#### Measures Preventing Child Labor and Forced Labor

Child labor and forced labor are strictly prohibited during the Group's recruitment. To prevent child labor and forced labor, the Group ensures that applicants have the right to attend interviews and apply for jobs voluntarily. The Group has established a strict internal approval procedure for employment. In terms of pre-employment checks, all kinds of certificates, documents and information shall be strictly complete and checked, and employees can only be employed after approval by the person-in-charge at each level, aiming to effectively avoid non-standard employment such as child labor. The Group adheres to the principle of equal and voluntary employment. When signing a labor contract with an employee, the Group fully and accurately conveys the statutory and necessary information such as workplaces, working hours and remunerations, and the two parties sign a labor contract on a voluntary basis to avoid forced labor.

#### Board and Management Diversity

A more diverse and inclusive Board than ever before is not only a values-driven topic, but also a measure we are taking and embracing. We have adopted a Board diversity policy providing that the Group should endeavor to ensure that our Board members have the appropriate skills, expertise and diversified perspectives that are required to comply with emerging new standards and deal with various risks. Selection of candidates for directorship shall also be based on a series of diversity perspectives, including but not limited to his/her skills, professional experience, academic background, knowledge, expertise, culture, independence, age and gender.

We value gender diversity and promote gender diversity at all levels, including the Board and senior management. As of the end of the Reporting Period, three out of nine Directors of the Group were female, and two out of seven members of senior management were female.

## SECTION V ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B5 Supply Chain Management

The Group has formulated a series of supplier management systems such as the Supplier Development Management Regulations, the Supplier Management Regulations and the Supplier Quality System Management Regulations, which are optimized and updated annually.

We assess, examine and verify new suppliers. Potential suppliers shall be assessed in terms of quality, technology, social responsibilities and other dimensions, covering environment, safety, compliance with laws and regulations, hazardous substances, trade safety and other aspects. Only high-test suppliers can be included in the Group's list of qualified suppliers. When there is a demand for new suppliers, we carry out supplier sourcing, investigation, auditing, review, and admission. During the review process, technical engineers review the environmental, health and social responsibility compliance of suppliers' products in accordance with the technical standard. We regularly evaluate and examine selected suppliers and remove suppliers that do not meet the Group's standards from the list of qualified suppliers.

The Group adopts a fair purchasing mode. When selecting suppliers of goods or services from our competitors, we treat facts fairly and objectively and select suppliers who can provide the most valuable products or services according to our needs. Our purchasing personnel are required to strictly comply with the Group's relevant regulations banning degeneration and corruption. If an employee violates the relevant regulations, the Group shall impose corresponding penalties depending on the severity of the case, and the case shall be handed over to the public security or judicial authorities for handling.

The following table lists the Company's major suppliers in 2023 and 2024:

Geographical Distribution of Suppliers	Units	2023	2024
Mainland China	number	153	124
Canada	number	1	1
South Korea	number	1	1
<b>Total number of major suppliers</b>	number	155	126

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B6 Product Responsibility

#### Product Quality Management

The Group attaches great importance to product quality management. High-quality products are the driving force for the sustainable development of the Company's business. To ensure the safety and effectiveness of the quality of products provided by the Company, the Company has implemented a series of control measures for product quality inspection:

- (1) The Company has formulated the rules and regulations for the Management of Monitoring and Measurement Equipment, requiring regular third-party calibrations of monitoring and measurement equipment, MSA analyses of measurement systems, spot-checking and maintenance during daily use.
- (2) The Company has formulated regulations such as the Product Monitoring and Measurement Control, the Supplied Material Acceptance Management, the In-process Inspection Management and the Finished Product Inspection Management to inspect the product quality in the processes of receiving raw materials, goods in process, finished products and shipments in the Company's production activities to ensure that the relevant materials and products meet the standards and requirements, and inspection results shall be recorded to prepare reports.
- (3) The Company has formulated the Control over Unqualified Products to analyze the causes of subquality products found during the inspection of each process. The Company takes corrective and preventive measures for major and reoccurred subquality situation to keep on improving the Company's product quality.

During the Reporting Period, the Group did not record any recalls of sold products due to safety and health issues. We are committed to providing high-quality and safe products and striving for customers' recognition of our products and services.

#### After-sale Protection and Complaint Resolution

The Group adheres to the customer-oriented spirit, continuously improves the quality of products and services and strives to improve customer satisfaction. The protection of customers' rights and interests in the course of sale is crucial to our operations, and thus we strictly comply with the Law of the People's Republic of China on the Protection of Consumers' Rights and Interests.

Prior to the launch of the Company's products, the Company offers corresponding theoretical and practical training to customers to ensure that customers know how to correctly use and operate the Company's products. The Company establishes a market operation guarantee plan for customers, and service personnel of the places where the markets locate actively connect with customers. After the launch of the Company's products, the Company offers 24/7 after-sale service to customers and strives to respond to customers within 15 minutes and solve general problems within 24 hours. The Group has replacements, quick-wear parts and other components and parts in store in the places where the markets locate to ensure timely supply of replacements. In 2024, the Company had a total of 4 customer complaints, all of which were properly resolved through active communication and negotiation with customers.



## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Maintenance and Protection of Intellectual Property Rights

We strictly abide by the laws and regulations related to intellectual property rights, including the Patent Law of the People's Republic of China and the Copyright Law of the People's Republic of China, to ensure that our intellectual property rights are not infringed, ensuring the Group's competitive advantages.

The Group attaches great importance to intellectual property management, and has established a special intellectual property managing department for this purpose. This department is responsible for designing the Group's technical system standardization and intellectual property development planning, improving relevant systems and procedures, and ensuring their effective implementation. In addition, this department is also responsible for intellectual property management within technical systems, and has established a special intellectual property database. Meanwhile, the Group has set up the "Intellectual Property Experts Committee", through which, the Group can integrate internal and external resources more effectively, increase the expertise of intellectual property management, and ensure the intellectual property management is in pace of the Group's long-run development objectives.

To strengthen the protection of the Group's intellectual property rights, standardize the management of intellectual property rights, encourage the enthusiasm of employees for invention and creation and facilitate the promotion and application of scientific and technological achievements, the Company has formulated the Measures for the Management of Intellectual Property Rights to formulate relevant provisions for intellectual property application, intellectual property operation, intellectual property protection, intellectual property reward system and other aspects. To strengthen the Company's independent innovation, improve the Company's core competitiveness, stimulate employees' enthusiasm for R&D and learning and encourage employees to participate in technological innovation, writing academic papers and intellectual property related work, the Company has also formulated and implemented the Measures for the Administration of Incentives for Intellectual Property Rights and Paper Publication.

To optimize the patent application process, during this year, the Company developed the Measures for the Management of Patent Application, providing that for patent application, based on the patent quality evaluation model, the approval for patent will be classified in three kinds: preliminary examination cases, prioritized examination cases, and ordinary examination cases. By simplifying some process links, the Regulation further enhances the efficiency of patent application.

The Group won the titles like Beijing Intellectual Property Rights Model Enterprise, National Intellectual Property Rights Advantageous Enterprise and others, not only reflecting the Group's expertise and leadership in the intellectual property field, but also encouraging and enhancing the IPR protection awareness of the entire industry.

During the Reporting Period, we had 126 new intellectual properties, including 55 inventive patents, 57 utility model patents, 2 design patents and 12 software copyrights.

As of the end of the Reporting Period, we had a total of 1,246 intellectual properties, including 314 inventive patents, 791 utility model patents, 25 design patents and 116 software copyrights.

During the Reporting Period, the Group did not record any material infringements of intellectual property rights.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Protection of Customers' Data and Privacy

The Group strictly complies with the Personal Information Protection Law. All employees of the Group shall sign the Business Confidentiality and Non-compete Agreement when they join the Group, to ensure that the information of customers, suppliers and other related parties shall not be leaked. We have zero tolerance for violations. The Group ensures they understand the importance of information protection and corporate policies and procedures, and meanwhile enhances the awareness of information protection and privacy, and establishes internal control system, to prevent unauthorized access or misuse of information.

As customers' data and information are important business information of the Company, the Company has formulated strict customer information confidentiality regulations, i.e. the Sale Information Security Operation Manual, which clearly stipulates the scope of authorization and confidentiality requirements for customer data and information. For personnel who violate the confidentiality regulations, the Company shall impose corresponding penalties depending on the severity of the case. The Group only collects and uses necessary customers information, with prior consent of customers.

During the Reporting Period, the Group did not record any material leakages of consumers' data and privacy.

### B7 Anti-corruption

All business activities of the Group shall be up to the integrity standard. Any forms of corruption, extortion and fraud are strictly prohibited, and the involved parties shall be dealt with in accordance with laws and regulations. The Group strictly complies with the provisions related to corruption and bribery in the Criminal Law of the People's Republic of China and other relevant laws and regulations. The Group strictly prohibits the provision, acceptance and solicitation of bribes, gifts, entertainment or other forms of practices that are intended to affect or may affect the Company's business decisions to obtain unusual or inappropriate advantages. Accordingly, the Group has formulated the Collection of Anti-corruption Management Regulations to provide guidance for anti-corruption actions, which clearly stipulates office standardization, work transparency, how to deal with taking advantage of duty to embezzle corporate properties, public funds and other corporate interests and concealed and unreported embezzlement. The Group encourages employees to report misconducts within the Group and protects the information of the whistle-blowers.

We regularly train our employees, and anti-bribery and anti-corruption contents are included in the onboarding training for all employees to remind them that they must abide by laws and regulations when performing their job duties and ensure legal compliance. During the Reporting Period, the Group provided training related to anti-corruption to 147 employees and 7 Directors with a total of 1,594 training hours. During the Reporting Period, the Group did not have any legal cases regarding embezzlement and engaging in corrupt practices.



## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B8 Community Investment

We have been focusing on the R&D and industrialization of fuel cell systems. Our fuel cell systems are the core of hydrogen fuel cell vehicles. The working principle of fuel cell systems is to combine hydrogen with oxygen to generate electricity, and water and heat are its only by-products. Our products play an important role in decarbonized transport. We have a positive impact on the global climate by promoting the development of hydrogen energy applications and energy transformation. We will keep on adhering to the concept of promoting green energy in product development, manufacturing and technological innovation.

In addition, we are keen about giving back to society and actively contributing to our community. Young generation as the future of nation will solve the problems left by current high carbon emissions and ecological destruction among other activities, in response to unavoidable global warming crisis. In order to realize carbon-free livability and sustainable development in the future, the input of youth is crucial. As knowledge of green energy is complex and rapidly evolving, companies and universities shall take an active part in promoting relevant education.

Shanghai SinoFuelCell Co., Ltd., a subsidiary of the Group, has a science generalization education base that is serving as the science generalization education base of Shanghai City, being China's first proton exchange membrane fuel cell vehicle technology display base. The total exhibition area of the base reaches 1,152 square meters. It includes fuel cell science generalization hall, the panoramic exhibition hall of automatic separation of fuel cell vehicles, the fuel cell technology demonstration hall, and the fuel cell vehicle exhibition hall. The Company's science generalization base has been successively awarded titles such as "Shanghai Science Generalization Education Base", "Shanghai Environmental Education Base", and "Fengxian District Youth Out-of-School Education Base". For many years, SinoFuelCell has been actively promoting the popularization of hydrogen energy. As of the Reporting Period, the SinoFuelCell Science Generalization Education Base has held over a hundred science popularization activities and received tens of thousands of visitors from home and abroad, providing an open platform for various science popularization publicity, scientific exploration, and research experience.

Since 2024, Zhangjiakou Association for Science and Technology has fully leveraged its organizational advantages, actively integrated distinctive science popularization resources from local universities, research institutes and technology enterprises, and planned to launch a series of science popularization research and study activities under the theme of "New Quality Productivity Around Us". Among them, SinoHytec Power Technology Co., Ltd., a subsidiary of the Group, was invited to be included as a hydrogen energy "power processing plant". The on-site audience watched the promotional video of hydrogen fuel cell engines and learned about the new quality driving force in the green energy era. We offer a full range of public welfare explanations, covering the development history, principles and applications of hydrogen fuel cell engine technology.

We also encourage employees to actively participate in public welfare activities. The Group believes that actively participating in public welfare activities can cultivate employees' sense of social responsibility.

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX 1: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

Main scopes, aspects, general disclosures and KPIs	Descriptions	Section/Statement
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on:	A Environmental
	(a). the policies; and	
	(b). compliance with relevant laws and regulations that have a significant impact on the issuer;	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	A1 Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1 Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1 Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1 Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A Environmental A1 Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A Environmental A1 Emissions
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	A2 Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2 Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A Environmental A2 Use of Resources

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main scopes, aspects, general disclosures and KPIs	Descriptions	Section/Statement
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2 Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2 Use of Resources
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	A3 The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3 The Environment and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4 Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4 Climate Change
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer;</li> </ul> relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1 Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	B1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1 Employment

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main scopes, aspects, general disclosures and KPIs	Descriptions	Section/Statement
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on:	B2 Health and Safety
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer;	
	relating to preventing child and forced labour.	
KPI B2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting year.	B2 Health and Safety
KPI B2.2	Lost days due to work injury.	B2 Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2 Health and Safety
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3 Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3 Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3 Development and Training
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on:	B4 Labour Standards
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer;	
	relating to preventing child and forced labour.	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4 Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4 Labour Standards

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main scopes, aspects, general disclosures and KPIs		Descriptions	Section/Statement
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	B5 Supply Chain Management
KPI B5.1		Number of suppliers by geographical region.	B5 Supply Chain Management
KPI B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5 Supply Chain Management
KPI B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5 Supply Chain Management
KPI B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5 Supply Chain Management
<b>Aspect B6: Product Responsibility</b>			
General Disclosure		Information on:	B6 Product Responsibility
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer;	
		relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
KPI B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6 Product Responsibility
KPI B6.2		Number of products and service related complaints received and how they are dealt with.	B6 Product Responsibility
KPI B6.3		Description of practices relating to observing and protecting intellectual property rights.	B6 Product Responsibility
KPI B6.4		Description of quality assurance process and recall procedures.	B6 Product Responsibility
KPI B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6 Product Responsibility

## SECTION V

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main scopes, aspects, general disclosures and KPIs	Descriptions	Section/Statement
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on:	B7 Anti-corruption
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer;	
KPI B7.1	relating to bribery, extortion, fraud and money laundering. Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7 Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7 Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7 Anti-corruption
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8 Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8 Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8 Community Investment

## I. PERFORMANCE OF UNDERTAKINGS

### (I) Undertakings of the de facto controller, shareholders, related parties, acquirers of the Company, the Company and other relevant parties during or subsisting to the Reporting Period

✓ Applicable    ☐ Not Applicable

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Whether there is a term for performance	Term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please state the specific reasons for the failure	If the Undertaking fails to be performed timely, please state the next plan
	Restricted shares	Controlling shareholder, de facto controller Zhang Guoqiang	Within 12 months from the date of signing of this Commitment Letter (October 18, 2023 to October 17, 2024), he will not transfer or reduce his current shareholding in the Company in any way, and will comply with the above commitments in the event of capital reserve conversion to share capital, dividend distribution, rights issue, additional share issuance, etc	October 18, 2023	Yes	Within 12 months	Yes	N/A	N/A
	Restricted shares	Core technicians holding shares of the Company	Regarding the undertaking restricted shares, please refer to "(I) Restrictions on circulation of shares" in "V. Significant Undertaking" in "Section X Investor Protection" in the prospectus of the Company disclosed on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	Within 12 months and within 6 months after resignation	Yes	N/A	N/A
	Others	Controlling shareholder, de facto controller Zhang Guoqiang	For details of the undertakings of intention to hold shares and reduce shares, please refer to "(I) Undertakings of intention to hold shares and shareholding reduction" in "V. Significant Undertaking" under "Section X Investor Protection" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	24 months after the expiration of the lock-up period	Yes	N/A	N/A



## SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Whether there is a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please state the reasons for the failure	If the Undertaking fails to be performed timely, please state the next plan
Others	Others	The Company, controlling shareholder and de facto controller of the Company, directors and senior management	For details of the measures and undertakings in relation to recovery of diluted immediate return, please refer to " (IV) Measures and undertakings in relation to recovery of diluted immediate return " under "Section X Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	N/A	N/A
Others	Others	The Company, the controlling shareholder and the de facto controller of the Company	For details of share repurchase undertakings in connection with the fraudulent issuance and listing, please refer to " (VI) Share repurchase undertakings in connection with the fraudulent issuance and listing " under "Section X Investor Protection" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	N/A	N/A
Others	Others	The Company, its controlling shareholder, de facto controller, all Directors, Supervisors and senior management	For details of the truthfulness, accuracy and completeness of the application documents for the issuance, and the undertakings to repurchase and to bear the compensation in accordance with the law for fraudulent issuance and listing, please refer to " (VII) The truthfulness, accuracy and completeness of the application documents for the issuance, and the undertakings to repurchase and to damages in accordance with the law for fraudulent issuance and listing " under Section X Investor Protection of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	N/A	N/A
Others	Others	The Company, its controlling shareholder, de controller, shareholders holding more than 5% of the shares and their parties acting in concert, and all Directors, Supervisors and senior management of the Company	For details of the undertakings of restraining measures when failing to perform the undertakings, please refer to " (VIII) Undertakings of restraining measures when failing to perform the undertakings " under Section X "Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	N/A	N/A

## SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Whether there is a term for performance	Term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please state the reasons for the failure	If the Undertaking fails to be performed timely, please state the next plan
Others	Others	Other shareholders other than controlling Shareholders holding more than 2% shares of the Company and their concert parties	For details of other undertakings, please refer to "VI. Other undertakings" of "Section X Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	60 months	Yes	N/A	N/A
Non-competition undertaking	Non-competition undertaking	Shareholder and the de facto controller	For details of non-competition undertaking, please refer to "VI. Non-competition undertaking" in "VI. Horizontal competition" under "Section VII Corporate Governance and Independence" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Long term	Yes	N/A	N/A

**(II) Where the Company has profit forecasts on assets or projects, and the Reporting Period was within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor**

☐ Achieved ☐ Not achieved ☒ Not Applicable

**(III) Execution of the performance undertakings and its impact on the goodwill impairment testing**

☐ Applicable ☒ Not Applicable

## SECTION VI SIGNIFICANT EVENTS

### II. OCCUPATION OF FUNDS BY CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATIONAL DURING THE REPORTING PERIOD

✓ Applicable    ☐ Not Applicable

Unit: RMB0'000

Name of shareholder related party	Affiliations	Occupancy time	Reason for occurrence	Opening balance	Amount of new occupied fund during the Reporting Period	Total amount Reimbursed during the Reporting Period	Closing balance	Balance as of the date of disclosure of the annual report	Expected reimbursement method	Expected amount	Expected repayment date
Zhangjiakou Haijier	Other related parties	July 2019 to present	Current payments	3,025.40	0.00	119.26	3,047.35	3,092.58	Provision of hydrogen and	3,092.58	2026.12.31
									Cash		
Total	/	/	/	3,025.40	0.00	119.26	3,047.35	3,092.58	/	3,092.58	/
Ratio of the total value at the end of the period to the latest audited net assets											
1.19%											
Decision-making procedures for occupation of funds by controlling shareholder and other related parties for non-operational purpose											
The fund transfer between the Company and Zhangjiakou Haijier was due to the change in the scope of the consolidated statements of the Company. Zhangjiakou Haijier was a secondary subsidiary of the Company's consolidated statements from its date of establishment to September 2019.											
The borrowings provided by the Company to support its business development were within the above consolidated statements period.											
Since September 2019, the Company has not provided any new funds to it. The change in the balance of current accounts was due to the accrued interest on loans and repayment of funds.											
Reasons for occupation of funds by new controlling shareholders and other related parties for non-operational purpose in the current period, investigation on accountability of responsible person and description of measures to be taken by the Board											
Nil											
Reasons for the failure to settle the occupation of funds for non-operational purpose as planned, investigation on accountability of responsible person and description of measures to be taken by the Board											
Nil											
Special audit opinion on the occupation of funds by certified public accountants (if any)											
For details, please refer to the "BDO China Shu Lun Pan Certified Public Accountants LLP – Special report on the occupation of funds by related parties" disclosed by the Company											
Explanation on the inconsistency between the occupation of funds by controlling shareholder and other related parties for non-operational purpose disclosed in the annual report and the special audit opinion (if any)											
Nil											

**Note:** The estimated repayment amount does not include interest accrued after the date of disclosure in the annual report.

## SECTION VI SIGNIFICANT EVENTS

### III. ILLEGAL GUARANTEES

☐ Applicable   ☒ Not Applicable

### IV. EXPLANATION OF THE COMPANY ON THE “NON-STANDARD OPINIONS AUDIT REPORT” FROM ACCOUNTING FIRM

☐ Applicable   ☒ Not Applicable

### V. ANALYSIS AND EXPLANATION OF THE CAUSES AND EFFECTS OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR CORRECTION OF MAJOR ACCOUNTING ERRORS

#### (I) Analysis and explanation of the causes and effects of changes in accounting policies, accounting estimates by the company

☒ Applicable   ☐ Not Applicable

For details, please refer to “40. Changes in significant accounting policies and accounting estimates” under “V. Significant accounting policies and accounting estimates” in “Section X Financial Statements” for the analysis and explanation of the causes and effects of changes in accounting policies, accounting estimates by the Company.

#### (II) ANALYSIS AND EXPLANATION FROM THE COMPANY ON THE REASONS AND IMPACT OF THE CORRECTION ON SIGNIFICANT ACCOUNTING ERRORS

☐ Applicable   ☒ Not Applicable

#### (III) COMMUNICATION WITH THE PREVIOUS ACCOUNTING FIRM

☐ Applicable   ☒ Not Applicable

#### (IV) APPROVAL PROCEDURES AND OTHER EXPLANATION

☐ Applicable   ☒ Not Applicable

## SECTION VI SIGNIFICANT EVENTS

### VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: RMB0'000

	Original appointment	Existing appointment
Name of domestic accounting firm	Moore Stephens Da Hua Certified Public Accountants (Special General Partnership)	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firm	130.00	140.00
Term of service of the domestic accounting firm	4 years	1 year
Name of certified public accountants of domestic accounting firm	/	Tian Wei, Wu Yadi
Term of audit services of certified public accountants of domestic accounting firms	/	1 year

  

	Name	Compensation
Accounting firm for internal control and audit	BDO China Shu Lun Pan Certified Public Accountants LLP	20.00

Explanation of appointment and dismissal of accounting firms

☒ Applicable ☐ Not Applicable

Given that Moore Stephens Da Hua Certified Public Accountants (Special General Partnership), which was previously appointed by the Company, received the Decision on Administrative Penalties ([2024] No. 1) from Jiangsu Bureau of the CSRC during the Reporting Period, based on the principle of prudence, a decision to change and appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor for the 2024 financial statements and internal control of the Company was considered and approved at the Company's 2023 annual general meeting on June 28, 2024.

Explanation of change of accounting firms during the audit period

☐ Applicable ☒ Not Applicable

Explanation on the decrease in audit fees by more than 20% (including 20%) over the last year

☐ Applicable ☒ Not Applicable

## SECTION VI SIGNIFICANT EVENTS

### VII. RISK OF DELISTING

#### (I) Causes of delisting warning

☐ Applicable    ☒ Not Applicable

#### (II) Measures to be taken by the Company

☐ Applicable    ☒ Not Applicable

#### (III) Situation and causes for termination of listing

☐ Applicable    ☒ Not Applicable

### VIII. MATTERS RELATED TO BANKRUPTCY AND REORGANISATION

☐ Applicable    ☒ Not Applicable

### IX. MATERIAL LITIGATION AND ARBITRATION

☐ The Company had material litigation and arbitration during the year    ☒ The Company did not have material litigation and arbitration during the year

### X. PUNISHMENT AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND BENEFICIAL CONTROLLERS FOR SUSPECTED VIOLATION OF LAWS AND REGULATIONS

☐ Applicable    ☒ Not Applicable

### XI. EXPLANATION ON CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND BENEFICIAL CONTROLLERS DURING THE REPORTING PERIOD

☐ Applicable    ☒ Not Applicable

## SECTION VI

### SIGNIFICANT EVENTS

#### XII. SIGNIFICANT RELATED PARTY TRANSACTIONS

##### (I) Related party transactions in connection with day-to-day operation

1. Matters which have been published in temporary announcements and without further progress or changes  
☐ Applicable    ☒ Not Applicable
1. Matters which have been published in temporary announcements but with further progress or changes  
☐ Applicable    ☒ Not Applicable
2. Matters which have not been published in temporary announcements  
☐ Applicable    ☒ Not Applicable

##### (II) Related party transactions in connection with purchase or sale of assets or equity interest

1. Matters which have been published in temporary announcements and without further progress or changes  
☐ Applicable    ☒ Not Applicable
2. Matters which have been published in temporary announcements but with further progress or changes  
☐ Applicable    ☒ Not Applicable
3. Matters which have not been published in temporary announcements  
☐ Applicable    ☒ Not Applicable
4. Disclose the performance of the results relating to the results agreement during the Reporting Period  
☐ Applicable    ☒ Not Applicable

##### (III) Significant related party transactions in connection with joint external investment

1. Matters which have been published in temporary announcements and without further progress or changes  
☐ Applicable    ☒ Not Applicable
2. Matters which have been published in temporary announcements but with further progress or changes  
☐ Applicable    ☒ Not Applicable
3. Matters which have not been published in temporary announcements  
☐ Applicable    ☒ Not Applicable



## SECTION VI SIGNIFICANT EVENTS

### (IV) Claims and liabilities between related parties

1. **Matters which have been published in temporary announcements and without further progress or changes**  
☐ Applicable    ☒ Not Applicable
2. **Matters which have been published in temporary announcements but with further progress or changes**  
☐ Applicable    ☒ Not Applicable
3. **Matters which have not been published in temporary announcements**  
☒ Applicable    ☐ Not Applicable

Unit: RMB

Related parties	Affiliations	Capital provided to related parties			Capital provided by related parties to listed company		
		Opening balance	Amount of the transaction	Closing balance	Opening balance	Amount of the transaction	Closing balance
Zhangjiakou Haiper	Associate	23,521,464.22	-905,449.76	22,616,014.46	0.00	0.00	0.00
Total		23,521,464.22	-905,449.76	22,616,014.46	0.00	0.00	0.00
Reasons for related claims and debts		The capital borrowing between the Company and Zhangjiakou Haiper was due to the change in the scope of the consolidated statements of the Company. Zhangjiakou Haiper was a secondary subsidiary of the Company's consolidated statements from its date of establishment to September 2019. The borrowings provided by the Company to support its project construction were within the above period. After the completion of the capital increase and share increase of Zhangjiakou Haiper in September 2019 and the change of key management personnel, the Company no longer included it in the scope of consolidated statements. As Song Haiying, the executive director of the Company, and Kang Zhi, the secretary to the Board, were directors of the company, the outstanding borrowings of the company were recorded as claims and liabilities with related parties. Zhangjiakou Haiper is gradually repaying the borrowings, with the principal balance amounting to RMB22,616,014.46 as of the end of the Reporting Period.					
The impact of related claims and debts on the Company		The Company has entered into a relevant agreement with Zhangjiakou Haiper, which expressly provides for the Company to receive interest on the borrowings; the amount of such borrowings represents a relatively small portion of the Company's total assets.					

## SECTION VI SIGNIFICANT EVENTS

### (V) Financial business between the Company and the financial company that is related to the Company, the financial company controlled by the Company and related parties

☐ Applicable    ☒ Not Applicable

### (VI) Others

☐ Applicable    ☒ Not Applicable

## XIII. MAJOR CONTRACTS AND THE PERFORMANCE

### (I) Custody, contracting and leasing matters

#### 1. Custody

☐ Applicable    ☒ Not Applicable

#### 2. Contracting

☐ Applicable    ☒ Not Applicable

#### 3. Leasing

☐ Applicable    ☒ Not Applicable

## (II) Guarantee

✓ Applicable    ☐ Not Applicable

Unit: RMB

### External guarantees of the Company (excluding guarantees for subsidiaries)

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Amount guaranteed	Date of guarantee agreement (date of)	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount of guarantee	Counter-guarantee	Whether it is a related party	Affiliations
Total amount of guarantees incurred during the Reporting Period (excluding guarantees for subsidiaries)														
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)														
														0
														0

### Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Amount guaranteed	Date of guarantee agreement	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	Whether The guarantee is overdue	Overdue amount of guarantee	Any counter guarantee
The Company	Headquarters of the Company	SinoHytec Power	10,000,000.00	2023/11/1	2023/11/1	2024/10/31	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	20,000,000.00	2023/11/15	2023/11/15	2024/11/14	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	2,328,000.00	2023/11/16	2023/11/16	2024/11/15	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	1,649,000.00	2023/11/20	2023/11/20	2024/11/19	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	2,085,500.00	2023/11/29	2023/11/29	2024/11/28	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	10,000,000.00	2023/12/7	2023/12/7	2024/12/6	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	35,000,000.00	2024/1/11	2024/1/11	2024/12/31	Joint liability guarantee	Yes	No	0	No

## SECTION VI SIGNIFICANT EVENTS

## SECTION VI SIGNIFICANT EVENTS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantor	Relationship between the guarantor and the listed company	Relationship between the guaranteed party and the listed company	Guaranteed party	Amount guaranteed	Date of guarantee agreement	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount of guarantee	Any counter guarantee
The Company	Headquarters of the Company	SinoHytec Power subsidiary	SinoHytec Power	9,900,000.00	2024/1/19	2024/1/19	2028/1/18	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power subsidiary	SinoHytec Power	85,200.00	2024/2/1	2024/2/1	2028/1/27	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power subsidiary	SinoHytec Power	6,999,416.72	2024/4/16	2024/4/16	2028/4/16	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power subsidiary	SinoHytec Power	10,000,000.00	2023/10/26	2023/10/26	2024/10/26	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec subsidiary	Chengdu SinoHytec	392,104.05	2023/9/18	2023/9/18	2024/3/18	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec subsidiary	Chengdu SinoHytec	370,997.00	2024/1/30	2024/1/30	2024/7/30	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec subsidiary	Chengdu SinoHytec	157,815.00	2024/2/5	2024/2/5	2024/8/5	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec subsidiary	Chengdu SinoHytec	8,924,545.00	2024/6/19	2024/6/19	2024/12/19	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec subsidiary	Chengdu SinoHytec	1,075,455.00	2024/9/20	2024/9/20	2028/3/20	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Juxinghuatong subsidiary	Juxinghuatong	15,000,000.00	2023/12/26	2023/12/26	2024/6/26	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Juxinghuatong subsidiary	Juxinghuatong	2,225,400.00	2024/4/19	2024/4/19	2024/10/19	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Juxinghuatong subsidiary	Juxinghuatong	319,915.54	2024/4/26	2024/4/26	2024/10/26	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Juxinghuatong subsidiary	Juxinghuatong	10,000,000.00	2024/8/21	2024/8/21	2027/8/21	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Juxinghuatong subsidiary	Juxinghuatong	1,000,000.00	2024/9/23	2024/9/23	2027/9/23	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Juxinghuatong subsidiary	Juxinghuatong	19,000,000.00	2024/11/8	2024/11/8	2027/11/10	Joint liability guarantee	No	No	0	No

## SECTION VI SIGNIFICANT EVENTS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee agreement	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount of guarantee	Any counter guarantee
The Company	Headquarters of the Company	Juxinghuatong	Wholly-owned subsidiary	10,000,000.00	2023/10/16	2023/10/16	2024/10/15	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Juxinghuatong	Wholly-owned subsidiary	7,000,000.00	2024/12/18	2024/12/18	2028/12/17	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Zhengzhou Power (鄭州動力)	Wholly-owned subsidiary	100,000.00	2024/7/30	2024/7/30	2028/1/30	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Zhengzhou Power (鄭州動力)	Wholly-owned subsidiary	100,000.00	2024/7/30	2024/7/30	2028/7/30	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Zhengzhou Power (鄭州動力)	Wholly-owned subsidiary	100,000.00	2024/7/30	2024/7/30	2029/1/30	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Zhengzhou Power (鄭州動力)	Wholly-owned subsidiary	9,700,000.00	2024/7/30	2024/7/30	2029/7/30	Joint liability guarantee	No	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	5,000,000.00	2023/8/15	2023/8/15	2024/2/15	Joint liability guarantee	Yes	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	5,000,000.00	2023/9/4	2023/9/4	2024/3/4	Joint liability guarantee	Yes	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	10,000,000.00	2024/1/24	2024/1/24	2024/7/24	Joint liability guarantee	Yes	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	5,000,000.00	2024/2/29	2024/2/29	2024/8/29	Joint liability guarantee	Yes	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	5,000,000.00	2024/3/26	2024/3/26	2024/9/26	Joint liability guarantee	Yes	No	0	No

## SECTION VI SIGNIFICANT EVENTS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee date of agreement	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue amount of guarantee	Any counter guarantee
SinoFueCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	10,000,000.00	2024/8/16	2024/8/16	2027/2/16	Joint liability guarantee	No	No	0	No
SinoFueCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	5,000,000.00	2024/10/30	2024/10/30	2027/4/30	Joint liability guarantee	No	No	0	No
SinoFueCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co., Ltd.	Majority-controlled subsidiary	5,000,000.00	2024/9/11	2024/9/11	2027/9/11	Joint liability guarantee	No	No	0	No
<b>Total amount of guarantees provided by the Company (including guarantees for subsidiaries)</b>												
Total amount of guarantees provided to subsidiaries during the Reporting Period												152,058,744.26
Total balance of guarantees provided to subsidiaries at the end of the Reporting Period (B)												85,060,071.72
Total guarantee amount (A + B)												85,060,071.72
Percentage of total guarantee amount to net assets of the Company (%)												3.32%
Including:												
Amount of guarantees provided for shareholders, de facto controller and their related parties (C)												0
Amount of debt guarantees directly or indirectly provided for guaranteed parties with gearing ratio over 70% (D)												85,060,071.72
Amount of total guarantee exceeding 50% of net assets (E)												0
Total amount of the above three guarantees (C + D + E)												85,060,071.72
Explanation on the potential joint and several liability for outstanding guarantees												Nil
Explanation on guarantee												Nil

## SECTION VI SIGNIFICANT EVENTS

### (III) Entrusted cash asset management

#### 1. Entrusted wealth management

(1) *Overall situation of entrusted wealth management*

☒ Applicable   ☐ Not Applicable

Unit: RMB

Type	Source of funds	Amount incurred	Outstanding balance	Overdue unrecovered amount
Wealth management products of banks	Self-owned capital	361,793,299.59	136,388,669.59	
Others	Self-owned capital	675,583,900.00	675,583,900.00	

Other circumstances

☐ Applicable   ☒ Not Applicable

(2) *Individual entrusted wealth management*

☐ Applicable   ☒ Not Applicable

Other circumstances

☐ Applicable   ☒ Not Applicable

(3) *Provision for impairment on entrusted wealth management*

☐ Applicable   ☒ Not Applicable

#### 2. Entrusted loans

(1) *General information of entrusted loans*

☐ Applicable   ☒ Not Applicable

Others

☐ Applicable   ☒ Not Applicable



## SECTION VI SIGNIFICANT EVENTS

(2) *Individual entrusted loans*

☐ Applicable ☒ Not Applicable

Other circumstances

☐ Applicable ☒ Not Applicable

(3) *Provision for impairment on entrusted loans*

☐ Applicable ☒ Not Applicable

3. **Other circumstances**

☐ Applicable ☒ Not Applicable

**(IV) Other material contracts**

☐ Applicable ☒ Not Applicable

## **XIV. EXPLANATION ON OTHER MATERIAL MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS**

☒ Applicable ☐ Not Applicable

## SECTION VII

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of changes in the number of shares

##### 1. Table of changes in the number of shares

Unit: share

	Before the change		Issue of new shares	Changes for the period (+, -)				After the change	
	Number	Percentage (%)		Bonus issue	Capitalization of provident fund	Others	Sub-total	Number	Percentage (%)
I. Shares subject to trading restrictions	25,998,283	15.71	0	0	10,399,313	0	10,399,313	36,397,596	15.71
1. State-owned shares	0	0.00	0	0	0	0	0.00	0	0.00
2. Shares held by state-owned legal persons	0	0.00	0	0	0	0	0.00	0	0.00
3. Other domestic shares	25,998,283	15.71	0	0	10,399,313	0	10,399,313	36,397,596	15.71
Including: Shares held by domestic non-state owned legal persons	0	0.00	0	0	0	0	0.00	0	0.00
Shares held by domestic natural persons	25,998,283	15.71	0	0	10,399,313	0	10,399,313	36,397,596	15.71
4. Foreign shares	0	0.00	0	0	0	0	0.00	0	0.00
Including: Shares held by overseas legal persons	0	0.00	0	0	0	0	0.00	0	0.00
Shares held by overseas natural persons	0	0.00	0	0	0	0	0.00	0	0.00
II. Tradable shares not subject to trading restrictions	139,467,489	84.29	0	0	55,786,996	0	55,786,996	195,254,485	84.29
1. RMB denominated ordinary shares	113,849,659	68.81	0	0	45,539,864	0	45,539,864	159,389,523	68.81
2. Domestically listed foreign shares	0	0.00	0	0	0	0	0	0	0.00
3. Overseas listed foreign shares	25,617,830	15.48	0	0	10,247,132	0	10,247,132	35,864,962	15.48
4. Others	0	0.00	0	0	0	0	0	0	0.00
III. Total number of shares	165,465,772	100.00	0	0	66,186,309	0	66,186,309	231,652,081	100

## SECTION VII

### CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

#### 2. Explanation on changes in shares

☒ Applicable ☐ Not Applicable

The Company convened the 2023 annual general meeting, 2024 second A share class meeting and 2024 second H share class meeting on June 28, 2024, and has considered and approved the Proposal on 2023 Profit Distribution and Capital Reserve Capitalization Plan of the Company, which resolved that the issuance of 4 shares for every 10 shares to all shareholders by way of capitalization of capital reserve, based on the total share capital of the Company of 165,465,772 shares. As of March 31, 2024, the total share capital of the Company was 165,465,772 shares, representing a total increase of 66,186,309 shares (including 55,939,177 A Shares and 10,247,132 H Shares). Upon completion of the capitalization of capital reserve, the total share capital of the Company increased to 231,652,081 shares, including 195,787,119 A Shares and 35,864,962 H Shares. The Company has completed the registration of issuance of new share mentioned above as of July 22, 2024.

#### 3. Impact of share change on financial indicators such as earnings per share and net asset per share for the most recent year and period (if any)

☒ Applicable ☐ Not Applicable

During the Reporting Period, the Company issued 4 shares for every 10 shares to all shareholders by way of capitalization of capital reserve, totaling 66,186,309 shares, and the total share capital of the Company after the capitalization issue was 231,652,081 shares. Impact of changes in the number of ordinary shares on financial indicators such as earnings per share and net assets per share for the latest year and the latest period are as following:

Unit: RMB/share		
Item	2024	2024 (on the same basis)
Basic earnings per share	-1.97	-2.76
Diluted earnings per share	-1.97	-2.76
Net assets per share attributable to ordinary shareholders of the listed company	11.06	15.48

*Note:* Basic earnings per share, diluted earnings per share and net assets per share attributable to ordinary shareholders of the listed company for 2024 on the same basis were calculated on the basis that no capital reserve would be capitalized in 2024.

## SECTION VII

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### 4. Other information considered necessary by the Company or required by the securities regulatory authorities to be disclosed

☐ Applicable ☒ Not Applicable

### (II) Change in restricted shares

☒ Applicable ☐ Not Applicable

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the year	Number of restricted shares released during the year	Increase in number of restricted shares during the year	Number of restricted shares at the end of the year	Reason for restriction	Date of release from restriction
Zhang Guoqiang	25,998,283	0	10,399,313	36,397,596	Pre-IPO shares	2025/4/18
Total	25,998,283	0	10,399,313	36,397,596	/	/

## II. ISSUANCE AND LISTING OF SECURITIES

### (I) Issuance of securities during the Reporting Period

☐ Applicable ☒ Not Applicable

Explanation on issuance of securities during the Reporting Period (for bonds with different interest rates during the duration, please specify separately):

☐ Applicable ☒ Not Applicable

### (II) Changes in the total number of shares and the structure of shareholders and changes in the structure of the assets and liabilities of the Company

☒ Applicable ☐ Not Applicable

During the Reporting Period, the Company issued 4 shares for every 10 shares to all shareholders by way of capitalization of capital reserve, totaling 66,186,309 shares. The total share capital of the Company before the capitalization issue was 165,465,772 shares, and the total share capital of the Company after the capitalization issue was 231,652,081 shares. The total assets were RMB4,945,720,776.24, and the total liabilities were RMB1,538,577,927.24 as at the beginning of the Reporting Period. The total assets were RMB4,778,968,863.11, and the total liabilities were RMB1,935,624,484.90 as at the end of the Reporting Period.

## SECTION VII

### CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

#### III SHAREHOLDERS AND DE FACTO CONTROLLERS

##### (I) Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period	13,701
Total number of ordinary shareholders as of the end of the month prior to the date of publication of the annual report	14,253

##### Number of depositary receipt holders

☐ Applicable ☒ Not Applicable

##### (II) Shareholdings of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders of non-restricted shares) as of the end of the Reporting Period

Unit: share

Name of shareholder	Shareholdings of the top ten shareholders(excluding shares lent through refinancing)				Shares pledged, marked or frozen		Nature of shareholder
	Increase and decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of restricted shares held	Status of shares	Number	
Zhang Guoqiang	10,412,705	36,444,469	15.73	36,397,596	Nil	0	Domestic natural person
HKSCC NOMINEES LIMITED (Note 1)	10,245,556	35,859,552	15.48	0	Unknown	0	Unknown
Tunghsu Optoelectronic	2,010,258	7,035,902	3.04	0	Frozen	7,035,091	Domestic nonstate-owned legal person
Zhang He	198,000	4,118,000	1.78	0	Nil	0	Domestic natural person
Shuimu Changfeng	952,398	3,333,392	1.44	0	Nil	0	Other
Yutong Bus	-2,508,781	2,978,000	1.29	0	Nil	0	Domestic nonstate-owned legal person
Bai Wei	735,807	2,742,475	1.18	0	Nil	0	Domestic natural person
Shuimu Sail	678,000	2,570,000	1.11	0	Nil	0	Other
Shuimu Yuanjing	732,651	2,564,278	1.11	0	Nil	0	Other
Wu Taocong	766,167	2,509,510	1.08	0	Nil	0	Domestic natural person

## SECTION VII

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### Shareholdings of the top ten shareholders of non-restricted shares (excluding shares lent through refinancing)

Name of shareholder	Number of tradable non-restricted shares	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED (Note 1)	35,859,552	Overseas-listed foreign shares	35,859,552
Tungshu Optoelectronic	7,035,902	RMB-denominated ordinary shares	7,035,902
Zhang He	4,118,000	RMB-denominated ordinary shares	4,118,000
Shuimu Changfeng	3,333,392	RMB-denominated ordinary shares	3,333,392
Yutong Bus	2,978,000	RMB-denominated ordinary shares	2,978,000
Bai Wei	2,742,475	RMB-denominated ordinary shares	2,742,475
Shuimu Sail	2,570,000	RMB-denominated ordinary shares	2,570,000
Shuimu Yuanjing	2,564,278	RMB-denominated ordinary shares	2,564,278
Wu Taocong	2,509,510	RMB-denominated ordinary shares	2,509,510
Song Haiying	2,381,163	RMB-denominated ordinary shares	2,381,163
Explanation on buyback account among the top ten shareholders	N/A		
Explanation on the above shareholders' entrusting voting rights, entrusted voting rights and waiver of voting rights	N/A		
Explanation on relationship or acting in concert among the above shareholders	The general partner of the Company's shareholders Shuimu Yuanjing, Shuimu Sail and Shuimu Changfeng is Wu Yong.		
Explanation on the preference shareholders with restored voting rights and the number of shares held	N/A		

### Shares lent by shareholders with over 5% shareholding, top ten shareholders and top ten shareholders not subject to trading moratorium engaged in refinancing business

☐ Applicable    ☒ Not Applicable

### Changes in shareholding of top ten shareholders and top ten shareholders not subject to trading moratorium due to shares lent/returned for refinancing business

☐ Applicable    ☒ Not Applicable

## SECTION VII

### CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

#### Shareholdings of the top ten shareholders of restricted shares and the restrictions

☒ Applicable   ☐ Not Applicable

Unit: share

No.	Name of shareholders of restricted shares	Number of restricted shares held	Listing and trading of restricted shares		Restrictions
			Time available for listing and trading	Number of new shares available for listing and trading	
1	Zhang Guoqiang	36,397,596	2025/4/18	0	Pre-IPO shares
Explanation on connected relationship or acting in concert among the above shareholders					N/A

*Note 1:* The shares held by HKSCC Nominees Limited were held on behalf of clients. As the relevant rules of The Stock Exchange of Hong Kong do not require clients to report whether there are any pledges, freezes, refinancing and credit accounts on the shares held by them, HKSCC Nominees Limited is not in a position to compile statistics or provide information on the number of shares in the pledged or frozen, and refinancing and credit accounts.

#### Top ten holders of domestic depository receipts of the Company as of the end of the Reporting Period

☐ Applicable   ☒ Not Applicable

#### Shares lent by holders of depository receipts with over 5% shareholding, top ten holders of depository receipts and top ten holders of non-restricted depository receipts engaged in refinancing business

☐ Applicable   ☒ Not Applicable

#### Changes in shareholding of top ten holders of depository receipts and top ten holders of non-restricted depository receipts due to shares lent/returned for refinancing business as compared to the previous period

☐ Applicable   ☒ Not Applicable

#### Shareholdings of the top ten holders of restricted depository receipts and the restrictions

☐ Applicable   ☒ Not Applicable



## SECTION VII CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### (III) Particulars of Top Ten Shareholders with Voting Rights as of the End of the Reporting Period

☐ Applicable ☒ Not Applicable

### (IV) Top 10 Shareholders from Strategic Investors or General Legal Persons Participating in the Placing of the New Shares/Depository Receipts

☐ Applicable ☒ Not Applicable

### (V) Strategic Placement of Initial Public Offering

- Particulars of shareholding of senior management and core employees by setting up a special asset management plan to participate in the strategic placement of initial public offering*  
☐ Applicable ☒ Not Applicable
- Particulars of shareholding of relevant subsidiaries of sponsors participating in the strategic placement of initial public offering*  
☐ Applicable ☒ Not Applicable

## IV. CONTROLLING SHAREHOLDER AND THE DE FACTO CONTROLLER

### (I) Controlling Shareholder

#### 1. Legal person

☐ Applicable ☒ Not Applicable

#### 2. Natural person

☒ Applicable ☐ Not Applicable

Name	Zhang Guoqiang
Nationality	PRC
Whether right of abode of other countries or regions is obtained	No
Main occupation and duties	Chairman of the Board, executive director, general manager

## SECTION VII

### CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

3. **Special explanation for absence of the Company's controlling shareholder**  
☐ Applicable ☒ Not Applicable
4. **Explanation on changes in controlling shareholder during the reporting period**  
☐ Applicable ☒ Not Applicable
5. **Diagram of the ownership and controlling relationship between the Company and the controlling shareholder**  
☒ Applicable ☐ Not Applicable



#### (II) Information on the de facto controller

1. **Legal person**  
☐ Applicable ☒ Not Applicable

## SECTION VII CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### 2. Natural person

☒ Applicable ☐ Not Applicable

Name	Zhang Guoqiang
Nationality	PRC
Whether right of abode of other countries or regions is obtained	No
Main occupation and duties	Chairman of the Board, executive director, general manager
Domestic and overseas listed companies controlled in the past 10 years	No

### 3. Special explanation for absence of the de facto controller

☐ Applicable ☒ Not Applicable

### 4. Explanation on change of control of the Company during the reporting period

☐ Applicable ☒ Not Applicable

### 5. Diagram of the ownership and controlling relationship between the Company and the de facto controller

☒ Applicable ☐ Not Applicable



## SECTION VII

### CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

6. Controlling the Company by the de facto controller through trust or other asset management methods

☐ Applicable ☒ Not Applicable

**(III) Other Information of Controlling Shareholder and the De Facto Controller**

☐ Applicable ☒ Not Applicable

**V. THE CONTROLLING SHAREHOLDER OR LARGEST SHAREHOLDER OF THE COMPANY AND PARTIES ACTING IN CONCERT WITH THEM ACCUMULATIVELY PLEDGED MORE THAN 80% OF THE EQUITY INTERESTS IN THE COMPANY HELD BY THEM**

☐ Applicable ☒ Not Applicable

**VI. OTHER LEGAL PERSON HOLDING MORE THAN 10% OF THE SHARES**

☐ Applicable ☒ Not Applicable

**VII. EXPLANATION OF RESTRICTIONS ON REDUCTION OF HOLDING OF SHARES/ DEPOSITARY RECEIPTS**

☐ Applicable ☒ Not Applicable

**VIII. IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD**

☐ Applicable ☒ Not Applicable

## SECTION VII

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### IX. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS

As of December 31, 2024, and to the best knowledge of the Directors of the Company, the following persons (other than the Directors, Supervisors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept under Section 336 of the SFO, or who were deemed to be directly and/or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholder	Capacity/ Nature of interest	Class of shares	Number of shares held	Approximate percentage of interest in the relevant class of shares (%)(Note 1)	Approximate percentage of interest in the total shares (%)(Note 1)
Xu Huini	Interest of spouse <sup>(Note 2)</sup>	A Shares	36,444,469 (Long position)	18.61	15.73
Astonish Investment Private Limited	Beneficial owner	H Shares	7,578,634 (Long position)	21.13	3.27
Apstar Investment Private Limited	Interest of controlled corporation <sup>(Note 3)</sup>	H Shares	7,578,634 (Long position)	21.13	3.27
GIC (Ventures) Pte. Ltd.	Interest of controlled corporation <sup>(Note 3)</sup>	H Shares	7,578,634 (Long position)	21.13	3.27
GIC Special Investments Private Limited	Interest of controlled corporation <sup>(Note 3)</sup>	H Shares	7,578,634 (Long position)	21.13	3.27
GIC Private Limited	Interest of controlled corporation <sup>(Note 3)</sup>	H Shares	7,578,634 (Long position)	21.13	3.27
Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Great Bay Investment SP	Beneficial owner	H Shares	5,083,750 (Long position)	14.17	2.19
Harvest Global Investments Limited	Interest of controlled corporation <sup>(Note 4)</sup>	H Shares	5,083,750 (Long position)	14.17	2.19
China Credit Trust Co., Ltd	Interest of controlled corporation <sup>(Note 4)</sup>	H Shares	5,083,750 (Long position)	14.17	2.19
Harvest Fund Management Co., Ltd.	Interest of controlled corporation <sup>(Note 4)</sup>	H Shares	5,083,750 (Long position)	14.17	2.19
Huatai Securities Co., Ltd.	Interest of controlled corporation <sup>(Note 5)</sup>	H Shares	1,822,310 (Long position)	5.08	0.79
		H Shares	1,805,650 (Short position)	5.03	0.78

## SECTION VII

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

*Notes:*

1. The percentage is calculated by dividing the number of relevant class of shares of the Company in issue on 31 December 2024 by the total number of shares.
2. Xu Huini is the spouse of Zhang Guoqiang, a director of the Company. By virtue of the SFO, she is deemed to be interested in the 36,444,469 A Shares held by Zhang Guoqiang.
3. Astonish Investment Private Limited is held as to 100% of the issued share capital by Apstar Investment Private Limited, Apstar Investment Private Limited is held as to 100% of the issued share capital by GIC (Ventures) Pte. Ltd., GIC (Ventures) Pte. Ltd. is held as to 100% of the issued share capital by GIC Special Investments Private Limited and GIC Special Investments Private Limited is held as to 100% of the issued share capital by GIC Private Limited. Therefore, each of Apstar Investment Private Limited, GIC (Ventures) Pte. Ltd., GIC Special Investments Private Limited, GIC Special Investments Private Limited and GIC Private Limited is deemed to be interested in the shares held by Astonish Investment Private Limited under the SFO.
4. Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Great Bay Investment SP is held as to 91% of the issued share capital by Harvest Global Investments Limited, Harvest Global Investments Limited is held as to 100% of the issued share capital by Harvest Fund Management Co., Ltd. and Harvest Fund Management Co., Ltd. is held as to 40% of the issued share capital by China Credit Trust Co., Ltd. Therefore, each of Harvest Global Investments Limited, Harvest Fund Management Co., Ltd. and China Credit Trust Co., Ltd is deemed to be interested in the shares held by Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Great Bay Investment SP under the SFO.
5. Huatai Financial Holdings (Hong Kong) Limited is held as to 100% by Huatai International Financial Holdings Company Limited and Huatai International Financial Holdings Company Limited is held as to 100% by Huatai Securities Co., Ltd. Therefore, Huatai Securities Co., Ltd. is deemed to be interested in the Shares held by Huatai Financial Holdings (Hong Kong) Limited under the SFO.

## SECTION VIII INFORMATION ON PREFERENCE SHARES

☐ Applicable ☒ Not Applicable



## SECTION IX INFORMATION ON BONDS

### I. COMPANY BONDS (INCLUDING CORPORATE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

☐ Applicable ☒ Not Applicable

### II. CONVERTIBLE COMPANY BONDS

☐ Applicable ☒ Not Applicable

### I. Auditor's report

✓ Applicable    ☐ Not Applicable

## Auditor's Report

XKSBZ [2025] No. ZB10928

To all the Shareholders of Beijing SinoHytec Co., Ltd.

#### 1. OPINION

We have audited the financial statements of Beijing SinoHytec Co., Ltd. (hereafter referred to as "SinoHytec"), which comprise the consolidated and the parent company's balance sheets as at December 31, 2024, and the consolidated and the parent company's income statements, the consolidated and the parent company's cash flow statements, the consolidated and the parent company's statements of changes in owner's equity for the year then ended, and the notes to the relevant financial statements.

In our opinion, the financial statements give a true and fair view of the state of the consolidated and the parent company's financial position of SinoHytec as at December 31, 2024, and of their consolidated and the parent company's financial performance and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

#### 2. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of SinoHytec in accordance with the Code of Ethics for Chinese Certified Public Accountants, 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.

#### 3. KEY AUDIT MATTERS

Key audit matters are those matters that we consider, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

## SECTION X FINANCIAL STATEMENTS

### 3. KEY AUDIT MATTERS (Continued)

Key audit matters identified in our audit are summarized as follow:

Key audit matter	How our audit addressed the matter
<p><b>(I) Revenue recognition</b></p> <p>The operating revenue of SinoHytec Company was mainly derived from the sales of hydrogen fuel cell motor and related accessories. As operating revenue is one of the key performance indicators of SinoHytec, there is inherent risks that the management of SinoHytec Company (hereinafter referred to as the management) may achieve specific goals or expectations through inappropriate revenue recognition. Therefore, we identified revenue recognition as a key audit matter.</p> <p>For the disclosure of the operating revenue, please refer to “Note V. 34. Revenue” and “Note VII. 61. Operating revenue and operating cost” in these financial statements.</p>	<p>(1) We obtained an understanding of the key internal controls related to revenue recognition, evaluated the design of these controls, determined whether they are implemented, and tested the effectiveness of related internal control operations;</p> <p>(2) We evaluated the appropriateness of revenue recognition methods by inspecting sales contracts and interviewing the management to understand the key terms or conditions of contracts, analyzing and evaluating the timing of the transfer of significant risks and rewards relating to revenue recognition;</p> <p>(3) We implemented analysis procedures for operating revenue and gross profit margin by product and customer, identified whether there were significant or abnormal fluctuations, and analyzed the reasons for fluctuations;</p> <p>(4) We checked the supporting documents related to revenue recognition on a sample basis, including sales contracts, sales invoices, outbound orders and customer acceptance receipts;</p> <p>(5) We determined the balance of accounts receivable and sales revenue on a sample basis by letters with major customers based on letters of accounts receivable;</p> <p>(6) We run a cut-off test on the revenue recognised before and after the balance sheet date, and checked the supporting documents such as sales contracts, delivery orders and customer acceptance to evaluate whether the revenue was recognised during an appropriate period;</p> <p>(7) We checked if information related to operating revenue were appropriately presented in financial statements.</p>

### 3. KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the matter
<b>(II) Credit impairment on accounts receivable</b>	
<p>We identified the impairment of accounts receivable as a key audit matter due to the significance of the balance and the significant management judgment involved in the impairment of accounts receivable.</p> <p>For the disclosure of research and development expenses, please refer to "Note V. 11. Financial instruments" and "Note VII. 5. Accounts receivable" in these financial statements.</p>	<p>(1) We obtained an understanding of the key internal controls related to impairment on accounts receivable, evaluated the design of these controls, determined whether they are implemented, and tested the effectiveness of related internal control operations;</p> <p>(2) We verified the important accounts receivable, determine the authenticity and accuracy of the transactions and accounts receivable based on the inspection procedures of revenue recognition, and checked and judged whether the accounts receivable is collected within the credit period;</p> <p>(3) For accounts receivable that are measured on an individual basis for expected credit losses, we obtained and inspected management's forecast of expected cash flows, assessed the reasonableness of key assumptions and the accuracy of data used in the forecast, and checked with external evidence obtained;</p> <p>(4) For accounts receivable that are measured on a collective basis for expected credit losses, we evaluated the rationality of the management's grouping based on credit risk characteristics; evaluated the rationality of the management's comparison table of the aging of accounts receivable and expected credit loss rate based on historical credit loss experience and forward-looking estimates; tested the accuracy and completeness of the data used by the management and the accuracy of the calculation of the provision for bad debts;</p> <p>(5) We examined the subsequent settlement of accounts receivable and evaluated the reasonableness of the provision for bad debts of accounts receivable made by the management;</p> <p>(6) We checked if information related to credit impairment on accounts receivable were appropriately presented in financial statements.</p>

## SECTION X FINANCIAL STATEMENTS

### 3. KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the matter
<p><b>(III) Research and development expenses</b></p> <p>The expense or capitalization of research and development expenses is highly dependent on the judgment made by the management of SinoHytec Company. The achievements of research and development are uncertain, and the amount of research and development expenses is huge, therefore, we identified this matter as a key audit matter.</p> <p>For the disclosure of research and development, please refer to “Note VII. 65. Research and development expenses” and “Note VIII. Research and development expenses” in these financial statements.</p>	<ol style="list-style-type: none"> <li>(1) We understood and evaluated the key internal controls related to the research and development projects of SinoHytec Company, in particular, differentiated the relevant controls between the research phase and the development phase, and tested the effectiveness of its operation;</li> <li>(2) We reviewed whether the accounting policies of SinoHytec Company in relation to the research and development projects are correct and consistently implemented;</li> <li>(3) We inspected the project approval and acceptance documents of the R&amp;D project of SinoHytec Company on a sample basis, and the relevant documents for the expenditure on the R&amp;D project to verify the completeness of the expenditure collection of the R&amp;D project;</li> <li>(4) We examined, on a sample basis, the relevant basis and accounting treatment for determining the stage of the R&amp;D project and the capitalization or expense, and determined the accuracy of the expense and capitalized amount of the R&amp;D project;</li> <li>(5) For R&amp;D projects involving government subsidies, we checked the relevant project task sheets and government funding documents, and checked whether the accounting meets the requirements of relevant government departments on the use of funds and project R&amp;D acceptance;</li> <li>(6) We performed relevant audit procedures on the assets formed by the R&amp;D project, evaluated the subsequent economic benefits of the relevant assets and conduct impairment test.</li> </ol>

## SECTION X FINANCIAL STATEMENTS

### 4. OTHER INFORMATION

The management (hereinafter referred to as “Management”) of SinoHytec is responsible for the other information. The other information comprises all of the information included in the SinoHytec 2024 annual report other than the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the fact. We have nothing to report in this regard.

### 5. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the ASBEs, and designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing SinoHytec’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 Management either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible to overseeing SinoHytec’s financial reporting process.

## SECTION X

### FINANCIAL STATEMENTS

#### 6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally 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 financial statements.

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

- (I) Identify and assess the risks of material misstatement of the 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.
- (II) Obtain an understanding of internal control relevant to the audit in order to design the appropriate audit procedures.
- (III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (IV) Conclude on the appropriateness of the Management's 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 SinoHytec'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 financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall 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 SinoHytec to cease to continue as a going concern.
- (V) Evaluate the overall presentation (including disclosure), structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (VI) Obtain sufficient and appropriate audit evidence on the financial information of the entities or business activities of SinoHytec in order to express an audit opinion on the financial statements. We are responsible for direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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.



## SECTION X FINANCIAL STATEMENTS

### 6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

We also provide those charged with governance with a statement that we have complied with those 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

BDO China Shu Lun Pan Certified  
Public Accountants LLP

Chinese Certified Public Accountant:  
(Partner)

---

Tian Wei

Shanghai, China  
28 April, 2025

Chinese Certified Public Accountant:

---

Wu Yadi

## SECTION X FINANCIAL STATEMENTS

# II. Financial statements

## Consolidated Statements of Balance Sheets

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Current assets:</b>			
Cash and cash equivalents	VII.1	722,234,518.26	609,224,455.57
Balance with clearing companies			
Placements with other financial institutions			
Financial assets held-for-trading	VII.2	727,426,376.60	690,330,355.31
Derivative financial assets			
Notes receivable	VII.4	14,478,407.04	50,790,598.92
Accounts receivable	VII.5	1,547,509,301.12	1,621,965,472.53
Receivables financing	VII.7	2,592,424.40	31,009,909.60
Prepayments	VII.8	4,723,114.27	27,845,110.18
Other receivables			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	VII.9	18,051,745.78	19,113,995.79
Including: Interest receivables			
Dividend receivable			
Purchases of resold financial assets			
Inventories	VII.10	192,962,787.88	231,175,443.00
Including: Data resources			
Contract assets	VII.6	1,249,340.20	16,711,351.68
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	VII.13	45,501,021.66	42,869,393.99
<b>Total current assets</b>		<b>3,276,729,037.21</b>	<b>3,341,036,086.57</b>

## SECTION X FINANCIAL STATEMENTS

# Consolidated Statements of Balance Sheets (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Non-current assets:</b>			
Loans and advances to customers			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII.17	283,798,699.12	318,755,255.43
Other equity instrument investments	VII.18	157,846,800.00	195,510,000.00
Other non-current financial assets	VII.19	4,096,500.00	2,800,000.00
Investment properties			
Fixed assets	VII.21	497,106,247.86	503,237,119.23
Construction in progress	VII.22	15,004,992.89	21,651,097.39
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII.25	31,283,770.97	37,863,441.51
Intangible assets	VII.26	262,423,602.68	261,715,313.55
Including: Data resource			
Development expenses	VIII.2	49,754,133.69	35,604,953.79
Including: Data resource			
Goodwill			
Long-term deferred expenditures	VII.28	32,384,453.80	36,864,080.66
Deferred income tax assets	VII.29	125,500,503.00	155,402,537.23
Other non-current assets	VII.30	43,040,121.89	35,280,890.88
<b>Total non-current assets</b>		<b>1,502,239,825.90</b>	1,604,684,689.67
<b>Total assets</b>		<b>4,778,968,863.11</b>	4,945,720,776.24

## SECTION X FINANCIAL STATEMENTS

# Consolidated Statements of Balance Sheets (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Current liabilities:</b>			
Short-term borrowings	VII.32	762,428,281.10	586,612,183.58
Borrowings from central bank			
Loans from other financial institutions			
Financial liabilities held-for-trading			
Derivative financial liabilities			
Note payables	VII.35	19,260,918.00	39,683,502.69
Accounts payable	VII.36	669,625,643.10	572,538,653.10
Advances from customers	VII.37		27,522.85
Contract liabilities	VII.38	62,510,456.52	6,444,858.63
Proceeds from disposal of repurchased financial assets			
Absorption of deposits and interbank deposits			
Acting sale of securities			
Acting underwriting of securities			
Accrued payroll	VII.39	38,658,976.03	50,874,311.75
Taxes payable	VII.40	6,742,876.92	2,934,806.59
Other payables	VII.41	158,033,221.89	18,742,209.30
Including: Interest payable			
Dividend payable			
Handling fee and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII.43	26,456,210.28	37,746,416.32
Other current liabilities	VII.44	10,852,649.97	6,507,783.13
<b>Total current liabilities</b>		<b>1,754,569,233.81</b>	<b>1,322,112,247.94</b>

SECTION X  
FINANCIAL STATEMENTS

# Consolidated Statements of Balance Sheets (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Non-current liabilities:</b>			
Reserve fund for insurance contracts			
Long-term borrowings	VII.45	9,809,731.95	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	VII.47	12,329,805.18	21,299,220.60
Long-term payables	VII.48	2,062,150.49	5,911,814.94
Long-term accrued payroll			
Accrued liabilities	VII.50	45,447,961.47	44,776,420.37
Deferred income	VII.51	108,418,593.70	111,273,990.16
Deferred income tax liabilities	VII.29	2,987,008.30	33,204,233.23
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>181,055,251.09</b>	216,465,679.30
<b>Total liabilities</b>		<b>1,935,624,484.90</b>	1,538,577,927.24

## SECTION X FINANCIAL STATEMENTS

# Consolidated Statements of Balance Sheets (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Owners' equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)	VII.53	231,652,081.00	165,465,772.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	VII.55	3,172,887,547.88	3,236,926,118.73
Less: Treasury shares			
Other comprehensive income	VII.57	81,371,884.14	113,391,271.34
Special reserve	VII.58	10,194,879.88	7,707,807.00
Surplus reserve	VII.59	9,216,035.02	9,216,035.02
Provision for general risk			
Undistributed profit	VII.60	-944,289,558.55	-487,856,704.18
Total equity attributable to shareholders of the parent company (or shareholders' equity)		2,561,032,869.37	3,044,850,299.91
Minority interests		282,311,508.84	362,292,549.09
<b>Total owners' equity (or shareholders' equity)</b>		<b>2,843,344,378.21</b>	3,407,142,849.00
<b>Total liabilities and owners' equity (or shareholders' equity)</b>		<b>4,778,968,863.11</b>	4,945,720,776.24

Person-in-charge of the Company: Zhang Guoqiang      Person-in-charge of accounting affairs: Song Haiying      Person-in-charge of the accountant firm: Zhang Hongli

## SECTION X FINANCIAL STATEMENTS

# Statements of Balance Sheets of the Parent Company

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Current assets:</b>			
Cash and cash equivalents		546,467,442.54	511,395,943.91
Financial assets held-for-trading		727,426,376.60	690,330,355.31
Derivative financial assets			
Notes receivable		41,500,000.00	38,250,000.00
Accounts receivable	XIX. 1	861,867,689.29	1,105,667,879.65
Receivables financing		65,787.00	15,640,000.00
Prepayments		1,012,101.94	16,111,832.41
Other receivables	XIX. 2	295,755,857.55	296,351,434.15
Including: Interest receivables			
Dividend receivable			
Inventories		93,251,668.79	144,752,986.07
Including: Data resource			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		22,334,483.72	22,852,136.28
<b>Total current assets</b>		<b>2,589,681,407.43</b>	<b>2,841,352,567.78</b>



## SECTION X FINANCIAL STATEMENTS

# Statements of Balance Sheets of the Parent Company (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIX. 3	959,000,977.65	842,395,017.65
Other equity instrument investments		157,846,800.00	195,510,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		54,883,395.04	41,758,909.76
Construction in progress			2,495,673.36
Productive biological assets			
Oil and gas assets			
Right-of-use assets		6,390,409.29	17,197,959.02
Intangible assets		170,770,925.91	180,392,624.19
Including: Data resource			
Development expenses		20,568,194.72	2,745,421.42
Including: Data resource			
Goodwill			
Long-term deferred expenditures		2,573,574.57	1,717,383.26
Deferred income tax assets		22,526,564.53	41,399,994.12
Other non-current assets		14,391,379.72	14,296,002.35
<b>Total non-current assets</b>		<b>1,408,952,221.43</b>	<b>1,339,908,985.13</b>
<b>Total assets</b>		<b>3,998,633,628.86</b>	<b>4,181,261,552.91</b>

## SECTION X FINANCIAL STATEMENTS

# Statements of Balance Sheets of the Parent Company (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Current liabilities:</b>			
Short-term borrowings		517,178,764.04	333,354,566.07
Financial liabilities held-for-trading			
Derivative financial liabilities			
Note payables		23,873,893.00	72,509,147.68
Accounts payable		267,059,796.87	326,960,116.74
Advances from customers			
Contract liabilities		2,646,086.97	1,596,623.80
Accrued payroll		22,099,653.85	27,505,748.92
Taxes payable		634,775.41	1,013,094.44
Other payables		11,926,495.47	17,941,200.37
Including: Interest payable			
Dividend payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		4,622,956.39	8,334,118.59
Other current liabilities		10,003,790.47	75,355.69
<b>Total current liabilities</b>		<b>860,046,212.47</b>	<b>789,289,972.30</b>

## SECTION X FINANCIAL STATEMENTS

# Statements of Balance Sheets of the Parent Company (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Non-current liabilities:</b>			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		1,250,970.77	8,943,135.67
Long-term payables			
Long-term accrued payroll			
Accrued liabilities		18,917,400.71	19,099,728.29
Deferred income		41,292,304.56	37,678,107.62
Deferred income tax liabilities			24,406,193.87
Other non-current liabilities		18,394,852.77	22,848,563.12
<b>Total non-current liabilities</b>		<b>79,855,528.81</b>	112,975,728.57
<b>Total liabilities</b>		<b>939,901,741.28</b>	902,265,700.87

## SECTION X FINANCIAL STATEMENTS

# Statements of Balance Sheets of the Parent Company (Continued)

December 31, 2024

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

Item	Notes	December 31, 2024	December 31, 2023
<b>Owners' equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)		231,652,081.00	165,465,772.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		3,037,465,093.90	3,103,731,448.70
Less: Treasury shares			
Other comprehensive income		81,377,551.34	113,391,271.34
Special reserve		1,137,444.70	1,298,986.85
Surplus reserve		9,216,035.02	9,216,035.02
Undistributed profit		-302,116,318.38	-114,107,661.87
<b>Total owners' equity (or shareholders' equity)</b>		<b>3,058,731,887.58</b>	3,278,995,852.04
<b>Total liabilities and owners' equity (or shareholders' equity)</b>		<b>3,998,633,628.86</b>	4,181,261,552.91

Person-in-charge of the Company: Zhang Guoqiang	Person-in-charge of accounting affairs: Song Haiying	Person-in-charge of the accountant firm: Zhang Hongli
--	---	--

## SECTION X FINANCIAL STATEMENTS

# Consolidated Income Statement

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>I. Total operating income</b>		<b>366,671,355.92</b>	800,701,885.77
Including: Operating income	VII.61	<b>366,671,355.92</b>	800,701,885.77
Interest income			
Premiums earned			
Handling fee and commission income			
<b>II. Total operation costs</b>		<b>706,485,700.32</b>	968,656,768.22
Including: Operation costs	VII.61	<b>320,955,128.57</b>	552,190,945.49
Interest expense			
Handling fee and commission expenses			
Surrenders value			
Net expenditure for insurance claims settlement			
Net drawing on provision for insurance contracts			
Expenditures for policy dividend			
Reinsurance expenditures			
Tax and surcharges	VII.62	<b>3,242,941.52</b>	3,633,713.75
Selling expenses	VII.63	<b>58,604,200.97</b>	64,345,380.43
Administrative expenses	VII.64	<b>224,687,613.55</b>	223,636,002.21
Research and development expenses	VII.65	<b>97,013,572.48</b>	140,907,189.33
Financial expenses	VII.66	<b>1,982,243.23</b>	-16,056,462.99
Including: Interest expense		<b>22,186,579.25</b>	15,682,658.15
Interest income		<b>17,905,526.12</b>	19,934,917.40
Add: Other income	VII.67	<b>51,772,241.34</b>	24,856,478.84
Investment income ("-" for loss)	VII.68	<b>6,148,454.03</b>	-34,186,331.54
Including: Investment income from associates and joint ventures		<b>-32,125,131.95</b>	-41,477,221.66
Gains from derecognition of financial assets at amortized cost		<b>-434,376.35</b>	
Exchange gains ("-" for losses)			
Gains on net exposure hedges ("-" for losses)			
Gains on change in fair value ("-" for losses)	VII.70	<b>19,923,161.29</b>	33,050,692.03
Losses on credit impairment ("-" for losses)	VII.71	<b>-201,142,245.18</b>	-99,482,634.25
Impairment losses on assets ("-" for losses)	VII.72	<b>-70,171,287.33</b>	-62,921,351.69
Gains from asset disposal ("-" for losses)	VII.73	<b>713,481.04</b>	44,136.58

# Consolidated Income Statement (Continued)

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>III. Operating profits ("—" for losses)</b>		<b>-532,570,539.21</b>	-306,593,892.48
Add: Non-operating income	VII.74	<b>3,059,559.09</b>	632,535.42
Less: Non-operating expenses	VII.75	<b>2,062,832.97</b>	13,603,125.91
<b>IV. Total profits ("—" for total losses)</b>		<b>-531,573,813.09</b>	-319,564,482.97
Less: Income tax expenses	VII.76	<b>8,690,382.05</b>	-19,487,444.93
<b>V. Net profits ("—" for net losses)</b>		<b>-540,264,195.14</b>	-300,077,038.04
(1) Classified by continuity of operations			
1. Net profit from continuing operations ("—" for net loss)		<b>-540,264,195.14</b>	-300,077,038.04
2. Net profit from discontinued operations ("—" for net loss)			
(2) Classified by ownership			
1. Net profit attributable to equity shareholders of the parent company ("—" for net loss)		<b>-456,432,854.37</b>	-243,203,674.62
2. Minority interests ("—" for net losses)		<b>-83,831,340.77</b>	-56,873,363.42
<b>VI. Net amount of other comprehensive income after tax</b>		<b>-32,019,387.20</b>	18,708,500.00
(1) Net amount of other comprehensive income after tax attributable to shareholders of the parent company		<b>-32,019,387.20</b>	18,708,500.00
1. Other comprehensive income that cannot be reclassified to profit or loss		<b>-32,013,720.00</b>	18,708,500.00
(1) Re-measurement of changes under defined benefit plan			
(2) Other comprehensive income which cannot be reclassified to profit or loss under equity method			
(3) Change in fair value of other equity instrument investments		<b>-32,013,720.00</b>	18,708,500.00
(4) Changes in fair value of the enterprise's own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		<b>-5,667.20</b>	
(1) Other comprehensive income that can be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Amount included in other comprehensive income on reclassification of financial assets			
(4) Credit impairment provision for other debt investments			
(5) Cash flow hedging reserve			
(6) Differences on translation of foreign currency statements		<b>-5,667.20</b>	
(7) Others			
(2) Net amount of other comprehensive income after tax attributable to minority shareholders			

## SECTION X FINANCIAL STATEMENTS

# Consolidated Income Statement (Continued)

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>VII. Total comprehensive income</b>		<b>-572,283,582.34</b>	-281,368,538.04
(1) Total comprehensive income attributable to owners of the parent company		<b>-488,452,241.57</b>	-224,495,174.62
(2) Total comprehensive income attributable to minority shareholders		<b>-83,831,340.77</b>	-56,873,363.42
<b>VIII. Earnings per share:</b>			
(1) Basic earnings per share (RMB/share)		<b>-1.97</b>	-1.48
(2) Diluted earnings per share (RMB/share)		<b>-1.97</b>	-1.48

For the business combination under common control in the current period, the net profit realized by the merged party before the combination was RMB0, and the net profit realized by the merged party in the previous period was RMB0.

Person-in-charge of the Company:	Person-in-charge of accounting affairs:	Person-in-charge of the accountant firm:
Zhang Guoqiang	Song Haiying	Zhang Hongli



## SECTION X FINANCIAL STATEMENTS

# Income Statement of the Parent Company

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>I. Operating income</b>	XIX.4	<b>179,308,670.24</b>	466,126,386.64
Less: Operation costs	XIX.4	<b>133,391,891.52</b>	292,927,219.80
Tax and surcharges		<b>173,218.00</b>	455,418.75
Selling expenses		<b>31,060,425.23</b>	36,093,535.70
Administrative expenses		<b>101,399,650.01</b>	111,415,109.31
Research and development expenses		<b>52,917,535.98</b>	89,874,046.40
Financial expenses		<b>-4,842,016.54</b>	-21,026,913.41
Including: Interest expense		<b>14,031,983.91</b>	8,379,435.52
Interest income		<b>15,741,732.13</b>	16,963,702.50
Add: Other income		<b>5,084,259.24</b>	11,035,690.69
Investment income ("-" for loss)	XIX.5	<b>11,790,118.60</b>	-27,360,966.22
Including: Investment income from associates and joint ventures		<b>-23,026,941.98</b>	-34,154,240.91
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure hedges ("-" for losses)			
Gains on change in fair value ("-" for losses)		<b>18,626,661.29</b>	33,174,692.02
Losses on credit impairment ("-" for losses)		<b>-41,595,274.34</b>	-27,258,561.59
Impairment losses on assets ("-" for losses)		<b>-46,556,979.58</b>	-22,593,707.77
Gains from asset disposal ("-" for losses)		<b>-520,853.19</b>	19,074.10

## SECTION X FINANCIAL STATEMENTS

# Income Statement of the Parent Company (Continued)

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>II. Operating profits ("—" for losses)</b>		<b>-187,964,101.94</b>	-76,595,808.68
Add: Non-operating income		<b>1,936,419.95</b>	372,773.52
Less: Non-operating expenses		<b>1,864,258.80</b>	2,717,921.11
<b>III. Total profits ("—" for total losses)</b>		<b>-187,891,940.79</b>	-78,940,956.27
Less: Income tax expenses		<b>116,715.72</b>	-321,047.93
<b>IV. Net profits ("—" for net losses)</b>		<b>-188,008,656.51</b>	-78,619,908.34
(I) Net profit from continuing operations			
("—" for net loss)		<b>-188,008,656.51</b>	-78,619,908.34
(II) Net profit from discontinued operations			
("—" for net loss)			
<b>V. Net amount of other comprehensive income after tax</b>		<b>-32,013,720.00</b>	18,708,500.00
(I) Other comprehensive income that cannot be reclassified to profit or loss		<b>-32,013,720.00</b>	18,708,500.00
1. Re-measurement of changes under defined benefit plan			
2. Other comprehensive income which cannot be reclassified to profit or loss under equity method			
3. Change in fair value of other equity instrument investments		<b>-32,013,720.00</b>	18,708,500.00
4. Changes in fair value of the enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that can be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Credit impairment provision for other debt investments			
5. Cash flow hedging reserve			
6. Differences on translation of foreign currency statements			
7. Others			
<b>VI. Total comprehensive income</b>		<b>-220,022,376.51</b>	-59,911,408.34
<b>VII. Earnings per share:</b>			
(1) Basic earnings per share (RMB/share)			
(2) Diluted earnings per share (RMB/share)			

Person-in-charge of the Company:  
Zhang Guoqiang

Person-in-charge of accounting affairs:  
Song Haiying

Person-in-charge of the accountant firm:  
Zhang Hongli

## SECTION X FINANCIAL STATEMENTS

# Consolidated Statement of Cash Flows

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and rendering of services		<b>372,110,444.40</b>	222,057,334.74
Net increase in customer deposits and interbank deposits			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from premiums under original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits from policyholder and investment funds			
Cash received from interests, handling fees and commissions			
Net increase in capital borrowed			
Net increase in capital from repurchase business			
Net cash received from acting sale of securities			
Refund of taxes and levies		<b>40,055.87</b>	6,064,233.16
Cash received relating to other operating activities	VII.78	<b>250,516,175.70</b>	64,683,678.39
<b>Sub-total of cash inflows from operating activities</b>		<b>622,666,675.97</b>	292,805,246.29
Cash paid for the purchase of goods and the acceptance of services		<b>256,464,554.51</b>	412,971,286.93
Net increase in loans and advances to customers			
Net increase in deposits with central bank and interbank deposits			
Cash paid for compensation payments under original insurance contracts			
Net increase in placements with other financial institutions			
Cash paid for interests, handling fees and commissions			
Cash paid for policyholder dividend			
Cash paid to and for employees		<b>283,114,376.17</b>	317,637,240.45
Payments of all types of taxes		<b>5,720,504.24</b>	14,132,513.90
Cash payments relating to other operating activities	VII.78	<b>95,991,058.33</b>	108,702,355.80
<b>Sub-total of cash outflows from operating activities</b>		<b>641,290,493.25</b>	853,443,397.08
<b>Net cash flows from operating activities</b>		<b>-18,623,817.28</b>	-560,638,150.79

## SECTION X FINANCIAL STATEMENTS

# Consolidated Statement of Cash Flows (Continued)

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments			65,000,000.00
Cash received from investment income		2,606,273.98	7,446,547.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		8,818,769.95	9,343.00
Net cash received from disposal of subsidiaries and other operating units		31,440,352.18	
Cash received relating to other investing activities			
<b>Sub-total of cash inflows from investing activities</b>		<b>42,865,396.11</b>	72,455,890.25
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		34,531,829.46	74,477,503.69
Cash paid for investments		28,469,360.00	752,614,540.00
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid relating to other investing activities			
<b>Sub-total of cash outflows from investing activities</b>		<b>63,001,189.46</b>	827,092,043.69
<b>Net cash flows from investing activities</b>		<b>-20,135,793.35</b>	-754,636,153.44
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions		5,250,000.00	931,364,635.94
Including: Cash received by subsidiaries from investment of minority shareholders		5,250,000.00	17,000,000.00
Cash received from borrowings		859,995,131.47	632,234,437.96
Cash received from other financing activities	VII.78	11,619,353.94	71,089,956.61
<b>Sub-total of cash inflows from financing activities</b>		<b>876,864,485.41</b>	1,634,689,030.51
Cash paid for repayment of debts		667,567,112.12	275,455,105.34
Cash payments for distribution of dividends, profits or interest expenses		20,328,087.16	11,685,060.57
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid relating to other financing activities	VII.78	27,109,080.87	70,747,790.48
<b>Sub-total of cash outflows from financing activities</b>		<b>715,004,280.15</b>	357,887,956.39
<b>Net cash flows from financing activities</b>		<b>161,860,205.26</b>	1,276,801,074.12

SECTION X  
FINANCIAL STATEMENTS

# Consolidated Statement of Cash Flows (Continued)

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>4,265,917.42</b>	13,709,254.98
<b>V. Net increase in cash and cash equivalents</b>		<b>127,366,512.05</b>	-24,763,975.13
Add: Balance of cash and cash equivalents at the beginning of the period		<b>592,026,461.60</b>	616,790,436.73
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		<b>719,392,973.65</b>	592,026,461.60

Person-in-charge of the Company: Zhang Guoqiang      Person-in-charge of accounting affairs: Song Haiying      Person-in-charge of the accountant firm: Zhang Hongli

## SECTION X FINANCIAL STATEMENTS

# Statement of Cash Flows of the Parent Company

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and rendering of services		<b>380,821,784.53</b>	106,134,142.16
Refund of taxes and levies			4,019,870.15
Cash received relating to other operating activities		<b>57,652,780.59</b>	358,941,290.39
<b>Sub-total of cash inflows from operating activities</b>		<b>438,474,565.12</b>	469,095,302.70
Cash paid for the purchase of goods and the acceptance of services		<b>157,473,534.04</b>	286,499,282.72
Cash paid to and for employees		<b>146,457,101.95</b>	168,545,124.57
Payments of all types of taxes		<b>733,190.40</b>	9,140,707.77
Cash payments relating to other operating activities		<b>62,297,157.82</b>	268,077,356.59
<b>Sub-total of cash outflows from operating activities</b>		<b>366,960,984.21</b>	732,262,471.65
<b>Net cash flows from operating activities</b>		<b>71,513,580.91</b>	-263,167,168.95
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		<b>1,550,000.00</b>	45,000,000.00
Cash received from investment income		<b>2,606,273.98</b>	7,323,259.58
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		<b>5,000.00</b>	
Net cash received from disposal of subsidiaries and other operating units		<b>38,183,500.00</b>	
Cash received relating to other investing activities			
<b>Sub-total of cash inflows from investing activities</b>		<b>42,344,773.98</b>	52,323,259.58
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		<b>5,639,482.93</b>	20,487,171.17
Cash paid for investments		<b>173,401,188.00</b>	914,676,540.00
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid relating to other investing activities			
<b>Sub-total of cash outflows from investing activities</b>		<b>179,040,670.93</b>	935,163,711.17
<b>Net cash flows from investing activities</b>		<b>-136,695,896.95</b>	-882,840,451.59

# Statement of Cash Flows of the Parent Company (Continued)

January to December, 2024

Unit: RMB

Item	Notes	Year 2024	Year 2023
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions			914,364,635.94
Cash received from borrowings		<b>440,979,705.92</b>	323,070,766.69
Cash received from other financing activities		<b>7,564,465.15</b>	16,837,270.69
<b>Sub-total of cash inflows from financing activities</b>		<b>448,544,171.07</b>	1,254,272,673.32
Cash paid for repayment of debts		<b>313,070,766.69</b>	157,055,686.89
Cash payments for distribution of dividends, profits or interest expenses		<b>13,527,014.21</b>	6,933,369.95
Cash paid relating to other financing activities		<b>16,185,468.91</b>	18,980,363.36
<b>Sub-total of cash outflows from financing activities</b>		<b>342,783,249.81</b>	182,969,420.20
<b>Net cash flows from financing activities</b>		<b>105,760,921.26</b>	1,071,303,253.12
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>4,269,866.10</b>	13,709,254.98
<b>V. Net increase in cash and cash equivalents</b>		<b>44,848,471.32</b>	-60,995,112.44
Add: Balance of cash and cash equivalents at the beginning of the period		<b>501,331,588.46</b>	562,326,700.90
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		<b>546,180,059.78</b>	501,331,588.46

Person-in-charge of the Company: Zhang Guoqiang      Person-in-charge of accounting affairs: Song Haiying      Person-in-charge of the accountant firm: Zhang Hongli



# SECTION X FINANCIAL STATEMENTS

## Consolidated Statements of Changes in Owner's Equity

January to December, 2024

Unit: RMB

Item	Equity attributable to owners of parent company													Minority interests	Total owners' equity	
	Paid-up capital (or share capital)	Preferred shares	Other equity instruments	Others	Capital reserve	Treasury shares	Less: comprehensive income	Other	Special reserve	Surplus reserve	Provision for general risk	Undistributed profit	Others			Subtotal
I. Balance at the end of last year	165,465,772.00				3,236,926,118.73		113,391,271.34	7,707,807.00	9,216,035.02			-487,856,704.18		3,044,850,299.91	362,292,549.09	3,407,142,849.00
Add: Changes in accounting policies																
Correction of errors in prior period																
Others																
II. Balance at the beginning of the year	165,465,772.00				3,236,926,118.73		113,391,271.34	7,707,807.00	9,216,035.02			-487,856,704.18		3,044,850,299.91	362,292,549.09	3,407,142,849.00
III. Increase/decrease for the period ("+" for increase, "-" for decrease)	66,186,309.00				-64,038,570.85		-32,019,387.20	2,487,072.88				-456,432,854.37		-483,817,430.54	-79,981,040.25	-563,798,470.79
(1) Total comprehensive income							-32,019,387.20					-456,432,854.37		-488,452,241.57	-83,831,340.77	-572,283,582.34
(2) Capital contribution and reduction by owners																
1. Ordinary shares contributed by owners																
2. Capital contribution by holders of other equity instruments																
3. Share-based payment recorded in owner's equity																
4. Others																
(3) Profit distribution																
1. Appropriation of surplus reserve																
2. Appropriation to general risk reserve																
3. Distribution to owner/shareholder																
4. Others																
(4) Transfer within owner's equity	66,186,309.00				-466,186,309.00											
1. Capitalization of capital reserve (or share capital)	66,186,309.00				-466,186,309.00											
2. Transfer of surplus reserve to capital (or share capital)																
3. Surplus reserve made up for losses																
4. Transfer of changes in defined benefit plan to retained earnings																
5. Other comprehensive income carried forward to retained earnings																
6. Others																
(5) Special reserve																
1. Appropriation for the period								2,487,072.88						2,487,072.88	828,084.47	3,315,157.35
2. Utilization for the period								3,051,471.00						3,051,471.00	1,462,249.23	4,520,720.23
(6) Others								564,388.12						564,388.12	641,164.76	1,205,562.88
IV. Balance at the end of the period	231,652,081.00				3,172,887,547.88		81,371,884.14	10,194,879.88	9,216,035.02			-944,289,558.55		2,561,032,869.37	282,311,508.84	2,843,344,378.21

# Consolidated Statements of Changes in Owner's Equity (Continued)

January to December, 2023

Unit: RMB

Item	Year 2023									
	Equity attributable to owners of parent company									
	Paid-up capital (or share capital)	Preferred shares	Other equity instruments Perpetual bonds	Others	Capital reserve	Treasury shares	Less: comprehensive income	Special reserve	Surplus reserve	Undistributed profit
I. Balance at the end of last year	99,891,387.00				2,378,146,637.90		94,682,771.34	4,849,344.54	9,216,035.02	-244,653,009.56
Add: Changes in accounting policies										
Correction of errors in prior period										
Others										
II. Balance at the beginning of the year	99,891,387.00				2,378,146,637.90		94,682,771.34	4,849,344.54	9,216,035.02	-244,653,009.56
III. Increase/decrease for the period ("—" for decrease)	65,574,385.00				858,779,480.83		18,708,500.00	2,888,462.46		-245,203,674.62
(1) Total comprehensive income							18,708,500.00			-245,203,674.62
(2) Capital contribution and reduction by owners	18,298,450.00				906,055,415.83					
1. Ordinary shares contributed by owners	18,298,450.00				905,287,349.96					
2. Capital contribution by holders of other equity instruments										
3. Share-based payment recorded in owner's equity										
4. Others					768,065.87					
(3) Profit distribution										
1. Appropriation of surplus reserve										
2. Appropriation to general risk reserve										
3. Distribution to shareholder										
4. Others										
(4) Transfer within owner's equity	47,275,935.00				-47,275,935.00					
1. Capitalization of capital reserve	47,275,935.00				-47,275,935.00					
(or share capital)										
2. Transfer of surplus reserve to capital										
(or share capital)										
3. Surplus reserve made up for losses										
4. Transfer of changes in defined benefit plan to retained earnings										
5. Other comprehensive income carried forward to retained earnings										
6. Others										
(5) Special reserve										
1. Appropriation for the period										
2. Utilization for the period										
(6) Others										
IV. Balance at the end of the period	165,465,772.00				3,236,926,118.73		113,391,271.34	7,707,807.00	9,216,035.02	-487,856,704.18

Person-in-charge of the Company: Zhang Guoqiang  
Person-in-charge of accounting affairs: Song Haiying  
Person-in-charge of the accountant firm: Zhang Hongli

## SECTION X FINANCIAL STATEMENTS

# SECTION X FINANCIAL STATEMENTS

## Statements of Changes in Owner's Equity of the Parent Company

January to December, 2024

Unit: RMB

Item	Year 2024						
	Paid-up capital (or share capital)	Other equity instruments Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income
<b>I. Balance at the end of last year</b> Add: Changes in accounting policies Correction of errors in prior period Others	165,465,772.00				3,103,731,448.70		113,391,271.34
<b>II. Balance at the beginning of the year</b>	165,465,772.00				3,103,731,448.70		113,391,271.34
<b>III. Increase/decrease for the period ("–" for decrease)</b>	66,186,309.00				-66,266,354.80		-32,013,720.00
(1) Total comprehensive income							-32,013,720.00
(2) Capital contribution and reduction by owners					-80,045.80		
1. Ordinary shares contributed by owners							
2. Capital contribution by holders of other equity instruments							
3. Share-based payment recorded in owner's equity							
4. Others					-80,045.80		
(3) Profit distribution							
1. Appropriation of surplus reserve							
2. Distribution to owner/shareholder							
3. Others							
(4) Transfer within owner's equity	66,186,309.00				-66,186,309.00		
1. Capitalization of capital reserve (or share capital)	66,186,309.00				-66,186,309.00		
2. Transfer of surplus reserve to capital (or share capital)							
3. Surplus reserve made up for losses							
4. Transfer of changes in defined benefit plan to retained earnings							
5. Other comprehensive income carried forward to retained earnings							
6. Others							
(5) Special reserve							
1. Appropriation for the period							
2. Utilization for the period							
(6) Others							
<b>IV. Balance at the end of the period</b>	231,652,081.00				3,037,465,093.90		81,377,551.34
							9,216,035.02
							-114,107,661.87
							3,278,995,852.04
							9,216,035.02
							-114,107,661.87
							3,278,995,852.04
							-188,008,656.51
							-220,263,964.46
							-188,008,656.51
							-220,022,376.51
							-80,045.80
							-80,045.80
							-161,542.15
							161,542.15
							-161,542.15
							161,542.15
							3,058,731,887.58

# Statements of Changes in Owner's Equity of the Parent Company (Continued)

January to December, 2023

Unit: RMB

Item	Year 2023										
	Paid-up capital (or share capital)	Preferred shares	Other equity instruments Perpetual bonds	Others	Capital reserve	Treasury shares	Less: comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owners' equity
I. Balance at the end of last year	99,891,387.00				2,245,122,960.59		94,682,771.34	1,510,395.34	9,216,035.02	-35,487,753.53	2,414,935,795.76
Add: Changes in accounting policies											
Correction of errors in prior period											
Others											
II. Balance at the beginning of the year	99,891,387.00				2,245,122,960.59		94,682,771.34	1,510,395.34	9,216,035.02	-35,487,753.53	2,414,935,795.76
III. Increase/decrease for the period ("—" for decrease)											
(1) Total comprehensive income	65,574,385.00				858,608,488.11		18,708,500.00	-211,408.49		-78,619,908.34	864,060,056.28
(2) Capital contribution and reduction by owners							18,708,500.00			-78,619,908.34	-59,911,408.34
1. Ordinary shares contributed by owners	18,298,450.00				905,884,423.11						924,182,873.11
2. Capital contribution by holders of other equity instruments	18,298,450.00				905,287,349.96						923,585,799.96
3. Share-based payment recorded in owner's equity											
4. Others					597,073.15						597,073.15
(3) Profit distribution											
1. Appropriation of surplus reserve											
2. Distribution to owner/shareholder											
3. Others											
(4) Transfer within owner's equity	47,275,935.00				-47,275,935.00						
1. Capitalization of capital reserve (or share capital)					-47,275,935.00						
2. Transfer of surplus reserve to capital (or share capital)	47,275,935.00										
3. Surplus reserve made up for losses											
4. Transfer of changes in defined benefit plan to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(5) Special reserve											
1. Appropriation for the period									-211,408.49		-211,408.49
2. Utilization for the period									211,408.49		211,408.49
(6) Others											
IV. Balance at the end of the period	165,465,772.00				3,103,731,448.70		113,391,271.34	1,298,986.85	9,216,035.02	-114,107,661.87	3,278,995,852.04

Person-in-charge of the Company: Zhang Guoqiang      Person-in-charge of accounting affairs: Song Haiying      Person-in-charge of the accountant firm: Zhang Hongli

## SECTION X FINANCIAL STATEMENTS

### III. BASIC INFORMATION OF THE COMPANY

#### 1. Company profile

☒ Applicable    ☐ Not Applicable

Beijing SinoHytec Co., Ltd. (hereinafter referred to as the “**Company**”) is a joint stock limited company established in July 2012. It was jointly established by all shareholders of the former Beijing Sinohytec Limited by the way of full conversion in August 2015. The Company’s unified social credit code is 911101080514468626 and was listed on the Shanghai Stock Exchange (“**SSE**”) STAR Market in August 2020. The industry of the Company is electrical machinery and equipment manufacturing. As of December 31, 2024, the Company has issued a total of 231,652,081 shares, with a registered capital of RMB231,652,081.00. Its registered address is Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing. Its address of head office is Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing.

The main business activities which the Company is actually engaged in are set out below:

General projects: technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; information technology consulting services; computer system services; intellectual property services (except patent agency services); data processing services; computer hardware, software and peripheral equipment manufacturing; automotive parts wholesale; automotive parts retail; conference and exhibition services; import and export of goods; import and export agent; technology import and export; inspection and appraisal of import and export commodities; industrial design services; automotive parts and accessories manufacturing. (Except for projects subject to approval according to law, entities shall independently carry out business activities with business licenses according to law)

Permitted items: gas operations; gas vehicle filling operations. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments, and specific business projects shall be subject to approval documents or license documents issued by relevant departments) (Entities shall not engage in business activities of projects that are prohibited or restricted by the national and municipal industrial policies) (Business premise: Demonstration Vehicles Maintenance Garage, Beijing Hydrogen Energy Demonstration Park, Yongfeng High-tech Industrial Base, Zhongguancun Science Park, Haidian District, Beijing).

The de facto controller of the Company is Zhang Guoqiang.

The financial statements were approved for presentation by the Board of Directors of the Company on 28 April 2025.

## SECTION X FINANCIAL STATEMENTS

### IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 1. Basis of preparation

The financial statements have been prepared in accordance with the Enterprise Accounting Standards – Basic Standards and various Specific Accounting Standards promulgated by the Ministry of Finance, the Guidelines for the Application of Enterprise Accounting Standards, the Interpretation of Enterprise Accounting Standards and other relevant provisions (hereinafter collectively referred as “**ASBEs**”) and the provisions of Regulations on the Compilation Rules of Information Disclosure of Public Securities Companies No. 15 – General Provisions on Financial Reporting promulgated by China Securities Regulatory Commission. In addition, the financial statements complied with the applicable disclosure provisions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as the applicable disclosure requirements of the Hong Kong Companies Ordinance.

#### 2. Going concern

✓ Applicable    ☐ Not Applicable

The financial statements are based on the assumption of going concern.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

✓ Applicable    ☐ Not Applicable

The following disclosures have included specific accounting policies and accounting estimates formulated by the Company in accordance with the actual production and operation characteristics

#### 1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements are in compliance with the ASBEs promulgated by the Ministry of Finance, and truly and completely present the state of the consolidated and the parent company's financial position of the Company as at December 31, 2024, and of their consolidated and the parent company's financial performance and cash flows for the year then ended.

#### 2. Accounting period

The fiscal year of the Company starts from January 1 to December 31 of each calendar year.

#### 3. Operating cycle

✓ Applicable    ☐ Not Applicable

The Company adopts 12 months as an operating cycle.

#### 4. Functional currency

The functional currency of the Company is RMB.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 5. Determination method and selection basis of materiality

✓ Applicable    ☐ Not Applicable

Items	Materiality criterion
Material accounts receivable which were subject to individual provision for bad debts	Individual amount accounted for more than 10% of the balance of accounts receivable of the Group
Material construction in progress	The ending balance of individual construction in progress accounted for more than 10% of the total assets of the Group
Material non-wholly-owned subsidiary	The net assets of subsidiaries accounted for more than 10% of net assets of the Group or the operating income after excluding internal transactions accounted for more than 10% of operating income of the Group
Material joint ventures or associates	The book value of long-term equity investments accounted for more than 10% of the Group's total assets or the investment income from joint ventures or associates accounted for more than 10% of the Group's net profits
Material capitalized R&D projects	The ending balance of individual capitalized R&D projects accounted for more than 10% of the original value of intangible assets of the Group
Material payables of more than one year	Individual amount accounted for more than 10% of the balance of accounts payable of the Group



## SECTION X FINANCIAL STATEMENTS

### V. **SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** (Continued)

#### 6. **Accounting treatment of business combinations under common control and not under common control**

✓ Applicable    ☐ Not Applicable

Business combinations under common control: The assets and liabilities acquired by acquirer through business combination shall be measured at the carrying value of the assets, liabilities (including goodwill arising from the acquisition of the acquiree by ultimate controlling party) of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not under common control: The cost of combination is the assets paid, the liabilities incurred or committed and fair value of the equity securities issued by the acquirer for acquisition of control over the acquiree on the date of acquisition. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be recognized as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be charged to current profit or loss. Each of the identifiable assets, liabilities and contingent liabilities of the acquiree, which are acquired in the combination and meet the criteria for recognition, shall be measured at fair value on the date of acquisition.

The direct relevant expenses incurred for the business combinations are recognized as the profit or loss in the period when the costs are incurred; the transaction costs for the equity securities or debt securities issued for business combination shall be recognized as the initial recognition amount of equity securities or debt securities.

#### 7. **Criteria of control and preparation method of consolidated financial statements**

✓ Applicable    ☐ Not Applicable

##### 1. **Criteria of control**

The scope of consolidation of the consolidated financial statements is determined on the basis of control, and the scope of consolidation comprises the Company and all of its subsidiaries. Control refers to the power of a company over the investee, the rights to enjoy variable returns from its involvement in relevant activities of the investee, and the ability to use its power over the investee to affect the amount of its returns.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 7. Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures

When preparing the consolidated financial statements, the Company considers the entire enterprise group as a single accounting entity and presents the overall financial position, operating results and cash flows of the enterprise group based on the consistent accounting policies. The impact of internal transactions between the Company and its subsidiaries, and among its subsidiaries, shall be offset. If internal transactions indicate impairment losses on relevant assets, such losses shall be recognized in full. Any inconsistent accounting policies and accounting period adopted by a subsidiary will be subject to necessary adjustments to align with those of the Company when preparing the consolidated financial statements.

Owners' equity, net profit or loss of the current period and comprehensive income attributable to minority shareholders of the current period of subsidiaries are stated separately under owners' equity in the consolidated balance sheet, net profit in the consolidated income statement and total comprehensive income respectively. Loss of the current period assumed by minority shareholders of a subsidiary in excess of minority shareholders' share of owners' equity in that subsidiary at the beginning of the period is offset against minority interests.

##### (1) *Addition of subsidiary or business*

During the Reporting Period, if there is an addition of subsidiary or business due to business combination under common control, the operating results and cash flow of the subsidiary or business combination from the beginning of the period to the end of the Reporting Period will be included in the consolidated financial statements, and the amounts at the beginning of the period in the consolidated financial statements and relevant items in the comparative statements will also be adjusted as if the reporting entity after combination had been existing since the control of the ultimate controlling party started.

Where control over the investee under common control is obtained due to reasons such as increase in investments, for equity investment held before the control over the acquiree is obtained, profit or loss, other comprehensive income and other changes in net assets recognized from the later of the acquisition of the original equity interest and the date when the acquirer and the acquiree are placed under common control until the date of combination are offset against retained profit at the beginning of the period of the comparative financial statements or profit or loss of the period respectively.

During the Reporting Period, if there is an addition of subsidiary or business due to business combination not under common control, it shall be included, from the date of purchase, in the consolidated financial statements based on the fair value of each of the identifiable assets, liabilities and contingent liabilities determined on the date of purchase.

Where control over the investee not under common control is obtained due to reasons such as increase in investments, for the equity interest of the acquiree held before the date of purchase, the Company remeasures the equity interest at its fair value as at the date of purchase, and any difference between the fair value and its book value will be accounted for as investment gains of the period. Other comprehensive income that will be reclassified into losses and profits and other changes in owners' equity under equity accounting with respect to the equity interest in the acquiree held before the date of purchase are transferred to investment gains of the period to which the date of purchase belongs.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 7. Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures (Continued)

###### (2) Disposal of subsidiary

###### 1 General treatment for disposal

When control over the investee is lost due to the disposal of part of the equity investment or other reasons, the Company re-measures the remaining equity investment after the disposal at fair value as at the date on which control is lost. The difference between the sum of the consideration received from equity disposal and the fair value of the remaining equity interest and the sum of the net assets of the subsidiary proportionate to the original shareholding accumulated from the date of purchase or combination and goodwill is included in investment gains of the period during which the control is lost. Other comprehensive income that will be reclassified into losses and profits and other changes in owners' equity under equity accounting with respect to the equity investment in the original subsidiary are transferred to investment gains of the period during which the control is lost.

###### 2 Stepwise disposal of subsidiary

In respect of stepwise disposal of equity investment in a subsidiary through multiple transactions until control is lost, if the terms, conditions and economic effects of the transactions of equity investment in the subsidiary satisfy one or more of the following conditions, the transactions are normally accounted for as a package of transactions:

- I. these transactions are entered into simultaneously or after considering the effects of each other;
- II. these transactions constitute a complete commercial result as a whole;
- III. one transaction is conditional upon at least one of the other transactions;
- IV. one transaction is not economical on its own but is economical when considering together with other transactions.

Where the transactions constitute a package of transactions, the Company accounts for the transactions as a transaction of disposal of a subsidiary resulting in the loss of control; the difference between the amount received each time for disposal before control is lost and the net assets of such subsidiary corresponding to the disposal of investment is recognized as other comprehensive income in the consolidated financial statements, and upon loss of control, is transferred to profit or loss of the period during which control is lost.

Where the transactions do not constitute a package of transactions, before the loss of control, the transactions are accounted for based on partial disposal of equity investment in a subsidiary that does not involve loss of control; when control is lost, they are accounted for using the general method for disposal of subsidiaries.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 7. Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures (Continued)

(3) *Purchase of minority interests in subsidiary*

For the difference between the long-term equity investment newly acquired due to the purchase of minority interests and the share of net assets of the subsidiary that the Company is entitled to calculated according to the new shareholding accumulated from the date of purchase or date of combination, share premium of the capital reserve in the consolidated balance sheet will be adjusted; where share premium of the capital reserve is insufficient for the write-down, retained profit will be adjusted.

(4) *Partial disposal of equity investment in subsidiary without loss of control*

For the difference between the consideration received from disposal and the net assets of the subsidiary that the Company is entitled to corresponding to the long-term equity investment disposed accumulated from the date of purchase or date of combination, share premium of the capital reserve in the consolidated balance sheet will be adjusted; where share premium of the capital reserve is insufficient for the write-down, retained profit will be adjusted.

#### 8. Classification of joint arrangements and accounting treatment for joint operations

☒ Applicable    ☐ Not Applicable

Joint arrangements can be classified into joint operations and joint ventures

Joint operations represent the joint arrangement that a party to a joint arrangement has rights to the assets, and obligations for the liabilities, relating to such arrangement.

The Company recognizes the following items in relation to its share of benefits in joint operations:

- (1) the assets held solely by the Company and those jointly held on a prorate basis;
- (2) the liabilities assumed solely by the Company and those jointly assumed on a pro-rata basis;
- (3) the income generated from the sale of the products of the joint operation attributable to the Company;
- (4) the income generated by the joint operation from the sale of products on a pro-rata basis;
- (5) the expenses incurred solely by the Company and those incurred by the joint operation on a pro-rata basis.

Please refer to Note "V. 19 Long-term equity investments" for details on the equity method adopted by the Company on investment in joint ventures.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 9. Recognition standard for cash and cash equivalents

Cash represents the Company's cash on hand and deposits that can be used readily for payments. Cash equivalents represent investments held by the Company that satisfy four conditions, namely short-term, highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

#### 10. Foreign currency transactions and translation of financial statements denominated in foreign currency

✓ Applicable    ☐ Not Applicable

##### (1) Foreign currency transactions

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred.

Balance sheet date foreign currency monetary items shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange difference are recognized in profit or loss for the current period, except for those differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalized as cost of the borrowings.

##### (2) Translation of financial statements denominated in foreign currency

The assets and liabilities in the balance sheets are translated at the spot exchange rates on the balance sheet date; except for "Undistributed profit" items, all items under owner's equity are translated at the spot exchange rates when incurred. The income and expense items in the income statement are translated at the spot exchange rates on the transaction dates.

On disposal of foreign operations, exchange differences in financial statements denominated in foreign currencies related to the foreign operation shall be transferred from owner's equity items to profit or loss to profit or loss from disposal for the current period.

#### 11. Financial instruments

✓ Applicable    ☐ Not Applicable

One of the financial assets, financial liabilities or equity instruments is recognized when the Company becomes a party to the contract of the financial instruments.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 11. Financial instruments (Continued)

###### 1. Classification of financial instruments

According to the business model of the Company for management of financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at the initial recognition as financial assets measured at amortized cost, or financial assets measured at fair value through other comprehensive income, or other financial assets that are measured at fair value through current profit or loss.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at fair value through current profit or loss as financial assets measured at amortized cost:

- the objective of the business model is to collect contractual cash flows;
- the contractual cash flows are solely payment of the principal and the interest based on the outstanding principal amount.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at fair value through current profit or loss as financial assets (debt instruments) measured at fair value through other comprehensive income:

- the objective of the business model for managing such financial assets is both to collect contractual cash flows and to dispose of the financial assets;
- the contractual cash flows are solely payment of the principal and the interest based on the outstanding principal amount.

For an investment in equity instruments not held for trading purposes, the Company may irrevocably designate it as financial assets (equity instruments) measured at fair value through other comprehensive income at the initial recognition. This designation is made on an investment-by-investment basis and the relevant investment meets the definition of equity instrument from the perspective of the issuer.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through current profit or loss. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through current profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 11. Financial instruments (Continued)

##### 1. Classification of financial instruments (Continued)

Financial liabilities, at initial recognition, are classified into financial liabilities at fair value through current profit or loss and financial liabilities measured at amortized cost.

When meeting any of the following criteria, the Company may, at initial recognition, designate a financial liability as measured at fair value through current profit or loss:

- 1) Such designation would eliminate or significantly reduce a measurement or recognition inconsistency.
- 2) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.
- 3) The financial liabilities include embedded derivatives which can be split separately.

##### 2. Recognition basis and measurement method of financial instruments

###### (1) *Financial assets measured at amortized cost*

Financial assets measured at amortized cost, including notes receivables, trade receivables, other receivables, long-term receivables, and debt investments, are initially measured at fair value plus relevant transaction costs. Trade receivables that do not contain significant financing components and trade receivables that the Group has decided not to consider for a financing component of no more than one year are initially measured at the contractual transaction price.

Interest calculated under the effective interest method during the period of holding is included in current profit or loss.

When recovering or disposing, the difference between the price obtained and the book value of the financial asset is included in current profit or loss.

###### (2) *Financial assets (debt instruments) measured at fair value through other comprehensive income*

Financial assets (debt instruments) measured at fair value through other comprehensive income, including financing receivables and other debt investments, are initially measured at fair value plus relevant transaction costs. These financial assets are subsequently measured at fair value, with changes in fair value are included in other comprehensive income except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

On derecognition, the accumulated gain or loss previously recognized in other comprehensive income is transferred out from other comprehensive income and recognized in current profit or loss.



## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 11. Financial instruments (Continued)

###### 2. Recognition basis and measurement method of financial instruments (Continued)

- (3) *Financial assets (equity instruments) measured at fair value through other comprehensive income*  
Financial assets (equity instruments) measured by fair value through other comprehensive income, including other equity instruments, are initially measured at fair value plus relevant transaction costs, and subsequently measured at fair value through other comprehensive income. The dividends received are included in current profit or loss.

When derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

- (4) *Financial assets measured at fair value through current profit or loss*  
Financial assets measured at fair value through current profit or loss, including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value with relevant transaction costs included in current profit or loss, and subsequently measured at fair value through current profit or loss.

- (5) *Financial liabilities measured at fair value through current profit or loss*  
Financial liabilities measured at fair value through current profit or loss, including held-for-trading financial liabilities, derivative financial liabilities, etc., are initially measured at fair value with relevant transaction costs recognized in current profit or loss. Such financial liabilities are subsequently measured at fair value. Changes in fair value are recognized in current profit or loss.

On derecognition, the difference between the carrying amount and the consideration paid is recognized in current profit or loss.

- (6) *Financial liabilities measured at amortized cost*  
Financial liabilities measured at amortized cost, including short term borrowings, bills payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value plus relevant transaction costs.

Interest calculated under the effective interest method during the period of holding is included in current profit or loss.

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in current profit or loss.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 11. Financial instruments (Continued)

##### 3. Derecognition of financial assets and recognition basis and measurement method for financial asset transfers

The Company derecognizes a financial asset if it meets one of the following conditions:

- The contractual rights to receive the cash flows from the financial asset expire;
- The financial asset has been transferred, and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- The financial asset has been transferred, and the Company neither transferred nor retained substantially all rewards related to the ownership of the financial assets, but did not retain its control over the said financial assets.

If the Company revises or renegotiates the contract with the counterparty and the modification constitutes substantial modification, the original financial liability is derecognized and the new financial liability is recognized in accordance with the revised terms.

When transferring a financial asset, if the Company retains substantially all risks and rewards of ownership of the financial asset, the Company shall continue to recognize such financial asset.

When judging whether the transfer of a financial asset meets the above criteria for derecognition, the substance-over-form principle shall be applied.

The Company differentiates the transfer of a financial asset as full transfer or partial transfer. If the full transfer of a financial asset meets the criteria for derecognition, then the difference between the following two included in current profit or loss:

- (1) The book value of the financial asset transferred;
- (2) The sum of the consideration received from the transfer and the total amount of the fair value changes that is directly charged or credited to owners' equity (if the financial asset transferred is a financial asset (debt instruments) at fair value through other comprehensive income).

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 11. Financial instruments (Continued)

##### 3. Derecognition of financial assets and recognition basis and measurement method for financial asset transfers (Continued)

When the partial transfer of a financial asset meets the criteria for derecognition, the entire book value of the financial asset transferred shall be allocated between the part derecognized and the part to be recognized based on their respective fair value, with the difference between the following two included in current profit or loss:

- (1) The book value of the part that is derecognized;
- (2) The sum of the consideration attributable to the part derecognized and the total amount of the fair value changes that is directly charged or credited to owners' equity and attributable to the part derecognized (if the asset transferred is a financial asset (debt instruments) at fair value through other comprehensive income).

If the transfer of a financial asset does not meet the criteria for derecognition, the financial asset shall continue to be recognized and the consideration received is recognized as a financial liability.

##### 4. Derecognition of financial liabilities

If all or part of the current obligations of a financial liability have been discharged, the financial liability or part of it will be derecognized; if the Company signs an agreement with the creditor to replace the existing financial liability with new financial liability of substantially different contractual terms, the existing financial liability shall be derecognized while the new financial liability shall be recognized.

If substantial changes are made to the contractual terms (in whole or in part) of the existing financial liability, the existing financial liability (or part of it) shall be derecognized, and the financial liability after the modification of terms shall be recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the book value of the financial liability derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liability assumed) shall be included in current profit or loss.

If the Company repurchases part of a financial liability, the book value of the entire financial liability is allocated between the part that continues to be recognized and the part that is derecognized on the repurchase date based on their respective relative fair value. The difference between the book value assigned to the part derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liability assumed) shall be included in current profit or loss.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 11. Financial instruments (Continued)

##### 5. Determination of fair value of financial assets and financial liabilities

As for financial instruments with an active market, their fair values are determined by quoted prices in the active market. As for financial instruments without an active market, their fair values are determined by using valuation techniques. At the time of valuation, the Company adopts valuation techniques that are applicable in the current circumstances and sufficiently supported by available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities considered by the market participants in the transactions of the relevant assets or liabilities, and prioritizes the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are unavailable or not reasonably available.

##### 6. Test and accounting methods for impairment of financial instruments

The Company performs impairment accounting on the basis of the expected credit losses for financial assets measured at amortized cost financial assets (debt instruments) measured at fair value through other comprehensive income and the financial guarantee contract, etc.

The probability-weighted amount of the difference in present value between the contractual cash flow of receivable from contracts and the cash flow expected to be received, weighted with the risk of default, will be measured by taking into account of reasonable and valid information on, among other things, past events, current status and the forecast of future economic conditions to recognize the expected credit losses.

For trade receivables and contract assets formed by the transactions regulated in the Accounting Standards for Business Enterprises No. 14 – Revenue whether contain significant financing components or otherwise, the Company always measures the loss provision at the amount equal to the lifetime expected credit loss.

For lease receivables formed by the transactions regulated in the Accounting Standards for Business Enterprises No. 21 – Lease, the Company chooses to always measure the loss provisions at the amount equal to the lifetime expected credit loss.

For other financial instruments, the Company assesses at each balance sheet date the changes in the credit risk of the relevant financial instrument since initial recognition.

In determining changes in the risk of default during the expected lifetime of a financial instrument and assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition. Usually, if it is overdue for more than 30 days, the Company will consider that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove that the credit risk on a financial instrument has not increased significantly since initial recognition.

For a financial instrument with lower credit risk on the balance sheet date, the Company assumes that its credit risk on a financial instrument has not increased significantly since the initial recognition.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 11. Financial instruments (Continued)

###### 6. Test and accounting methods for impairment of financial instruments (Continued)

If the credit risk of a financial instrument has increased significantly since the initial recognition, the Company measures the loss provisions according to the amount of the lifetime expected credit loss of the financial instrument; if the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss provisions at an amount equal to the next 12-month expected credit losses of the financial instrument. The resulting increase in or reversal of loss provision shall be included in current profit or loss as impairment losses or gains. For financial assets (debt instruments) measured at fair value through other comprehensive income, the loss provision is recognized in other comprehensive income, and the impairment losses or gains shall be included in current profit or loss, without reducing the book value of the financial asset as stated in the balance sheet.

If there is objective evidence that a certain receivable has been credit impaired, the Company shall make impairment provisions for the receivable on an individual basis.

Except for the above-mentioned receivables for which bad debt provisions are made on individual basis, the Company divides the remaining financial instruments into several portfolios based on credit risk characteristics, and determines expected credit losses on the basis of the portfolios. The Company's portfolio categories and determination basis of expected credit losses for notes receivables, accounts receivables, receivables financing, other receivables, contract assets, long-term receivables, etc. are as follows:

Items	Categories of combinations	Basis for determination
Bills receivable	Bank acceptance bills	The issuer has a high credit rating, has not defaulted on bills in the past, has a very low credit loss risk, and has a strong ability to meet its contractual cash flow obligations in the short term
Bills receivable	Commercial acceptance bills	Age
Accounts receivable	Aging group	Account receivables with the same aging beyond the scope of consolidation have similar credit risk characteristics
Accounts receivable	Related party group within the scope of consolidation	Related parties amount within the scope of consolidation
Receivables financing	Aging group	The portfolio uses the ageing of receivable financing as the credit risk characteristic
Other receivables	Aging group	Other receivables with the same aging beyond the scope of consolidation have similar credit risk characteristics
Other receivables	Nature of receivables	Staff reserve funds and deposits and security deposits placed with other entities
Other receivables	Related party group within the scope of consolidation	Related parties amount within the scope of consolidation
Contract assets	Warranty	The portfolio is warranty

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 11. Financial instruments (Continued)

##### 6. Test and accounting methods for impairment of financial instruments (Continued)

The above ageing is calculated based on the month in which the payment was actually made.

Where the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the book balance of the financial asset shall be written down directly.

#### 12. Bills receivable

☒ Applicable   ☐ Not Applicable

**Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis**

☒ Applicable   ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Method for calculating ages for ages recognized by the credit risk characteristics portfolio**

☒ Applicable   ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Individual provisioning judgment criteria according to individual provision for bad debts**

☐ Applicable   ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 13. Accounts receivable

✓ Applicable    ☐ Not Applicable

**Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis**

✓ Applicable    ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Method for calculating ages for ages recognized by the credit risk characteristics portfolio**

✓ Applicable    ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Individual provisioning judgment criteria according to individual provision for bad debts**

✓ Applicable    ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

##### 14. Receivables financing

✓ Applicable    ☐ Not Applicable

**Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis**

✓ Applicable    ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.



**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** (Continued)

**14. Receivables financing** (Continued)

**Method for calculating ages for ages recognized by the credit risk characteristics portfolio**

☒ Applicable   ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Individual provisioning judgment criteria according to individual provision for bad debts**

☐ Applicable   ☒ Not Applicable

**15. Other receivables**

☒ Applicable   ☐ Not Applicable

**Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis**

☒ Applicable   ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Method for calculating ages for ages recognized by the credit risk characteristics portfolio**

☒ Applicable   ☐ Not Applicable

Please refer to Note V. 11. Financial instruments.

**Individual provisioning judgment criteria according to individual provision for bad debts**

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 16. Inventories

☒ Applicable    ☐ Not Applicable

**Inventory category, method of valuation of inventories upon delivery, inventory system, amortization method of low-value consumption goods and packaging**

☒ Applicable    ☐ Not Applicable

##### 1. Classification and costs for inventories

Inventories are classified into raw material, work-in-process, finished goods (inventory commodities), good delivered and contract performance cost, etc.

Inventories are initially measured at cost. Cost of inventories comprises purchase cost, processing cost and other costs incurred in bringing the inventories to their present location and condition.

##### 2. Method of valuation of inventory upon delivery

Inventories are initially measured at cost, including purchase cost, processing cost and other costs when acquired. Inventories delivered are recognized on an individual basis when specific to individual business; for non-specific business, the weighted average method is adopted.

##### 3. Inventory system

Adopting the perpetual inventory system.

##### 4. Amortization method of low-value consumption goods and packaging

(1) Low-value consumption goods are amortized using one-off writing-off method;

(2) Packaging are amortized using one-off writing-off method;

(3) Other turnover materials are amortized using one-off write-off method.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 16. Inventories (Continued)

##### 4. Amortization method of low-value consumption goods and packaging (Continued)

###### Recognition criteria and accrual method for inventory impairment provision

☒ Applicable   ☐ Not Applicable

On the balance sheet date, inventories are stated at the lower of cost and net realizable value. When the cost of inventories was higher than their net realizable value, the provision decline in value of inventories shall be made. Net realizable value is the estimated selling price of the inventories in the ordinary course of business deducting the estimated costs upon completion, the estimated selling expenses and the related taxes.

The estimated sales price of the inventories, such as finished products, inventory commodities and materials directly used for sale is deducted from the estimated sales cost and the amount after the relevant taxes and fees, and the net realizable value is determined during the normal operation. The net realizable value of inventory which require processes is determined by the estimated selling price of finished products deducting the estimated cost, estimated sales cost and related taxes and fees after completion during the normal operation. To execute sales contracts or labour contracts, the net realizable value is measured by the contract price. If the quantity of stock held is more than that of the sales contract, the net realizable value of the excess part will be measured by the general selling price.

###### Categories of combinations and basis for determining the provision for decline in value of inventories according to combinations, and basis for determining the net realizable value of different categories of inventories

☐ Applicable   ☒ Not Applicable

###### Calculation method and basis for determining the net realizable value of inventories by age group for recognizing net realizable value of inventories based on the age of inventories

☐ Applicable   ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 17. Contract assets

☒ Applicable   ☐ Not Applicable

###### **Recognitions and criteria for contract assets**

☒ Applicable   ☐ Not Applicable

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. If the Company has transferred the right to receive consideration for goods transferred or services provided to customers and the right depends on factors other than the passage of time, it is presented as a contract asset. Contractual assets and contractual liabilities under the same contract are presented by their net amounts. The Company's unconditional (only subject to the passage of time) rights to receive consideration from customers are individually presented as receivables.

###### **The type of portfolio for which provision for bad debts is made according to the credit risk characteristics and the basis for its determination**

☒ Applicable   ☐ Not Applicable

For details, please refer to Note V. 11. Financial instruments.

###### **Aging methodology for determining credit risk characteristic portfolios on ageing**

☒ Applicable   ☐ Not Applicable

For details, please refer to Note V. 11. Financial instruments.

###### **Individual provision determination criteria of provision for bad debts on an individual basis**

☐ Applicable   ☒ Not Applicable

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 18. Non-current assets and disposal groups held for sale

☒ Applicable    ☐ Not Applicable

Where the Company recovers the carrying amount of any non-current asset or disposal groups mainly through selling (including the exchange of non-monetary assets with commercial essence) but not continuously using the same, such non-current asset or disposal groups shall be divided into assets held for sale.

##### **Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale**

☒ Applicable    ☐ Not Applicable

The Company classifies non-current assets or disposal groups meeting the following conditions into held for sale simultaneously:

- (1) According to the general practice for selling such kind of asset or disposal groups in the similar transaction, the asset or disposal groups can be immediately sold in the prevailing circumstance;
- (2) The sale of the asset or disposal groups is very likely to happen, which means that the Company has made a resolution for one selling plan and has acquired the decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale is subject to the approval of relevant authorities or regulatory authorities of the Company according to relevant provisions, the approval has been obtained.

For any non-current asset (excluding financial assets, deferred tax assets and the assets arising from employee compensation) or disposal groups classified assets as held for sale, where its carrying amount is higher than the net amount of its fair value less the selling expense, the carrying amount shall be written down to the net amount of the fair value less the selling expense, and the amount written down shall be recognized as the losses from asset impairment and included in the current profit or loss, while the provision for impairment of assets held for sale is made.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 18. Non-current assets and disposal groups held for sale (Continued)

###### Recognition criteria and presentation of discontinued operations

☒ Applicable    ☐ Not Applicable

Discontinued operations refer to the component meeting any of the following conditions that can be separately distinguished and that has been disposed by the Company or classified as held for sale by the Company:

- (1) The component represents an independent major business or a separate major operating area;
- (2) This component is part of a related plan to be disposed of an independent major business or a separate major operating area;
- (3) The component is a subsidiary made for resale.

Profit or loss from continued operation and profit or loss from discontinued operation are listed respectively in the income statement. Operating profits and losses from discontinued operations such as impairment losses and reversed amounts and the profits or losses of disposal shall be presented as the profits or losses from discontinued operations. For the discontinued operation presented in the current period, the Company presents the information which has originally presented as the profit or loss from continued operation as the profit or loss from discontinued operation for the comparable accounting period in the financial statements for the current period.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 19. Long-term equity investments

✓ Applicable    ☐ Not Applicable

##### 1. Joint control or significant influence criterion

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. If the Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, the investee is a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of investee, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company can exercise significant influence over an investee, the investee is an associate of the Company.

##### 2. Determination of initial investment cost

###### (1) Long-term equity investments acquired through business combination

For a long-term equity investment in subsidiaries resulting from a business combination involving entities under common control, the initial investment cost of long-term equity investments are its share of the book value of the owner' equity of the acquiree in the financial statements of the ultimate controlling party on the date of combinations. The difference between initial investment cost of long term equity investment and the carrying value of paid consideration is to adjust share premium in the capital reserve. If the balance of share premium in the capital reserve is insufficient, any excess is adjusted to retained earnings. In connection with imposing control over the investee under joint control as a result of additional investment and other reasons, the difference between initial investment cost of long-term equity investment according to the aforesaid principle, and the sum of the carrying value of long-term equity investment before combination and the carrying value of newly paid consideration for additional shares acquired on the date of combination is to adjust share premium. If the balance of share premium is insufficient, any excess is adjusted to retained earnings.

For a long-term equity investment in subsidiaries resulting from a business combination involving entities not under common control, the cost of the combination determined on the date of acquisition shall be taken as the initial investment cost of the long-term equity investment. In connection with imposing control over the investee not under joint control as a result of additional investment and other reasons, the initial investment cost shall be the sum of the carrying value of the equity investment originally held and the newly increased investment cost.



## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 19. Long-term equity investments (Continued)

###### 2. Determination of initial investment cost (Continued)

(2) *Long-term equity investments acquired by other means other than business combination*

The initial investment cost of a long-term equity investment obtained by the Company by cash payment shall be the purchase cost which is actually paid.

The initial investment cost of a long-term equity investment obtained by the Company by means of issuance of equity securities shall be the fair value of the equity securities issued.

###### 3. Subsequent measurement and recognition of profit or loss

(1) *Long-term equity investment accounted for by cost method*

Long-term equity investment in a subsidiary is accounted for using cost method unless the investment meets the conditions of held-for-sale. Except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains are recognized as the Company's share of the cash dividends or profits declared by the investee.

(2) *Long-term equity investment accounted for by equity method*

Long-term equity investments in associates and joint ventures are accounted for using equity method. Where the initial investment cost of a long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost; where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to current profit or loss and the cost for long-term equity investment shall be adjusted.

The Company recognizes the investment income and other comprehensive income according to its shares of net profit or loss and other comprehensive income realized by the investee respectively, and simultaneously makes adjustment to the carrying value of long-term equity investments. The carrying value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee. In relation to other changes of owner's equity (the "**Other Changes of Owner's Equity**"), except for net profits or losses, other comprehensive income and profit distribution of the investee, the carrying value of long-term equity investment shall be adjusted and included in owner's equity.

The Company's share of net profit or loss, other comprehensive income and Other Changes of Owner's Equity of an investee is determined based on the fair value of identifiable net assets of the investee at the time when the investment is obtained, and according to the accounting policies and accounting period of the Company, recognition shall be made to the net profit of the investee after the adjustment and to other comprehensive income, etc.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 19. Long-term equity investments (Continued)

##### 3. Subsequent measurement and recognition of profit or loss (Continued)

###### (2) Long-term equity investment accounted for by equity method (Continued)

The unrealized profit or loss which is attributable to the Company calculated based on its attributable percentage resulting from transactions between the Company and its associates or joint venture shall be eliminated in, based on which investment income shall be recognized, other than those assets consumed or disposed of which constitute business. Any unrealized losses resulting from transactions with the investee, which are attributable to impairment loss of assets, shall be fully recognized.

The Company discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Company's net investment in the associate or the joint venture is reduced to zero, except to the extent that the Company has an obligation to assume additional losses. Where net profits are subsequently made by the associate or joint venture, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

###### (3) Disposal of long-term equity investments

For disposal of a long-term equity investment, the difference between the book value and the consideration actually received shall be included in current profit or loss.

For the certain long-term equity investment treated under the equity method, where the remaining equity continues to be accounted for using the equity method, the other comprehensive income previously recognised under the equity method shall be transferred in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. Other Changes of Owner's Equity shall be transferred in proportion into current profit or loss.

When the Group loses the mutual control or material influence over the investee due to disposal of equity investment and other reasons, for other comprehensive income recognized in the original equity investment due to the equity method is adopted, it shall be treated using the same accounting basis as the investee used for direct disposal of relevant assets or liabilities when ceasing to use the equity method. Other Changes of Owner's Equity shall be transferred into the current profit or loss when ceasing to use the equity method.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 19. Long-term equity investments (Continued)

##### 3. Subsequent measurement and recognition of profit or loss (Continued)

###### (3) Disposal of long-term equity investments (Continued)

When the Group loses the control over the investee due to partially disposal of equity investment and other reasons, the remaining equity interest after disposal shall be accounted for under equity method in preparation of separate financial statements provided that joint control or material influence over the investee can be imposed and shall be adjusted as if such remaining equity interest had been accounted for under the equity method since being obtained. The other comprehensive income previously recognised before obtaining the control over the investee shall be transferred in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. Other Changes of Owner's Equity recognized as a result of the adoption of the equity method shall be transferred to the current profit or loss on pro rata basis. Where the remaining equity interest after disposal cannot exercise joint control or exert material influence over the investee, it shall be recognised as financial asset, and the difference between fair value and the carrying value on the date of losing control shall be included in current profit or loss. All the other comprehensive income and Other Changes of Owner's Equity recognised before obtaining the control over the investee shall be transferred.

For disposal of the equity investment in a subsidiary in stages by multiple transactions resulting in the loss of control, where the Company accounts for a package deals, accounting treatment shall be conducted for all transactions as the equity investment for disposal of a subsidiary and the transaction in the loss of control. In the individual financial statements, the differences between the consideration disposed and the corresponding carrying value of long-term equity investment of the disposed equity in each transaction prior to the loss of control shall be recognised in other comprehensive income first and transferred to the current profit or loss when the parent eventually loses control over the subsidiary. Where the Company does not account for a package deals, accounting treatment shall be conducted for each transaction individually.

##### 20. Investment properties

N/A

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 21. Fixed assets

##### (1) Recognitions

✓ Applicable   ☐ Not Applicable

Fixed assets are tangible assets that are held for use in the production of goods, rendering of services, leasing or for administrative purposes, and have useful lives of more than one accounting year. Fixed assets are recognized when all the following conditions are satisfied:

- (1) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- (2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (and taking into account the effect of estimated costs of disposal).

For subsequent expenses related to fixed assets, if the related economic benefits are likely to flow into the enterprise and its cost could be reliably measured, such expenses are included in the cost of the fixed asset; and the carrying amount of the replaced part will be derecognised; all other subsequent expenses are included in current profit or loss upon occurrence.

##### (2) Depreciation methods

✓ Applicable   ☐ Not Applicable

Fixed assets are depreciated by categories using the average age method and workload method, and the annual depreciation rates are determined by categories based upon their estimated useful lives and their estimated residual values. For fixed assets that have made provision for the impairment, the amount of depreciation of it is determined by carrying value after deducting the provision for the impairment based on useful life during the future period. Where different components of a fixed asset have different useful lives or generate economic benefits for the enterprise in different ways, different depreciation rates or depreciation methods shall apply, and each component is depreciated separately.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 21. Fixed assets (Continued)

##### (2) Depreciation methods (Continued)

The depreciation methods, depreciation life, residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation methods	Depreciation life (years)	Residual value rate	Annual depreciation rate
Buildings and structures	Average age method	20–30	5.00	3.17–4.75
Specialized equipment	Average age method	5–10	5.00	9.50–19.00
Electronic equipment	Average age method	5	5.00	19.00
Transportation equipment	Average age method	5	5.00	19.00
Mold	Workload method	—	—	—
Office equipment and others	Average age method	5	—	20.00

##### (3) Disposal of fixed assets

A fixed asset is derecognised when it is disposed of or no economic benefits are expected to be generated from its use or disposal. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the current period.

#### 22. Construction in progress

✓ Applicable    ☐ Not Applicable

The Company's own construction in progress is valued at the actual cost, which comprises the necessary expenses incurred before the asset is constructed to its intended serviceable condition, including the cost of materials used for the project, labour costs, related taxes and fees paid, borrowing costs to be capitalised and indirect costs to be apportioned.

Construction-in-progress projects are accounted for as the value of fixed assets on the basis of all expenditures incurred before the asset is ready for use. If the construction-in-progress project has reached its scheduled serviceable condition but has not yet completed the final accounts, from the date when it reaches its scheduled serviceable condition, it is transferred to the fixed assets based on the estimated value according to the project budget, cost or actual cost of the project, etc., and the depreciation of the fixed assets is accrued in accordance with the Company's fixed assets depreciation policy, after the final accounts are completed, the original provisional value is adjusted based on the actual cost, but the original accrued depreciation amount is not adjusted.

The impairment testing method and provision method for impairment of construction in progress are detailed in Note V. 27. Impairment of long-term assets.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 23. Borrowing costs

✓ Applicable    ☐ Not Applicable

##### 1. Principles for recognition of capitalisation of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets that meet the conditions for capitalization are capitalised and included in the cost of the related assets; Other borrowing costs are recognised as an expense when incurred based on the amount incurred and credited to profit or loss in the current period.

Assets eligible for capitalization are assets such as fixed assets, investment properties and inventories that require a significant period of time to acquire, build or produce before they are ready for use or sale.

##### 2. Period in which borrowing costs are capitalised

The period of capitalisation refers to the period from the point when the capitalisation of borrowing costs begins to the point when the capitalisation ceases, excluding the period when the capitalization of borrowing costs is suspended.

Borrowing costs are capitalised when both of the following conditions are met:

- (1) Expenditure on assets has been incurred. Expenditure on assets includes expenditure incurred in the form of payment of cash, transfer of non-cash assets or assumption of interest-bearing liabilities for the purchase, construction or production of assets that meet the conditions for capitalization;
- (2) Borrowing costs have been incurred;
- (3) The purchase, construction or production activities necessary to bring the asset to its intended use or sale have commenced.

Capitalization of borrowing costs ceases when the acquisition, construction or production of an asset that meets the conditions for capitalization reaches its intended use or sale.

##### 3. Suspension period

If the acquisition, construction or production of an asset that meets the conditions for capitalization is interrupted abnormally for more than 3 consecutive months, the capitalization of borrowing costs is suspended; Borrowing costs continue to be capitalised if the interruption is a process necessary to bring the qualifying assets acquired, constructed or produced to their intended use or sale. Borrowing costs incurred in the period of interruption are recognised in profit or loss until the acquisition, construction or resumption of production activities of the asset.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 23. Borrowing costs (Continued)

##### 4. Capitalisation rate and calculation of capitalisation amount of borrowing costs

As to specific borrowings for the acquisition, construction or production of qualifying assets, borrowing costs from the specific borrowings actually incurred in the current period minus the interest income earned on the unused borrowing loans as a deposit in the bank or the investment income earned from temporary investment will be used to determine the amount of borrowing costs for capitalisation.

As to general borrowings for the acquisition, construction or production of qualifying assets, the to-be capitalised amount of borrowing costs on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specific borrowings and the capitalisation rate of the said general borrowings. The capitalisation rate shall be calculated and determined according to the weighted average actual interest rate of general borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific purpose borrowing are included in the current profits and losses.

#### 24. Biological assets

☐ Applicable    ☒ Not Applicable

#### 25. Oil and gas assets

☐ Applicable    ☒ Not Applicable



### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 26. Intangible assets

##### (1) Useful life and its basis of determination, estimation, amortisation method or review procedures

✓ Applicable    ☐ Not Applicable

- (1) Intangible assets are initially measured at cost upon acquisition by the Company;

The costs of an externally acquired intangible asset include the purchase price, relevant tax expenses, and other expenditures directly attributable to bringing the asset ready for its intended use.

- (2) Subsequent measurement

The Company shall analyse and judge the useful life of intangible assets upon acquisition.

As for intangible assets with finite useful lives, they are amortised over the term in which economic benefits are brought to the enterprise; if the term in which economic benefits are brought to the enterprise by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite useful life, and shall not be amortised.

Items	Estimated useful life	Amortisation methods	Residual value rate	Basis for determining estimated useful life
Software	3-10 years	Straight-line method	0%	Term agreed or expected to bring economic benefits to the Company
Land use right	40-50 years	Straight-line method	0%	Term agreed or expected to bring economic benefits to the Company
Patent rights/ non-patented technologies	10 years	Straight-line method	0%	Term agreed or expected to bring economic benefits to the Company
Copyrights	10 years	Straight-line method	0%	Term agreed or expected to bring economic benefits to the Company
Others	3-10 years	Straight-line method	0%	Term agreed or expected to bring economic benefits to the Company

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 26. Intangible assets (Continued)

###### (2) Scope of research and development expenditures and related accounting treatment

✓ Applicable    ☐ Not Applicable

###### 1. *Scope of research and development expenditures*

Expenditures incurred in the course of research and development conducted by the Company include employee compensation related to personnel engaged in research and development activities, consumable materials, related depreciation and amortization expenses, and other related expenditures, and are summarized as follows:

Employee compensation related to personnel engaged in research and development activities mainly refers to employee compensation related to personnel directly engaged in research and development activities as well as management personnel and direct service personnel closely related to research and development activities.

###### 2. *Specific criteria for classifying research and development stages*

Expenditure on an internal research and development project shall be classified into expenditure on the research stage and expenditure on development stage.

Research stage: it is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development stage: it is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

###### 3. *Capitalization conditions of expenditures in the development stage*

The expenditures in research stage will be included in current profit or loss on occurrence. Expenditures in the development stage will be recognized as intangible assets only when the following conditions are simultaneously satisfied, and included in current profit or loss if the following conditions are not satisfied:

- (1) It is feasible technically to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;
- (4) It is able to finish the development of the intangible assets and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;
- (5) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

Where the research expenditures and the development expenditures are indistinguishable, the Company shall include research expenditures and development expenditures incurred in current profit or loss.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 27. Impairment of long-term assets

✓ Applicable    ☐ Not Applicable

Long-term assets such as long-term equity investments, fixed assets, construction in progress, right-to-use assets, intangible assets with finite useful lives and oil and gas assets are tested for impairment if there is any indication that such assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill formed by business merger, intangible assets with indefinite useful lives and intangible assets that are not yet ready for use are tested for impairment at least at the end of each year regardless of whether there is any sign of impairment.

When the Company performs impairment test on goodwill, the Company shall, as of the purchase date, allocate on a reasonable basis the carrying value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the set of asset groups. The related asset group or the set of asset groups refers to these ones that can benefit from the synergies of a business combination.

For the purpose of impairment test on the relevant asset groups or the set of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or set of asset groups related to goodwill is possible, an impairment test will be made firstly on the asset groups or set of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant carrying value so as to recognise the corresponding impairment loss. Then, the Company will conduct impairment tests on the asset groups or set of asset groups that includes goodwill and compare its carrying value against its recoverable amount. If the recoverable amount is lower than its carrying value, the amount of impairment loss is first offset against the carrying value of the goodwill allocated to the asset groups or set of asset groups, then, based on the proportion of the carrying value of other assets in the asset groups or set of asset groups other than goodwill, offset against the carrying value of other assets proportionally.

Once the above asset impairment loss is recognised, it will not be reversed in subsequent accounting periods.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 28. Long-term deferred expenditures

☒ Applicable   ☐ Not Applicable

Long-term deferred expenditures are expenses which have occurred but will benefit over 1 year and shall be amortized over the current period and subsequent periods. Long-term deferred expenditures are recognised as incurred, and evenly amortised within its beneficial period or stipulated period.

If items of long-term deferred expenditures fail to be beneficial to the subsequent accounting periods, the residual values of such items are included in current profit or loss.

##### 29. Contract liabilities

☒ Applicable   ☐ Not Applicable

The Company has presented contract assets or contract liabilities in the balance sheet based on the connection between the fulfilment of performance obligations and payment of the customers. A contract liability represents the obligation to transfer goods or services to a customer for which the Company has received a consideration or an amount of consideration that is due from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

##### 30. Employee benefits

###### (1) Accounting treatment of short-term employee benefits

☒ Applicable   ☐ Not Applicable

In the accounting period in which employees provide service for the Company, short-term benefits actually incurred are recognised as liabilities and charged to current profit or loss or cost of relevant assets.

With regard to the social insurance and housing provident funds contributed and labour union expenses and employee education expenses paid as required by regulations, the Company should calculate and recognise the corresponding employee benefits payables according to the appropriation basis and proportion as stipulated by relevant requirements in the accounting period in which employees provide service.

At the time of actual occurrence, the Company's employee benefits are recorded in the current profit or loss or costs of relevant assets as incurred. The non-currency welfare expenses are measured at fair value.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 30. Employee benefits (Continued)

##### (2) Accounting treatment of post-employment benefits

✓ Applicable    ☐ Not Applicable

###### (1) *Defined contribution plan*

The Company pays basic pension insurance and unemployment insurance for the staff in accordance with the relevant provisions of the local government. During the accounting period when the staff provides service, the Company calculates the amount payable in accordance with the local stipulated basis and proportions which is recognised as liabilities, and the liabilities would be charged into current profit or loss or costs of relevant assets. In addition, the Company also participates in the enterprise annuity plan/supplementary pension insurance approved by the local government. The Company makes annuity contributions in proportion to its employees' total salaries to the annuity plan/local social institutes. The payment would be charged into current profit or loss or costs of relevant assets.

###### (2) *Defined benefit plan*

In respect of the defined benefit plan, the Company shall attribute the welfare obligations under the defined benefit plan in accordance with the formula determined by projected unit credit method to the service period of relevant employee, and record the obligations in profit loss for the current period or costs of related assets.

The deficit or surplus generated from the present value of obligations of the defined benefit plan minus the fair value of the assets of defined benefit plan is recognised as net liabilities or net assets of a defined benefit plan. When the defined benefit plan has surplus, the Company will measure the net assets of the defined benefit plan at the lower of the surplus of defined benefit plan and the upper limit of the assets.

All defined benefit plans obligations, including the expected duty of payment within 12 months after the end of annual reporting period during which the staff provided service, are discounted based on the market yield of government bonds matching the term and currency of defined benefit plan obligations or corporate bonds of high quality in the active market on the balance sheet date.

The service cost incurred by the defined benefit plan and the net interest of the net liabilities and net assets of the defined benefit plan would be charged to current profit or loss or relevant costs of assets. The changes arising from the remeasurement of the net liabilities or net assets of the defined benefit plan would be included in other comprehensive income and are not reversed to profit or loss in a subsequent accounting period; when the previously defined benefits plan is terminated, such amount previously included in other comprehensive income shall be transferred to undistributed profit.

When the defined benefit plan is settled, the gain or loss is recognised based on the difference between the present value of obligations under the defined benefit plan and the settlement price at the balance sheet date.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 30. Employee benefits (Continued)

###### (3) Accounting treatment of termination benefits

✓ Applicable   ☐ Not Applicable

When the Company provides employees with termination benefits, the staff remuneration liabilities arising from termination benefits are recognised and recorded in current profit or loss whichever of the following is earlier: when the Company cannot unilaterally revoke such termination benefits provided due to dissolution of labour relationship plan or layoff proposal; when the Company recognises such cost or expenses associated with the restructuring involving the payment of termination benefits.

###### (4) Accounting treatment of other long-term employee benefits

✓ Applicable   ☐ Not Applicable

Other long-term employee benefits are all employee benefits other than short-term salary, post-employment benefits and termination benefits.

##### 31. Accrued liabilities

✓ Applicable   ☐ Not Applicable

The Company recognises accrued liabilities when the obligations associated with the contingency simultaneously meet the following conditions:

- (1) The obligation is a present obligation of the Company;
- (2) Fulfilment of this obligation is likely to result in outflow of economic benefits from the Company;
- (3) The amount of the obligation can be measured reliably.

Accrued liabilities are initially measured using the best estimate of the expenditure necessary to meet the relevant present obligations.

In determining the best estimate, the Company considers factors such as risks, uncertainties and time value of money relating to contingencies. Where the effect on the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

Where there is a continuous range of expenditures required and the probabilities of various outcomes within that range are the same, the best estimate is determined based on the median of that range. In other cases, the best estimate is handled as follows:

- Where the contingency is related to individual item, the best estimate should be determined as the most likely amount.
- Where the contingency is related to a number of items, the best estimate should be calculated and determined according to the various possible results and the relevant probabilities.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 31. Accrued liabilities (Continued)

When all or part of the expenditures necessary for the settlement of an estimated liability is expected to be compensated by a third party, the compensation should be separately recognised as an asset only when it is virtually certain that the compensation will be received. The amount recognised for the compensation should not exceed the carrying amount of estimated liabilities.

The Company reviews the carrying amount of estimated liabilities on balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

#### 32. Share-based payments

✓ Applicable    ☐ Not Applicable

The share-based payments of the Company are transactions that grant equity instruments or assume equity-instrument based liabilities for receiving services rendered by employees or other parties. The share-based payments of the Company include equity-settled share-based payments and cash-settled share-based payments.

##### 1. Equity-settled share-based payments and equity instruments

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is, on grant date, recognised as relevant cost or expenses with a corresponding increase in capital reserve. If the equity instruments granted to employees do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Company, at each balance sheet date during the vesting period, makes the best estimation according to the number of equity instruments expected to vest. The Company recognises the services received for the current period as related costs or expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date.

If the terms of the equity-settled share-based payments are amended, the Company shall recognise the services received at least based on the situation before the amendment was made. In addition, any amendment resulting in the increase of the fair value of the equity instrument granted or changes that are beneficial to the staff on the amendment date, will be recognised as an increase in the service received.

During the vesting period, where the granted equity instrument is cancelled, the Company shall accelerate the exercise of rights thereunder, recognising the outstanding amount for the remainder of the vesting period in current profit or loss, while recognising capital reserve. However, if new equity instruments are granted and they are verified at the granting date of new equity instrument as alternatives to cancelled equity instruments, the treatment on the new equity instrument is in conformity with the modified treatment on disposal of equity instrument with the same terms and conditions.



## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 32. Share-based payments (Continued)

###### 2. Cash-settled share-based payments and equity instruments

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Company. If the equity instruments granted to employees vest immediately, the fair value of the liability undertaken by the Company shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. If the equity instruments granted to employees do not vest until the completion of services for a vesting period, or until the specified performance conditions are met, at each balance sheet date during the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Company. For each of the balance sheet date and settlement date before the settlement of the relevant liabilities, fair value of the liabilities will be remeasured and the changes will be included in the profit or loss for the current period.

The Company amends the terms and conditions of a cash-settled share-based payment agreement to make it become an equity-settled share-based payment. At the date of amendment (whether occurring during or after the end of a vesting period), the Company measures the equity-settled share-based payment at the fair value of the equity instruments at the grant date by including the acquired services in capital reserves and derecognising the liability recognised for the cash-settled share-based payment on the date of amendment, where the difference is recognised in profit or loss for the current period. If a vesting period is extended or shortened as a result of the amendment, the Company will account for in accordance with the amended vesting period.

##### 33. Preferred shares, perpetual bonds and other financial instruments

☒ Applicable   ☐ Not Applicable

In accordance with the terms of the contract and the economic substance of the issued preferred shares/perpetual bonds reflected therein rather than in legal form only, the Company classifies the financial instrument or its components as financial assets, financial liabilities or equity instruments upon initial recognition.

Financial instruments such as perpetual bond/preferred shares issued by the Company meeting one of the following conditions, shall be classified as financial liabilities as a whole or its components at initial recognition:

- (1) The Company cannot unconditionally avoid contractual obligations performing by delivering cash or other financial assets;
- (2) Contract obligations including delivery of variable number of own equity instruments for settlement;
- (3) It includes derivative instruments that are settled by their own equity (such as conversion rights), and the derivative instruments cannot exchange fixed amount of cash or other financial assets with fixed amount of their own equity instruments for settlement;
- (4) There are contract terms that indirectly form contractual obligations;
- (5) When the issuer liquidates, the perpetual bonds are in the same order as the ordinary bonds and other debts issued by the issuer.

Financial instruments such as perpetual bonds/preference shares that do not meet any of the above conditions shall be classified as equity instruments at initial recognition.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 34. Revenue

##### (1) Disclosure of accounting policies for revenue recognition and measurement by business types

✓ Applicable    ☐ Not Applicable

###### 1. *Accounting policies adopted for revenue recognition and measurement*

The Company recognises revenue when the performance obligation in a contract is fulfilled, namely the customer obtains control of relevant goods or services. Control of a good or service refers to the ability to direct the use of the good or service, and obtain substantially all of the benefits from the goods or services.

If a contract contains two or more performance obligations, at the commencement of the contract, the Company allocates the transaction price into each individual performance obligation according to the relative proportion of each individual selling price of goods or services committed by individual performance obligation, and recognises the revenue according to the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer. The Company considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company considers the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer. The Company determines the transaction price that includes variable considerations based on the amount not exceeding the revenue accumulatively recognised which is not likely to be significantly reversed when the relevant uncertainty disappears. Where there are significant financing elements in the contract, the Company recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid in cash when (or as) the customer had obtained control over such goods or services. The difference between the transaction price and the amount of contract consideration is amortised using an effective interest method over the contract term.

When one of the following conditions is satisfied, the Company is considered to have fulfilled an obligation within a certain period of time. Otherwise, the Company is considered to have fulfilled an obligation at a certain point in time:

- At the same time when the Company fulfills the obligation, the customer immediately obtains and consumes the economic benefits brought about by the Company's performance.
- The customers can control the goods under construction in the course of the Company's performance.
- Goods produced in the course of the Company's performance are irreplaceable. In addition, during the entire contract period, the Company has the right to collect the payments for the cumulatively completed parts of performance.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 34. Revenue (Continued)

###### (1) Disclosure of accounting policies for revenue recognition and measurement by business types (Continued)

###### 1. *Accounting policies adopted for revenue recognition and measurement (Continued)*

Where performance of a single service contract takes place over a certain period of time, revenue should be recognised as performance takes place, except where the stage of performance cannot be determined. The Company considers the nature of the goods or services and adopts the output method or the input method to determine the fulfillment progress of the performance. When the fulfillment progress of the performance cannot be determined reasonably, but is expected to recover the costs incurred, the Company should recognise revenue only to the extent of the cost until a reliable measure of progress can be made.

For a performance obligation satisfied at a point in time, the Company shall recognise revenue when the customer obtains control of relevant goods or services. In judging whether customers obtain control of promised goods or services, the Company considers the following indications:

- The Company enjoys the right to collect cash on the goods or services, that is, the customer has the obligation to pay for the goods or services at the present time.
- The Company has transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity.
- The Company has transferred the goods in kind to the customers, that is, the customers have actually taken possession of the goods.
- The Company has transferred the main risks and rewards in the ownership of the commodity to its customers, that is, the customers have acquired the main risks and rewards in the ownership of the commodity.
- The customer has accepted the goods or services.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 34. Revenue (Continued)

##### (1) Disclosure of accounting policies for revenue recognition and measurement by business types (Continued)

###### 2. *Disclosure of specific revenue recognition and measurement methods by business type*

The Company is principally engaged in the development and industrialization of fuel cell power systems, and its main products are fuel cell power systems and related technology development and technical services. The specific principles of the Company's revenue recognition are as follows:

- (1) Revenue from sales of goods: revenue is recognized when the products are delivered and the customer has confirmed acceptance.
- (2) Technical service income: revenue is recognized when the technical services provided have passed customer acceptance, or in the period in which the services are rendered.

###### 3. *Revenue treatment principles for specific transactions*

###### (1) Contracts with quality assurance provisions

The Company assesses whether a separate service is rendered in respect of the quality assurance besides guaranteeing the sales of goods to customers are in line with the designated standards. When additional service is provided by the Company, it is considered as a single performance obligation and under accounting treatment according to the standards on revenue; otherwise, quality assurance obligations will be under accounting treatment according to the accounting standards on contingent matters.

###### (2) Principal versus agent

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled, which is determined on the basis of the net amount of the total consideration received or receivable, less the consideration payable to other related parties.

##### (2) The adoption of different business models for the same type of business involves different revenue recognition and measurement methods

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 35. Contract costs

✓ Applicable    ☐ Not Applicable

Contract costs comprise contract performance costs and contract acquisition costs.

The costs incurred by the Company for the performance of the contract which do not fall under the scope of the standards relating to inventories, fixed assets and intangible assets are recognised as an asset as contract performance costs when the following conditions are met:

- This cost is directly related to a current or expected contract.
- This cost increases the resources of the Company to fulfill its performance obligations in the future.
- The cost is expected to be recovered.

If the incremental cost incurred by the Company in obtaining the contract can be expected to be recovered, the contract acquisition cost shall be recognised as an asset.

Assets related to the cost of the contract are amortised on the same basis as the revenue recognition of the goods or services related to the asset; however, if the amortisation period of the contract acquisition cost is less than one year, the Company will include it into the current profit or loss when it incurs.

For assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess and recognise it as asset impairment loss:

1. The remaining consideration expected to be obtained by the transfer of goods or services related to the asset;
2. The cost expected to be incurred for the transfer of the relevant goods or services.

If the above-mentioned excess is higher than the book value of such assets as a result of any subsequent change of impairment factors in the previous period, the provision for impairment of assets previously made shall be reversed and included in profit or loss for the period as incurred to the extent the book value of the reversed asset shall not exceed the book value of the asset on the date of the reverse assuming no provision for impairment is made.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 36. Government grants

✓ Applicable    ☐ Not Applicable

##### 1. Types

Government grants are monetary assets or non-monetary assets obtained by the Company from the government for free, and are divided into government grants related to assets and government grants related to income.

Government grants related to assets are those obtained by the Company for the purposes of acquisition, construction or other project that forms a long-term asset. Government grants related to income refer to the government grants other than those related to assets.

##### 2. Timing for recognition

Government grants are recognised when the Company can comply with the conditions attached to them and when they can be received.

##### 3. Accounting treatment

Asset-related government grants shall be used to offset the carrying amount of relevant asset or recognised as deferred income. The amount recognised as deferred income shall be recorded in current profit or loss by installments in a reasonable and systematic way over the useful life of the relevant assets (the government grants related to the Company's daily activities shall be included in other income; and the government grants unrelated to the Company's daily activities shall be included in non-operating income);

Government grants related to income that are used to compensate relevant costs or losses of the Company in subsequent periods are recognised as deferred income and recorded in current profit or loss when such costs and losses are recognised (government grants related to the Company's daily activities shall be included in other income; government grants unrelated to the Company's daily activities shall be included in non-operating income) or offset relevant costs or losses; and the government grants used to compensate relevant costs or losses that have been incurred by the Company are recorded directly in current profit or loss (government grants related to the Company's daily activities shall be included in other income; government grants unrelated to the Company's daily activities shall be included in non-operating income) or offset relevant costs or losses.

The interest subsidies for policy-related preferential loans obtained by the Company are divided into two types and subject to accounting treatment separately:

- (1) Where the interest subsidies are appropriated from the fiscal funds to the lending bank and then the bank provides loans to Company at a policy-based preferential interest rate, the Company will recognize the amount of borrowings received as the initial value and calculate the borrowing costs according to the principal amount and the policy-based preferential interest rate.
- (2) Where the interest subsidies are paid directly to the Company, the Company will use such interest subsidies to offset the corresponding borrowing costs.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 37. Lease

☒ Applicable   ☐ Not Applicable

##### **Judgement basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees**

☒ Applicable   ☐ Not Applicable

A lease is a contract that a lessor conveys the right to use an asset to a lessee for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified asset(s) for a period of time in exchange for consideration.

For a contract that contains multiple separate lease, the Company separates and accounts for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and lessor separate the lease and non-lease components.

##### (1) Right-of-use assets

At the commencement date of lease term, the Company recognises right-of-use assets for leases (excluding short-term leases and leases of low-value assets). Right-of-use assets are measured initially at cost. Such cost comprises:

- the amount of the initial measurement of lease liability;
- lease payments made at or before the inception of the lease less any lease incentives already received (if there is a lease incentive);
- initial direct costs incurred by the Company;
- the costs of the Company expected to be incurred for dismantling and removing the leased asset, restoring the site on which the leased asset is located or restoring it to the condition as agreed in the terms of the lease, except those incurred for the production of inventories.

The Company accrues depreciation for the right-of-use assets by subsequently adopting straight-line method. If there is reasonable certainty that the Company will obtain the ownership of a leased asset at the end of the lease term, the Company depreciates the leased asset in the remaining useful life of the asset; otherwise, the Company depreciates the leased asset in the lease term or in the remaining useful life of the asset (whichever is shorter).

The Company determines whether the right-of-use assets have been impaired in accordance with the principles described in Note “V. 27. Impairment of long-term assets” and conducts accounting treatment for impairment loss identified.



#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 37. Lease (Continued)

###### (2) Lease liabilities

At the commencement date of lease term, the Company recognises lease liabilities for leases (excluding short-term leases and leases of low-value assets). Lease liabilities are initially measured based on the present value of outstanding lease payment. Lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives (if there is a lease incentive);
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable under the guaranteed residual value provided by the Company;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- payments of penalties for terminating the lease option, if the lease term reflects that the Company will exercise that option.

The Company adopts the interest rate implicit in the lease as the discount rate. If that rate cannot be determined reasonably, the Company's incremental borrowing rate is used.

The Company shall calculate the interest expenses of lease liabilities in each period of the lease term at the fixed periodic interest rate, and include it into profit or loss in the period or cost of relevant assets.

Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period or cost of relevant assets in which they actually arise.

After the commencement date of lease term, if the following circumstances occur, the Company remeasures the lease liability and adjusts the carrying value of the right-of-use asset accordingly. If the carrying value of the right-of-use asset has been reduced to zero and the lease liability still needs to be further reduced, the Company accounts for the difference in the current profit or loss:

- when there are changes in assessment results of the purchase, extension or termination option, or the actual exercise condition of the aforementioned options is inconsistent with the original assessment results, the Company remeasures the lease liabilities in accordance with the lease payments after changes and present value calculated based on the revised discount rate;
- when in-substance fixed payments, the amount expected to be payable under the guaranteed residual value or the index or rate arising from the confirmation of lease payments changed, the Company remeasures the lease liabilities in accordance with the present value calculated based on the lease payments after changes and the initial discount rate. However, if the lease payments change is due to a change in a floating interest rate, a revised discount rate is used.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 37. Lease (Continued)

##### (3) Short-term leases and leases of low-value assets

The right-of-use asset and lease liability are not recognised by the Company for short-term leases and leases of low-value assets, and the relevant lease payments are included in profit or loss in the period or costs of relevant assets in each period of the lease term on a straight-line basis. Short-term leases are defined as leases with a lease term of not more than 12 months from the commencement date and excluding a purchase option. Leases of low-value assets are defined as leases with underlying low value when new. If the Company subleases or expects to sublease a leased asset, the original lease is not a low-value asset lease.

##### (4) Lease change

The Company will account for the lease change as a separate lease if the lease changes and meets the following conditions:

- the lease change expands the scope of lease by increasing the rights to use one or more leased assets;
- the increased consideration and the individual price of the expanded part of the lease are equivalent to the amount adjusted for the contract.

If the lease change is not accounted for as a separate lease, the Company shall re-allocate the consideration of a changed contract, re-determine the lease term, and remeasure the lease liabilities by the present value calculated from the changed lease payments and revised discount rate on the effective date of the lease change.

If the lease change results in a narrower lease or a shorter lease term, the Company reduces the carrying amount of the right-of-use asset accordingly, and recognises the related gains or losses from partially or completely terminated leases into the current profit and loss. For other lease change that causes the lease liabilities to be remeasured, the Company adjusts the carrying amount of the right-of-use assets accordingly.

#### Criteria for classification and accounting treatment of leases as lessors

✓ Applicable    ☐ Not Applicable

At the commencement date of lease term, the Company classifies leases as financing leases and operating leases. A financing lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset, irrespective of whether the ownership of the asset is eventually transferred. An operating lease is a lease other than a financing lease. As a sub-leasing lessor, the Company classifies the sub-leases based on the right-of-use assets of the original leases.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 37. Lease (Continued)

##### (4) Lease change (Continued)

###### (1) *Accounting treatment of operating leases*

The lease payments derived from operating leases are recognised as rental income on a straight-line basis over the respective lease terms. Initial direct costs relating to operating leases to be incurred by the Company shall be capitalised and then allocated and included in the current profit and loss by stages at the same base as the recognition of rental income over the lease term. The variable lease payments not included in the measurement of lease payments shall be recognised in profit or loss in the period in which they are occurred. In case of modification of an operating lease, the Company shall treat it as a new lease from the effective date of modification, and the amount of the advance receipt or receivable related to the lease before the modification shall be regarded as the collection amount of the new lease.

###### (2) *Accounting treatment of financing leases*

At the commencement date of lease term, the Company recognises financing lease receivable and derecognises the underlying assets. The Company initially measures financing lease receivable in the amount of net investment in the lease. Net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease payments receivable which were not received at the commencement date of lease term, discounted at the interest rate implicit in the lease.

The Company calculates and recognises interest income in each period during the lease term, based on a fixed periodic interest rate. The derecognition and impairment losses of financing lease receivable are accounted for in accordance with the Note "V. 11. Financial instruments" of this financial report.

Variable lease payments not included in the measurement of the net investment in the lease are included in profit or loss in the period in which they are occurred.

When a financing lease is changed and the following conditions are simultaneously met, the Company accounts for the lease change as a separate lease:

- The change expands the scope of lease by adding the right to use one or more leased assets;
- The increased consideration and the separate price of the expanded scope of lease are equivalent to the amount adjusted according to the contract.

Where a change in a financing lease is not accounted for as a separate lease, the Company deals with the lease after the change according to the following situation:

- In case where the lease would have been classified as an operating lease assuming the modification became effective at the commencement date of the lease, the Company accounts for it as a new lease from the effective date of the modification and the net investment in the lease prior to the effective date of the modification is taken as the carrying amount of the leased assets;
- In case where the lease would have been classified as a financing lease assuming the modification became effective at the commencement date of the lease, the Company conducts accounting treatment in accordance with the policy regarding the modification or renegotiation of contracts described in this Note "V. 11. Financial instruments" of this financial report.

## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 37. Lease (Continued)

###### (4) Lease change (Continued)

###### (3) *Sale and leaseback transaction*

The Company assesses and determines whether the asset transfer in the sale and leaseback transaction is sale according to the principles set out in this Note “V. 34. Revenue” of this financial report.

###### (I) The Company as lessee

If the asset transfer in the sale and leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use assets according to the carrying amount of the original assets regarding the right-of-use obtained by the leaseback, and only recognizes the relevant gains or losses for the right transferred to the lessor.

After the commencement date of the lease term, the subsequent measurement of right-of-use assets and lease liabilities and lease changes are detailed in this Note “V. 37. Lease” of this financial report. The manner in which the Company determines the lease payments or the modified lease payments does not result in the recognition of gains or losses related to the right to use acquired from the leaseback, in the subsequent measurement of lease liabilities arising from the sale and leaseback.

If the asset transfer in the sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognize the transferred assets and recognize a financial liability whose amount equal to the transferred income at the same time. For the accounting treatment of financial liabilities, please refer to this Note “V. 11. Financial instruments” of this financial report.

###### (II) The Company as a lessor

If the asset transfer in the sale and leaseback transaction is considered as sales, the Company, as the lessor, shall record the asset purchase and the asset lease in accordance with the policy in the aforesaid “Criteria for classification and accounting treatment of leases as lessors”; If the asset transfer in the sale and leaseback transaction is not considered as sales, the Company, as the lessor, shall not recognize the transferred asset, but recognize an equal amount in financial assets. For the accounting treatment of financial assets, please refer to Note “V. 11. Financial instruments” of this financial report.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 38. Deferred income tax assets/deferred income tax liabilities

✓ Applicable    ☐ Not Applicable

Income tax comprises current income tax and deferred income tax. Current income tax and deferred income tax are recognized in current profit or loss except to the extent that they relate to a business combination or items recognized directly in equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on differences (temporary differences) between tax base and carrying amount of the assets and liabilities.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. For deductible losses and tax credits that can be reversed in the future years, deferred income tax assets shall be recognized to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

Save for exceptions, deferred income tax liabilities shall be recognized for the taxable temporary difference.

The exceptions for not recognizing deferred income tax assets or deferred income tax liabilities include:

- the initial recognition of the goodwill;
- transactions or matters other than business combinations in which neither profit nor taxable income (or deductible loss) will be affected when transactions occur, and the initial recognition of assets and liabilities does not result in an equal amount of taxable temporary differences and deductible temporary differences.

Deferred income tax liabilities are recognized for temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilized, the corresponding deferred income tax assets are recognized.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rates during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be settled in accordance with the provisions of the tax law.

The carrying amount of a deferred income tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future against which the benefits of the deferred income tax asset will be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 38. Deferred income tax assets/deferred income tax liabilities (Continued)

When the Company has a legally enforceable right to set-off and intends either to settle on a net basis or to acquire the income tax asset and settle the income tax liability simultaneously, current income tax assets and current income tax liabilities shall be presented as the net amount after offsetting.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are offset if all of the following conditions are met:

- When the taxable entity has the legal right to set off current income tax assets and current income tax liabilities on a net basis;
- When the deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax authority, or related to different entities liable to pay tax but the relevant entities intend to settle on a net basis or to acquire the income tax assets and settle the income tax liabilities simultaneously in the future period in which significant deferred income tax assets and liabilities would be reversed.

#### 39. Other significant accounting policies and accounting estimates

✓ Applicable    ☐ Not Applicable

##### (1) Debt restructuring

###### 1. *With the Company as a creditor*

The Company ceases to recognize claim when the contractual right to receive the cash flows from the claim is terminated. In the case of debt restructuring through the settlement of debt with assets or the conversion of debt into equity instruments, the Company recognizes the relevant assets when they meet their definitions and recognition criteria.

In the case of debt restructuring through the settlement of debt with assets, the Company initially recognizes the acquired non-financial assets, which are measured at cost. The cost of inventory includes the fair value of the waived claim and other costs directly attributable to bringing the asset to its present location and condition, such as taxes, transportation fees, loading and unloading fees, insurance fees, and so on. The cost of an investment in an associate or a joint venture includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of investment property includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of fixed assets includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes, transportation fees, loading and unloading fees, installation fees, professional service fees, etc., incurred before the asset reaches its intended usable state. The cost of biological assets includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes, transportation fees, and insurance fees. The cost of intangible assets includes the fair value of the waived claim and other costs directly attributable to preparing the asset for its intended use, such as taxes. In the case of debt restructuring through the conversion of debt into equity instruments, which results in the creditor converting the claim into an equity investment in an associate or a joint venture, the Company measures the initial investment cost at the fair value of the waived claim and other costs (including taxes) directly attributable to the asset. The difference between the fair value of the waived claim and its carrying amount is recognized in profit or loss for the current period.



### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 39. Other significant accounting policies and accounting estimates (Continued)

##### (1) Debt restructuring (Continued)

###### 1. *With the Company as a creditor (Continued)*

In the case of debt restructuring through the modification of other terms, the Company recognizes and measures the restructured claim in accordance with Note "V. 11. Financial instruments" of this financial report. Where debt restructuring is carried out through the settlement of debt with multiple assets or a combination of methods, the Company first recognizes and measures the acquired financial assets and the restructured claim in accordance with Note "V. 11. Financial instruments" of this financial report, and then allocates the net amount of the fair value of the waived claim after deducting the recognized amount of the acquired financial assets and the restructured claim, based on the proportion of the fair values of the assets other than the acquired financial assets, and determines the cost of each asset using the aforementioned methods. The difference between the fair value of the waived claim and its carrying amount is recognized in profit or loss for the current period.

###### 2. *With the Company as a debtor*

The Company derecognizes a liability when the present obligation for the debt is discharged.

In the case of debt restructuring through the settlement of debt with assets, the Company derecognizes the relevant assets and the settled debt when the derecognition criteria are met. The difference between the carrying amount of the settled debt and the carrying amount of the transferred assets is recognized in profit or loss for the current period.

In the case of debt restructuring through the conversion of debt into equity instruments, the Company derecognizes the settled debt when the derecognition criteria are met. Upon initial recognition of the equity instruments, the Company measures them at fair value. If the fair value of the equity instruments cannot be reliably measured, the Company measures based on the fair value of the settled debt. The difference between the carrying amount of the settled debt and the recognized amount of the equity instruments is recognized in profit or loss for the current period.

In the case of debt restructuring through the modification of other terms, the Company recognizes and measures the restructured liability in accordance with Note "V. 11. Financial instruments" of this financial report.

In the case of debt restructuring through the settlement of debt with multiple assets or a combination of methods, the Company recognizes and measures the equity instruments and restructured liability using the aforementioned methods. The difference between the carrying amount of the settled debt and the sum of the carrying amount of the transferred assets and the recognized amounts of the equity instruments and restructured liability is recognized in profit or loss for the current period.



## SECTION X

### FINANCIAL STATEMENTS

#### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

##### 39. Other significant accounting policies and accounting estimates (Continued)

###### (2) Significant accounting policies and estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

###### 1. *Significant accounting policies*

Timing of revenue recognition

Revenue is recognised when the goods or services are delivered or delivered to the location specified by the customer in accordance with the contractual agreement, the customer accepts the products and confirms acceptance, the Group ceases to exercise management and control over the goods or services, and the customer obtains control over the related goods or services.

###### 2. *Significant accounting estimates*

The following critical accounting estimates and key assumptions have a significant risk of causing a material adjustment to the book value of assets and liabilities in the next accounting year:

###### 1 Impairment of financial instruments

The Company uses the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors.

###### 2 Provision for decline in value of inventories

The Company accrues inventory falling price reserves of inventories with higher cost than net realizable value and obsolete and unsalable inventories according to their cost and net realizable value, whichever is lower, based on inventory accounting policies. The impairment of inventory to net realizable value is based on the evaluation of its sale ability and net realizable value. The identification of impairment of inventory calls for the management to make judgment and estimation after receiving sound evidence and considering the purpose of holding the inventory and the influence factors of events after balance sheet date. Difference between the actual results and the original estimation will be calculated, provided or reversed by the influence on the book value of inventories and inventory falling price reserves in the estimated change period

###### 3 Deferred income tax assets

If it is highly possible that there is enough taxable profit to offset losses, the Company recognizes deferred income assets for all unused taxation losses. It requires huge judgment of the management of the Company to estimate the time and amount of future taxable profit together with tax payment planning strategy to decide the amount of deferred income tax assets to recognized.

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 40. Changes in significant accounting policies and accounting estimates

##### (1) Changes in significant accounting policies

✓ Applicable    □ Not Applicable

Unit: RMB

Details of and reasons for the changes in accounting policies	Items that are significantly affected	Amount affected
On October 25, 2023, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 17 (Cai Kuai [2023] No. 21, hereinafter referred to as the “ <b>Interpretation No. 17</b> ”), which stipulated the contents of “division of current and non-current liabilities”, “disclosure of financing arrangements of suppliers”, and “accounting treatment of sale and leaseback transactions”, which shall take effect from January 1, 2024.	No material impact on the 2024 financial statements of the Company	
On August 1, 2023, the Ministry of Finance issued the Interim Provisions on Accounting Treatment for Enterprise Information Resources (Cai Kuai [2023] No. 11), which is applicable to the accounting treatment for information resources recognized as assets such as intangible assets or inventories in accordance with the relevant provisions of the Accounting Standards for Business Enterprises, as well as information resources legally owned or controlled by an enterprise and that are expected to bring economic benefits to the enterprise but do not satisfy the conditions for recognition of assets and are not recognized as assets. It also sets out specific requirements on the disclosure of information resources.	No material impact on the 2024 financial statements of the Company	
This requirement shall take effect from January 1, 2024 and enterprises shall adopt the future applicable law. Expenditures related to information resources that have been expensed to profit or loss before the implementation of the requirement will not be adjusted.		

SECTION X  
FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

40. Changes in significant accounting policies and accounting estimates (Continued)

(1) Changes in significant accounting policies (Continued)

Details of and reasons for the changes in accounting policies	Items that are significantly affected	Amount affected
<p>On December 6, 2024, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 18 (Cai Kuai [2024] No. 24), hereinafter referred to as the “<b>Interpretation No. 18</b>” , which stipulated that when accounting for the provision for warranty-type quality guarantee that is not a separate performance obligation, an enterprise shall, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 13 – Contingencies, debit the items such as “main business cost” and “other business cost” based on the determined amount of provisions, and credit the item of “provisions”. These items shall be correspondingly presented in the “operating cost” of the income statement and in items such as “other current liabilities,” “non-current liabilities due within one year,” and “provisions” in the balance sheet.</p> <p>When enterprises implement this interpretation for the first time, if the original provision for warranty-type quality guarantee was included in “selling expenses”, they should make retrospective adjustments in accordance with the change in accounting policy. This interpretation shall take effect from the date of its issuance, and enterprises are allowed to implement this interpretation in advance from the year of its issuance. The Company has implemented this regulation with effect from January 1, 2024.</p>	(1)	(1)

## SECTION X FINANCIAL STATEMENTS

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 40. Changes in significant accounting policies and accounting estimates (Continued)

##### (1) Changes in significant accounting policies (Continued)

*Other explanations*

(1) The main impact of the Company's implementing this provision from 2024 is as follows:

Affected items	Consolidation		Parent company	
	2024	2023	2024	2023
Selling expenses	-4,361,664.40	-11,975,489.70	-656,638.75	-5,134,372.05
Operating cost	4,361,664.40	11,975,489.70	656,638.75	5,134,372.05

##### (2) Changes in significant accounting estimates

☐ Applicable ☒ Not Applicable

##### (3) The first implementation of new accounting standards or interpretations of standards from 2024 involves adjustments to the financial statements at the beginning of the year of first implementation

☐ Applicable ☒ Not Applicable

#### 41. Others

☐ Applicable ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### VI. TAXATION

##### 1. Main taxes and tax rates

###### Main taxes and tax rates

✓ Applicable    ☐ Not Applicable

Tax type	Tax basis	Tax rate
Value-added tax	Output VAT is calculated on product sales and taxable services revenue according to taxation laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable	6%, 13%
City maintenance and construction tax	Based on VAT effectively paid	7%, 1%
Corporate income tax	Based on taxable profits	15%, 16.50%, 25%
Education surcharge	Value-added tax paid	3%
Local education surcharge	Value-added tax paid	2%, 1%
Land use tax	Land use area	RMB3/m <sup>2</sup> , RMB5/m <sup>2</sup>
Property tax	Residual value after deducting a certain percentage from the original value of the property	1.20%

## SECTION X FINANCIAL STATEMENTS

### VI. TAXATION (Continued)

#### 1. Main taxes and tax rates (Continued)

##### Disclosure of entities subject to different enterprise income tax rates

✓ Applicable    □ Not Applicable

Name of taxpayer	Income tax rate (%)
The Company	15%
SinoHytec Power Technology Co., Ltd.	15%
Shanghai SinoFuelCell Co., Ltd.	15%
Shanghai Shenrong New Energy Technology Co., Ltd.	25%
Beijing Shenchuan Technology Co. Ltd.	25%
Tangshan SinoFuelCell Co., Ltd.	25%
Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd.	25%
Beijing Future Hydrogen Valley Technology Co., Ltd.	25%
Guochuang Hebei Hydrogen Energy Industry Innovation Center Co., Ltd.	25%
Chengdu SinoHytec Power Technology Co., Ltd.	15%
Chengdu Guoqinghuatong Technology Co., Ltd.	15%
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	25%
Shandong Huaqing Dongli Technology Co., Ltd.	25%
Tangshan Qianchen New Energy Development Co., Ltd.	25%
Zhengzhou SinoHytec Power Technology Co., Ltd.	25%
Beijing SinoHytec Hydrogen Energy Technology Co., Ltd.	25%
Hebei Guochuang Hydrogen Energy Technology Co., Ltd.	25%
Zhangjiakou Guoqing Technology Co., Ltd.	25%
Zhangjiakou Qingtong Technology Co., Ltd.	25%
Shanghai Kuitong Technology Co., Ltd.	25%
Yifan Hydrogen Energy Technology Co., Ltd.	25%
Tangshan Yitong Hydrogen Energy Technology Co., Ltd.	25%
Guangdong SinoHytec Technology Co., Ltd.	25%
Guangzhou SinoHytec New Energy Technology Co., Ltd.	25%
SinoHytec International Limited	16.5%
Guangxi SinoHytec Hydrogen Technology Co., Ltd.	25%
Guangxi Zhongdian Huatong New Energy Technology Co., Ltd.	15%
Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd.	25%

## SECTION X FINANCIAL STATEMENTS

### VI. TAXATION (Continued)

#### 2. Tax preference

✓ Applicable    □ Not Applicable

- | 1. | Taxpayer  | Tax preference  | Year      | Basis   |
|----|---|---|-----------|---|
|    | The Company   | High-tech enterprise income tax levied at a tax rate of 15%   | 2022-2024 | GR202211003984 High and New Technology Enterprise Certificate   |
|    | The Company   | For the sale of self-developed software products, the portion of the actual tax exceeding 3% will be refunded immediately upon collection | From 2012 | The Notice of Valued-added Tax Policies for Software Products (Cai Shui [2011] No. 100)   |
|    | SinoHytec Power Technology Co., Ltd.                      | High-tech enterprise income tax levied at a tax rate of 15%   | 2024-2026 | GR202413004262 High and New Technology Enterprise Certificate   |
|    | Shanghai SinoFuelCell Co., Ltd.                           | High-tech enterprise income tax levied at a tax rate of 15%   | 2023-2025 | GR202331002455 High and New Technology Enterprise Certificate   |
|    | SinoHytec Power Technology Co., Ltd.                      | For the sale of self-developed software products, the portion of the actual tax exceeding 3% will be refunded immediately upon collection | From 2018 | The Notice of Valued-added Tax Policies for Software Products (Cai Shui [2011] No. 100)   |
|    | Chengdu SinoHytec Power Technology Co., Ltd.              | Income tax of enterprises of the encouragement category located in the western region levied at a tax rate of 15%                         | 2020-2030 | Announcement of the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region (Cai Shui [2020] No. 23) |
|    | Chengdu SinoHytec Power Technology Co., Ltd.              | High-tech enterprise income tax levied at a tax rate of 15%   | 2024-2026 | GR202451002769 High and New Technology Enterprise Certificate   |
|    | Chengdu Guoqinghuatong Technology Co., Ltd.               | Income tax of enterprises of the encouragement category located in the western region levied at a tax rate of 15%                         | 2020-2030 | Announcement of the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region (Cai Shui [2020] No. 23) |
|    | Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. | Income tax of enterprises of the encouragement category located in the western region levied at a tax rate of 15%                         | 2024-2030 | Announcement of the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region (Cai Shui [2020] No. 23) |
2. According to the "Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Pre-Tax Additional Deduction Policy for Research and Development Expenses" (Announcement No. 7 of 2023 of the Ministry of Finance and the State Taxation Administration), for research and development expenses actually incurred by enterprises in the course of conducting research and development activities that are not intangible assets and are included in the profit and loss for the current period, on the basis of actual deduction in accordance with regulations, from January 1, 2023, an additional deduction of 100% of the actual amount will be made before tax. For intangible assets, from January 1, 2023, 200% of the cost of intangible assets shall be amortized before tax.



## SECTION X FINANCIAL STATEMENTS

### VI. TAXATION (Continued)

#### 3. Others

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Cash and cash equivalents

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	32,228.34	309,076.84
Bank deposits	709,360,184.93	579,434,807.18
Other monetary funds	12,842,104.99	29,480,571.55
Deposit with a finance company		
Total	722,234,518.26	609,224,455.57
Including: Total amount deposited overseas	293,862,879.24	288,971,329.47

Other explanations  
Nil

#### 2. Financial assets held-for-trading

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance	Reasons and basis for determination
Financial assets at fair value through profit or loss	727,426,376.60	690,330,355.31	/
Including:			
Others	727,426,376.60	690,330,355.31	/
Total	727,426,376.60	690,330,355.31	/

Other explanations:

✓ Applicable    ☐ Not Applicable

Other financial assets at fair value through profit or loss are structured deposits, and their fair values are calculated based on expected yield rate.

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 3. Derivative financial assets

☐ Applicable    ☒ Not Applicable

#### 4. Bills receivable

##### (1) Bills receivable by category

☒ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	14,478,407.04	49,919,638.92
Commercial acceptance bills		870,960.00
Total	14,478,407.04	50,790,598.92

##### (2) Pledged bills receivable at the end of the period

☐ Applicable    ☒ Not Applicable

##### (3) Bills receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

☒ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills		10,083,614.36
Commercial acceptance bills		
Total		10,083,614.36

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Bills receivable (Continued)

##### (4) Disclosure by classification with the method of provision for bad debt

✓ Applicable    ☐ Not Applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts on individual basis including:										
Provision for bad debts on group basis	14,478,407.04	100.00			14,478,407.04	50,826,888.92	100.00	36,290.00	0.07	50,790,598.92
including:										
Bank acceptance bills	14,478,407.04	100.00			14,478,407.04	49,919,638.92	98.22			49,919,638.92
Commercial acceptance bills						907,250.00	1.78	36,290.00	4.00	870,960.00
Total	14,478,407.04	100.00			14,478,407.04	50,826,888.92	/	36,290.00	/	50,790,598.92

Provision for bad debts on individual basis:

☐ Applicable    ☒ Not Applicable

Provision for bad debts on group basis:

☒ Applicable    ☐ Not Applicable

Items provided on group basis: Bank acceptance bills

Unit: RMB

Item	Closing balance		
	Bills receivables	Provision for bad debts	Percentage of provision (%)
Bank acceptance bills	14,478,407.04		
Total	14,478,407.04		

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Bills receivable (Continued)

##### (4) Disclosure by classification with the method of provision for bad debt (Continued)

Explanation of provision for bad debts on group basis

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation of significant changes in the book balance of accounts receivable for which a change in the allowance for losses occurred during the period:

☐ Applicable ☒ Not Applicable

##### (5) Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: RMB

Category	Opening balance	Changes during the period				Closing balance
		Provision	Recovered or reversed	Written- back or written-off	Other changes	
Commercial acceptance bills	36,290.00		36,290.00			
Total	36,290.00		36,290.00			

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable ☒ Not Applicable

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Bills receivable (Continued)

##### (6) Bills receivable written off during the period

☐ Applicable ☒ Not Applicable

Information on write-off of significant bills receivable:

☐ Applicable ☒ Not Applicable

Explanation of bills receivable written off:

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

#### 5. Accounts receivable

##### (1) Disclosure by aging

☒ Applicable ☐ Not Applicable

Unit: RMB

Age	Closing book balance	Opening book balance
Within 1 year	365,276,012.90	836,071,137.99
Sub-total within 1 year	365,276,012.90	836,071,137.99
1 to 2 years	777,239,088.68	660,902,327.88
2 to 3 years	498,177,597.19	228,959,369.45
3 to 4 years	225,801,954.47	38,572,881.27
4 to 5 years	18,337,181.27	224,310,860.85
Over 5 years	310,749,020.45	86,934,100.45
Total	2,195,580,854.96	2,075,750,677.89

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 5. Accounts receivable (Continued)

##### (2) Disclosure by classification with the method of provision for bad debt

✓ Applicable    ☐ Not Applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts on individual basis	309,772,860.00	14.11	309,772,860.00	100.00		308,007,675.00	14.84	291,120,523.90	94.52	16,887,151.10
Including:										
Individual provision portfolio	309,772,860.00	14.11	309,772,860.00	100.00		308,007,675.00	14.84	291,120,523.90	94.52	16,887,151.10
Provision for bad debts on group basis	1,885,807,994.96	85.89	338,298,693.84	17.94	1,547,509,301.12	1,767,743,002.89	85.16	162,664,681.46	9.20	1,605,078,321.43
Including:										
Grouped by aging	1,885,807,994.96	85.89	338,298,693.84	17.94	1,547,509,301.12	1,767,743,002.89	85.16	162,664,681.46	9.20	1,605,078,321.43
Total	2,195,580,854.96	100.00	648,071,553.84		1,547,509,301.12	2,075,750,677.89	100.00	453,785,205.36		1,621,965,472.53

Provision for bad debts on individual basis:

✓ Applicable    ☐ Not Applicable

Unit: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Percentage of provision (%)	Reasons for provision
Zhongzhi Vehicle (Chun'an) Co., Ltd.	36,941,380.00	36,941,380.00	100.00	Not expected to be recovered
Shanghai Shenlong Bus Co., Ltd.	271,066,295.00	271,066,295.00	100.00	Not expected to be recovered
Chengdu Dayun Automobile Group Co., Ltd.	469,485.00	469,485.00	100.00	Not expected to be recovered
Sichuan Yema Automobile Co., Ltd.	1,295,700.00	1,295,700.00	100.00	Not expected to be recovered
Total	309,772,860.00	309,772,860.00	100.00	/

Explanation of provision for bad debts on individual basis:

☐ Applicable    ✓ Not Applicable

Provision for bad debts on group basis:

✓ Applicable    ☐ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 5. Accounts receivable (Continued)

##### (2) Disclosure by classification with the method of provision for bad debt (Continued)

Items provided on group basis: grouped by aging

Unit: RMB

Item	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	365,276,012.90	14,611,040.53	4.00
1-2 years	777,239,088.68	46,634,345.31	6.00
2-3 years	498,177,597.19	144,471,503.18	29.00
3-4 years	225,066,982.74	112,533,491.37	50.00
4-5 years	17,006,968.00	17,006,968.00	100.00
Over 5 years	3,041,345.45	3,041,345.45	100.00
Total	1,885,807,994.96	338,298,693.84	

Explanation of provision for bad debts on group basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation of significant changes in the book balance of accounts receivable for which a change in the allowance for losses occurred during the period:

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 5. Accounts receivable (Continued)

##### (3) Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: RMB

Category	Opening balance	Provision	Changes during the period			Closing balance
			Recovered or reversed	Written-back or written-off	Other changes	
Accounts receivable with expected credit losses on an individual basis	291,120,523.90	16,887,151.10			1,765,185.00	309,772,860.00
Accounts receivable with expected credit losses on a group basis	162,664,681.46	199,501,013.09	22,547,800.71		-1,319,200.00	338,298,693.84
Total	453,785,205.36	216,388,164.19	22,547,800.71		445,985.00	648,071,553.84

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable ☒ Not Applicable

Other explanations:

Nil

##### (4) Accounts receivable written off during the period

☐ Applicable ☒ Not Applicable

Information on write-off of significant accounts receivable

☐ Applicable ☒ Not Applicable

Explanation of accounts receivable written off:

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 5. Accounts receivable (Continued)

- (5) Top five accounts receivable and contract assets by debtors at the end of the period  
☒ Applicable   ☐ Not Applicable

Unit: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Customer J	506,496,584.00	138,000.00	506,634,584.00	22.78	64,707,783.36
Customer A	381,087,499.59	170,000.00	381,257,499.59	17.14	110,873,017.56
Customer I	346,868,162.16	25,650,000.00	372,518,162.16	16.75	53,826,323.35
Customer M	271,066,295.00		271,066,295.00	12.19	271,066,295.00
Customer N	197,080,000.00		197,080,000.00	8.86	9,124,800.00
Total	1,702,598,540.75	25,958,000.00	1,728,556,540.75	77.72	509,598,219.27

Other explanations  
Nil

Other explanations:  
☐ Applicable   ☒ Not Applicable

#### 6. Contract assets

- (1) Contract assets  
☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Warranty	1,301,396.04	52,055.84	1,249,340.20	17,407,658.00	696,306.32	16,711,351.68
Total	1,301,396.04	52,055.84	1,249,340.20	17,407,658.00	696,306.32	16,711,351.68

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 6. Contract assets (Continued)

##### (2) Amounts and reasons for significant changes in carrying amount during the Reporting Period

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount of change	Reasons for changes
Warranty	21,734,563.40	The contract assets at the end of the period are all warranty due within one year, and the warranty of RMB21,734,563.40 is expected to be recovered after more than 1 year have been reclassified to other non-current assets.
Total	21,734,563.40	/

##### (3) Disclosure by classification with the method of provision for bad debt

✓ Applicable    ☐ Not Applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Percentage		Percentage of			Percentage		Percentage of		
	Amount	(%)	Amount	provision (%)	Carrying value	Amount	(%)	Amount	provision (%)	Carrying value
Provision for bad debts on individual basis:										
including:										
Provision for bad debts on group basis:	1,301,396.04	100.00	52,055.84	4.00	1,249,340.20	17,407,658.00	100.00	696,306.32	4.00	16,711,351.68
including:										
Aging portfolio	1,301,396.04	100.00	52,055.84	4.00	1,249,340.20	17,407,658.00	100.00	696,306.32	4.00	16,711,351.68
Total	1,301,396.04	/	52,055.84	/	1,249,340.20	17,407,658.00	/	696,306.32	/	16,711,351.68

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 6. Contract assets (Continued)

##### (3) Disclosure by classification with the method of provision for bad debt (Continued)

Provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Explanation of provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts on group basis:

☒ Applicable ☐ Not Applicable

Items provided on group basis: aging portfolio

Unit: RMB

Name	Closing balance		
	Contract assets	Provision for bad debts	Percentage of provision (%)
Warranty	1,301,396.04	52,055.84	4.00
Total	1,301,396.04	52,055.84	4.00

Explanation of provision for bad debts on group basis

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation of significant changes in the book balance of contract assets for which a change in the allowance for losses occurred during the period:

☐ Applicable ☒ Not Applicable

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 6. Contract assets (Continued)

##### (4) Provision for bad debts of contract assets during the period

☒ Applicable ☐ Not Applicable

Item	Opening balance	Provision for the period	Changes during the period			Closing balance	Reason
			Recovered or reversed during the period	Written-back or written-off during the period	Other Changes		
Warranty	696,306.32	52,055.84	36,706.32		-659,600.00	52,055.84	Provision made based on aging or expected credit risk
Total	696,306.32	52,055.84	36,706.32		-659,600.00	52,055.84	/

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable ☒ Not Applicable

Other explanations:

Nil

##### (5) Contract assets written off during the period

☐ Applicable ☒ Not Applicable

Information on write-off of significant contract assets

☐ Applicable ☒ Not Applicable

Explanation of contract assets written off:

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Receivables financing

##### (1) Receivables financing by category

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Bills receivable	2,592,424.40	31,009,909.60
Total	2,592,424.40	31,009,909.60

##### (2) Receivables financing pledged by the Company at the end of the period

☐ Applicable   ☒ Not Applicable

##### (3) Receivables financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	3,802,829.20	
Total	3,802,829.20	



**VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**7. Receivables financing (Continued)**

**(4) Disclosure by classification with the method of provision for bad debt**

☐ Applicable ☒ Not Applicable

Provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Explanation of provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts on group basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation on significant changes in the book balance of receivables financing for which loss provision has changed in the period:

☐ Applicable ☒ Not Applicable

**(5) Provision for bad debts**

☐ Applicable ☒ Not Applicable

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable ☒ Not Applicable

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Receivables financing (Continued)

##### (6) Receivables financing written off during the period

☐ Applicable ☒ Not Applicable

Significant receivables financing written off

☐ Applicable ☒ Not Applicable

Explanation of write-offs:

☐ Applicable ☒ Not Applicable

##### (7) Changes in receivables financing and changes in fair value during the period:

☐ Applicable ☒ Not Applicable

The receivables financing of the Company increased by RMB69,469,603.04 and decreased by RMB97,887,088.24 during the year.

In the opinion of the Company, given that the maturity of the bank acceptance bills does not exceed one year and the impact of the time value of funds on their fair value is not material, the Company considers that the closing fair value of these bank acceptance bills is equal to their nominal value.

##### (8) Other explanations:

☐ Applicable ☒ Not Applicable

#### 8. Prepayments

##### (1) Prepayments presented by aging

☒ Applicable ☐ Not Applicable

Unit: RMB

Age	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	3,758,043.17	79.57	23,951,790.12	86.02
1 to 2 years	519,947.51	11.01	3,089,472.06	11.10
2 to 3 years	417,597.79	8.84	23,201.00	0.08
Over 3 years	27,525.80	0.58	780,647.00	2.80
Total	4,723,114.27	100.00	27,845,110.18	100.00

Explanation of the reasons for not timely settlement of significant prepayments with an age of over one year:  
Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 8. Prepayments (Continued)

##### (2) Top five prepayments by receivers of advances at the end of the period

☒ Applicable   ☐ Not Applicable

Unit: RMB

Name of entity	Closing balance	Percentage of total closing balance of prepayments (%)
Hubei Mofang New Energy Technology Co., Ltd.	471,390.19	9.98
CSSC (Handan) PERIC Hydrogen Technologies Co., Ltd.	442,477.88	9.37
Beijing Qingneng Zhihang Technology Co., Ltd.	414,635.17	8.78
Illuming Power Inc.	338,111.19	7.16
Beijing Dongsheng Bozhan Technology Development Co., Ltd.	267,401.49	5.66
Total	1,934,015.92	40.95

Other explanations:

Nil

Other explanations

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 9. Other receivables

Breakdown of items

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest receivables		
Dividend receivable		
Other receivables	<b>18,051,745.78</b>	19,113,995.79
Total	<b>18,051,745.78</b>	19,113,995.79

Other explanations:

☐ Applicable   ☒ Not Applicable

#### (1) Interest receivables

(1) *Classification of interest receivables*

☐ Applicable   ☒ Not Applicable

(2) *Significant overdue interest*

☐ Applicable   ☒ Not Applicable

(3) *Disclosure by classification with the method of provision for bad debts*

☐ Applicable   ☒ Not Applicable

Provision for bad debts on individual basis:

☐ Applicable   ☒ Not Applicable

Explanation of provision for bad debts on individual basis:

☐ Applicable   ☒ Not Applicable

Provision for bad debts on group basis:

☐ Applicable   ☒ Not Applicable

**VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**9. Other receivables (Continued)**

**(1) Interest receivables (Continued)**

(4) *Provision for bad debts based on the general model of expected credit losses*

☐ Applicable ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation on significant changes in the book balance of interest receivables for which loss provision has changed in the period:

☐ Applicable ☒ Not Applicable

(5) *Provision for bad debts*

☐ Applicable ☒ Not Applicable

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable ☒ Not Applicable

Other explanations:

Nil

(6) *Interest receivables written off during the period*

☐ Applicable ☒ Not Applicable

Information on write-off of significant interest receivables

☐ Applicable ☒ Not Applicable

Explanation of write-offs:

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 9. Other receivables (Continued)

###### (2) Dividend receivable

(1) *Dividend receivable*

☐ Applicable ☒ Not Applicable

(2) *Significant dividend receivable aged over one year*

☐ Applicable ☒ Not Applicable

(3) *Disclosure by classification with the method of provision for bad debts*

☐ Applicable ☒ Not Applicable

Provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Explanation of provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts on group basis:

☐ Applicable ☒ Not Applicable

(4) *Provision for bad debts based on the general model of expected credit losses*

☐ Applicable ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation on significant changes in the book balance of dividend receivable for which loss provision has changed in the period:

☐ Applicable ☒ Not Applicable

**VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

**9. Other receivables** (Continued)

**(2) Dividend receivable** (Continued)

(5) *Provision for bad debts*

☐ Applicable   ☒ Not Applicable

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable   ☒ Not Applicable

Other explanations:

Nil

(6) *Dividend receivable written off during the period*

☐ Applicable   ☒ Not Applicable

Information on write-off of significant dividend receivable

☐ Applicable   ☒ Not Applicable

Explanation of write-offs:

☐ Applicable   ☒ Not Applicable

Other explanations:

☐ Applicable   ☒ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 9. Other receivables (Continued)

##### (3) Other receivables

###### (1) Disclosure by aging

✓ Applicable    ☐ Not Applicable

Unit: RMB

Age	Closing book balance	Opening book balance
Within 1 year		
Within 1 year	<b>8,018,675.91</b>	7,947,668.30
Sub-total within 1 year	<b>8,018,675.91</b>	7,947,668.30
1 to 2 years	<b>2,488,045.14</b>	4,648,648.62
2 to 3 years	<b>4,589,100.47</b>	3,576,059.91
3 to 4 years	<b>3,496,244.65</b>	3,300,771.59
4 to 5 years	<b>3,271,420.68</b>	24,311,015.28
Over 5 years	<b>28,168,413.54</b>	417,800.00
Total	<b>50,031,900.39</b>	44,201,963.70

###### (2) Classified by nature

✓ Applicable    ☐ Not Applicable

Unit: RMB

Nature	Closing book balance	Opening book balance
Reserve funds	<b>12,819.31</b>	23,447.63
Deposits and guarantees	<b>6,941,607.79</b>	13,045,037.49
Current accounts with related parties outside the scope of consolidation	<b>36,690,986.32</b>	30,254,021.13
Social security and provident fund	<b>11,885.00</b>	
Others	<b>6,374,601.97</b>	879,457.45
Total	<b>50,031,900.39</b>	44,201,963.70

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 9. Other receivables (Continued)

##### (3) Other receivables (Continued)

(3) Provision for bad debts

☒ Applicable   ☐ Not Applicable

Unit: RMB

Provision for bad debts	Stage 1 Expected credit losses over the next 12 months	Stage 2 Lifetime expected credit losses (not credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Balance at January 1, 2024	25,087,967.91			25,087,967.91
Balance at January 1, 2024 in the current period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision for the period	1,619,495.30		5,272,691.40	6,892,186.70
Reversal for the period				
Written-back for the period				
Write-off for the period				
Other changes				
Balance at December 31, 2024	26,707,463.21		5,272,691.40	31,980,154.61

The basis for the division at each phase and the percentage of provisions for bad debts

Other receivables are classified as “no significant increase in credit risk since initial recognition” and are classified as Stage 1; other receivables are classified as “a significant increase in credit risk since initial recognition” and are classified as Stage 2; when the defaulting party experiences significant financial difficulties or is likely to go bankrupt or undergo other financial restructuring; other situations that violate the contracts and indicate that there is objective evidence of impairment of financial assets, indicating that other receivables are “credit impaired” and are classified as Stage 3.

Explanation on significant changes in the book balance of other receivables for which loss provision has changed in the period:

☐ Applicable   ☒ Not Applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 9. Other receivables (Continued)

##### (3) Other receivables (Continued)

##### (4) Information on provision for bad debts

☒ Applicable   ☐ Not Applicable

Unit: RMB

Other receivables – Provision for bad debts

Category	Opening balance	Provision	Changes during the period			Closing balance
			Recovered or reversed	Written-back or written-off	Other changes	
Provision for bad debts on group basis by credit risk characteristics	25,087,967.91	6,892,186.70				31,980,154.61
Including: grouped by aging	25,087,967.91	6,892,186.70				31,980,154.61
Total	25,087,967.91	6,892,186.70				31,980,154.61

The bad debt provision of significant amount reversed or recovered in the current period:

☐ Applicable   ☒ Not Applicable

Other explanations

Nil

##### (5) Other receivables written off during the period

☐ Applicable   ☒ Not Applicable

Information on write-off of significant other receivables:

☐ Applicable   ☒ Not Applicable

Explanation of other receivables written off:

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 9. Other receivables (Continued)

##### (3) Other receivables (Continued)

(6) *Top five other receivables by debtors at the end of the period*

☒ Applicable   ☐ Not Applicable

Unit: RMB

Name of entity	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of amount	Age	Provision for bad debts Closing balance
Zhangjiakou Haiper New Energy Technology Co., Ltd.	30,473,486.32	60.91	Current accounts with related parties outside the scope of consolidation	RMB8,617,468.80 within 5 years; RMB21,856,017.52 over 5 years	25,500,400.45
Illuming Power Inc	5,272,691.40	10.54	Current accounts with related parties outside the scope of consolidation	Within 5 years	5,272,691.40
Beijing Xingxing Equity Investment Partnership (Limited partnership)	5,220,000.00	10.43	Current accounts with related parties outside the scope of consolidation	Within 1 year	208,800.00
Beijing Dongsheng Bozhan Technology Development Co., Ltd.	2,696,648.38	5.39	Deposits and warranty	Within 5 years	
Yangtao Technology (Guangzhou) Co., Ltd.	1,159,564.00	2.32	Deposits	Within 1 year	
Total	44,822,390.10	89.59	/	/	30,981,891.85

(7) *Presented in other receivables due to centralized management of funds*

☐ Applicable   ☒ Not Applicable

Other explanations:

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 10. Inventories

##### (1) Classification of inventories

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory impairment/impairment provision for contract performance cost	Carrying amount	Book balance	Provision for inventory impairment/impairment provision for contract performance cost	Carrying amount
Raw materials	108,909,055.68	49,726,530.62	59,182,525.06	122,193,008.48	34,462,245.21	87,730,763.27
Product in progress	34,167,549.60	3,032,210.27	31,135,339.33	36,190,545.00	5,410,770.39	30,779,774.61
Finished goods	92,170,132.34	10,350,642.72	81,819,489.62	134,444,145.37	36,604,028.18	97,840,117.19
Contract performance cost	996,448.13		996,448.13			
Good delivered	20,824,955.23	995,969.49	19,828,985.74	16,024,384.14	1,199,596.21	14,824,787.93
Total	257,068,140.98	64,105,353.10	192,962,787.88	308,852,082.99	77,676,639.99	231,175,443.00

##### (2) Data resources recognized as inventory

☐ Applicable    ✓ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 10. Inventories (Continued)

##### (3) Provision for inventory impairment and impairment provision for contract performance cost

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	34,462,245.21	24,494,640.14		9,230,354.73		49,726,530.62
Product in progress	5,410,770.39	2,797,632.37		5,176,192.49		3,032,210.27
Finished goods	36,604,028.18	16,211,405.72		11,855,436.31	30,609,354.87	10,350,642.72
Contract performance cost						
Good delivered	1,199,596.21	496,131.58		699,758.30		995,969.49
Total	77,676,639.99	43,999,809.81		26,961,741.83	30,609,354.87	64,105,353.10

Reasons for reversal or write-off of provision for inventory impairment during the period

☐ Applicable   ☒ Not Applicable

Provision for inventory impairment on group basis

☐ Applicable   ☒ Not Applicable

Provisioning criteria for provision for inventory impairment on group basis

☐ Applicable   ☒ Not Applicable

##### (4) Capitalised amount of borrowing costs included in the closing balance of inventories and the criteria and basis for their calculation

☐ Applicable   ☒ Not Applicable

##### (5) Explanation of amortisation amount of contract performance cost in the current period

☐ Applicable   ☒ Not Applicable

Other explanations

☐ Applicable   ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 11. Held-for-sale assets

☐ Applicable ☒ Not Applicable

##### 12. Non-current assets due within one year

☐ Applicable ☒ Not Applicable

Debt investments due within one year

☐ Applicable ☒ Not Applicable

Other debt investments due within one year

☐ Applicable ☒ Not Applicable

Other description of non-current assets due within one year  
Nil

##### 13. Other current assets

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible input tax	44,235,876.91	40,776,407.29
Amortization expenses	1,265,144.75	2,092,986.70
Total	45,501,021.66	42,869,393.99

Other explanations

Nil



### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 14. Debt investments

##### (1) Debt investments

☐ Applicable    ☒ Not Applicable

Changes in provision for impairment of debt investments during the period

☐ Applicable    ☒ Not Applicable

##### (2) Significant debt investments at the end of the period

☐ Applicable    ☒ Not Applicable

##### (3) Provision for impairment

☐ Applicable    ☒ Not Applicable

Basis of stage classification and percentage of provision for impairment:

Nil

Explanation on significant changes in the book balance of debt investments for which loss provision has changed in the period:

☐ Applicable    ☒ Not Applicable

Provision for impairment for the period and the basis for assessing whether the credit risk of financial instruments has increased significantly

☐ Applicable    ☒ Not Applicable

##### (4) Debt investments written off during the period

☐ Applicable    ☒ Not Applicable

Information on write-off of significant debt investments

☐ Applicable    ☒ Not Applicable

Explanation on write-off of debt investments:

☐ Applicable    ☒ Not Applicable

Other explanations

☐ Applicable    ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 15. Other debt investments

###### (1) Other debt investments

☐ Applicable    ☒ Not Applicable

Changes in provision for impairment of other debt investments during the period

☐ Applicable    ☒ Not Applicable

###### (2) Significant other debt investments at the end of the period

☐ Applicable    ☒ Not Applicable

###### (3) Provision for impairment

☐ Applicable    ☒ Not Applicable

Basis of stage classification and percentage of provision for impairment:

Nil

Explanation on significant changes in the book balance of other debt investments for which loss provision has changed in the period:

☐ Applicable    ☒ Not Applicable

Provision for impairment for the period and the basis for assessing whether the credit risk of financial instruments has increased significantly

☐ Applicable    ☒ Not Applicable

###### (4) Other debt investments written off during the period

☐ Applicable    ☒ Not Applicable

Information on write-off of significant other debt investments

☐ Applicable    ☒ Not Applicable

Explanation on write-off of other debt investments:

☐ Applicable    ☒ Not Applicable

Other explanations:

☐ Applicable    ☒ Not Applicable

**VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

**16. Long-term receivables**

**(1) Long-term receivables**

☐ Applicable    ☒ Not Applicable

**(2) Disclosure by classification with the method of provision for bad debts**

☐ Applicable    ☒ Not Applicable

Provision for bad debts on individual basis:

☐ Applicable    ☒ Not Applicable

Explanation of provision for bad debts on individual basis:

☐ Applicable    ☒ Not Applicable

Provision for bad debts on group basis:

☐ Applicable    ☒ Not Applicable

**(3) Provision for bad debts based on the general model of expected credit losses**

☐ Applicable    ☒ Not Applicable

Basis of stage classification and percentage of provision for bad debts

Nil

Explanation on significant changes in the book balance of long-term receivables for which loss provision has changed in the period:

☐ Applicable    ☒ Not Applicable

Provision for bad debts for the period and the basis for assessing whether the credit risk of financial instruments has increased significantly

☐ Applicable    ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 16. Long-term receivables (Continued)

###### (4) Provision for bad debts

☐ Applicable    ☒ Not Applicable

The significant amount of bad debt provision recovered or reversed in the current period:

☐ Applicable    ☒ Not Applicable

Other explanations:

Nil

###### (5) Long-term receivables written off during the period

☐ Applicable    ☒ Not Applicable

Information on write-off of significant long-term receivables

☐ Applicable    ☒ Not Applicable

Explanation on write-off of long-term receivables

☐ Applicable    ☒ Not Applicable

Other explanations

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 17. Long-term equity investments

##### (1) Long-term equity investments

✓ Applicable    □ Not Applicable

Unit: RMB

Investee	Opening balance	Additional investment	Decrease in investment	Changes during the period					Others	Closing balance	Closing balance of impairment provision
				Investment profit or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividend or profit declared	Provision for impairment			
I. Joint ventures											
Toyota Sinohytec Fuel Cell Co., Ltd	90,736,899.73			-23,719,602.40						67,017,297.33	
Sub-total	90,736,899.73			-23,719,602.40						67,017,297.33	
II. Associates											
Shaanxi Huasheng Weipu Technology Co., Ltd.										-	
Air Sinohytec Hydrogen Technology Co., Ltd	20,153,029.19			-806,060.30				9,218,880.22		10,128,088.67	9,218,880.22
United Fuel Cell System R&D (Beijing) Co., Ltd.	12,317,301.70			1,847,259.75						14,164,561.45	
Shanghai Maximfuelcell Technology Co., Ltd	12,559,403.64			-2,627,494.72		-80,045.80				9,851,863.12	
Beijing Swift New Energy Technology Co., Ltd.	7,722,070.61			-2,461,260.35						5,260,810.26	
Beijing Shuimu Pilot Venture Capital Center (Limited Partnership)	105,227,423.97			12,667,304.45						117,894,728.42	
Beijing Caven New Energy Vehicles Co., Ltd.	38,282,157.09			-9,225,214.00						29,056,943.09	
Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd.		10,000,000.00		-1,720,543.30						8,279,456.70	
Shanghai Kuitong Technology Co., Ltd.		10,000,000.00	6,000,000.00	-887,226.13						3,112,773.87	
Zhangjiakou Jiaotou Hydrogen New Energy Technology Co., Ltd.	9,386,034.65			-818,431.60						8,567,603.05	
Zhangjiakou Haiper New Energy Technology Co., Ltd.	22,370,934.85			-4,373,863.35				7,532,498.34		10,464,573.16	51,251,811.64
Sub-total	228,018,355.70	20,000,000.00	6,000,000.00	-8,405,529.55		-80,045.80		16,751,378.56		216,781,401.79	60,470,691.86
Total	318,755,255.43	20,000,000.00	6,000,000.00	-32,125,131.95		-80,045.80		16,751,378.56		283,798,699.12	60,470,691.86

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 17. Long-term equity investments (Continued)

###### (2) Impairment testing of long-term equity investments

☐ Applicable    ☒ Not Applicable

Other explanations

*Note 1:* The Company holds 15% of the equity of United Fuel Cell System R&D (Beijing) Co., Ltd. and 15% of the voting rights of United Fuel Cell System R&D (Beijing) Co., Ltd.. Although the proportion is less than 20%, the Company has a representative in the board of directors of United Fuel Cell System R&D (Beijing) Co., Ltd., and the representative participates in the decision-making of financial and business policies. Therefore, the Company can exert a significant influence on United Fuel Cell System R&D (Beijing) Co., Ltd..

*Note 2:* The Company holds 14.0158% of the equity of Shanghai Maxim Fuel Cell Technology Co., Ltd. and 14.0158% of the voting rights of Shanghai Maxim Fuel Cell Technology Co., Ltd.. Although the proportion is less than 20%, the Company can exert a significant influence on Shanghai Maxim Fuel Cell Technology Co., Ltd. as Mr. Song Feng, a director of the Company, serves as a director of this company.

*Note 3:* The Company holds 18% of the equity of Zhangjiakou Jiaotou Hydrogen Energy New Energy Technology Co., Ltd. through its wholly-owned subsidiary SinoHytec Power Co., Ltd., and 18% of the voting rights of Zhangjiakou Jiaotou Hydrogen Energy New Energy Technology Co., Ltd.. Although the proportion is less than 20%, the Company has a representative in the board of directors of Zhangjiakou Jiaotou Hydrogen Energy New Energy Technology Co., Ltd., and the representative participates in the decision-making of financial and business policies. Therefore, the Company can exert a significant influence on Zhangjiakou Jiaotou Hydrogen Energy New Energy Technology Co., Ltd..

*Note 4:* As of December 31, 2024, the Company holds 7.3801% equity of Beijing Shuimu Piloting Venture Capital Center (Limited Partnership) based on the proportion of contributed capital. Beijing Shuimu Piloting Venture Capital Center (Limited Partnership) (hereinafter referred to as “**Shuimu Piloting Fund**”) was established in February 2021. The fund was jointly initiated by our Beijing Shuimu Piloting Consulting Center (Limited Partnership) (GP) and enterprises and government funds in various fields. The main investment directions are new energy, new generation information technology, medical health, etc. The Company appoints Mr. Zhang Guoqiang, Chairman and General Manager, as a member of the Investment Decision Committee of Shuimu Piloting Fund to participate in the decision-making of fund projects. In summary, the Company is able to exert a significant influence on Shuimu Piloting Fund.

*Note 5:* In October 2022, the Company and Beiqi Foton Motor Co., Ltd. and other companies jointly funded the establishment of Beijing Caven New Energy Automobile Co., Ltd.. The Company holds 10% of the equity of Beijing Caven New Energy Automobile Co., Ltd. and 10% of voting rights of Beijing Caven New Energy Automobile Co., Ltd.. Although the proportion is less than 20%, the Company has a representative in the board of directors of Beijing Caven New Energy Automobile Co., Ltd., and the representative participates in the decision-making of financial and operating policies. Therefore, the Company can exert a significant influence on Beijing Caven New Energy Automobile Co., Ltd..

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 18. Other equity instrument investments

##### (1) Other equity instrument investments

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Opening Balance	Additional investment	Decrease in investment	Changes during the period		Others	Closing balance	Dividend income recognized in the period	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Reasons for designation at fair value through other comprehensive income
				Gains included in other comprehensive income for the period	Losses included in other comprehensive income during the period						
Hozon New Energy Automobile Co., Ltd.	195,510,000.00			37,663,200.00			157,846,800.00		113,391,271.34	37,663,200.00	Long-term holding for strategic purposes
Total	195,510,000.00			37,663,200.00			157,846,800.00		113,391,271.34	37,663,200.00	/

##### (2) Explanation of derecognition in the current period

☐ Applicable   ☒ Not Applicable

Other explanations:

☒ Applicable   ☐ Not Applicable

As of December 31, 2024, the subscribed registered capital of Hozon New Energy Automobile Co., Ltd. was changed to RMB2,837.45818 million. The Company contributed RMB26.9167 million and holds 0.9486% equity interest in Hozon New Energy Automobile Co., Ltd..



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 19. Other non-current financial assets

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Equity instrument investments	4,096,500.00	2,800,000.00
Total	4,096,500.00	2,800,000.00

Other explanations:

☐ Applicable   ☒ Not Applicable

#### 20. Investment properties

##### Measurement model of investment properties

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 21. Fixed assets

##### (1) Breakdown of items

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	497,106,247.86	503,237,119.23
Disposal of fixed assets		
Total	497,106,247.86	503,237,119.23

Other explanations:

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 21. Fixed assets (Continued)

##### (2) Fixed assets

###### (1) Fixed assets

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Buildings and structures	Specialized equipment	Transportation equipment	Electronic equipment	Mold	Office equipment and others	Total
<b>I. Original book value:</b>							
1. Opening balance	279,449,962.62	335,776,692.43	2,882,445.92	16,715,706.91	26,142,851.21	16,844,553.66	677,812,212.75
2. Increase for the period		65,189,524.10	431,486.73	951,573.39	2,737,516.01	10,731,498.13	80,041,598.36
(1) Purchase		14,126,942.28	427,061.95	68,960.74	2,737,516.01	327,068.17	17,687,549.15
(2) Transfer from construction in progress		23,915,716.19				199,583.30	24,115,299.49
(3) Increase in business combination							
(4) Other increase		27,146,865.63	4,424.78	882,612.65		10,204,846.66	38,238,749.72
3. Decrease for the period	2,284,074.37	20,644,499.00	55,752.21	2,155,091.34	4,000.00	1,380,847.40	26,524,264.32
(1) Disposal or retirement		8,422,281.22	50,000.00	2,138,571.34		1,191,093.23	11,801,945.79
(2) Others	2,284,074.37	12,222,217.78	5,752.21	16,520.00	4,000.00	189,754.17	14,722,318.53
4. Closing balance	277,165,888.25	380,321,717.53	3,258,180.44	15,512,188.96	28,876,367.22	26,195,204.39	731,329,546.79
<b>II. Accumulated depreciation</b>							
1. Opening balance	37,598,520.62	106,151,635.98	1,956,164.94	9,620,368.49	2,899,639.03	7,626,066.13	165,852,395.19
2. Increase for the period	8,090,393.07	46,714,312.22	287,799.71	2,190,669.57	735,700.62	2,532,607.10	60,551,482.29
(1) Provision	8,090,393.07	46,708,953.16	287,799.71	2,075,090.16	733,749.34	2,529,796.36	60,425,781.80
(2) Others		5,359.06		115,579.41	1,951.28	2,810.74	125,700.49
3. Decrease for the period	312,049.37	6,044,349.91		1,991,554.28		727,086.16	9,075,039.72
(1) Disposal or retirement		4,937,105.39		1,981,158.22		583,295.41	7,501,559.02
(2) Others	312,049.37	1,107,244.52		10,396.06		143,790.75	1,573,480.70
4. Closing balance	45,376,864.32	146,821,598.29	2,243,964.65	9,819,483.78	3,635,339.65	9,431,587.07	217,328,837.76
<b>III. Provision for impairment</b>							
1. Opening balance					8,722,698.33		8,722,698.33
2. Increase for the period		8,171,762.84					8,171,762.84
(1) Provision		8,171,762.84					8,171,762.84
3. Decrease for the period							
(1) Disposal or retirement							
4. Closing balance		8,171,762.84			8,722,698.33		16,894,461.17
<b>IV. Carrying amount</b>							
1. Closing book value	231,789,023.93	225,328,356.40	1,014,215.79	5,692,705.18	16,518,329.24	16,763,617.32	497,106,247.86
2. Opening book value	241,851,442.00	229,625,056.45	926,280.98	7,095,338.42	14,520,513.85	9,218,487.53	503,237,119.23

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 21. Fixed assets (Continued)

##### (2) Fixed assets (Continued)

(2) *Temporarily idle fixed assets*  
☐ Applicable    ☒ Not Applicable

(3) *Fixed assets leased out under operating leases*  
☒ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing book value
Machinery equipment	5,836,572.98
Buildings and structures	3,655,580.66
Total	9,492,153.64

(4) *Fixed assets for which title certificates have not been obtained*  
☒ Applicable    ☐ Not Applicable

Unit: RMB

Item	Carrying amount	Reason for not obtaining
Buildings and structures	19,072,048.80	The title certificate is in process
Total	19,072,048.80	

(5) *Impairment testing of fixed assets*  
☐ Applicable    ☒ Not Applicable

Other explanations:

☐ Applicable    ☒ Not Applicable

##### (3) Disposal of fixed assets

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 22. Construction in progress

##### (4) Breakdown of items

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	<b>15,004,992.89</b>	21,651,097.39
Construction materials		
Total	<b>15,004,992.89</b>	21,651,097.39

Other explanations:

✓ Applicable    ☐ Not Applicable

*Note:* Construction in progress in the above table refers to construction in progress after deducting project materials.

##### (5) Construction in progress

###### (1) Construction in progress

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Production line construction	<b>7,553,788.59</b>		<b>7,553,788.59</b>	13,423,355.29		13,423,355.29
Upgrade and transformation of equipment and facilities	<b>3,633,907.32</b>		<b>3,633,907.32</b>	5,972,371.85		5,972,371.85
Development project for fuel cell stack testing platform	<b>3,817,296.98</b>		<b>3,817,296.98</b>	1,586,453.23		1,586,453.23
Others				668,917.02		668,917.02
Total	<b>15,004,992.89</b>		<b>15,004,992.89</b>	21,651,097.39		21,651,097.39

###### (2) Changes in significant construction in progress during the period

☐ Applicable    ✓ Not Applicable

###### (3) Provision for impairment of construction in progress during the period

☐ Applicable    ✓ Not Applicable

**VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**22. Construction in progress (Continued)**

**(5) Construction in progress (Continued)**

(4) *Impairment testing of construction in progress*

☐ Applicable   ☒ Not Applicable

Other explanations

☐ Applicable   ☒ Not Applicable

**(6) Construction materials**

(1) *Construction materials*

☐ Applicable   ☒ Not Applicable

**23. Productive biological assets**

**(1) Productive biological assets measured at cost**

☐ Applicable   ☒ Not Applicable

**(2) Impairment testing of productive biological assets measured at cost**

☐ Applicable   ☒ Not Applicable

**(3) Productive biological assets at fair value through profit or loss**

☐ Applicable   ☒ Not Applicable

Other explanations

☐ Applicable   ☒ Not Applicable

**24. Oil and gas assets**

**(1) Oil and gas assets**

☐ Applicable   ☒ Not Applicable

**(2) Impairment testing of oil and gas assets**

☐ Applicable   ☒ Not Applicable

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 25. Right-of-use assets

##### (1) Right-of-use assets

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Buildings and structures	Total
<b>I. Original book value</b>		
1. Opening balance	50,679,966.83	<b>50,679,966.83</b>
2. Increase for the period	14,605,627.86	<b>14,605,627.86</b>
(1) New lease	14,605,627.86	<b>14,605,627.86</b>
3. Decrease for the period	7,336,275.94	<b>7,336,275.94</b>
(1) Disposal	2,175,053.61	<b>2,175,053.61</b>
(2) Others	5,161,222.33	<b>5,161,222.33</b>
4. Closing balance	57,949,318.75	<b>57,949,318.75</b>
<b>II. Accumulated depreciation</b>		
1. Opening balance	12,816,525.32	<b>12,816,525.32</b>
2. Increase for the period	16,920,430.89	<b>16,920,430.89</b>
(1) Provision	16,920,430.89	<b>16,920,430.89</b>
3. Decrease for the period	3,071,408.43	<b>3,071,408.43</b>
(1) Disposal	2,175,053.61	<b>2,175,053.61</b>
(2) Others	896,354.82	<b>896,354.82</b>
4. Closing balance	26,665,547.78	<b>26,665,547.78</b>
<b>III. Provision for impairment</b>		
1. Opening balance		
2. Increase for the period		
(1) Provision		
3. Decrease for the period		
(1) Disposal		
4. Closing balance		
<b>IV. Carrying amount</b>		
1. Closing book value	31,283,770.97	<b>31,283,770.97</b>
2. Opening book value	37,863,441.51	<b>37,863,441.51</b>

##### (2) Impairment testing of right-of-use assets

□ Applicable    ✓ Not Applicable

Other explanations:

Nil



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 26. Intangible assets

##### (1) Intangible assets

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Land use rights	Patents/ Non-patented technology	Software	Copyright	Total
<b>I. Original book value</b>					
1. Opening balance	28,428,528.50	230,072,657.74	69,403,384.46	807,030.64	328,711,601.34
2. Increase for the period		24,484,464.70	9,900,444.12		34,384,908.82
(1) Purchase			9,900,444.12		9,900,444.12
(2) Internal research and development		24,484,464.70			24,484,464.70
(3) Increase in business combination					
3. Decrease for the period		874,504.25	574,002.76		1,448,507.01
(1) Disposal		874,504.25	574,002.76		1,448,507.01
4. Closing balance	28,428,528.50	253,682,618.19	78,729,825.82	807,030.64	361,648,003.15
<b>II. Accumulated amortization</b>					
1. Opening balance	2,785,500.11	43,698,406.21	19,860,031.90	652,349.57	66,996,287.79
2. Increase for the period	568,791.72	25,248,552.12	6,871,116.30	80,703.00	32,769,163.14
(1) Provision	568,791.72	25,248,552.12	6,871,116.30	80,703.00	32,769,163.14
3. Decrease for the period		167,613.35	373,437.11		541,050.46
(1) Disposal		167,613.35	373,437.11		541,050.46
4. Closing balance	3,354,291.83	68,779,344.98	26,357,711.09	733,052.57	99,224,400.47
<b>III. Provision for impairment</b>					
1. Opening balance					
2. Increase for the period					
(1) Provision					
3. Decrease for the period					
(1) Disposal					
4. Closing balance					
<b>IV. Carrying amount</b>					
1. Closing book value	25,074,236.67	184,903,273.21	52,372,114.73	73,978.07	262,423,602.68
2. Opening book value	25,643,028.39	186,374,251.53	49,543,352.56	154,681.07	261,715,313.55

At the end of the period, the percentage of intangible assets generated through the internal research and development of the Company to the balance of intangible assets was 70.49%.

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 26. Intangible assets (Continued)

(2) Data resources recognized as intangible assets

☐ Applicable ☒ Not Applicable

(3) Land use rights for which title certificates have not been obtained

☐ Applicable ☒ Not Applicable

(4) Impairment testing of intangible assets

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

##### 27. Goodwill

(1) Original book value of goodwill

☐ Applicable ☒ Not Applicable

(2) Provision for impairment of goodwill

☐ Applicable ☒ Not Applicable

(3) Information about the asset group or set of asset groups to which goodwill belongs

☐ Applicable ☒ Not Applicable

Change in asset group or set of asset groups

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 27. Goodwill (Continued)

##### (4) Specific method used to determine the recoverable amount

The recoverable amount is determined by reference to the fair value less cost of disposal

☐ Applicable ☒ Not Applicable

The recoverable amount is determined based on the present value of expected future cash flows

☐ Applicable ☒ Not Applicable

Reasons for the difference between the above information and the information or external information used for the impairment tests in the previous years

☐ Applicable ☒ Not Applicable

Reasons for the difference between the Company's information used for the impairment test in previous years and the actual circumstance during the year

☐ Applicable ☒ Not Applicable

##### (5) Performance guarantee and impairment of corresponding goodwill

There is performance guarantee when goodwill is formed and the Reporting Period or the previous period before the Reporting Period is within the performance guarantee period

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

#### 28. Long-term deferred expenditures

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Amortization for the period	Other decrease	Closing balance
Renovation and alteration costs	13,965,575.21	7,684,339.85	5,548,225.14		16,101,689.92
Renovation expenditure for fuel cell center	21,310,272.92		5,532,471.60		15,777,801.32
Technical service fee	586,617.05		356,582.46		230,034.59
Tooling fixture	1,001,615.48	42,477.88	769,165.39		274,927.97
Total	36,864,080.66	7,726,817.73	12,206,444.59		32,384,453.80

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 29. Deferred income tax assets/deferred income tax liabilities

##### (1) Deferred income tax assets not offset

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	579,838,356.26	91,425,301.36	613,636,076.14	96,240,460.44
Unrealized profit from internal transactions	37,572,856.73	5,635,928.51	33,244,318.47	4,986,647.77
Deductible losses	256,888,097.09	38,533,214.57	265,050,227.96	39,757,534.19
Accrued liabilities	20,147,524.28	3,243,284.27	21,927,857.25	3,510,334.20
Deferred income tax difference	38,102,849.67	6,014,279.51	36,097,320.23	5,414,598.04
Tax differences arising from lease liabilities	23,922,661.33	7,252,447.56	28,981,513.62	5,492,962.59
Total	956,472,345.36	152,104,455.78	998,937,313.67	155,402,537.23

##### (2) Deferred income tax liabilities not offset

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Appreciation of the combined asset valuation of enterprises not under the same control	14,741,306.74	2,415,668.09	15,602,396.74	2,556,619.11
Changes in fair value of other equity instrument investments	107,846,800.00	16,177,020.00	145,510,000.00	21,826,500.00
Accelerated depreciation of fixed assets	19,153,086.73	3,462,193.10	17,524,903.13	2,628,735.47
Changes in fair value of other non-current financial assets	2,496,500.00	374,475.00	760,496.90	114,074.54
Tax differences arising from lease	31,283,770.97	7,161,604.89	31,319,980.88	6,078,304.11
Total	175,521,464.44	29,590,961.08	210,717,777.65	33,204,233.23

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 29. Deferred income tax assets/deferred income tax liabilities (Continued)

##### (3) Deferred income tax assets or liabilities stated on a net basis after offset

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Deferred income tax assets and liabilities closing offset amount	Deferred income tax assets or liabilities closing balance after offset	Deferred income tax assets and liabilities opening offset amount	Deferred income tax assets or liabilities opening balance after offset
Deferred income tax assets	26,603,952.78	125,500,503.00		155,402,537.23
Deferred income tax liabilities	26,603,952.78	2,987,008.30		33,204,233.23

##### (4) Breakdown of unrecognized deferred income tax assets

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	226,644,861.40	
Deductible losses	506,127,314.78	297,312,196.13
Total	732,772,176.18	297,312,196.13

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 29. Deferred income tax assets/deferred income tax liabilities (Continued)

- (5) Deductible losses that are not recognized as deferred income tax assets will be expired in the following years

✓ Applicable    ☐ Not Applicable

Unit: RMB

Year	Closing amount	Opening amount	Remark
2024		2,924,200.38	
2025	7,242,657.42	7,242,657.42	
2026	41,008,483.03	41,008,483.03	
2027	18,173,895.68	18,173,895.68	
2028 and beyond	439,702,278.65	227,962,959.62	
Total	506,127,314.78	297,312,196.13	/

Other explanations:

☐ Applicable    ✓ Not Applicable

#### 30. Other non-current assets

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Prepayments for purchase of equipment	21,305,558.49		21,305,558.49	19,872,419.71		19,872,419.71
Prepayments for purchase of other long-term assets				1,399,431.16		1,399,431.16
Contract assets	27,567,730.00	5,833,166.60	21,734,563.40	17,949,620.01	3,940,580.00	14,009,040.01
Total	48,873,288.49	5,833,166.60	43,040,121.89	39,221,470.88	3,940,580.00	35,280,890.88

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 31. Assets with restricted ownership or right-of-use

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Closing				Opening			
	Book balance	Book value	Type	Reason for restriction	Book balance	Book value	Type	Reason for restriction
Monetary funds	2,729,744.61	2,729,744.61	Other	Deposits for bank acceptance bills	4,493,472.46	4,493,472.46	Other	Security deposit
Monetary funds	2,000.00	2,000.00	Other	ETC deposit	2,617,981.79	2,617,981.79	Frozen	Frozen funds for litigation
Monetary funds	39,800.00	39,800.00	Other	Deposits for letter of guarantee	41,800.00	41,800.00	Other	Performance bond
Monetary funds	70,000.00	70,000.00	Other	Interest rate swap margin	10,044,739.72	10,044,739.72	Other	Certificate of deposit and interest not yet due
Fixed assets	6,566,911.46	3,655,580.66	Mortgage	Mortgage of buildings	6,566,911.46	3,863,532.86	Mortgage	Mortgage of buildings
Bills receivable	10,283,614.36	10,283,614.36	Other	Bills receivable are endorsed or discounted but not yet due and their right of use is restricted	11,879,909.60	11,879,909.60	Pledge	Bill pool pledge
Total	19,692,070.43	16,780,739.63	/	/	35,644,815.03	32,941,436.43	/	/

Other explanations:  
Nil



## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 32. Short-term borrowings

###### (1) Classification of short-term borrowings

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Secured loans	<b>57,379,265.00</b>	69,167,250.00
Guaranteed loans	<b>16,984,616.72</b>	109,101,908.61
Credit loans	<b>687,505,161.47</b>	407,911,358.08
Unearned interest payable	<b>559,237.91</b>	431,666.89
Total	<b>762,428,281.10</b>	586,612,183.58

Explanation on classification of short-term borrowings:  
Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 32. Short-term borrowings (Continued)

##### (2) Short-term borrowings overdue but not repaid

☐ Applicable ☒ Not Applicable

Significant short-term borrowings overdue but not repaid are as follows:

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

#### 33. Financial liabilities held-for-trading

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

#### 34. Derivative financial liabilities

☐ Applicable ☒ Not Applicable

#### 35. Note payables

##### (1) Presentation of note payables

☒ Applicable ☐ Not Applicable

Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	19,260,918.00	39,683,502.69
Total	19,260,918.00	39,683,502.69

The total amount of note payables due and unpaid at the end of the period is RMB0, which is due to nil.

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 36. Accounts payable

##### (1) Breakdown of accounts payable

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Payables for purchase of materials	588,857,028.78	508,093,706.17
Payables for purchase of equipment and construction	31,301,953.92	38,715,820.95
Other payables such as freight charges	49,466,660.40	25,729,125.98
Total	669,625,643.10	572,538,653.10

##### (2) Significant accounts payable aged over one year or overdue

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Reason for outstanding or carried forward
Shanghai Tangfeng Energy Technology Co., Ltd.	99,123,668.99	Outstanding
Total	99,123,668.99	/

Other explanations

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 37. Advances from customers

##### (1) Breakdown of advances from customers

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Rental expenses		27,522.85
Total		27,522.85

##### (2) Significant advances from customers aged over one year

☐ Applicable ☒ Not Applicable

##### (3) Amounts and reasons for significant changes in carrying amount during the Reporting Period

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

#### 38. Contract liabilities

##### (1) Contract liabilities

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Loans	62,510,456.52	6,444,858.63
Total	62,510,456.52	6,444,858.63

##### (2) Significant contract liabilities aged over one year

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 38. Contract liabilities (Continued)

##### (3) Amount and reasons for significant changes in carrying amount during the Reporting Period

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

#### 39. Accrued payroll

##### (1) Breakdown of accrued payroll

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	47,498,742.15	235,869,181.85	246,677,197.84	<b>36,690,726.16</b>
II. Post-employment benefits-defined contribution plans	2,501,112.54	28,425,994.36	29,089,975.76	<b>1,837,131.14</b>
III. Termination benefits	874,457.06	10,016,969.24	10,760,307.57	<b>131,118.73</b>
IV. Other benefits due within one year				
Total	50,874,311.75	274,312,145.45	286,527,481.17	<b>38,658,976.03</b>

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 39. Accrued payroll (Continued)

##### (2) Breakdown of short-term remuneration

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	43,526,282.21	190,643,235.53	201,724,928.81	<b>32,444,588.93</b>
II. Employee benefits		9,034,663.19	9,034,663.19	
III. Social insurance	1,571,000.99	17,021,146.83	17,484,681.99	<b>1,107,465.83</b>
Including: Medical insurance	1,521,394.28	16,304,341.02	16,765,924.63	<b>1,059,810.67</b>
Work-related injury insurance	49,606.71	705,830.79	707,782.34	<b>47,655.16</b>
Maternity insurance premiums		10,975.02	10,975.02	
IV. Housing provident fund	387,218.00	11,967,762.17	12,089,681.17	<b>265,299.00</b>
V. Union and education fund	2,014,240.95	3,092,417.00	2,279,778.34	<b>2,826,879.61</b>
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
VIII. Other short-term remuneration		4,109,957.13	4,063,464.34	<b>46,492.79</b>
Total	47,498,742.15	235,869,181.85	246,677,197.84	<b>36,690,726.16</b>

##### (3) Breakdown of defined contribution plans

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	2,425,261.26	27,539,968.88	28,183,778.33	<b>1,781,451.81</b>
2. Unemployment insurance	75,851.28	886,025.48	906,197.43	<b>55,679.33</b>
3. Enterprise annuity				
Total	2,501,112.54	28,425,994.36	29,089,975.76	<b>1,837,131.14</b>

Other explanations:

☐ Applicable    ✓ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 40. Taxes payable

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax	1,361,572.00	1,042,266.90
Corporate income tax	4,075,821.33	54,414.71
Individual income tax	917,003.12	1,034,905.29
City maintenance and construction tax	35,642.60	30,040.52
Property tax	123,968.29	110,421.76
Land use tax	17,330.63	17,330.63
Education surcharge	21,385.56	12,895.26
Stamp duty	175,896.35	623,934.68
Local education surcharges	14,257.04	8,596.84
Total	6,742,876.92	2,934,806.59

Other explanations:

Nil

#### 41. Other payables

##### (1) Breakdown of items

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	158,033,221.89	18,742,209.30
Total	158,033,221.89	18,742,209.30

Other explanations:

□ Applicable    ✓ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 41. Other payables (Continued)

##### (2) Interest payable

By category

☐ Applicable ☒ Not Applicable

Signification overdue interest payable:

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

##### (3) Dividend payable

By category

☐ Applicable ☒ Not Applicable

##### (4) Other payables

Other payables by nature

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Deposits and guarantees	274,611.75	291,955.45
Employee social security fund	761,735.05	247,898.03
Payables to employees	580,634.85	2,424,545.74
Current accounts with other entities	25,956,815.10	15,746,415.10
Agency collection and payment subsidy	127,117,800.00	
Others	3,341,625.14	31,394.98
Total	158,033,221.89	18,742,209.30

Significant other payables aged over one year or overdue

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 42. Held-for-sale liabilities

☐ Applicable ☒ Not Applicable

#### 43. Non-current liabilities due within one year

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	200,198.62	19,417,783.32
Long-term payables due within 1 year	4,958,768.11	4,110,462.11
Lease liabilities due within one year	21,297,243.55	14,218,170.89
Total	26,456,210.28	37,746,416.32

Other explanations:  
Nil

#### 44. Other current liabilities

Other current liabilities  
☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable endorsed or discounted but not derecognised	9,918,242.36	6,012,668.11
Pending output tax	934,407.61	495,115.02
Total	10,852,649.97	6,507,783.13

Changes in short-term bonds payable:  
☐ Applicable ☒ Not Applicable

Other explanations:  
☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 45. Long-term borrowings

##### (1) Classification of long-term borrowings

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans		19,400,000.00
Guaranteed loans	10,000,000.00	
Unearned interest payable	9,930.57	17,783.32
Less: Long-term borrowings due within one year	200,198.62	19,417,783.32
Total	9,809,731.95	0.00

Explanation of classification of long-term borrowings:  
Nil

Other explanations

☐ Applicable ☒ Not Applicable

#### 46. Bonds payable

##### (1) Bonds payable

☐ Applicable ☒ Not Applicable

##### (2) Details of bonds payable: (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

☐ Applicable ☒ Not Applicable

##### (3) Explanation about convertible corporate bonds

☐ Applicable ☒ Not Applicable

Accounting for conversion rights and basis of judgment

☐ Applicable ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 46. Bonds payable (Continued)

##### (4) Explanation about other financial instruments classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

☐ Applicable ☒ Not Applicable

Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

☐ Applicable ☒ Not Applicable

Explanation about basis for classifying other financial instruments as financial liabilities

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

##### 47. Lease liabilities

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Subtotal of total lease payments	<b>34,786,115.96</b>	37,546,853.09
Unrecognized finance charges	<b>1,159,067.23</b>	2,029,461.60
Subtotal present value of lease payments	<b>33,627,048.73</b>	35,517,391.49
Less: Lease liabilities due within one year	<b>21,297,243.55</b>	14,218,170.89
Total	<b>12,329,805.18</b>	21,299,220.60

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 48. Long-term payables

##### (1) Breakdown of items

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	<b>2,062,150.49</b>	5,911,814.94
Special payables		
Total	<b>2,062,150.49</b>	5,911,814.94

Other explanations:

☐ Applicable ☒ Not Applicable

##### (2) Long-term payables

###### (1) Presentation of long-term payables by nature

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Finance lease payables	<b>7,020,918.60</b>	10,022,277.05
Including: Unrealized finance charges	<b>306,168.38</b>	713,403.80
Less: long-term payables due within one year	<b>4,958,768.11</b>	4,110,462.11
Total	<b>2,062,150.49</b>	5,911,814.94

Other explanations:

Nil

##### (3) Special payables

###### (1) Presentation of special payables by nature

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 49. Long-term accrued payroll

☐ Applicable ☒ Not Applicable

#### 50. Accrued liabilities

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Opening balance	Closing balance	Reasons for formation
Product quality assurance	45,447,961.47	44,776,420.37	Provision for warranty
Total	45,447,961.47	44,776,420.37	/

Other explanations, including important assumptions and estimates related to significant accrued liabilities:  
Nil

#### 51. Deferred income

##### (1) Deferred income

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reasons for formation
Government grants related to assets	109,802,501.42	10,760,000.00	15,010,051.42	105,552,450.00	Project funds and special subsidies
Government grants related to income	1,471,488.74	21,878,301.89	20,483,646.93	2,866,143.70	Project funds and special subsidies
Total	111,273,990.16	32,638,301.89	35,493,698.35	108,418,593.70	/

Other explanations:  
☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 52. Other non-current liabilities

☐ Applicable ☒ Not Applicable

#### 53. Share capital

☒ Applicable ☐ Not Applicable

Unit: RMB

	Opening balance	Increase or decrease (+, -)				Sub-total	Closing balance
		Issuance of new shares	Bonus issue	Capitalization of provident fund	Others		
Total number of shares	165,465,772.00			66,186,309.00		66,186,309.00	231,652,081.00

Other explanations:

The reason for the change in share capital in the current period is the conversion of capital reserve to the share capital.

#### 54. Other equity instruments

##### (1) Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

☐ Applicable ☒ Not Applicable

##### (2) Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

☐ Applicable ☒ Not Applicable

Explanation about changes in the current period and the reasons for the changes in other equity instruments, and the basis for relevant accounting treatment:

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 55. Capital reserve

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital appreciation (share appreciation)	3,109,563,115.64	2,227,783.95	66,186,309.00	<b>3,045,604,590.59</b>
Other capital reserve	127,363,003.09		80,045.80	<b>127,282,957.29</b>
Total	3,236,926,118.73	2,227,783.95	66,266,354.80	<b>3,172,887,547.88</b>

Other explanations, including the changes in the current period and the reasons for the changes:

- (1) The increase of RMB2,227,783.95 in capital appreciation (share appreciation) during the period was due to the capital increase by minority shareholders of Beijing SinoHytec Hydrogen Technology Co., Ltd.
- (2) The decrease of RMB66,186,309.00 in capital appreciation (share appreciation) during the period was due to the conversion of capital reserve into share capital.
- (3) The decrease of RMB80,045.80 in other capital reserves during the period was due to the change in other capital reserves as a result of the change in the exercise period for the share-based payment of an associate, Shanghai Maximfuelcell Technology Co., Ltd.

#### 56. Treasury shares

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 57. Other comprehensive income

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Opening balance	Amount before income tax for the period	Amount for the period				Closing balance
			Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained earnings from other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	
<b>I. Other comprehensive income that cannot be reclassified to profit or loss</b>							
	113,391,271.34	-37,663,200.00			-5,649,480.00	-32,013,720.00	<b>81,377,551.34</b>
Including: Changes of re-measurement of defined benefit plans							
Other comprehensive income that cannot be reclassified to profit or loss under equity method							
Changes in fair value of other equity instrument investments	113,391,271.34	-37,663,200.00			-5,649,480.00	-32,013,720.00	<b>81,377,551.34</b>
Changes in fair value of the enterprise's own credit risk							
<b>II. Other comprehensive income that will be reclassified to profit or loss</b>							
		-5,667.20				-5,667.20	<b>-5,667.20</b>
Including: Other comprehensive income to be reclassified to profit or loss under equity method							
Changes in fair value of other debt investments							
Amount included in other comprehensive income on reclassification of financial assets							
Credit impairment provision for other debt investments							
Cash flow hedging reserve							
Differences on translation of foreign currency statements		-5,667.20				-5,667.20	<b>-5,667.20</b>
<b>Total other comprehensive income</b>	<b>113,391,271.34</b>	<b>-37,668,867.20</b>			<b>-5,649,480.00</b>	<b>-32,019,387.20</b>	<b>81,371,884.14</b>

Other explanations, including the adjustment of the effective portion of gains and losses on cash flow hedges upon the initial recognition of the hedging item:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 58. Special reserve

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Safety production fee	7,707,807.00	3,051,471.00	564,398.12	10,194,879.88
Total	7,707,807.00	3,051,471.00	564,398.12	10,194,879.88

Other explanations, including the changes in the current period and the reasons for the changes:  
Nil

#### 59. Surplus reserve

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	9,216,035.02			9,216,035.02
Total	9,216,035.02			9,216,035.02

Explanation of surplus reserve, including the changes in the current period and the reasons for the changes:  
Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 60. Undistributed profit

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Current period	Previous period
Retained profits at the end of the previous period before adjustment	<b>-487,856,704.18</b>	-244,653,029.56
Total adjustment to retained profit at the beginning of the period (increase +, decrease-)		
Retained profits at the beginning of the period after adjustment	<b>-487,856,704.18</b>	-244,653,029.56
Add: Net profit attributable to owners of the parent company for the period	<b>-456,432,854.37</b>	-243,203,674.62
Less: Appropriation to statutory surplus reserve		
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Dividends payable on ordinary shares		
Dividends on ordinary shares converted into share capital		
Retained earnings at the end of the period	<b>-944,289,558.55</b>	-487,856,704.18

Breakdown of adjustment to retained profit at the beginning of the period:

1. The effect of the retrospective adjustments according to ASBE and their new related requirements on the retained profits as at the beginning of the period amounted to RMB0.
2. The effect of the changes in accounting policies on the undistributed profits as at the beginning of the period amounted to RMB0.
3. The effect of corrections of significant accounting errors on the undistributed profits as at the beginning of the period amounted to RMB0.
4. The effect of the change of the scope of combination under common control on the undistributed profits as at the beginning of the period amounted to RMB0.
5. The effect of other adjustments on the undistributed profits as at the beginning of the period amounted to RMB0.

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 61. Operating income and operating costs

##### (1) Operating income and operating costs

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Main business	363,670,191.00	319,457,850.76	799,191,040.48	552,046,700.65
Other Businesses	3,001,164.92	1,497,277.81	1,510,845.29	144,244.84
Total	366,671,355.92	320,955,128.57	800,701,885.77	552,190,945.49

##### (2) Table of deduction of operating income

Unit: RMB0'000

Item	Current year	Specific deduction	Prior year	Specific deduction
Operating income	36,667.14		80,070.19	
Total amount of deductions	1,904.41		1,995.75	
Proportion of total amount of deductions in operating income (%)	5.19	/	2.49	/
<b>I. Business income irrelevant to main business</b>				
1. Other business revenues beyond normal operation. Income obtained by renting fixed assets, intangible assets, packaging, sales of materials, exchange of non-monetary assets with materials, and operation of trusted management businesses, as well as income that is included in the main business income but is beyond the normal operation of the parent company.	356.96	Property and equipment leasing, sale of scrap, etc.	392.4	Property and equipment leasing, sale of scrap, etc.
2. Income from non-qualified pseudo-banking service, such as interest income from lending funds; Income from pseudo-banking service added in the current and the previous fiscal year, such as the revenue generated from guarantees, commercial factoring, petty loans, finance leases, pawning, and other businesses, except for financial leasing business carried out for the sale of main products.				
3. Income generated from new trading business in the current and previous fiscal years.				

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 61. Operating income and operating costs (Continued)

##### (2) Table of deduction of operating income (Continued)

Item	Current year	Specific deduction	Prior year	Specific deduction
4. Income generated from related party transactions irrelevant to the existing normal business of the parent company.	1,547.45	Technical service fee	1,603.35	Technical service fee
5. Revenue of subsidiaries from the beginning of the period to the date of combination arising from business combination under the same control.				
6. Revenue generated by trade services that are difficult to form a stable business model.				
<b>Subtotal of income irrelevant to main business</b>	<b>1,904.41</b>		1,995.75	
<b>II. Income without commercial substance</b>				
1. Income derived from transactions or events that do not significantly change the risk, time distribution or amount of the enterprise's future cash flow.				
2. Income from transactions without real business. Such as spurious revenues realized by self-transaction and spurious revenues generated by using Internet technology or other methods to construct transactions.				
3. Income from businesses with significantly unfair transaction prices.				
4. Income generated from subsidiaries or operations arising from business combinations acquired through unfair consideration or non-transaction method in the current fiscal year.				
5. Income involved in non-standard audit opinions in the audit opinions.				
6. Revenue generated from other transactions or events that are not commercially reasonable.				
<b>Subtotal of revenue without commercial substance</b>				
<b>III. Other income irrelevant to the main business or without commercial substance</b>				
Operating income after deduction	34,762.73		78,074.44	

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 61. Operating income and operating costs (Continued)

##### (3) Breakdown of operating income and operating costs

☒ Applicable ☐ Not Applicable

Unit: RMB

Classification	Fuel cell system and related services		Total	
	Operating income	Operating costs	Operating income	Operating costs
Type of goods				
Fuel cell system	272,659,635.69	240,768,346.64	272,659,635.69	240,768,346.64
Parts	35,004,174.63	29,170,561.66	35,004,174.63	29,170,561.66
Technology development and services	24,917,464.77	19,602,137.50	24,917,464.77	19,602,137.50
Others	34,090,080.83	31,414,082.77	34,090,080.83	31,414,082.77
By operating region				
Domestic	357,344,059.62	316,218,345.68	357,344,059.62	316,218,345.68
Overseas	9,327,296.30	4,736,782.89	9,327,296.30	4,736,782.89
By time of transfer of goods				
At a point in time	365,605,257.40	320,331,907.64	365,605,257.40	320,331,907.64
Over time	1,066,098.52	623,220.93	1,066,098.52	623,220.93
Total	366,671,355.92	320,955,128.57	366,671,355.92	320,955,128.57

Other explanations

☐ Applicable ☒ Not Applicable

##### (4) Explanation of performance obligations

☐ Applicable ☒ Not Applicable

##### (5) Explanation about allocation to the remaining performance obligations

☒ Applicable ☐ Not Applicable

The amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet fulfilled at the end of the reporting period is RMB57,419,837.04, of which RMB54,679,230.80 is expected to be recognized in 2025, and RMB2,740,606.24 is expected to be recognized in the years after 2025.



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 61. Operating income and operating costs (Continued)

##### (6) Major changes to contracts or major adjustments to transaction price

☐ Applicable ☒ Not Applicable

Other explanations:

Nil

#### 62. Tax and surcharges

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
City maintenance and construction tax	71,410.04	38,269.42
Education surcharge	41,925.45	16,422.01
Local education surcharge	27,950.30	10,948.00
Property tax	2,230,901.41	2,212,962.30
Land use tax	259,026.88	259,026.88
Vehicle and vessel use tax	12,090.00	12,768.33
Stamp duty	599,631.95	1,083,316.17
Others	5.49	0.64
Total	3,242,941.52	3,633,713.75

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 63. Selling expenses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Accrued payroll	26,489,353.00	27,561,459.41
Business promotion and service fees	6,904,580.48	12,974,292.51
Travel expenses	1,228,133.27	2,167,240.16
Depreciation and amortization expenses, etc.	4,362,373.20	4,233,570.03
Others	19,619,761.02	17,408,818.32
Total	58,604,200.97	64,345,380.43

Other explanations:  
Nil

#### 64. Administrative expenses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Accrued payroll	118,252,775.60	118,712,124.75
Depreciation and amortization, lease expenses, etc.	58,396,479.59	50,969,582.24
Materials and low-value consumables	1,012,146.91	1,405,451.07
Intermediary fees	2,993,966.52	3,132,107.47
Audit fees	1,415,094.34	1,132,075.46
Travel expenses	4,652,309.83	6,926,337.34
Office expenses	3,604,482.82	7,739,949.80
Entertainment expenses	3,033,057.93	4,587,087.45
Listing expenses		9,905,797.72
Others	31,327,300.01	19,125,488.91
Total	224,687,613.55	223,636,002.21

Other explanations:  
Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 65. Research and development expenses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Accrued payroll	38,472,409.47	69,761,416.10
Material costs	5,607,106.90	31,946,816.68
Commission fees for external development	25,236,980.92	7,806,426.44
Depreciation and amortization expenses	19,249,527.74	21,849,045.16
Testing and processing fee	3,737,805.31	5,548,057.84
Others	4,709,742.14	3,995,427.11
Total	97,013,572.48	140,907,189.33

Other explanations:  
Nil

#### 66. Financial expenses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Interest expense	22,186,579.25	15,682,658.15
Including: Interest expense on lease liabilities	1,435,823.23	1,294,896.21
Less: Interest income	17,905,526.12	19,934,917.40
Exchange gains and losses	-4,379,746.52	-13,086,002.36
Bank charges	2,080,936.62	1,281,798.62
Total	1,982,243.23	-16,056,462.99

Other explanations:  
Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 67. Other income

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Government grants	49,212,037.71	20,654,475.37
Tax relief and individual tax refund, etc.	2,560,203.63	4,202,003.47
Total	51,772,241.34	24,856,478.84

Other explanations:

For details of government grants of the Company, please refer to Note XI.3. Government grants included in profit or loss for the current period.

#### 68. Investment income

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	-32,125,131.95	-41,477,221.66
Investment income from disposal of long-term equity investment	33,426,147.77	
Investment income from trading financial assets during the holding period	2,606,273.98	6,867,303.63
Investment income from disposal of financial assets held-for-trading		371,205.48
Gain on debt restructuring	2,675,540.58	52,381.01
Derecognition of income from financial assets at amortized cost	-434,376.35	
Total	6,148,454.03	-34,186,331.54

Other explanations:

Nil

#### 69. Hedging gains on net exposure

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 70. Gains from changes in fair value

✓ Applicable    ☐ Not Applicable

Unit: RMB

Source of gains on changes in fair value	Amount for the current period	Amount for the last period
Financial assets held-for-trading	18,626,661.29	33,050,692.03
Including: Gain from changes in fair value of derivative financial instruments		
Financial liabilities held-for-trading		
Investment properties at fair value		
Other non-current financial assets	1,296,500.00	
Total	19,923,161.29	33,050,692.03

Other explanations:  
Nil

#### 71. Credit impairment losses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Losses on bad debts of bills receivable	-36,290.00	36,290.00
Losses on bad debts of accounts receivable	194,286,348.48	87,261,506.82
Losses on bad debts of other receivables	6,892,186.70	12,184,837.43
Impairment losses on debt investments		
Impairment losses on other debt investments		
Losses on bad debts of long-term receivables		
Impairment losses related to financial guarantees		
Total	201,142,245.18	99,482,634.25

Other explanations:  
Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 72. Impairment losses of assets

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
I. Impairment losses on contract assets	1,248,336.12	-5,771,557.86
II. Impairment losses of inventories and impairment losses on contract performance costs	43,999,809.81	48,468,607.83
III. Impairment losses on long-term equity investment	16,751,378.56	19,713,937.03
IV. Impairment losses on investment properties		
V. Impairment losses on fixed assets	8,171,762.84	510,364.69
VI. Impairment loss on construction material		
VII. Impairment losses on construction in progress		
VIII. Impairment losses on productive biological assets		
IX. Impairment losses on oil and gas assets		
X. Impairment loss on intangible assets		
XI. Impairment loss on goodwill		
XII. Others		
Total	70,171,287.33	62,921,351.69

Other explanations:

Nil

#### 73. Gains from disposal of assets

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Gains or losses on disposal of fixed assets	914,046.69	44,136.58
Gains or losses on disposal of intangible assets	-200,565.65	
Total	713,481.04	44,136.58

Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 74. Non-operating income

##### Non-operating income

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss for the current period
Waste disposal	<b>34,483.06</b>	375,953.41	34,483.06
Retirement of fixed assets	<b>4,904.13</b>		4,904.13
Amounts written off as uncollectible	<b>135,396.32</b>		135,396.32
Compensation income	<b>55,988.00</b>		55,988.00
Others	<b>2,828,787.58</b>	256,582.01	2,828,787.58
Total	<b>3,059,559.09</b>	632,535.42	3,059,559.09

Other explanations:

☐ Applicable ☒ Not Applicable

#### 75. Non-operating expenses

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss for the current period
External donations	<b>40,359.86</b>	189,901.10	40,359.86
Loss on destruction and retirement of non-current assets	<b>679,410.63</b>	684,161.90	679,410.63
Claims and penalty expenses	<b>3,617.84</b>	12,294,058.13	3,617.84
Others	<b>1,339,444.64</b>	435,004.78	1,339,444.64
Total	<b>2,062,832.97</b>	13,603,125.91	2,062,832.97

Other explanations:

Nil



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 76. Income tax expenses

##### (1) Income tax expense statement

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Current income tax expense	3,356,092.75	735,761.59
Deferred income tax expense	5,334,289.30	-20,223,206.52
Total	8,690,382.05	-19,487,444.93

##### (2) Reconciliation between accounting profit and income tax expenses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period
Total profit	-531,573,813.09
Income tax expenses calculated at statutory/applicable tax rate	-79,736,071.96
Effect of different tax rates applicable to subsidiaries	-11,300,871.57
Effect of adjustment to income tax of previous periods	-733,938.09
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	1,010,500.90
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	-95,778.65
Effect of deductible temporary differences in deferred income tax assets not recognized in current period or effect of deductible loss	109,216,076.30
Additional deduction of research and development expenses	-9,669,534.88
Income tax expenses	8,690,382.05

Other explanations:

☐ Applicable    ✓ Not Applicable

#### 77. Other comprehensive income

✓ Applicable    ☐ Not Applicable

For details, please see the Note 57, Other comprehensive income

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 78. Items of statement of cash flow

##### (1) Cash related to operating activities

*Other cash received related to operating activities*

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Government grants received	44,655,611.05	22,444,275.88
Collection of project fees and advances	16,406,400.00	18,306,015.06
Deposit and guarantee refund	5,653,700.56	1,041,504.92
Interest income	16,558,901.31	18,423,894.68
Agency collection and payment of subsidies	151,141,800.00	
Recovery of frozen funds	2,617,981.79	3,358,049.51
Others	13,481,780.99	1,109,938.34
Total	250,516,175.70	64,683,678.39

Explanation of other cash received related to operating activities:

Nil

*Other cash paid related to operating activities:*

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Operating expenses	72,247,319.23	72,663,473.19
Prepaid expenses such as rental properties	5,886,907.95	15,988,052.30
Technology development fee, testing expense, etc.	4,674,147.97	10,750,550.58
Frozen litigation		2,299,592.90
Payment of deposits and other transactions	1,450,795.30	5,604,900.00
Agency collection and payment of subsidies	10,800,100.00	
Others	931,787.88	1,395,786.83
Total	95,991,058.33	108,702,355.80

Explanation of other cash paid related to operating activities:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 78. Items of statement of cash flow (Continued)

##### (2) Cash related to investment activities

*Cash received related to material investment activities*

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Redemption of wealth management products at maturity		65,000,000.00
Net cash received from disposal of subsidiaries	<b>31,440,352.18</b>	
Total	<b>31,440,352.18</b>	65,000,000.00

*Cash received related to material investment activities*

Nil

*Cash paid related to material investment activities*

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Capital contribution from associates	<b>10,000,000.00</b>	45,500,000.00
Purchase of wealth management products	<b>18,469,360.00</b>	707,114,540.00
Total	<b>28,469,360.00</b>	752,614,540.00

*Cash paid related to material investment activities*

Nil

*Cash received relating to other investing activities*

☐ Applicable   ☒ Not Applicable

*Cash paid relating to other investing activities*

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 78. Items of statement of cash flow (Continued)

##### (3) Cash related to financing activities

*Other cash received related to financing activities*

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Collection of notes deposits	11,619,353.94	71,089,956.61
Total	11,619,353.94	71,089,956.61

Explanation of other cash received related to financing activities:

Nil

*Other cash paid related to financing activities*

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Lease related expenses	13,892,376.07	14,640,138.80
Consulting service fee		7,588,449.76
Deposit for acceptance of bills	12,321,249.25	48,519,201.92
Bill handling fee	825,455.55	
Interest rate swap margin	70,000.00	
Total	27,109,080.87	70,747,790.48

Explanation of other cash paid related to financing activities:

Nil

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 78. Items of statement of cash flow (Continued)

##### (3) Cash related to financing activities (Continued)

*Movement in liabilities arising from financing activities*

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Cash movement	Non-cash movement	Cash movement	Non-cash movement	
Short-term borrowings	586,612,183.58	637,925,161.47	187,159,284.95	593,383,904.46	55,884,444.44	<b>762,428,281.10</b>
Long-term borrowing (including those due within one year)	19,417,783.32	10,000,000.00	277,875.59	19,685,728.34		<b>10,009,930.57</b>
Long-term payables (including those due within one year)	10,022,277.05		1,762,115.25	4,752,906.30	10,567.40	<b>7,020,918.60</b>
Lease liabilities (including those due within one year)	35,517,391.49	4,217.25	16,694,367.66	11,856,774.00	6,732,153.67	<b>33,627,048.73</b>
Total	651,569,635.44	647,929,378.72	205,893,643.45	629,679,313.10	62,627,165.51	<b>813,086,179.00</b>

##### (4) Explanation of cash flows presented on a net basis

☐ Applicable    ✓ Not Applicable

##### (5) Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future

☐ Applicable    ✓ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 79. Supplementary information to the statement of cash flows

##### (1) Supplementary information to the statement of cash flows

✓ Applicable    □ Not Applicable

Unit: RMB

Supplementary information	Amount for current period	Amount for previous period
<b>1. Adjustment of net profit to cash flows of operating activities:</b>		
Net profit	-540,264,195.14	-300,077,038.04
Add: Provision for impairment of assets	70,171,287.33	62,921,351.69
Credit impairment losses	201,142,245.18	99,482,634.25
Depreciation of fixed assets, consumption of oil and gas assets and depreciation of productive biological assets	60,425,781.80	52,656,498.31
Amortization of right-of-use assets	16,920,430.89	13,012,056.02
Amortization of intangible assets	32,769,163.14	25,952,682.73
Amortization of long-term deferred expenditures	12,206,444.59	11,335,269.43
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-713,481.04	-44,136.58
Losses on retirement of fixed assets ("-" for gains)	674,506.50	684,161.90
Losses from changes in fair value ("-" for gains)	-19,923,161.29	-33,050,692.03
Financial expenses ("-" for gains)	17,920,661.83	15,682,658.15
Investment losses ("-" for gains)	-6,148,454.03	34,186,331.54
Decrease in deferred income tax assets ("-" for increase)	29,902,034.23	-19,877,045.78
Increase in deferred income tax liabilities ("-" for decrease)	-30,217,224.93	2,595,690.51
Decrease in inventories ("-" for increase)	51,783,942.01	18,583,035.94
Decrease in operating receivables ("-" for increase)	-113,737,346.57	-659,380,667.05
Increase in operating payables ("-" for decrease)	229,072,903.09	114,699,058.22
Others	-30,609,354.87	
Net cash flows from operating activities	-18,623,817.28	-560,638,150.79
<b>2. Major investment and financing activities not involved cash receipts and payments:</b>		
Conversion of debt to capital		
Convertible corporate bonds due within one year		
Fixed assets held under finance leases		
<b>3. Net change in cash and cash equivalents:</b>		
Closing balance of cash	719,392,973.65	592,026,461.60
Less: Opening balance of cash	592,026,461.60	616,790,436.73
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	127,366,512.05	-24,763,975.13

## SECTION X

### FINANCIAL STATEMENTS

#### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 79. Supplementary information to the statement of cash flows (Continued)

###### (2) Net cash paid for acquisition of subsidiaries in the current period

☐ Applicable ☒ Not Applicable

###### (3) Net cash received from disposal of subsidiaries during the period

☒ Applicable ☐ Not Applicable

Unit: RMB

	Amount
Cash and cash equivalents received from disposal of subsidiaries in the period	38,183,500.00
Including: Shanghai Kuitong Technology Co., Ltd.	38,183,500.00
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	6,743,147.82
Including: Shanghai Kuitong Technology Co., Ltd.	6,743,147.82
Add: Cash and cash equivalents received in the period from disposal of subsidiaries in the previous periods	
Net cash received from disposal of subsidiaries	31,440,352.18

Other explanations:

Nil

###### (4) Composition of cash and cash equivalents

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	719,392,973.65	592,026,461.60
Including: Cash on hand	32,228.34	309,076.84
Bank deposits available for payment	709,360,184.93	576,816,825.39
Other monetary funds available for payment	10,000,560.38	14,900,559.37
Deposits with the central bank available for payment		
Deposits with banks and other financial institutions with central bank and other banks		
Placements with banks and other financial institutions		
II. Cash equivalents		
Including: Bond investments due within three months		
III. Balance of cash and cash equivalents at the end of the period	719,392,973.65	592,026,461.60
Including: Restricted cash and cash equivalents of the parent company or subsidiaries of the Group		



## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 79. Supplementary information to the statement of cash flows (Continued)

##### (5) Items with restricted use but still presented as cash and cash equivalents

☐ Applicable ☒ Not Applicable

##### (6) Monetary funds other than cash and cash equivalents

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for current period	Amount for previous period	Reason
Other monetary funds	2,729,744.61	4,493,472.46	Deposits for bank acceptance bills
Other monetary funds	2,000.00		ETC deposits
Other monetary funds	39,800.00		Deposits for letter of guarantee
Other monetary funds	70,000.00		Interest rate swap margin
Other monetary funds		41,800.00	Performance bond
Bank deposits		2,617,981.79	Frozen litigation
Other monetary funds		10,044,739.72	Certificates of deposit and interest
Total	2,841,544.61	17,197,993.97	/

Other explanations:

☐ Applicable ☒ Not Applicable

#### 80. Notes to items of statements of changes in owners' equity

Explanation on item names and adjusted amounts of "other" items adjusted for the closing balance of the previous year:

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 81. Foreign currency monetary items

##### (1) Foreign currency monetary items

☒ Applicable    ☐ Not Applicable

Unit: RMB

Item	Balance of foreign currency at the end of the period	Exchange rate	Balance in RMB equivalent at the end of the period
Monetary funds			293,862,879.96
Including: US Dollar	40,880,151.35	7.1884	293,862,879.96
Accounts receivable			943,473.55
Including: US Dollar	131,249.45	7.1884	943,473.55
Financial assets held-for-trading			727,426,376.60
Including: US Dollar	101,194,476.74	7.1884	727,426,376.60

Other explanations:

Nil

##### (2) Description of overseas operating entities, including major overseas operating entities, which should disclose their overseas principal places of business, functional currency and basis of selection. Reasons shall be disclosed if there is any change in the functional currency

☐ Applicable    ☒ Not Applicable

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 82. Lease

##### (1) As lessee

☒ Applicable ☐ Not Applicable

*Variable lease payments not included in the measurement of lease liabilities*

☐ Applicable ☒ Not Applicable

*Lease expenses on short-term leases or low-value assets under simplified treatment*

☒ Applicable ☐ Not Applicable

Lease expenses on short-term leases under simplified treatment, included in cost of related assets or profit or loss of the current period is RMB4,120,234.30.

*Sale-leaseback transactions and judgment basis*

☒ Applicable ☐ Not Applicable

Interest expenses on sale-leaseback transaction included in profit or loss of the current period is RMB349,304.58. The cash outflow from the sale-leaseback transaction was RMB3,635,726.00.

Total cash outflows related to leases is RMB18,012,610.37 (Unit: RMB)

##### (2) As a lessor

*Operating lease as lessor*

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Lease income	Including: Income related to variable lease payments not included in lease receipts
Property leasing	522,896.06	
Equipment leasing	1,038,575.67	
Total	1,561,471.73	

## SECTION X FINANCIAL STATEMENTS

### VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 82. Lease (Continued)

##### (2) As a lessor (Continued)

*Financing lease as lessor*

☐ Applicable    ☒ Not Applicable

*Adjustment table for undiscounted lease receipts and net lease investments*

☐ Applicable    ☒ Not Applicable

*Undiscounted lease receipts for the next five years*

☐ Applicable    ☒ Not Applicable

##### (3) Profit or loss on sales of financing lease recognized as a producer or distributor

☐ Applicable    ☒ Not Applicable

Other explanations

Nil

#### 83. Data resources

☐ Applicable    ☒ Not Applicable

#### 84. Others

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### VIII. RESEARCH AND DEVELOPMENT EXPENSES

#### 1. By nature of expenses

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Accrued payroll	62,818,993.82	84,576,715.18
Material costs	16,590,074.04	40,553,949.45
Commission fees for external development	25,236,980.92	9,060,538.25
Depreciation and amortization expenses, etc.	22,943,679.57	25,011,236.55
Testing and processing fee	5,250,966.06	5,989,468.30
Others	6,466,561.70	5,473,440.29
Total	139,307,256.11	170,665,348.02
Including: expensed research and development costs	97,013,572.48	140,907,189.33
Capitalized research and development costs	42,293,683.63	29,758,158.69

#### Other explanations:

Nil

## SECTION X FINANCIAL STATEMENTS

### VIII. RESEARCH AND DEVELOPMENT EXPENSES (Continued)

#### 2. Development expenses on R&D projects eligible for capitalization

✓ Applicable □ Not Applicable

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period		Closing balance
		Internal development expenditure	Recognized as intangible assets	Recognized as fixed assets	
Ultra-thin graphite bipolar plate and high-performance stack key technologies		504,646.17			504,646.17
Single battery life verification and research on attenuation specification of key components	2,756,437.27	6,763,280.63			9,519,717.90
Development of energy-efficient megawatt-scale fuel cell electricity and heat cogeneration system		1,503,550.31			1,503,550.31
Research on the application of high-performance perfluorocarbons membrane in fuel cells	13,410,841.98	22,937.94	12,705,191.91	728,588.01	0.00
Design and development of high consistency high power fuel cells		5,981,145.78			5,981,145.78
R&D of national fuel cell system	3,781,914.56	4,897,016.40			8,678,930.96
Research and development of multi-energy efficient coupling control for hybrid power generation system and key components	1,319,668.04	1,600,228.79			2,919,896.83
High-performance bipolar plates based on high-purity flexible graphite materials		589,494.11			589,494.111
Research and development of key technologies and industrialization demonstration of off-grid hybrid hydrogen production and energy storage system		291,543.50			291,543.50
High-power and high-efficiency fuel cell systems development for long-distance and heavy-duty applications	22,760.17	6,427,765.87	6,450,526.04		0.00
Forward-looking technology research	7,415,178.52	2,467,563.71	5,160,450.55	3,099,747.22	1,622,544.46
Development of fuel cell stack testing equipment	4,140,706.43	774,465.16			4,915,171.59
Development of high-performance membrane electrodes and key materials for fuel cells		5,207,508.09			5,207,508.09
Integration and demonstration of fuel cell-hydrogen internal combustion engine hybrid power generation system	34,785.57	109,207.88			143,993.45
Fuel cell system development and vehicle application suitable for low pressure input of vehicle liquid hydrogen storage and supply system	2,722,661.25	5,153,329.29			7,875,990.54
Total	35,604,953.79	42,293,683.63	24,316,168.50	3,828,335.23	49,754,133.69

**VIII. RESEARCH AND DEVELOPMENT EXPENSES** (Continued)

**2. Development expenses on R&D projects eligible for capitalization** (Continued)

Significant capitalized research and development projects

☐ Applicable ☒ Not Applicable

Provision for impairment of development expenses

☐ Applicable ☒ Not Applicable

Other explanations

Nil

**3. Material purchased projects under development**

☐ Applicable ☒ Not Applicable

**IX. CHANGES IN CONSOLIDATION SCOPE**

**1. Business combination not under common control**

☐ Applicable ☒ Not Applicable

**2. Business combination under common control**

☐ Applicable ☒ Not Applicable

**3. Counter purchase**

☐ Applicable ☒ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### IX. CHANGES IN CONSOLIDATION SCOPE (Continued)

#### 4. Disposal of subsidiaries

Whether there are any transactions or events during the period that leads to loss of control of a subsidiary

✓ Applicable    ☐ Not Applicable

Unit: RMB

Name of subsidiary	Date when control is lost	Disposal price when control is lost	Disposal ratio when control is lost (%)	Disposal method when control is lost	Determining basis when control is lost	Difference	Proportion of remaining equity when control is lost (%)	Carrying amount of remaining equity at the consolidated financial statement level when control is lost	Fair value of remaining equity at the consolidated financial statement level when control is lost	Gains or losses arising from the remeasurement of remaining equity at fair value	Method and key assumptions for determining the fair value of remaining equity interest at the consolidated financial statement level when control is lost	Amount of other comprehensive income related to equity investments in original subsidiaries that is transferred to investment gains or losses or retained earnings
						between the disposal price and the share of the subsidiary's net assets enjoyed at the consolidated financial statement level corresponding to the disposal of investment						
Shanghai Kuitong Technology Co., Ltd.	December 10, 2024	49,800,000.00	60%	Disposal	Note 1	33,426,147.77	40%	3,112,773.87	3,112,773.87			

#### Other explanations:

✓ Applicable    ☐ Not Applicable

Notes:

1. The agreement of Shanghai Kuitong Technology Co., Ltd. has been approved by its general meeting.
2. All the parties involved have completed the necessary procedures for the transfer of property rights.
3. The purchaser has paid 60% of the merger price and has the ability and plan to pay the remaining amount.
4. The purchaser has effective control over the financial and operating policies of the party being merged or purchased, and enjoys the corresponding benefits and assumes the corresponding risks

Other explanations: The Company entered into the Equity Transfer Agreement of Shanghai Kuitong Technology Co., Ltd. with two third parties, which provides for the sale of 100% equity interest, including Shanghai Kuitong Technology Co., Ltd. and its subsidiaries, Guochuang Hebei Hydrogen Energy Industry Innovation Center Co., Ltd. and Hebei Guochuang Hydrogen Energy Technology Co., Ltd. In this transaction, 60% of the equity interest was transferred. Within 10 working days after the target project of SinoHytec Zhangbei 200,000 kW wind power project achieves full-capacity grid connection and power generation (subject to the project company signing the grid connection and dispatching agreement, power purchase and sale contract, and obtaining an electric power business license), the transferee shall pay the consideration for the remaining 40% equity interest. As of December 31, 2024, in accordance with the Articles of Association of Shanghai Kuitong Technology Co., Ltd., the Company was still entitled to 40% shareholder equity.

## SECTION X FINANCIAL STATEMENTS

### IX. CHANGES IN CONSOLIDATION SCOPE (Continued)

#### 4. Disposal of subsidiaries (Continued)

Whether there is a disposal of investment in a subsidiary in stages through multiple transactions that leads to loss of control during the period

☐ Applicable ☒ Not Applicable

Other explanations:

☐ Applicable ☒ Not Applicable

#### 5. Changes in scope of consolidation for other reasons

Explanation of changes in the consolidation scope due to other reasons (e.g. establishment of new subsidiaries and liquidation of subsidiaries, etc.) and relevant information:

☒ Applicable ☐ Not Applicable

Subsidiaries newly included in the scope of consolidation during the period

Name	Reason for changes
Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd.	Newly established
Guangxi SinoHytec Hydrogen Technology Co., Ltd.	Newly established
Guangxi Zhongdian Huatong New Energy Technology Co., Ltd.	Newly established
Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd.	Newly established

#### 6. Others

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES

#### 1. Interests in subsidiaries

##### (1) Constitution of enterprise group

✓ Applicable    ☐ Not Applicable

Unit: RMB0'000

Name of subsidiary	Principal place of business	Registered capital	Type of legal person	Place of registration	Nature of business	Shareholding (%) Direct    Indirect	Method of acquisition
SinoHytec Power Technology Co., Ltd.	Zhangjiakou	35,966.801	Limited liability company	Zhangjiakou	Production of fuel cell power system	100	Establishment through investment
Shanghai SinoFuelCell Co., Ltd.	Shanghai	8,495.2654	Limited liability company	Shanghai	Design and development of fuel cell reactors	25.601	Equity Transfer
Shanghai Shenrong New Energy Technology Co., Ltd.	Shanghai	600	Limited liability company	Shanghai	Production of fuel cell reactors	25.601	Equity Transfer
Beijing Shenchuan Technology Co., Ltd.	Beijing	1,000	Limited liability company	Beijing	Technology development and sales of auto parts	25.601	Establishment through investment
Tangshan SinoFuelCell Technology Co., Ltd.	Tangshan	3,000	Limited liability company	Tangshan	New energy technology promotion	25.601	Establishment through investment
Beijing SinoHytec Hydrogen Technology Co., Ltd.	Beijing	6,923.21	Limited liability company	Beijing	Scientific research and technical services	72.2208	Establishment through investment
Zhangjiakou Guoqing Technology Co., Ltd.	Zhangjiakou	3,000	Limited liability company	Zhangjiakou	Technology development	72.2208	Establishment through investment
Zhangjiakou Qingtong Technology Co., Ltd.	Zhangjiakou	1,000	Limited liability company	Zhangjiakou	Technology development	72.2208	Establishment through investment
Beijing Future Hydrogen Valley Technology Co., Ltd.	Beijing	10,100	Limited liability company	Beijing	Technology development	100	Establishment through investment
Chengdu SinoHytec Power Technology Co., Ltd.	Chengdu	5,000	Limited liability company	Chengdu Economic and Technological Development Zone	Technology development	100	Establishment through investment
Chengdu Guoqinghuatong Technology Co., Ltd.	Chengdu	4,000	Limited liability company	Chengdu Economic and Technological Development Zone	New energy technology promotion	70	Establishment through investment
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	Beijing	3,000	Limited liability company	Beijing	New energy technology promotion	100	Establishment through investment
Shandong Huaqing Dongli Technology Co., Ltd.	Zibo	3,000	Limited liability company	Zibo	New energy technology promotion	100	Establishment through investment

## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES (Continued)

#### 1. Interests in subsidiaries (Continued)

##### (1) Constitution of enterprise group (Continued)

Name of subsidiary	Principal place of business	Registered capital	Type of legal person	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
						Direct	Indirect	
Yifan Hydrogen Technology Co., Ltd.	Beijing	10,000	Limited liability company	Beijing	Scientific research and technical services	51		Establishment through investment
Tangshan Yitong Hydrogen Technology Co., Ltd.	Tangshan	500	Limited liability company	Tangshan	New energy technology research and development		51	Establishment through investment
Tangshan Qianchen New Energy Development Co., Ltd.	Tangshan	5,000	Limited liability company	Tangshan	New energy technology promotion	100		Establishment through investment
Zhengzhou SinoHytec Power Technology Co., Ltd.	Zhengzhou	5,000	Limited liability company	Zhengzhou	New energy technology promotion	100		Establishment through investment
Guangdong SinoHytec Technology Co., Ltd.	Guangzhou	5,000	Limited liability company	Guangzhou	Scientific research and technical services	100		Establishment through investment
Guangzhou SinoHytec New Energy Technology Co., Ltd.	Guangzhou	5,000	Limited liability company	Guangzhou	Scientific research and technical services		70	Establishment through investment
SinoHytec International Limited	Hong Kong	US\$30 million	Limited liability company	Hong Kong	New energy technology promotion	100		Establishment through investment
Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd.	Guangzhou	2,000	Limited liability company	Guangzhou	Engineering and technical research and experimental development		25.601	Establishment through investment
Guangxi SinoHytec Hydrogen Technology Co., Ltd.	Baise	5,000	Limited liability company	Baise	Wholesale and retail industry		72.2208	Establishment through investment
Guangxi Zhongdian Huatong New Energy Technology Co., Ltd.	Baise	500	Limited liability company	Baise	New energy technology promotion service		47.6657	Establishment through investment
Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd.	Baise	500	Limited liability company	Baise	New energy technology promotion service		47.6657	Establishment through investment
Guochuang Hebei Hydrogen Energy Industry Innovation Center Co., Ltd.	Zhangjiakou	3,000	Limited liability company	Zhangjiakou	Technology development		100	Note 1
Hebei Guochuang Hydrogen Energy Technology Co., Ltd.	Zhangjiakou	1,000	Limited liability company	Zhangjiakou	Technology development		100	Note 1
Shanghai Kuitong Technology Co., Ltd.	Shanghai	1,000	Limited liability company	Shanghai	Scientific research and technical services	100		Note 1

Note 1: Shanghai Kuitong Technology Co., Ltd. and its subsidiaries Guochuang Hebei Hydrogen Energy Industry Innovation Center Co., Ltd. and Guochuang Hydrogen Energy Technology Co., Ltd. were sold during the period. For details, please refer to Note IX. 4. Disposal of subsidiaries.

## SECTION X

### FINANCIAL STATEMENTS

#### X. INTERESTS IN OTHER ENTITIES (Continued)

##### 1. Interests in subsidiaries (Continued)

###### (1) Constitution of enterprise group (Continued)

Explanation of the shareholding proportion is not equal to the voting right ratio in the subsidiary:

The Company entered into the Voting Rights Proxy Agreement with Shanghai Shenjie New Energy Technology Center (Limited Partnership), a shareholder of Shanghai SinoFuelCell Technology Co., Ltd. (holding 10.8091%). Pursuant to the agreement, Shanghai Shenjie New Energy Technology Center agreed to unconditionally and irrevocably entrust the Company to exercise the voting rights corresponding to the entire equity interests in SinoFuelCell, including the rights to earnings, dividends and disposal, with a term of not less than 5 years.

The basis for holding half or less than half of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

- (1) The Company directly holds 25.601% equity interest in Shanghai SinoFuelCell Co., Ltd. (hereinafter referred to as "Shanghai SinoFuelCell"). In 2019, the Company entered into the Voting Rights Proxy Agreement with Shanghai Shenjie New Energy Technology Center (Limited Partnership), a shareholder of Shanghai SinoFuelCell Co., Ltd. (holding 10.8091%) in 2019. Pursuant to the agreement, Shenjie New Energy agreed to unconditionally and irrevocably entrust the Company to exercise its rights to all of its equity interests in Shanghai SinoFuelCell, including voting rights other than income, dividends and disposals. The entrustment period shall be from the effective date of the agreement to the date when both parties unanimously agree to terminate the agreement, and the entrustment period shall not be less than 8 years. In addition, at the governance level, Shanghai SinoFuelCell has a total of 7 members in the board of directors, 4 of which are appointed by the Company and the chairman is a director appointed by the Company. Therefore, the Company can effectively control the decision-making of the board of directors of Shanghai SinoFuelCell.
- (2) Shanghai SinoFuelCell holds 100% equity interest in four companies of Shanghai Shenrong New Energy Technology Co., Ltd., Beijing Shenchuan Technology Co., Ltd., Tangshan SinoFuelCell Technology Co., Ltd. and Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. As the Company holds 25.6010% equity interest in Shanghai SinoFuelCell and indirectly holds 25.6010% equity interest in the above four companies, the reasons for holding the following voting rights but still controlling the investees are detailed in the above (1).
- (3) The Company indirectly holds 72.2208% equity interest in Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司), over which it has control. Guangxi SinoHytec Hydrogen Technology Co., Ltd. holds 66% equity of Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) and Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. (廣西凌雲中電華通新能源有限公司) and controls the above two companies. The Company indirectly holds 47.6657% of Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. and Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. and controls the above two companies.

Basis for control over significant structured entities included in the consolidation scope:

Nil

Basis for determining whether the company is an agent or a principal:

Nil

Other explanation:

Nil

## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES (Continued)

#### 1. Interests in subsidiaries (Continued)

##### (2) Significant non-wholly owned subsidiaries

☒ Applicable   ☐ Not Applicable

Unit: RMB

Name of subsidiary	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Closing balance of minority interests
Shanghai SinoFuelCell Co., Ltd.	74.3990	-81,315,489.65		265,752,038.69

Explanation of the shareholding proportion of minority shareholders is not equal to the voting right ratio in the subsidiary:

☒ Applicable   ☐ Not Applicable

For details, please see Note 1. (1) Constitution of enterprise group.

Other explanation:

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES (Continued)

#### 1. Interests in subsidiaries (Continued)

#### (3) Main financial information of significant non-wholly-owned subsidiaries

✓ Applicable    ☐ Not Applicable

Unit: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai SinoFuelCell Co., Ltd.	616,595,605.26	275,838,841.16	892,434,446.42	482,059,473.63	49,529,372.30	531,588,845.93	697,412,859.10	293,330,177.33	990,743,036.43	464,010,160.48	56,054,411.15	520,064,571.63

Name of subsidiary	Amount for the current period				Amount for the previous period			
	Operating income	Net profits	Total comprehensive income	Cash flows from operating activities	Operating income	Net profits	Total comprehensive income	Cash flows from operating activities
Shanghai SinoFuelCell Co., Ltd.	130,356,449.80	-110,945,895.38	-110,945,895.38	-111,829,185.92	367,394,300.63	-74,071,532.99	-74,071,532.99	-64,768,921.83

Other explanation:

Nil

#### (4) Significant restrictions on the use of assets and settlement of debts of the Group

☐ Applicable    ✓ Not Applicable

#### (5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements

☐ Applicable    ✓ Not Applicable

Other explanation:

☐ Applicable    ✓ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES (Continued)

#### 2. Transactions in which the share of owner's equity in the subsidiary changes and still controls the subsidiary

✓ Applicable    ☐ Not Applicable

##### (1) Changes in the share of owners' equity in subsidiaries

✓ Applicable    ☐ Not Applicable

Beijing SinoHytec Hydrogen Energy Technology Co., Ltd. received a capital increase of RMB5 million from minority shareholders during the period, of which RMB2 million was received from Chen Shoujie (陳守杰) and RMB3 million was received from Beijing Yingshuo Huaqing Enterprise Management Consulting Center (L.P.) (北京英燦華氫企業管理諮詢中心(有限合夥)). The Company did not participate in the capital increase and its shareholding was diluted from 74.63% to 72.22%. This change did not result in the Company losing control over Beijing SinoHytec Hydrogen Energy Technology Co., Ltd., which was still included in the scope of the consolidated financial statements.

##### (2) Impact of transactions on non-controlling interests and equity attributable to the owners of the parent company

✓ Applicable    ☐ Not Applicable

Unit: RMB

**Beijing SinoHytec  
Hydrogen Energy  
Technology  
Co., Ltd.**

Acquisition cost/disposal consideration

– Cash

– Fair value of non-cash assets

Total acquisition cost/disposal consideration

Less: Share of net assets in subsidiaries based on the shares acquired/disposed of	2,227,783.95
--	--------------

Difference	2,227,783.95
------------	--------------

Including: Adjustment to capital reserve	2,227,783.95
--	--------------

Adjustment to surplus reserve

Adjustment to retained earnings

Other explanations

☐ Applicable    ✓ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES (Continued)

#### 3. Interests in joint ventures or associates

☒ Applicable    ☐ Not Applicable

##### (1) Significant joint ventures or associates

☐ Applicable    ☒ Not Applicable

##### (2) Major financial information of significant joint ventures

☐ Applicable    ☒ Not Applicable

##### (3) Major financial information of significant associates

☐ Applicable    ☒ Not Applicable

##### (4) Summary financial information of insignificant joint ventures and associates

☒ Applicable    ☐ Not Applicable

Unit: RMB

	Closing balance/ amount for the current period	Opening balance/ amount for the previous period
Joint ventures:		
Total book value of investments	67,017,297.33	90,736,899.73
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profits	-23,719,602.40	-22,902,809.68
– Other comprehensive income		
– Total comprehensive income	-23,719,602.40	-22,902,809.68
Associates:		
Total book value of investments	216,781,401.79	228,018,355.70
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profits	-8,405,529.55	-18,574,411.98
– Other comprehensive income		
– Total comprehensive income	-8,405,529.55	-18,574,411.98

Other explanation

Nil

## SECTION X FINANCIAL STATEMENTS

### X. INTERESTS IN OTHER ENTITIES (Continued)

#### 3. Interests in joint ventures or associates (Continued)

##### (5) Explanation of significant restrictions for joint ventures or associates transferring funds to the Company

☐ Applicable ☒ Not Applicable

##### (6) Excess loss incurred by joint ventures or associates

☒ Applicable ☐ Not Applicable

Unit: RMB

Name of joint venture or associate	Accumulated unrecognised losses in prior period	Unrecognised losses for the period (or net profit shared for the period)	Cumulative unrecognised losses at the end of the period
Shaanxi Huasheng Weipu Technology Co., Ltd.		252,316.38	252,316.38

Other explanation  
Nil

##### (7) Unconfirmed commitments related to investments in joint ventures

☐ Applicable ☒ Not Applicable

##### (8) Contingent liabilities related to investments in joint ventures or associates

☐ Applicable ☒ Not Applicable

#### 4. Significant joint operations

☐ Applicable ☒ Not Applicable

#### 5. Interests in structured entities not included in the scope of consolidated financial statements

Description of structured entities not included in the scope of consolidated financial statements:

☐ Applicable ☒ Not Applicable

#### 6. Others

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XI. GOVERNMENT GRANTS

#### 1. Government grants recognised by the amounts receivable at the end of the reporting period

☐ Applicable ☒ Not Applicable

Reasons for not receiving the expected amount of government grants at the expected time

☐ Applicable ☒ Not Applicable

#### 2. Liability items involving government grants

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Opening balance	New grants in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/ income
Deferred income	109,802,501.42	10,760,000.00		15,010,051.42		105,552,450.00	Related to assets
Deferred income	1,471,488.74	21,878,301.89		20,483,646.93		2,866,143.70	Related to income
Total	111,273,990.16	32,638,301.89		35,493,698.35		108,418,593.70	/

#### 3. Government grants recognised in profit or loss for the current period

☒ Applicable ☐ Not Applicable

Unit: RMB

Type	Amount for the current period	Amount for the previous period
Related to assets	15,010,051.42	13,294,413.01
Related to income	34,201,986.29	11,562,065.83
Total	49,212,037.71	24,856,478.84

Other explanation:  
Nil

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

#### 1. Risks of various financial instruments

☒ Applicable    ☐ Not Applicable

The Company's major financial instruments include cash at bank and on hand, equity investments, loans, receivables, and payables, etc. The Company is exposed to risks of various financial instruments in the daily activities, mainly including credit risk, liquidity risk, and market risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are set out below:

The Board is responsible for planning and establishing the Company's risk management structure, formulating the Company's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by the Company. These risk management policies clearly stipulate specific risks, covering market risks, credit risks and liquidity risk management. The Company regularly evaluates changes in the market environment and the Company's operating activities to determine whether to update the risk management policies and systems. The risk management of the Company is implemented by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee works closely with other business units of the Company to identify, evaluate and mitigate risks.

The internal audit department of the Company reviews the risk management controls and procedures on a regular basis and reports the results to the Audit Committee of the Company. The Company diversifies the risks of financial instruments through appropriate diversification of investment and business portfolio, and reduces the risk of concentration on a single industry, a specific region or a specific counterparty by formulating corresponding risk management policies.

## SECTION X FINANCIAL STATEMENTS

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 1. Risks of various financial instruments (Continued)

##### (I) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The management has established appropriate credit policies and continuously monitors the credit risk exposure.

The Company has adopted a policy of only dealing with creditworthy counterparties. In addition, the Company assesses the credit quality of a customer and sets the corresponding credit period based on its financial position, the availability of guarantee from a third party, its credit history and other factors such as current market conditions. The Company continuously monitors the balance and collection of bills receivable and accounts receivable. For customers with poor credit history, the Company will use written payment reminders, shorten credit periods or cancel credit periods to ensure that the Company is not exposed to significant credit losses. In addition, the Company reviews the recovery of financial assets on each balance sheet date to ensure that adequate provision for expected credit losses is made for relevant financial assets.

Other financial assets of the Company include cash at bank and on hand, other receivables, etc. The credit risk of these financial assets arises from the default of the counterparty. The maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantees which would expose the Company to credit risk.

Monetary funds held by the Company are mainly deposited in financial institutions such as state-owned banks and other large and medium-sized commercial banks. The management believes that these commercial banks have a high reputation and asset status, and there is no significant credit risk, and will not cause any significant losses due to the default of the counterparty. The Company's policy is to control the amount of deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limiting the amount of credit exposure to any single financial institution.

As part of the Company's credit risk asset management, the Company uses aging, payment content, and customer nature, etc. to assess the impairment loss of accounts receivable and other receivables. The Company's accounts receivable and other receivables involve a large number of customers, and the aging information can reflect the solvency and bad debt risk of these customers for accounts receivable and other receivables. The Company calculates the historical actual bad debt rates for different aging periods based on historical data, and adjusts the expected loss rates by taking into account forward-looking information such as current and future economic forecasts.

## SECTION X FINANCIAL STATEMENTS

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 1. Risks of various financial instruments (Continued)

##### (2) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement. Each member of the Company is responsible for its cash flow forecast.

Based on the cash flow forecast results of each member company, the Company continuously monitors the short-term and long-term capital needs of the Company at the company level to ensure that sufficient cash reserves are maintained. At the same time, the Company continuously monitors whether it meets the requirements of the loan agreement and obtains commitments from major financial institutions to provide sufficient reserve funds to meet the short-term and long-term capital needs. In addition, the Company entered into facility agreements with its principal business banks to support the Company in fulfilling its obligations in relation to commercial bills.

The Company's financial liabilities are presented as follows based on the undiscounted contractual cash flows by maturity date:

Item	Closing balance				Total undiscounted contract amount
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	
Long-term borrowing (including those due within one year)	5,224,604.80	2,102,482.18			7,327,086.98
Short-term borrowings	762,428,281.10				762,428,281.10
Bills payable	19,260,918.00				19,260,918.00
Accounts payable	669,625,643.10				669,625,643.10
Other payables	158,033,221.89				158,033,221.89
Other current liabilities	10,852,649.97				10,852,649.97
Lease liabilities (including those due within one year)	22,153,866.82	11,214,574.72	1,417,674.42		34,786,115.96
Long-term borrowing	525,297.92	9,994,774.31			10,520,072.23
Total	1,648,104,483.60	23,311,831.21	1,417,674.42		1,672,833,989.23

Item	Balance at the end of last year				Total undiscounted contract amount
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	
Long-term payables (including those due within one year)	4,110,462.11	4,336,093.86	1,575,721.08		10,022,277.05
Short-term borrowings	586,612,183.58				586,612,183.58
Bills payable	39,683,502.69				39,683,502.69
Accounts payable	572,538,653.10				572,538,653.10
Other payables	18,742,209.30				18,742,209.30
Other current liabilities	6,507,783.13				6,507,783.13
Lease liabilities (including those due within one year)	15,413,785.02	13,550,440.42	8,582,627.65		37,546,853.09
Long-term borrowing	19,417,783.32				19,417,783.32
Total	1,263,026,362.25	17,886,534.28	10,158,348.73		1,291,071,245.26



## SECTION X

### FINANCIAL STATEMENTS

#### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

##### 1. Risks of various financial instruments (Continued)

###### (3) Market risk

Market risk, including foreign exchange rate risk, interest rate risk and foreign currency risk, refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate because of the changes in market price.

###### (1) *Interest rate risk*

The Company's interest rate risk mainly arises from bank borrowings. Financial liabilities at floating rates expose the Company to cash flow interest rate risk, and financial liabilities at fixed rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed rate and floating rate contracts based on the prevailing market conditions.

The finance department of the Company continuously monitors the interest rate level of the Company. Increases in interest rates will increase the cost of new interest-bearing borrowings and the interest expenses with respect to the Company's outstanding floating rate interest-bearing borrowings, and adversely affect the Company's financial performance. The management will make timely adjustments according to the latest market conditions.

###### (2) *Exchange rate risk*

The Company's main operations are located in the PRC and its main businesses are settled in RMB. However, the Company is exposed to foreign exchange risk arising from the recognized assets and liabilities and future transactions denominated in foreign currencies, primarily with respect to US dollars. The finance department of the Company is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities of the Company to minimize the exchange rate risk. In this regard, the Company will pay close attention to the foreign exchange rate on the public website of the SAFE in real time to avoid the exchange rate risk.

Except for foreign currency settlement, the proportion of assets and liabilities denominated in foreign currencies held by the Company to the overall assets and liabilities is not significant. The management of the Company is of the opinion that, with all other variables held constant, the impact of reasonable exchange rate changes on current profit or loss and shareholders' equity before tax is minimal.

## SECTION X FINANCIAL STATEMENTS

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 1. Risks of various financial instruments (Continued)

##### (3) Market risk (Continued)

###### (2) Exchange rate risk (Continued)

Exchange rate risk faced by the Company mainly comes from foreign currencies-denominated financial assets and financial liabilities. Foreign-currency financial assets and foreign financial liabilities are converted into amount in RMB as follows:

Item	Closing balance			Balance at the end of last year		
	US dollar	Other foreign currencies	Total	US dollar	Other foreign currencies	Total
Monetary Funds	293,862,879.96		293,862,879.96	288,971,330.18		288,971,330.18
Account receivables	943,473.55		943,473.55			
Financial assets held-for-trading	727,426,376.60		727,426,376.60	690,330,355.31		690,330,355.31
Account payables				111,399.05		111,399.05
Total	950,348,729.47		950,348,729.47	979,413,084.54		979,413,084.54

###### (3) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than exchange rate risk and interest rate risk.

The Company's other price risk mainly arises from investments in various equity instruments, which involve the risk of changes in the price of equity instruments.

## SECTION X FINANCIAL STATEMENTS

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 2. Hedging

(1) The Company carried out hedging business for risk management

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

(2) The Company conducts eligible hedging operations and applies hedge accounting

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

(3) The Company carried out hedging business for risk management, which is expected to achieve the risk management target, but did not apply hedging accounting

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 3. Transfer of financial assets

##### (1) Category of transfer method

☒ Applicable   ☐ Not Applicable

Unit: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Status	Judgment basis of derecognition
Bills endorsed	Bills receivable	9,918,242.36	Not derecognized	Retained almost all risks and rewards, including the associated risk of default
Bills discounted	Bills receivable	165,372.00	Not derecognized	Retained almost all risks and rewards, including the associated risk of default
Bills endorsed	Receivables financing	1,418,401.20	Derecognized	Transferred almost all risks and rewards
Bills discounted	Receivables financing	2,384,428.00	Derecognized	Transferred almost all risks and rewards
Total	/	13,886,443.56	/	/

##### (2) Financial assets derecognized due to transfer

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Transfer method of financial assets	Amount of financial assets derecognized	Gains or losses associated with the derecognition
Receivables financing	Bills endorsed	1,418,401.20	
Receivables financing	Bills discounted	2,384,428.00	9,364.68
Total	/	3,802,829.20	9,364.68

##### (3) Transferred financial assets with continuing involvement

☐ Applicable   ☒ Not Applicable

Other explanations

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XIII. DISCLOSURE OF FAIR VALUE

#### 1. Fair value of assets and liabilities measured at fair value at the end of the period

✓ Applicable    □ Not Applicable

Unit: RMB

Item	Fair value at the end of the period			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Continuous fair value measurement				
(I) Financial assets held-for-trading			727,426,376.60	727,426,376.60
1. Financial assets at fair value through profit or loss in the current period			727,426,376.60	727,426,376.60
(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Derivative financial assets				
(4) Others			727,426,376.60	727,426,376.60
(II) Other debt investments				
(III) Other equity instrument investments			157,846,800.00	157,846,800.00
(IV) Investment properties				
(V) Biological assets				
(VI) Receivables financing			2,592,424.40	2,592,424.40
(VII) Other non-current financial assets			4,096,500.00	4,096,500.00
1. Financial assets designated at fair value through profit or loss			4,096,500.00	4,096,500.00
(1) Debt instrument investments				
(2) Equity instrument investments			4,096,500.00	4,096,500.00
(3) Derivative financial assets				
(4) Others				
Total assets measured at fair value on a recurring basis			891,962,101.00	891,962,101.00
(VI) Financial liabilities held-for-trading				
1. Financial liabilities at fair value through profit or loss in the current period				
Including: Held-for-trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on a recurring basis				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				

### XIII. DISCLOSURE OF FAIR VALUE (Continued)

#### 2. Basis for determining market price of level-1 fair value measurement items on a recurring or non-recurring basis

☐ Applicable    ☒ Not Applicable

#### 3. Level 2 fair value measurement items on a recurring or non-recurring basis, valuation techniques used and qualitative and quantitative information of important parameters

☐ Applicable    ☒ Not Applicable

#### 4. Level 3 fair value measurement items on a recurring or non-recurring basis, valuation techniques used and qualitative and quantitative information of important parameters

☒ Applicable    ☐ Not Applicable

Valuation Description:

For financial assets held for trading, fair value is determined based on the estimated recoverable amount according to the agreement.

For notes receivable held, the fair value is determined using the nominal amount.

The fair values of unlisted equity instruments and equity investments are mainly determined by the valuation conducted by a third party agency.

#### 5. Level 3 fair value measurement items on a recurring basis, reconciliation information between opening and closing carrying amount and sensitivity analysis of unobservable parameters

☐ Applicable    ☒ Not Applicable

#### 6. Continuous fair value measurement item: if any conversion occurs between levels during the period, reason for the conversion and policy to determine the time point of the conversion

☐ Applicable    ☒ Not Applicable

#### 7. Changes of valuation techniques during the period and reasons for changes

☐ Applicable    ☒ Not Applicable

#### 8. Fair value of financial assets and financial liabilities that are not measured at fair value

☐ Applicable    ☒ Not Applicable

#### 9. Others

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

#### 1. Parent company of the Company

☐ Applicable ☒ Not Applicable

#### 2. Subsidiaries of the Company

☒ Applicable ☐ Not Applicable

For details of subsidiaries of the Company, please see Note X.1. Interests in Subsidiaries.

#### 3. Joint ventures and associates of the Company

☒ Applicable ☐ Not Applicable

For details of the joint ventures and associates of the Company, please refer to Note X. 3. Interests in joint ventures or associates.

Information of other joint ventures or associates which entered into related party transactions with the Company during the current period, or from balance through related party transactions during the previous period:

☒ Applicable ☐ Not Applicable

Name of joint venture or associate	Relationship with the Company
Toyota Sinohytec Fuel Cell Co., Ltd.	Joint venture
Shaanxi Huasheng Weipu Technology Co., Ltd.	Associate
Kongqi Huatong (Beijing) Hydrogen Energy Technology Co., Ltd. (空氣華通(北京)氫能源科技有限公司)	Associate
Zhangjiakou Haiper New Energy Technology Co., Ltd.	Associate
Shanghai Maximfuelcell Technology Co., Ltd	Associate
United Fuel Cell System R&D (Beijing) Co., Ltd.	Associate

Other explanations

☐ Applicable ☒ Not Applicable



### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 4. Other related parties

✓ Applicable    ☐ Not Applicable

Name of other related parties	Relationship between other related parties and the Company
Shanghai Fangshi New Energy Car Rental Co., Ltd.	Song Haiying, a Director of the Company, serves as a director of the company
Beijing Qingneng Huatong Technology Development Co., Ltd.	Teng Renjie, a Director of the Company, serves as a director of the company
Beijing Shuimu Tongda Transportation Co., Ltd.	Wu Xiaohe holds the equity interest in Shuimu Tongda and serves as the general manager. Wu Xiaohe was the secretary to the Board of the Company in 2016
Beijing Shuimu Qingcheng Technology Co., Ltd. (北京水木氢城科技有限公司)	A wholly owned subsidiary of Beijing Shuimu Tongda Transportation Co., Ltd.
Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	Teng Renjie, a director of the Company, serves as the director of the company's controlling shareholder
Yihydrogen Technology (Beijing) Co., Ltd.	A wholly owned subsidiary of Shanghai Maximfuelcell an associate of the Company
Guangzhou Yiqing New Energy Technology Co., Ltd.	A wholly owned subsidiary of Shanghai Maximfuelcell an associate of the Company
Beijing Huachuang Huiqing Technology Co., Ltd.	Song Feng, a Director of the Company, serves as a director of the company

Other explanations

Nil

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 5. Related party transactions

##### (1) Related party transactions on purchase and sale of goods, provision and receipt of services

Table of purchase of goods/receipt of services

✓ Applicable    ☐ Not Applicable

Unit: RMB

Related parties	Description of related party transactions	Amount for the current period	Approved transaction amount (if applicable)	Whether the transaction amount has been exceeded (if applicable)	Amount for the last period
Shanghai Maximfuelcell Technology Co., Ltd	Procurement of raw materials and assets	1,771,039.83	68,000,000.00	No	1,090,035.56
Guangzhou Yiqing New Energy Technology Co., Ltd.	Materials	44,247.75		No	
United Fuel Cell System R&D (Beijing) Co., Ltd.	Technology development fee	14,119,811.11	21,000,000.00	No	
Beijing Qingneng Huatong Technology Development Co., Ltd.	Water and electricity fee	378,668.37			298,831.49
Zhangjiakou Haiper New Energy Technology Co., Ltd.	Procurement of hydrogen and technical consulting fees	4,114,374.24	5,000,000.00	No	1,629,490.73
Toyota Sinohytec Fuel Cell Co., Ltd.	Procurement of materials	118,997,358.52	223,600,000.00	No	20,453,990.73
Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	Electricity fee, and property management, etc	3,728,792.01	2,500,000.00	No	3,988,940.76
Yihydrogen Technology (Beijing) Co., Ltd.	Procurement of materials	26,053.09		No	7,742,238.97
Beijing Huachuang Huiqing Technology Co., Ltd.	Procurement of materials	72,841.19		No	23,893,805.26
Beijing Shuimu Tongda Transportation Co., Ltd.	Advertising expenses		5,500,000.00	No	3,773,584.80
Total		143,253,186.11	325,600,000.00		62,870,918.30

Notes:

- Guangzhou Yiqing New Energy Technology Co., Ltd. and Yihydrogen Technology (Beijing) Co., Ltd. are wholly owned subsidiaries of Shanghai Maximfuelcell Technology Co., Ltd, which share a transaction amount of RMB68 million.
- Amount for the current period of transactions with Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. included the fees (electricity fees) collected by it on behalf of a third party, and after excluding the above effect, the actual amount of related transactions incurred during the current period did not exceed the approved transaction amount for the current period.

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 5. Related party transactions (Continued)

##### (1) Related party transactions on purchase and sale of goods, provision and receipt of services (Continued)

Table of sales of goods/rendering of services

☒ Applicable    ☐ Not Applicable

Unit: RMB

Related parties	Description of related party transactions	Amount for the current period	Amount for the last period
Shanghai Maximfuelcell Technology Co., Ltd	Sales of stacks, accessories, testing services, etc.	695,435.12	84,212.73
United Fuel Cell System R&D (Beijing) Co., Ltd.	Sales of materials, technical service fees, etc.	5,774,151.83	7,143,434.81
Toyota Sinohytec Fuel Cell Co., Ltd.	Sales of materials, technical service fees, processing fees, etc.	14,625,356.77	10,394,074.45
Beijing Shuimu Tongda Transportation Co., Ltd.	Income from sales of hydrogen	3,174,611.77	560,923.81
Shanghai Fangshi New Energy Car Rental Co., Ltd.	Sales of hydrogen	1,035,499.64	377,024.99
Beijing Shuimu Qingcheng Technology Co., Ltd. (北京水木氢城科技有限公司)	Sales of hydrogen	4,756.38	
Total		25,309,811.51	18,559,670.79

Description of related party transactions on purchase and sale of goods, provision and receipt of services

☐ Applicable    ☒ Not Applicable

SECTION X  
FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(2) Related party trusteeship/contractual operation/outsourcing

Table of trusteeship/contractual operation of the Company:

☐ Applicable    ☒ Not Applicable

Description of related trusteeship/contractual operation

☐ Applicable    ☒ Not Applicable

Table of entrusted management/outsourcing of the Company

☐ Applicable    ☒ Not Applicable

Description of related party management/outsourcing

☐ Applicable    ☒ Not Applicable

(3) Leases with related parties

The Company as lessor:

☐ Applicable    ☒ Not Applicable

The Company as lessee:

☐ Applicable    ☒ Not Applicable

Description of related party leases

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 5. Related party transactions (Continued)

##### (4) Related party guarantees

The Company as guarantor

✓ Applicable    ☐ Not Applicable

Unit: RMB

Guaranteed party	Guarantee amount	Guarantee commencement date	Guarantee expiry date	Whether the guarantee has been fulfilled
SinoHytec Power Technology Co., Ltd.	9,900,000.00	2024-1-19	2028-1-18	No
SinoHytec Power Technology Co., Ltd.	85,200.00	2024-2-1	2028-1-27	No
SinoHytec Power Technology Co., Ltd.	6,999,416.72	2024-4-16	2028-4-16	No
Chengdu SinoHytec Power Technology Co., Ltd.	1,075,455.00	2024-9-20	2028-3-20	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	10,000,000.00	2024-8-21	2027-8-21	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	1,000,000.00	2024-9-23	2027-9-23	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	19,000,000.00	2024-11-8	2027-11-10	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	7,000,000.00	2024-12-18	2028-12-17	No
Zhengzhou SinoHytec Power Technology Co., Ltd.	100,000.00	2024-7-30	2028-1-30	No
Zhengzhou SinoHytec Power Technology Co., Ltd.	100,000.00	2024-7-30	2028-7-30	No
Zhengzhou SinoHytec Power Technology Co., Ltd.	100,000.00	2024-7-30	2029-1-30	No
Zhengzhou SinoHytec Power Technology Co., Ltd.	9,700,000.00	2024-7-30	2029-7-30	No
SinoHytec Power Technology Co., Ltd.	10,000,000.00	2023-11-1	2024-10-31	Yes
SinoHytec Power Technology Co., Ltd.	20,000,000.00	2023-11-15	2024-11-14	Yes
SinoHytec Power Technology Co., Ltd.	2,328,000.00	2023-11-16	2024-11-15	Yes
SinoHytec Power Technology Co., Ltd.	1,649,000.00	2023-11-20	2024-11-19	Yes
SinoHytec Power Technology Co., Ltd.	2,085,500.00	2023-11-29	2024-11-28	Yes
SinoHytec Power Technology Co., Ltd.	10,000,000.00	2023-12-7	2024-12-6	Yes
SinoHytec Power Technology Co., Ltd.	35,000,000.00	2024-1-11	2024-12-31	Yes
SinoHytec Power Technology Co., Ltd.	10,000,000.00	2023-10-26	2024-10-26	Yes
Chengdu SinoHytec Power Technology Co., Ltd.	392,104.05	2023-9-18	2024-3-18	Yes
Chengdu SinoHytec Power Technology Co., Ltd.	370,997.00	2024-1-30	2024-7-30	Yes
Chengdu SinoHytec Power Technology Co., Ltd.	157,815.00	2024-2-5	2024-8-5	Yes
Chengdu SinoHytec Power Technology Co., Ltd.	8,924,545.00	2024-6-19	2024-12-19	Yes
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	15,000,000.00	2023-12-26	2024-6-26	Yes
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	2,225,400.00	2024-4-19	2024-10-19	Yes
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	319,915.54	2024-4-26	2024-10-26	Yes
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	10,000,000.00	2023-10-16	2024-10-15	Yes
Total	193,513,348.31			

SECTION X  
FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4) Related party guarantees (Continued)

The Company as guaranteed party

☒ Applicable    ☐ Not Applicable

Unit: RMB

Guarantor	Guarantee amount	Guarantee commencement date	Guarantee expiry date	Whether the guarantee was fulfilled
SinoHytec Power Technology Co., Ltd.	8,500,000.00	2023-2-9	2024-2-9	Yes
SinoHytec Power Technology Co., Ltd.	8,055,090.47	2023-3-9	2024-3-9	Yes
SinoHytec Power Technology Co., Ltd.	6,444,702.64	2023-3-22	2024-3-22	Yes
SinoHytec Power Technology Co., Ltd.	9,336,486.51	2023-5-9	2024-5-9	Yes
SinoHytec Power Technology Co., Ltd.	5,703,128.99	2023-5-15	2024-5-15	Yes
Total	38,039,408.61			

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 5. Related party transactions (Continued)

##### (4) Related party guarantees (Continued)

Explanation of related party guarantee

✓ Applicable    ☐ Not Applicable

The internal guarantees between subsidiaries are as follows:

Unit: RMB

Guarantor	Guaranteed party	Guarantee amount	Guarantee commencement date	Guarantee expiry date	Whether the guarantee was fulfilled
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	5,000,000.00	2023-8-15	2024-2-15	Yes
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	5,000,000.00	2023-9-4	2024-3-4	Yes
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	10,000,000.00	2024-1-24	2024-7-24	Yes
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	5,000,000.00	2024-2-29	2024-8-29	Yes
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	5,000,000.00	2024-3-26	2024-9-26	Yes
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	10,000,000.00	2024-8-16	2027-2-16	No
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	5,000,000.00	2024-10-30	2027-4-30	No
Shanghai SinoFuelCell Co., Ltd.	Beijing Shenchuan Technology Co., Ltd.	5,000,000.00	2024-9-11	2027-9-11	No
Total		50,000,000.00			

Other explanation: Beijing Shenchuan Technology Co., Ltd. is a subsidiary of Shanghai SinoFuelCell Co., Ltd..



## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 5. Related party transactions (Continued)

##### (5) Related party borrowings

☒ Applicable ☐ Not Applicable

Unit: RMB

Related parties	Borrowings	Commencement date	Expiry date	Description
Lending Zhangjiakou Haiper New Energy Technology Co., Ltd.	22,616,014.46	2019-1-1	2026-12-31	Plus accrued interest of RMB7,857,471.87

##### (6) Assets transfer and debt restructuring of related parties

☐ Applicable ☒ Not Applicable

##### (7) Emolument of key management

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Emolument of key management	8,145,514.34	8,533,105.60

##### (8) Other related party transactions

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 6. Amounts due from/to related parties

##### (1) Receivables

✓ Applicable    ☐ Not Applicable

Unit: RMB

		Closing balance		Opening balance	
Item Name	Related parties	Book balance	Provision for bad debts	Book balance	Provision for bad debts
<b>Account receivables</b>					
	United Fuel Cell System R&D (Beijing) Co., Ltd.	6,159,340.17	285,971.46	2,187,497.44	87,499.90
	Toyota Sinohytec Fuel Cell Co., Ltd.	5,520,841.99	220,833.68	4,036,895.99	161,475.84
	Shanghai Maximfuelcell Technology Co., Ltd	774,836.20	31,049.45	86,967.91	3,478.72
	Shanghai Fangshi New Energy Car Rental Co., Ltd.	1,546,152.84	64,804.11	426,038.24	17,041.53
	Beijing Shuimu Tongda Transportation Co., Ltd.	651,155.19	26,046.21		
<b>Prepayments</b>					
	Beijing Qingneng Huatong Technology Development Co., Ltd.	33,992.03		20,942.90	
	Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	33,661.26		8,506.87	
<b>Other receivables</b>					
	Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	1,128,619.34		1,128,619.34	
	Zhangjiakou Haiper New Energy Technology Co., Ltd.	30,473,486.32	25,500,400.45	30,254,021.13	24,787,967.91
	Shanghai Maximfuelcell Technology Co., Ltd	19,068.98	762.76		
<b>Contract assets</b>					
	Shanghai Maximfuelcell Technology Co., Ltd			71,000.00	4,260.00

## SECTION X FINANCIAL STATEMENTS

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

#### 6. Amounts due from/to related parties (Continued)

##### (2) Payables

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item Name	Related parties	Closing book balance	Opening book balance
<b>Account Payables</b>			
	Toyota Sinohytec Fuel Cell Co., Ltd	145,833,206.17	22,890,000.00
	Beijing Huachuang Fuel Cell Technology Co., Ltd.	20,816,310.55	27,000,000.00
	Shanghai Maximfuelcell Technology Co., Ltd	3,803,432.30	1,627,264.20
	Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	57,664.10	80,605.95
	Yihydrogen Technology (Beijing) Co., Ltd.	1,078,170.00	1,066,378.95
	Beijing Shuimu Tongda Transportation Co., Ltd.	—	1,917,000.00
	Zhangjiakou Haiper New Energy Technology Co., Ltd.	1,244.01	519,805.44
	Guangzhou Yiqing New Energy Technology Co., Ltd.	50,000.00	
<b>Contract liabilities</b>			
	Beijing Shuimu Tongda Transportation Co., Ltd.		247,129.55

##### (3) Others

☐ Applicable   ☒ Not Applicable

#### 7. Related party commitments

☐ Applicable   ☒ Not Applicable

#### 8. Others

☐ Applicable   ☒ Not Applicable

**XV. SHARE-BASED PAYMENTS**

**1. Various equity instruments**

☐ Applicable    ☒ Not Applicable

Share options or other equity instruments issued at the end of the period

☐ Applicable    ☒ Not Applicable

**2. Information about equity-settled share-based payment**

☐ Applicable    ☒ Not Applicable

**3. Information about cash-settled share-based payment**

☐ Applicable    ☒ Not Applicable

**4. Share-based payment expense for the current period**

☐ Applicable    ☒ Not Applicable

**5. Modification and cancelation of share-based payment**

☐ Applicable    ☒ Not Applicable

**6. Others**

☐ Applicable    ☒ Not Applicable

SECTION X  
FINANCIAL STATEMENTS

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

☒ Applicable    ☐ Not Applicable

Significant external commitments, nature and amount at the balance sheet date

*Lease contracts signed and being performed or to be performed and financial impact*

As at December 31, 2024, the Company, as the lessee, is required to aggregate future minimum lease payments under non-cancellable operating leases in respect of property and equipment leasing, etc. for the following periods:

Unit: RMB

Period	December 31, 2024
One year after the balance sheet date	22,153,866.82

Save for the above commitments, as at December 31, 2024, the Company had no other significant commitments that should be disclosed but not disclosed.

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

☐ Applicable    ☒ Not Applicable

(2) To state that the Company has no material contingency that needs to be disclosed:

☐ Applicable    ☒ Not Applicable

3. Others

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XVII. EVENTS AFTER THE BALANCE SHEET DATE

#### 1. Significant non-adjustment items

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Content	Impact on financial condition and operating results	Reasons why the impact cannot be estimated
Issuance of shares and bonds	The Company intends to purchase 100% equity interest in Dingzhou Risun Hydrogen Energy Co., Ltd. (定州旭陽氫能有限公司) from Risun Group Limited (旭陽集團有限公司) through the issuance of shares and raise supporting funds.		Final transaction Plan has not been determined
Significant external investment	The Company intends to purchase 100% equity interest in Dingzhou Risun Hydrogen Energy Co., Ltd. (定州旭陽氫能有限公司) from Risun Group Limited (旭陽集團有限公司) through the issuance of shares and raise supporting funds.		Final transaction Plan has not been determined

The 21st meeting of the third session of the Board of the Company:

The Company intends to purchase 100% equity interest in Dingzhou Risun Hydrogen Energy Co., Ltd. (定州旭陽氫能有限公司) (“**Dingzhou Risun**” or the “**Target Company**”) through the issuance of shares and raise supporting funds at the same time (the “**Transaction**”). After the completion of the Transaction, Dingzhou Risun will become a wholly-owned subsidiary of the Company. The Company intends to purchase 100% equity interest in the Target Company through the issuance of shares and raise supporting funds at the same time. While issuing shares to purchase assets, the Company intends to issue shares to Risun Group Limited (旭陽集團有限公司) and raise supporting funds. The total amount of supporting funds raised shall not exceed 100% of the transaction price of issuing shares to purchase assets, and the number of shares issued shall not exceed 30% of the Company’s total share capital before this issuance. The final number of issuance shall be subject to the number of issuance approved by the Shanghai Stock Exchange and registered and approved by the China Securities Regulatory Commission. The fundraising of supporting funds is subject to the issuance of shares to purchase assets, but the success or failure of raising supporting funds will not affect the implementation of issuing shares to purchase assets. The final number of issuance for raising supporting funds shall be subject to the number of issuance approved by the Shanghai Stock Exchange and registered and approved by the China Securities Regulatory Commission.

## SECTION X FINANCIAL STATEMENTS

### XVII. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

#### 2. Profit distribution

☒ Applicable   ☐ Not Applicable

Unit: RMB

Proposed profit or dividend	0.00
Profit or dividend declared after consideration and approval	0.00

The Company's profit distribution plan for the year of 2024 is: no cash dividend or bonus share or transfer reserve into share capital. The profit distribution plan above considered and approved at the Twenty-third Meeting of the Third Session of the Board of Directors and the Eighteenth Meeting of the Third Session of the Board of Supervisors. The profit distribution plan is subject to consideration at the 2024 Annual General Meeting of the Company. (The profit distribution plan for the year of 2023: the Company will not distribute cash dividends or bonus shares. The Company converted 4 shares for every 10 shares of capital reserve to all shareholders on the basis of the total share capital registered on the registration date of the implementation of the rights distribution. After the capital increase was completed, the total share capital of the Company increased to 231,652,081 shares.)

#### 3. Sales return

☐ Applicable   ☒ Not Applicable

#### 4. Explanation of other events after the balance sheet date

☒ Applicable   ☐ Not Applicable

Except for the events after the balance sheet date mentioned above, as of the date of approval of the financial report, the Company has no other material events after the balance sheet date that should be disclosed but have not been disclosed.

### XVIII. OTHER SIGNIFICANT EVENTS

#### 1. Early correction of accounting error

##### (1) Retrospective restatement

☐ Applicable   ☒ Not Applicable

##### (2) Prospective application

☐ Applicable   ☒ Not Applicable

#### 2. Material Debt Restructuring

☐ Applicable   ☒ Not Applicable

#### 3. Asset Replacement

##### (1) Exchange of non-monetary assets

☐ Applicable   ☒ Not Applicable

##### (2) Other assets replacement

☐ Applicable   ☒ Not Applicable



### XVIII. OTHER SIGNIFICANT EVENTS (Continued)

#### 4. Annuity plan

☐ Applicable    ☒ Not Applicable

#### 5. Discontinued operation

☐ Applicable    ☒ Not Applicable

#### 6. Segment information

##### (1) Determination basis and accounting policies of reporting segments

☐ Applicable    ☒ Not Applicable

##### (2) Financial information of reportable segments

☐ Applicable    ☒ Not Applicable

##### (3) The Company shall explain the reason if there is no reportable segment or it cannot disclose the total assets and total liabilities of each reportable segment

☒ Applicable    ☐ Not Applicable

The Company's operating results are mainly derived from the sales of hydrogen fuel cell systems and related technology development services. The Company has not established a specific organizational structure and reporting system for various businesses. Therefore, the Company considers that there is no reportable segment.

##### (4) Other explanations

☐ Applicable    ☒ Not Applicable

#### 7. Other material transactions and matters affecting investors' decisions

☐ Applicable    ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XVIII. OTHER SIGNIFICANT EVENTS (Continued)

#### 8. Others

✓ Applicable    ☐ Not Applicable

#### (1) Remuneration of Directors and Supervisors

The remuneration of Directors and Supervisors for the year is disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance as follows:

Unit: RMB

Name	Position	Date of appointment	Date of leaving office	Salaries, allowances and benefits	Bonus	Benefit expenses such as those related to retirement, healthcare and housing	Total
Zhang Guoqiang	Chairman, Executive Director, General manager	2015/07/09		600,000.00	576,000.00	140,292.18	1,316,292.18
Song Haiying	Executive Director, Deputy general manager, Chief financial officer	2015/07/09		468,004.00	538,000.00	140,292.18	1,146,296.18
Dai Dongzhe	Executive Director, Deputy general manager	2022/05/24		468,004.00	398,000.00	140,292.18	1,006,296.18
Teng Zhaojun	Chairman of the Supervisory Committee	2022/05/24		274,488.00	138,927.00	138,602.94	552,017.94
Liu Wei	Supervisor	2024/06/28		165,252.00	18,261.00	133,669.02	317,182.02
Zhang He	Resigned	2022/05/24	2024/06/28	206,339.96	51,460.00	0	257,799.96
Song Feng	Non-Executive Director	2023/06/16		0	0	0	
Teng Renjie	Non-Executive Director	2015/07/09		0	0	0	
Ji Xuehong	Independent Non-Executive Director	2022/01/10		120,000.00	0	0	120,000.00
Liu Xiaoshi	Independent Non-Executive Director	2019/04/23		120,000.00	0	0	120,000.00
Li Zhijie	Independent Non-Executive Director	2023/06/16		120,000.00	0	0	120,000.00
Wang Shanshan	Supervisor	2021/12/16		0	0	0	-
Chan So Kuen	Independent Non-Executive Director	2023/01/12		120,000.00	0	0	120,000.00
Total				2,662,087.96	1,720,648.00	693,148.50	5,075,884.46

During the year, no directors waived or agreed to waive any emoluments. No emoluments were paid by the Company to the Directors or Supervisors as an inducement to join or upon joining the Company or as compensation for loss of office.

## SECTION X FINANCIAL STATEMENTS

### XVIII. OTHER SIGNIFICANT EVENTS (Continued)

#### 8. Others (Continued)

##### (1) Remuneration of Directors and Supervisors (Continued)

Remuneration of Directors and Supervisors

The annual remuneration of each Director and Supervisor in 2023 is as follows:

Name	Position	Date of appointment	Date of leaving office	Salaries, allowances and benefits	Bonus	Benefit expenses such as those related to retirement, healthcare and housing	Total
Zhang Guoqiang	Chairman, Executive Director, General manager	2015/07/09		776,000.00	450,000.00	132,995.58	1,358,995.58
Song Haiying	Executive Director, Deputy general manager, Chief financial officer	2015/07/09		566,004.00	440,000.00	132,995.58	1,138,999.58
Dai Dongzhe	Executive Director, Deputy general manager	2022/05/24		566,004.00	300,000.00	132,995.58	998,999.58
Teng Zhaojun	Supervisor	2022/05/24		331,692.00	81,723.00	132,995.58	546,410.58
Zhang He	Chairman of the Supervisory Committee	2022/05/24		611,679.92	102,920.00	0	714,599.92
Wu Yong	Non-Executive Director	2015/07/09	2023/05/31	0	0	0	
Song Feng	Non-Executive Director	2023/06/16		0	0	0	
Teng Renjie	Non-Executive Director	2015/07/09		0	0	0	
Ji Xuehong	Independent Non-Executive Director	2022/01/10		120,000.00	0	0	120,000.00
Liu Xiaoshi	Independent Non-Executive Director	2019/04/23		120,000.00	0	0	120,000.00
Fang Jianyi	Independent Non-Executive Director	2019/04/23	2023/06/26	60,000.00	0	0	60,000.00
Li Zhijie	Independent Non-Executive Director	2023/06/16		60,000.00	0	0	60,000.00
Wang Shanshan	Supervisor	2021/12/16		0	0	0	
Chan So Kuen	Independent Non-Executive Director	2023/01/12		120,000.00	0	0	120,000.00
<b>Total</b>				3,331,379.92	1,374,643.00	531,982.32	5,238,005.24

## SECTION X FINANCIAL STATEMENTS

### XVIII. OTHER SIGNIFICANT EVENTS (Continued)

#### 8. Others (Continued)

##### (2) Five highest paid employees during the year

Five highest paid employees of the Company for the year include two directors (2023: two directors), whose remunerations have been reflected in “1. Directors’ and Supervisors’ emoluments”. Details of remunerations of the remaining three employees are as follows:

Unit: RMB0’000

Item	2024	2023
Salaries, allowances and benefits	227.97	255.62
Bonus	94.80	72
Benefit expenses such as those related to retirement, healthcare and housing	42.09	39.9
<b>Total</b>	<b>364.86</b>	<b>367.52</b>

The number of the highest paid employees (including Directors) whose remuneration fell within the following bands is as follows:

Item	2024	2023
0 – RMB1,000,000	–	–
RMB1,000,001 – RMB1,250,000	3	3
RMB1,250,001 – RMB1,500,000	2	2
<b>Total</b>	<b>5</b>	<b>5</b>

During the year, no emoluments were paid by the Company to the five highest paid employees of the Company as an inducement to join or upon joining the Company or as compensation for loss of office.

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

#### 1. Accounts receivable

##### (1) Disclosure by ageing

✓ Applicable    ☐ Not Applicable

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year	162,563,727.84	524,185,015.54
Subtotal of within the 1 year	162,563,727.84	524,185,015.54
1 to 2 years	469,070,855.23	390,815,609.23
2 to 3 years	149,676,030.40	183,830,874.82
3 to 4 years	167,041,985.72	56,967,506.42
4 to 5 years	15,134,968.00	20,866,157.20
Over 5 years	12,570,860.00	2,104,480.00
Total	976,058,427.19	1,178,769,643.21

##### (2) Disclosure by bad debt provision method

✓ Applicable    ☐ Not Applicable

Unit: RMB

Category	Book balance		Closing balance			Book balance		Opening balance		
	Amount	Ratio (%)	Amount	Provision Ratio (%)	Book Value	Amount	Ratio (%)	Amount	Provision Ratio (%)	Book Value
Provision for bad debts on individual basis	10,290,865.00	1.05	10,290,865.00	100.00		10,121,380.00	0.86	10,033,380.00	99.13	88,000.00
Including:										
Provision on individual basis	10,290,865.00	1.05	10,290,865.00	100.00		10,121,380.00	0.86	10,033,380.00	99.13	88,000.00
Provision for bad debts on group basis:	965,767,562.19	98.95	103,899,872.90	10.76	861,867,689.29	1,168,648,263.21	99.14	63,068,383.56	5.40	1,105,579,879.65
Including:										
Aging portfolio	346,578,008.73	35.51	103,899,872.90	10.76	242,678,135.83	389,069,270.92	33.01	63,068,383.56	16.21	326,000,887.36
Group of related parties within the scope of consolidation	619,189,553.46	63.44			619,189,553.46	779,578,992.29	66.13			779,578,992.29
Total	976,058,427.19	100.00	114,190,737.90		861,867,689.29	1,178,769,643.21	100.00	73,101,763.56		1,105,667,879.65

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 1. Accounts receivable (Continued)

#### (2) Disclosure by bad debt provision method (Continued)

Provision for bad debts on individual basis:

☒ Applicable ☐ Not Applicable

Unit: RMB

Name	Book balance	Closing balance		Reason for provision
		Bad debt provision	Percentage of provision (%)	
Zhongzhi Vehicle (Chun'an) Co., Ltd.	9,241,380.00	9,241,380.00	100.00	Expected to be unrecoverable
Chengdu Dayun Automobile Co., Ltd.	169,485.00	169,485.00	100.00	Expected to be unrecoverable
Shanghai Shenlong Bus Co., Ltd	880,000.00	880,000.00	100.00	Expected to be uncollectible
Total	10,290,865.00	10,290,865.00	100.00	

Explanation on provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts by portfolio:

☒ Applicable ☐ Not Applicable

Provision items on group basis: aging portfolio

Unit: RMB

Name	Accounts receivable	Closing balance	
		Bad debt provision	Percentage of provision (%)
within 1 year	77,662,565.66	3,106,502.63	4.00
1-2 years	67,048,759.49	4,022,925.57	6.00
2-3 years	61,691,052.84	17,890,405.32	29.00
3-4 years	122,591,182.74	61,295,591.38	50.00
4-5 years	15,134,968.00	15,134,968.00	100.00
Over 5 years	2,449,480.00	2,449,480.00	100.00
Total	346,578,008.73	103,899,872.90	

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 1. Accounts receivable (Continued)

#### (2) Disclosure by bad debt provision method (Continued)

Explanation of bad debt provision by group basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis for division into different stages and bad debt provision ratio

Not Applicable

Explanation of significant changes in the book balance of accounts receivable for which loss reserves have changed during the current period:

☐ Applicable ☒ Not Applicable

#### (3) Bad debt provision

☒ Applicable ☐ Not Applicable

Unit: RMB

Category	Opening balance	Provision	Changes in the period		Other changes	Closing balance
			Recovery or reversal	Write-off		
Provision for bad debts on individual basis	10,033,380.00	88,000.00			169,485.00	10,290,865.00
Bad debt provision by portfolio	63,068,383.56	51,882,529.16	10,466,689.82		-584,350.00	103,899,872.90
Including: aging portfolio	63,068,383.56	51,882,529.16	10,466,689.82		-584,350.00	103,899,872.90
Group of related parties within the scope of consolidation						
Total	73,101,763.56	51,970,529.16	10,466,689.82		-414,865.00	114,190,737.90

Among them, the amount of bad debt reserves recovered or reversed in the period is important:

☐ Applicable ☒ Not Applicable

Other explanation

Nil

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 1. Accounts receivable (Continued)

##### (4) Accounts receivable actually written off in the period

☐ Applicable ☒ Not Applicable

Among them, the write-off of important accounts receivable

☐ Applicable ☒ Not Applicable

##### (5) Top five accounts receivable and contract assets by debtors at the end of the period

☒ Applicable ☐ Not Applicable

Unit: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Customer A	239,814,309.59		239,814,309.59	24.53	75,248,213.70
Tangshan Qianchen New Energy Development Co., Ltd.	176,147,442.07		176,147,442.07	18.02	
SinoHytec Power Technology Co., Ltd.	148,759,011.44		148,759,011.44	15.22	
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.,	134,978,942.79		134,978,942.79	13.81	
Zhengzhou SinoHytec Power Technology Co., Ltd.	103,724,429.69		103,724,429.69	10.61	
Total	803,424,135.58		803,424,135.58	82.19	75,248,213.70

Other explanation

Nil

Other explanation:

☐ Applicable ☒ Not Applicable



## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 2. Other receivables

Breakdown of items

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Closing Balance	Opening Balance
Interest receivable		
Dividends receivable		
Other receivables	295,755,857.55	296,351,434.15
Total	295,755,857.55	296,351,434.15

Other explanation:

☐ Applicable ☒ Not Applicable

#### Interest receivable

(1) *Classification of interest receivable*

☐ Applicable ☒ Not Applicable

(2) *Important overdue interest*

☐ Applicable ☒ Not Applicable

(3) *Disclosure by bad debt provision method*

☐ Applicable ☒ Not Applicable

Provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Explanation on provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

## SECTION X

### FINANCIAL STATEMENTS

#### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

##### 2. Other receivables (Continued)

###### Interest receivable (Continued)

###### (3) Disclosure by bad debt provision method (Continued)

Provision for bad debts on group basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis for division into different stages and bad debt provision ratio

Not Applicable

Explanation of significant changes in the book balance of interest receivable for which loss provision has changed during the current period:

☐ Applicable ☒ Not Applicable

###### (4) Bad debt provision

☐ Applicable ☒ Not Applicable

Among them, the amount of bad debt reserves recovered or reversed in the period is important:

☐ Applicable ☒ Not Applicable

Other explanation:

Nil

###### (5) Interest receivable actually written off in the period

☐ Applicable ☒ Not Applicable

Among them, the important write-off of interest receivable

☐ Applicable ☒ Not Applicable

Write-off explanation:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 2. Other receivables (Continued)

##### Dividends receivable

(1) *Dividends receivable*

☐ Applicable ☒ Not Applicable

(2) *Significant dividends receivable aged more than 1 year*

☐ Applicable ☒ Not Applicable

(3) *Disclosure by bad debt provision method*

☐ Applicable ☒ Not Applicable

Provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Explanation on provision for bad debts on individual basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts on group basis:

☐ Applicable ☒ Not Applicable

Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not Applicable

Basis for division into different stages and bad debt provision ratio

Not Applicable

Explanation of significant changes in the book balance of dividends receivable for which loss reserves have changed during the current period:

☐ Applicable ☒ Not Applicable

(4) *Bad debt provision*

☐ Applicable ☒ Not Applicable

Among them, the amount of bad debt reserves recovered or reversed in the period is important:

☐ Applicable ☒ Not Applicable

Other explanation:

Nil

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 2. Other receivables (Continued)

##### Dividends receivable (Continued)

(5) *Dividends receivable actually written off during the period*

☐ Applicable ☒ Not Applicable

Among them, the important written off of dividend receivables

☐ Applicable ☒ Not Applicable

Write-off explanation:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

##### Other receivables

(1) *Disclosure by ageing*

☒ Applicable ☐ Not Applicable

Unit: RMB

Aging	Opening book balance	Closing book balance
Within 1 year	13,387,796.41	36,997,638.11
Subtotal within 1 year	13,387,796.41	36,997,638.11
1 to 2 years	26,293,838.57	20,841,882.91
2 to 3 years	20,825,413.39	251,438,877.73
3 to 4 years	202,094,089.21	1,284,334.47
4 to 5 years	47,564,819.04	14,404.62
Over 5 years	326,904.62	5,000.00
Total	310,492,861.24	310,582,137.84

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 2. Other receivables (Continued)

Other receivables (Continued)

(2) *Classified by nature*

✓ Applicable    ☐ Not Applicable

Unit: RMB

Nature	Closing book balance	Opening book balance
Current accounts with related parties within the scope of consolidation	300,923,174.33	305,630,987.48
Accounts receivable from related parties outside the scope of consolidation	5,517,500.00	
Deposit	4,051,361.20	4,274,622.90
Reserve fund	819.31	3,447.63
Others	6.40	673,079.83
Total	310,492,861.24	310,582,137.84

(3) *Bad debt provision*

✓ Applicable    ☐ Not Applicable

Unit: RMB

	Stage 1 Expected credit losses over the next 12 months	Stage 2 Lifetime expected credit losses (not credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Provision for bad debts				
Balance at January 1, 2024	14,230,703.69			14,230,703.69
Balance at January 1, 2024 in the current period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision for the period	506,300.00			506,300.00
Reversal for the period				
Written-back for the period				
Write-off for the period				
Other changes				
Balance at December 31, 2024	14,737,003.69			14,737,003.69

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 2. Other receivables (Continued)

##### Other receivables (Continued)

##### (3) Bad debt provision (Continued)

The basis for the division at each phase and the percentage of provisions for bad debts

Other receivables are classified as "no significant increase in credit risk since initial recognition" and are classified as Stage 1; other receivables are classified as "a significant increase in credit risk since initial recognition" and are classified as Stage 2; when the defaulting party experiences significant financial difficulties or is likely to go bankrupt or undergo other financial restructuring; other situations that violate the contracts and indicate that there is objective evidence of impairment of financial assets, indicating that other receivables are "credit impaired" and are classified as Stage 3.

Explanation on significant changes in the book balance of other receivables that have changed in loss reserves during the current period:

☐ Applicable ☒ Not Applicable

The basis for the amount of bad debt provision for the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

☐ Applicable ☒ Not Applicable

##### (4) Bad debt provision

☒ Applicable ☐ Not Applicable

Unit: RMB

Category	Opening balance	Provision	Changes during the period		Other changes	Closing balance
			Recovered or reversed	Written-back or written-off		
Provision for bad debt on group basis:	14,230,703.69	506,300.00				14,737,003.69
Including:						
aging portfolio		506,300.00				506,300.00
Group of related parties within the scope of consolidation	14,230,703.69					14,230,703.69
Total	14,230,703.69	506,300.00				14,737,003.69

Among them, the important amount of bad debt reserve reversed or recovered during the period:

☐ Applicable ☒ Not Applicable

Other explanation

Nil

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 2. Other receivables (Continued)

##### Other receivables (Continued)

(5) *Other receivables actually written off during the period*

☐ Applicable ☒ Not Applicable

Among them, the important written off of other receivables:

☐ Applicable ☒ Not Applicable

Write-off of other receivables:

☐ Applicable ☒ Not Applicable

(6) *Other receivables of top five debtors by closing balance*

☒ Applicable ☐ Not Applicable

Unit: RMB

Name	Closing balance	Proportion in total closing balance of other receivables (%)	Nature of payment	Aging	Closing balance of bad debt provision
SinoHytec Power Technology Co., Ltd.	290,233,174.33	93.47	Current account	Within 5 years	14,230,703.69
Chengdu SinoHytec Power Technology Co., Ltd.	10,690,000.00	3.44	Current account	Within 2 years	
Beijing Xingxing Equity Investment Partnership (Limited partnership)	5,220,000.00	1.68	Current account	Within 1 years	208,800.00
Beijing Dongsheng Bozhan Technology Development Co., Ltd.	2,696,648.38	0.87	Deposit and Security Deposit	Within 5 years	
Sany Automobile Manufacturing Co., Ltd.	800,000.00	0.26	Deposit and Security Deposit	2-3 years	
Total	309,639,822.71	99.73	/		14,439,503.69

(7) *Reported in other receivables due to centralized fund management*

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 3. Long-term equity investment

✓ Applicable    ☐ Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	690,098,648.00		690,098,648.00	555,166,820.00		555,166,820.00
Investment in associated and joint ventures	278,121,209.87	9,218,880.22	268,902,329.65	287,228,197.65		287,228,197.65
Total	968,219,857.87	9,218,880.22	959,000,977.65	842,395,017.65		842,395,017.65

#### (1) Investment in subsidiaries

✓ Applicable    ☐ Not Applicable

Unit: RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes during the period				Closing balance (book value)	Closing balance of impairment provision
			Additional investment	Decrease in investment	Provision for impairment	Other		
Beijing Future Hydrogen Valley Technology Co., Ltd.	91,900,000.00		4,050,000.00				95,950,000.00	
Chengdu Guoqinghuatong Technology Co., Ltd.	22,050,000.00						22,050,000.00	
Chengdu SinoHytec Power Technology Co., Ltd.	3,000,000.00						3,000,000.00	
Shanghai SinoFuelCell Co., Ltd.	67,720,000.00						67,720,000.00	
SinoHytec Power Technology Co., Ltd.	344,604,820.00		67,100,000.00				411,704,820.00	
Shandong Huaqing Dongli Technology Co., Ltd.	3,880,000.00		800,000.00				4,680,000.00	
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	4,000,000.00		26,000,000.00				30,000,000.00	
Tangshan Qianchen New Energy Development Co., Ltd.	10,850,000.00		800,000.00				11,650,000.00	
Zhengzhou SinoHytec Power Technology Co., Ltd.	7,162,000.00		31,200,000.00				38,362,000.00	
Beijing SinoHytec Hydrogen Technology Co., Ltd.			1,350,000.00				1,350,000.00	
SinoHytec International Limited			3,631,828.00				3,631,828.00	
Total	555,166,820.00		134,931,828.00				690,098,648.00	



## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 3. Long-term equity investment (Continued)

##### (2) Investment in associated and joint ventures

✓ Applicable    □ Not Applicable

Unit: RMB

Investor	Opening balance	Additional investment	Decrease in investment	Changes during the period				Provision for impairment	Other	Closing balance	Closing balance of provision for impairment
				Investment profit or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividend or profit declared				
I. Joint Ventures											
Toyota Sinohtec Fuel Cell Co., Ltd	90,885,730.84			-19,849,114.40						71,036,616.44	
Subtotal	90,885,730.84			-19,849,114.40						71,036,616.44	
II. Associates											
Shaanxi Huasheng Weipu Technology Co., Ltd.											
Air Sinohtec Hydrogen Technology Co., Ltd	20,153,029.18			-806,060.29			9,218,880.22			10,128,088.67	9,218,880.22
United Fuel Cell System R&D (Beijing) Co., Ltd.	12,398,382.31			1,814,489.02						14,212,871.33	
Shanghai Maximfuelcell Technology Co., Ltd.	12,559,403.65			-2,559,316.98		-80,045.80				9,920,040.87	
Beijing Swift New Energy Technology Co., Ltd.	7,722,070.61			-2,461,260.35						5,260,810.26	
Beijing Shuimu Pilot Venture Capital Center (Limited Partnership)	105,227,423.97			12,667,304.45						117,894,728.42	
Beijing Caven New Energy Vehicles Co., Ltd.	38,282,157.09			-9,225,214.00						29,056,943.09	
Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd.		10,000,000.00		-1,720,543.30						8,279,456.70	
Shanghai Kuitong Technology Co., Ltd.		10,000,000.00	6,000,000.00	-887,226.13						3,112,773.87	
Subtotal	196,342,466.81	20,000,000.00	6,000,000.00	-3,177,827.58		-80,045.80	9,218,880.22			197,865,713.21	9,218,880.22
Total	287,228,197.65	20,000,000.00	6,000,000.00	-23,026,941.98		-80,045.80	9,218,880.22			268,902,329.65	9,218,880.22

##### (3) Impairment test of long-term equity investments

□ Applicable    ✓ Not Applicable

Other explanation:

Nil

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 4. Operating income and operating costs

##### (1) Operating income and operating costs

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Amount incurred during the period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	179,173,178.20	133,391,891.52	466,005,700.34	292,920,510.81
Other business	135,492.04		120,686.30	6,708.99
Total	179,308,670.24	133,391,891.52	466,126,386.64	292,927,219.80

##### (2) Breakdown of operating income and operating costs

☒ Applicable ☐ Not Applicable

Unit: RMB

Classification	Fuel cell systems and related services		Total	
	Operating income	Operating costs	Operating income	Operating costs
Type of goods				
Fuel cell system	59,365,830.47	44,019,930.61	59,365,830.47	44,019,930.61
Parts	71,019,850.38	46,777,138.37	71,019,850.38	46,777,138.37
Technology development and services	35,496,277.49	32,528,105.01	35,496,277.49	32,528,105.01
Other	13,426,711.90	10,066,717.53	13,426,711.90	10,066,717.53
By operating region				
Domestic	179,308,670.24	133,391,891.52	179,308,670.24	133,391,891.52
Overseas				
By time of transfer of goods				
At a point in time	179,308,670.24	133,391,891.52	179,308,670.24	133,391,891.52
Over time				
Total	179,308,670.24	133,391,891.52	179,308,670.24	133,391,891.52

Other explanation

☐ Applicable ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 4. Operating income and operating costs (Continued)

##### (3) Explanation about performance obligations

☐ Applicable ☒ Not Applicable

##### (4) Explanation about allocation to remaining performance obligations

☒ Applicable ☐ Not Applicable

The amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet fulfilled at the end of the reporting period is RMB10,245,715.15, of which:

RMB10,245,715.15 is expected to be recognized in 2025.

##### (5) Significant contract changes or significant transaction price adjustments

☐ Applicable ☒ Not Applicable

Other explanation:

Nil

## SECTION X FINANCIAL STATEMENTS

### XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(Continued)

#### 5. Investment income

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	<b>-23,026,941.98</b>	-34,154,240.91
Investment income from disposal of long-term equity investments	<b>32,183,500.00</b>	
Investment income from trading financial assets during the holding period	<b>2,606,273.98</b>	6,867,303.63
Investment income from disposal of trading financial assets		247,917.81
Gain on debt restructuring	<b>27,286.60</b>	-321,946.75
Total	<b>11,790,118.60</b>	-27,360,966.22

Other explanation:  
Nil

#### 6. Others

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XX. SUPPLEMENTARY INFORMATION

#### 1. Breakdown of non-recurring profit or loss for the period

☒ Applicable   ☐ Not Applicable

Unit: RMB

Item	Amount	Description
Gain or loss on disposal of non-current assets, including write-off portion of the provision for asset impairment	33,465,122.31	VII. 68/73/74/75
Government grants included in profit or loss for the current period, except for government grants that are closely related to the normal business operations of the Company, and that comply with the provisions of national policies, enjoy in accordance with the standards determined, and have a continuous impact on the profit and loss of the Company	49,212,037.71	VII. 51/67
Gain or loss arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gain or loss arising from disposal of financial assets and financial liabilities, except for effective hedging business related to the Company's normal business operations	22,529,435.27	VII. 68/70
Other non-operating income and expenses other than the above items	1,671,232.62	VII. 74/75
Other gain or loss items that meet the definition of non-recurring gain or loss		
Less: Effect of income tax	5,136,993.37	
Effect of minority interests (after tax)	15,416,696.60	
Total	86,324,137.95	

If the Company identifies the items not listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1– Non-recurring Gains or Losses as non-recurring gain or loss items with significant amount, and if the Company defines the non-recurring gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses as the recurring gain or loss items, it should explain the reasons.

☐ Applicable   ☒ Not Applicable

Other explanations

☐ Applicable   ☒ Not Applicable

## SECTION X FINANCIAL STATEMENTS

### XX. SUPPLEMENTARY INFORMATION (Continued)

#### 2. Net return on assets and earnings per share

☒ Applicable   ☐ Not Applicable

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	-16.19	-1.97	-1.97
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	-19.25	-2.34	-2.34

#### 3. Differences in accounting data under domestic and overseas accounting standards

☐ Applicable   ☒ Not Applicable

#### 4. Others

☐ Applicable   ☒ Not Applicable

Chairman of the Board: Zhang Guoqiang  
Date of approval and delivery by the Board: April 28, 2025

Revision information

☐ Applicable   ☒ Not Applicable

