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

INTERIM REPORT

# 2025

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|---|---|
| Documents available for inspection | Financial statements signed and sealed by the legal representative of the Company, the person-in-charge of accounting affairs and the person-in-charge of the accountant firm |
| | Full text and summary of the interim report 2025 signed by the present legal representative and sealed by the Company |
| | Original copies of all documents and announcements of the Company publicly disclosed on the designated websites of the CSRC during the Reporting Period |

# IMPORTANT NOTICE

**I.** The Board and the Directors and senior management of the Company confirm that the information contained in this interim 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. NOTICE OF SIGNIFICANT RISKS

### 1. Risk of a significant decline or loss in performance

During the Reporting Period, the Company's net loss attributable to shareholders of the listed company was RMB163.4278 million, representing a year-on-year increase in loss of RMB21.9385 million. The loss in performance for the period was mainly due to the following: (1) the overall market demand in the fuel cell industry declined, and the scale of the industry shrank year-on-year; (2) the Company adopted a prudent marketing expansion strategy based on the current liquidity, resulting in a decrease in sales volume of products during the Reporting Period.

The Company fully implements refined management to reduce unit product cost, and strives to participate in the upstream hydrogen supply segment to achieve synergistic operations across the industry chain spanning from fuel cell systems to hydrogen supply, aiming to enhance the Company's overall competitiveness and strengthen its risk resistance. However, if future industry development falls short of expectations, leading to a continued decline in market demand, or if industry competition further intensifies, and the Company is unable to secure sufficient orders and expand sales to reach the scale of economies required to reverse losses, the current loss-making situation may persist.

### 2. Risks 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. As the industry in which the Company operates remains in its development stage, capital requirements are expected to continue growing rapidly. Sustained negative operating cash flows may lead to a shortage of working capital. As the Company is still in the early stage of development and industrialization, its debt financing capacity is relatively 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.

**III.** All Directors of the Company attended the Board meeting.

**IV.** This interim report is unaudited.

**V.** 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 interim report.

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

Nil

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

Not Applicable

## VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

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

## IX. WHETHER THERE IS NON-OPERATIONAL OCCUPATION OF FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES

Yes

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

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

No

## XI. WHETHER MORE THAN HALF OF THE DIRECTORS CANNOT GUARANTEE THE AUTHENTICITY, ACCURACY AND COMPLETENESS OF THE INTERIM REPORT DISCLOSED BY THE COMPANY

No

## XII. OTHERS

Not Applicable

# SECTION I DEFINITIONS

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

## DEFINITION OF COMMON TERMS

| | |
|---|---|
| Board | The board of Directors |
| Company/SinoHytec | Beijing SinoHytec Co., Ltd. |
| Group | The Company and its subsidiaries |
| Director(s) | Director(s) of the Company |
| SinoFuelCell | Shanghai SinoFuelCell Co., Ltd., a majority-controlled 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 majority-controlled subsidiary of the Company |
| Juxinghuatong | Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd., a wholly-owned subsidiary of the Company |
| Zhengzhou SinoHytec | Zhengzhou SinoHytec Power Technology Co., Ltd., a wholly-owned subsidiary of the Company |
| Zhangjiakou Haiper | Zhangjiakou Haiper New Energy Technology Co., Ltd., an associate of the Company |
| Tangshan Qianchen | Tangshan Qianchen New Energy Development Co., Ltd., a wholly-owned subsidiary 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. |
| 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 |
| 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 |
| 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) |
| RMB | Renminbi, the lawful currency of the PRC |
| Shares | A Shares and H Shares |
| Shareholders | Holders of Shares |
| 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 |

# SECTION I
# DEFINITIONS

| | |
|---|---|
| A-share Prospectus | Prospectus for the Initial Public Offering and Listing of Shares on the SSE STAR Market of Beijing SinoHytec Co., Ltd. |
| Reporting Period | The six months ended June 30, 2025 |
| 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 |
| 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 interim 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 | http://www.sinohytec.com |
| E-mail | sinohytec@autoht.com |
| Enquiry index for changes during the Reporting Period | Not Applicable |

## II. CONTACT PERSON AND CONTACT METHOD

| | **Secretary to the Board (Domestic representative for information disclosure)** | **Securities Affairs Representative** |
|---|---|---|
| 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 | sinohytec@autoht.com | sinohytec@autoht.com |

## III. CHANGES IN INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

| | |
|---|---|
| Names of the newspaper designated by the Company for information disclosure | Shanghai Securities News and China Securities Journal |
| Website address for publishing A shares interim reports | www.sse.com.cn |
| Website address for publishing H shares interim reports | www.hkexnews.hk |
| Place for inspection of A shares interim reports | Board Office of the Company |
| Place for inspection of H shares interim reports | 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong |
| Enquiry index for changes during the Reporting Period | Not Applicable |

## IV. PROFILE OF COMPANY STOCK/DEPOSITARY RECEIPTS

### (I) Stock Profile of the Company

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

### (II) Depositary Receipts Profile of the Company

Not Applicable

## V. OTHER RELEVANT INFORMATION

Not Applicable

## VI. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

### (I) Major Accounting Data

Unit: RMB

| Major Accounting Data | **For the Reporting Period (January – June)** | For the same period last year | | Increase/ decrease as compared with the same period last year (%) |
|---|---|---|---|---|
| | | Post-adjustment | Pre-adjustment | |
| Operating income | **71,929,258.41** | 153,843,525.55 | 153,843,525.55 | -53.25 |
| Total profits ("-" for loss) | **-200,946,473.53** | -181,674,753.85 | -181,674,753.85 | – |
| Net profit attributable to shareholders of the listed company ("-" for loss) | **-163,427,812.69** | -141,489,332.28 | -141,489,332.28 | – |
| Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss ("-" for loss) | **-174,275,090.83** | -165,228,820.79 | -158,021,201.42 | – |
| Net cash flows from operating activities ("-" for loss) | **-34,553,748.71** | -183,120,171.18 | -183,120,171.18 | – |

| Major Accounting Data | **As of the end of the Reporting Period** | As of the end of last year | | Increase/ decrease as compared with the end of last year (%) |
|---|---|---|---|---|
| | | Post-adjustment | Pre-adjustment | |
| Net assets attributable to shareholders of the listed company | **2,397,692,764.75** | 2,561,032,869.37 | 2,561,032,869.37 | -6.38 |
| Total assets | **4,254,071,963.23** | 4,778,968,863.11 | 4,778,968,863.11 | -10.98 |

## (II) Key Financial Indicators

| Key Financial Indicators | **For the Reporting Period (January – June)** | For the same period last year | | Increase/ decrease as compared with the same period last year (%) |
|---|---|---|---|---|
| | | Post-adjustment | Pre-adjustment | |
| Basic earnings per share (RMB/share) ("-" for loss) | **-0.71** | -0.61 | -0.86 | – |
| Diluted earnings per share (RMB/share) ("-" for loss) | **-0.71** | -0.61 | -0.86 | – |
| Basic earnings per share after deducting non-recurring profit or loss (RMB/share) ("-" for loss) | **-0.75** | -0.71 | -0.96 | – |
| Weighted average return on net assets (%) | **-6.59** | -4.76 | -4.76 | Decrease by 1.83 percentage points |
| Weighted average return on net assets after deducting non-recurring profit or loss (%) | **-7.03** | -5.55 | -5.31 | Decrease by 1.47 percentage points |
| Proportion of R&D investment in operating income (%) | **35.41** | 50.45 | 50.45 | Decrease by 15.04 percentage points |

### Explanation on the major accounting data and financial indicators of the Company

(1) Due to the implementation of the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Loss (Revised in 2023), the government grants obtained by enterprises in connection with research or special projects, etc., even if the government clearly defines the amount of grants for each period through budgeting and other means, but they are not related to the production or sales volume of the enterprise's operating activities, they are not considered to be fixed or quantified government grants. Therefore, government grants related to assets should be included in non-recurring profit or loss and the Company makes retroactive adjustments to the net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss, and at the same time makes retroactive adjustments to the basic earnings per share after deducting non-recurring profit or loss and the weighted average return on net assets after deducting non-recurring profit or loss for the same period of the previous year.

(2) Since the Company completed the equity distribution by converting capital reserves into share capital in July 2024, the earnings per share for the same period last year has been adjusted retroactively based on the latest share capital.

(3) In the first half of 2025, the Company achieved operating income of RMB71.9293 million, representing a year-on-year decrease of 53.25%. The net loss attributable to shareholders of the listed company was RMB163.4278 million, representing a year-on-year increase in loss of RMB21.9385 million. The change in performance during the Reporting Period was mainly due to: 1. the overall market demand in the fuel cell industry declined, and the scale of the industry shrank year-on-year during the Reporting Period; 2. the Company adopted a prudent marketing expansion strategy based on the current liquidity, resulting in a decrease in sales volume of products during the Reporting Period.

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

Not Applicable

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

Unit: RMB

| Non-recurring profit or loss items | Amount | Notes (where applicable) |
|---|---|---|
| Profit/loss on disposal of non-current assets, including the write-off portion of the provision for impairment of assets | -37,151.76 | VII. Note 68, Note 71, Note 74, Note 75 |
| 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 | 10,632,490.14 | VII. Note 51, Note 67 |
| 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 | 2,262,192.87 | VII. Note 68, Note 70 |
| Other non-operating income and expenses other than the above | -406,351.25 | VII. Note 74, Note 75 |
| Less: Effect of income tax | -134,496.89 | |
| Effect of minority interests (after tax) | 1,738,398.75 | |
| Total | 10,847,278.14 | |

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

Not Applicable

## IX. COMPANIES WITH EQUITY INCENTIVE SCHEME, EMPLOYEE SHAREHOLDING SCHEME MAY CHOOSE TO DISCLOSE NET PROFITS AFTER DEDUCTING THE IMPACT OF SHARE-BASED PAYMENTS

Not Applicable

## X. EXPLANATION OF PERFORMANCE INDICATORS OF NON-ENTERPRISE ACCOUNTING STANDARDS

Not Applicable

# SECTION III
# MANAGEMENT DISCUSSION AND ANALYSIS

## I. DESCRIPTION OF THE MAIN BUSINESSES AND INDUSTRY 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 and industrialization of fuel cell systems with independent core intellectual property rights and achieved mass production of fuel cell systems. The Company has successively undertaken a number of major projects in the field of fuel cell, such as the State High-Tech Development Plan, (Program 863), Project for the Ministry of Science and Technology, and projects for Beijing Municipal Science and Technology Commission and STCSM.

The Company's main products and services include fuel cell systems and related technical services as well as the sales of energy gases, which 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 Yutong Bus and Beiqi Foton. Fuel cell vehicles equipped with our fuel cell systems have been operating in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou and Tangshan.

### (II) Main business models

#### 1. R&D model

Under the R&D concept of "Advance Research, Continuous Development and In-depth Promotion", 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 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 generally arranges production after receiving customer orders, and stocks up with the goods of appropriate quantity based on market forecast. Production processes mainly comprise production preparation, first-piece production, formal production, production process monitoring, and inspection and warehousing of finished product. Strict quality control is exercised throughout the production process to ensure the quality of final products.

#### 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.

## (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. As of June 2025, 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.

In the first half of 2025, China's hydrogen energy industry continued to advance in policy refinement and ecosystem construction:

Firstly, multiple national-level measures have been intensively implemented: (1) the "Guiding Opinions on Energy Work in 2025" issued by the National Energy Administration explicitly requires local authorities to improve hydrogen energy management mechanisms, laying the foundation for standardized development of the industry; (2) the fuel cell vehicle demonstration city clusters have expanded, with six cities including Hami in Xinjiang, Lvliang in Shanxi, Jiyuan and Puyang in Henan, Cangzhou in Hebei and Dalian in Liaoning joining. This expansion reflects the continuous attention and strategic layout of the policy level towards the hydrogen energy industry.

Secondly, at the application and promotion level, policy support has been further strengthened: over ten provinces and municipalities have introduced preferential policies exempting or reducing highway tolls for hydrogen fuel vehicles, continuously broadening their coverage and gradually forming a hydrogen energy highway network. These measures enhanced the economic feasibility and market potential for the commercial adoption of hydrogen-powered heavy-duty trucks.

Thirdly, industrial funding and technological innovation support are being strengthened simultaneously: (1) the National Development and Reform Commission announced the establishment of a national venture capital guidance fund to invest in cutting-edge technological fields such as hydrogen energy storage; (2) the National Energy Administration issued the "Circular on Organizing Pilot Projects for Hydrogen Energy Development in the Energy Sector", specifying the selection of key projects and regions for pilot implementation. This initiative will focus on 11 areas across the entire hydrogen energy value chain, including production, storage, transportation, and application, driving breakthroughs and upgrades in core technologies of the 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 The Orange Group, the cumulative production of fuel cell vehicles reached 1,364 units in the first half of 2025 in China, representing a year-on-year decrease of 47.2%, and the cumulative sales were 1,373 units, representing a year-on-year decrease of 46.8%. 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.

## 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 is capable to manufacture fuel cell systems and stack on a mass production basis.

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. However, there are certain technical barriers for fuel cell system products, leading to high market concentration. 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 June of 2025, a total of 1,235 fuel cell vehicles (excluding chassis announcement) were published in the PRC, of which 170 vehicles were equipped with the Company's fuel cell system.

## 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 decline rapidly. 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. China has set a milestone development goal of "50,000 fuel cell vehicles running on road by 2025".

In addition, as an emerging industry, hydrogen energy and fuel cell industry are not only an opportunity for the automobile industry, but also can further expand the green and low-carbon industry system. Hydrogen energy and fuel cells can also be widely used in transportation fields such as rail transit and ships, and can also be applied in distributed power generation, building cogeneration and other fields. From the production, storage and transportation of hydrogen to the downstream application of hydrogen energy industry chain, it can effectively drive the transformation and upgrading of traditional industries in multiple fields such as energy, materials, equipment manufacturing, automobile, power, and construction, and create a new green and low-carbon industry chain to contribute to China's green and sustainable development.

### New important non-main business

Not Applicable

## II. BUSINESS DISCUSSION AND ANALYSIS

In 2025, the Company actively promoted the implementation of development strategies and operational objectives, and continued to enhance the fuel cell industrialisation and marketing. The Company continued to update and iterate product technology, and set our footprints in new business areas. At the same time, the Company continuously spotlighted core business, cultivated the second growth trajectory, optimized asset structure and improved industrial chain synergy 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 from January to June 2025 was mainly as follows:

1. The operating income amounted to RMB71.9293 million, representing a year-on-year decrease of 53.25%; total sales power of fuel cell systems was 15,960kW, representing a year-on-year decrease of 56.54%, net loss attributable to owners of the listed company of RMB163.4278 million, representing a year-on-year increase in loss of RMB21.9385 million. This was mainly because (1) the overall market demand in the fuel cell industry declined, and the scale of the industry shrank year-on-year; (2) the Company adopted a prudent marketing expansion strategy based on the current liquidity, resulting in a decrease in sales volume of products during the Reporting Period.

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.

3. In terms of industrial cooperation, the Company has carried out in-depth cooperation with universities in sci-tech innovation and talents training, 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.

### Analysis and outlook on changes in financial indicators under non-enterprise accounting standards

Not Applicable

### Significant changes in the operations of the Company during the Reporting Period and events which had a significant impact on the operations of the Company during the Reporting Period and would be expected to have a significant impact on the operations of the Company in the future

Not Applicable

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

### (I) Analysis of core competitiveness

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 325 inventive patents and 119 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.

#### 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.

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

Not Applicable

## (III) CORE TECHNOLOGY AND R&D 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. |

| No. | Core technology | Source of technology | Technical features and advantages |
|---|---|---|---|
| 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. |
| 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 impact. The Company develops the rapid hydrogen filling technology while ensuring safety. |

| 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 technologies.

## Details of awards for the National Technology Award

Not Applicable

### Awarding the national-level specialized and sophisticated "little giant" enterprises that produce new and unique products and manufacturing individual champion

| Grantee | Title | Year of awarding | Product name |
|---|---|---|---|
| The Company | National-level specialized and sophisticated "little giant" enterprises that produce new and unique products | November 2020 to November 2023 | Hydrogen fuel cell motor |
| The Company | National-level specialized and sophisticated "little giant" enterprises that produce new and unique products | July 2023 to June 2026 | Hydrogen fuel cell motor |
| SinoFuelCell | 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, realized technological progress, product performance optimization and iteration, and realized the volume power increase of ultra-thin flexible graphite bipolar plate stack based on its own research and development advantages and long-term transformation of scientific and technological achievements.

During the Reporting Period, the Company obtained a total of 42 new intellectual property rights, including 27 invention patents, 12 utility model patents and 3 software copyrights.

### List of intellectual property achieved during the Reporting Period

| | **Increase during the period** | | **Accumulative number** | |
|---|---|---|---|---|
| | **Number of applications (patents)** | **Number of IPs obtained (patents)** | Number of applications (patents) | Number of IPs obtained (patents) |
| Invention patents | **16** | **27** | 1,275 | 325 |
| Utility model patents | **0** | **12** | 816 | 803 |
| Design patents | **0** | **0** | 25 | 25 |
| Software copyrights | **3** | **3** | 119 | 119 |
| Others | **–** | **–** | – | – |
| Total | **19** | **42** | 2,235 | 1,272 |

## 3. R&D investment

Unit: RMB

| | For the period | For the corresponding period of last year | Change (%) |
|---|---|---|---|
| Expensed R&D investment | **17,174,589.82** | 50,534,103.58 | -66.01 |
| Capitalized R&D investment | **8,298,488.69** | 27,086,612.63 | -69.36 |
| Total R&D investment | **25,473,078.51** | 77,620,716.21 | -67.18 |
| Proportion of total R&D investment in operating income (%) | **35.41** | 50.45 | Decrease by 15.04 percentage points |
| Proportion of capitalized R&D investment (%) | **32.58** | 34.90 | Decrease by 2.32 percentage points |

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

The Company's total R&D investment for the period decreased by 67.18 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

Not Applicable

## 4. Status of projects under development

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 | Wide temperature range PEM membrane electrode key technology | 320.00 | 59.10 | 172.61 | The Company completed the development of high-performance mesoporous carbon catalysts, conducted performance and durability evaluations on membrane electrodes, studied strategies to improve the durability of membrane electrodes, published four articles, and applied for six invention patents which were accepted. | 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) |
| 2 | Hydrogen and fuel cell innovation project | 84.00 | 18.64 | 73.04 | The hydrogen and fuel cell innovation team completed the construction of a single-partition test bench, completed the fuel cell power generation system integration and test system power generation power verification, power generation efficiency verification, and low-temperature cold start test. | 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 single set of megawatt-scale PEM fuel cell power systems) |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 3 | High-performance bipolar plates of graphite materials | 660.00 | 124.57 | 183.52 | The Company completed the development of electrode plate process based on high-purity flexible graphite. | 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) |
| 4 | Development of high-power long-life fuel cell engine system for long-distance heavy-load application scenarios | 200.00 | 28.12 | 159.11 | The Company completed the selection of core fuel cell materials, design plans of high-performance and long-life membrane electrodes, and design plans of fuel cell stacks; completed the design, development, integration and testing of fuel cell systems for heavy truck application scenarios. | 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) |
| 5 | High consistency high power fuel cell stack design and development | 2,400.00 | 124.92 | 874.28 | The Company achieved low pressure, strong drainage and high efficiency effects; carried out modular structural design of fuel cells; developed high-precision assembly technology with precise temporal and spatial control of the surface pressure within the stack. | 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) |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 6 | R&D and industrialization of high-performance fuel cell engine integration technology | 966.00 | 51.50 | 57.17 | 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, and issued one report on product test. The Company published two SCI Q1 papers of Chinese Academy of Sciences. | 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) |
| 7 | Development of high-performance membrane electrodes and key materials for fuel cells | 1,200.00 | 187.41 | 823.69 | The Company realized the development of key materials such as high-activity and high-durability mesoporous carbon catalysts, wide-temperature range proton exchange membranes, high-mass transfer gas diffusion layers, and high-activity and high-stability membrane electrodes. | 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) |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 8 | Development of energy-efficient megawatt-scale fuel cell electricity and heat cogeneration system | 1,200.00 | 96.36 | 271.58 | The Company completed the architecture design of the megawatt-level fuel cell cogeneration system; completed the development of key components including high-efficiency air compressors, supersonic ejectors, and active spray humidification; developed the EIS and EPIS joint state observation algorithm and steam-water thermoelectric control algorithm; completed the construction of a single-partition system test bench and phased verification. | 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) |

| 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 | Development of cell stack series products | 2,527.04 | 578.22 | 1,713.15 | 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 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 10 | R&D and industrialization demonstration of key technology for hydrogen storage system | 400.00 | 78.75 | 125.16 | The Company completed the design of hybrid production hydrogen system, and the simulation model is being built; completed the procurement of water electrolysis catalyst raw materials and the construction of a simple testing platform. | 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 of volatility 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) |
| 11 | Research on forward-looking technology | 394.28 | 1.84 | 292.32 | 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 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 12 | Single battery life verification and research on material attenuation characteristics of key components | 1,200.00 | 183.12 | 1,135.09 | The Company completed the endurance test of 9,000h for a single battery and 1,000h 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 |
| 13 | Design of 35MPa on-board large-capacity lightweight hydrogen storage cylinders and low-cost molding technology study | 30.00 | – | 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) |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 14 | R&D of multi-energy efficient coupling control and key components of hybrid power generation system | 908.20 | 27.74 | 319.73 | The Company completed the testing and delivery of high level of power stacks and the 240kW fuel cell system. | 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 |
| 15 | R&D of domestic fuel cell system series | 4,917.42 | 251.44 | 1,524.77 | 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 |
| 16 | Integration and demonstration of hybrid power generation system of fuel cell and hydrogen combustion engine | 360.00 | 9.55 | 23.95 | The Company delivered the 240kW system and cooperated with the project unit to carry out integrated design and interface docking of the fuel cell-hydrogen internal combustion engine hybrid power generation system. | 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) |

| 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 |
|---|---|---|---|---|---|---|---|---|
| 17 | Ultra-thin graphite bipolar plate and high-performance stack key technologies | 156.00 | 26.84 | 77.30 | The Company completed mass production of 1.1mm large-size plates, and achieved the production of more than 500 pairs of bipolar plates. | 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) |
| 18 | National key "Little Giant" project | 3,588.68 | 74.05 | 74.05 | Based on an actually commercial bipolar plate structure and membrane electrode size, the Company built a multi-physics field coupling simulation model that can visually monitor multiple parameters such as "gas, water, heat and electricity" inside the flow channel. | To develop a multi-field coupling simulation model for fuel cells with model accuracy that meets requirements, and to assist in electrode plate structure design and battery hydrothermal management development; developed a new generation of high-power stacks with a single stack power ≥300kW and a volume power density ≥4.6kW/L. | Domestic advanced | Transportation (application scenarios such as long-distance heavy trucks, rail transport, ships and stationary power stations) |
| Total | / | 21,511.62 | 1,922.18 | 7,902.81 | / | / | / | / |

## 5. R&D personnel

Unit: RMB0'000

**Basic information**

| | Amount for the current period | Amount for the corresponding period of last year |
|---|---|---|
| Number of the R&D personnel of the Company | 128 | 300 |
| Proportion of the R&D personnel in the total number of employees of the Company (%) | 21.62 | 32.89 |
| **Total emoluments of the R&D personnel** | 1,976.92 | 3,741.27 |
| **Average emoluments of a R&D personnel** | 13.74 | 11.58 |

**Level of education**

| Education background | Number (persons) | Percentage (%) |
|---|---|---|
| Doctor's degree | 18 | 14.06 |
| Master's degree | 61 | 47.66 |
| Bachelor's degree | 39 | 30.47 |
| Junior college degree | 7 | 5.47 |
| High school diploma and below | 3 | 2.34 |
| **Total** | 128 | 100.00 |

**Age structure**

| Age group | Number (persons) | Percentage (%) |
|---|---|---|
| Under 30 years old | 25 | 19.53 |
| Under 40 years old | 86 | 67.19 |
| Under 50 years old | 16 | 12.50 |
| 50 years old and above | 1 | 0.78 |
| **Total** | 128 | 100.00 |

## 6. Other explanations

Not Applicable

## IV. RISK FACTORS

### (I) Risks of negative profit margin

As of the end of the Reporting Period, the Company was not profit-making. During the Reporting Period, the net loss attributable to shareholders of the listed company after deducting non-recurring profits and losses was RMB174.2751 million. With the intensification of market competition and the development of the Company's business, in the future, the Company will focus on increasing investment in enhancing research and development capabilities, improving supply chain and enhancing brand awareness. Although the Company is actively improving the operation efficiency and cutting down expenses, if the Company fails to meet expectations in terms of market promotion in the future, the Company may face the risk of continued losses.

### (II) Risk of a significant decline or loss in performance

During the Reporting Period, the Company's net loss attributable to shareholders of the listed company was RMB163.4278 million, representing a year-on-year increase in loss of RMB21.9385 million. The loss in performance for the period was mainly due to the following: (1) the overall market demand in the fuel cell industry declined, and the scale of the industry shrank year-on-year; (2) the Company adopted a prudent marketing expansion strategy based on the current liquidity, resulting in a decrease in sales volume of products during the Reporting Period.

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 risks

With the rapid development of the hydrogen fuel cell industry in recent years, the number of industry players in the fuel cell field has increased day by day. 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.

## (IV) Operational risks

### 1. Risks 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. Risks of falling gross profit margins

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.

### 4. Risks 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 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 internal combustion engine 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 risks

### 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 RMB2,129.9994 million.

### 2. Risks 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 repayment risks

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 risks

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.

## V. MAJOR OPERATING INFORMATION FOR THE REPORTING PERIOD

For details, please refer to "II. Business Discussion and Analysis" under "Section III Management Discussion and Analysis".

### (I) Analysis of principal business

#### 1. Details of changes related to the financial statements

Unit: RMB

| Item | **For the period** | For the corresponding period of last year | Percentage of Change (%) |
|---|---|---|---|
| Operating income | **71,929,258.41** | 153,843,525.55 | -53.25 |
| Financial expenses | **4,730,217.01** | 40,122.08 | 11,689.56 |
| R&D expenses | **17,174,589.82** | 50,534,103.58 | -66.01 |
| Other income | **11,478,048.84** | 19,781,776.55 | -41.98 |
| Investment income ("-" for loss) | **-38,075,319.83** | -17,451,849.93 | -118.17 |
| Income from changes in fair value | **2,111,040.20** | 7,029,295.56 | -69.97 |
| Losses on credit impairment | **-1,152,809.78** | -19,907,395.33 | – |
| Gains from asset disposal ("-" for loss) | **-37,151.76** | 1,129,835.04 | -103.29 |
| Non-operating income | **62,288.57** | 727,385.64 | -91.44 |
| Non-operating expenses | **679,945.82** | 326,848.02 | 108.03 |
| Income tax expenses | **-587,073.82** | -11,283,997.00 | – |
| Net cash flows from operating activities ("-" for outflows) | **-34,553,748.71** | -183,120,171.18 | – |
| Net cash flows from investing activities ("-" for outflows) | **-2,104,013.84** | -29,922,810.48 | – |
| Net cash flows from financing activities ("-" for outflows) | **-279,401,652.08** | 203,931,173.91 | -237.01 |

1. Explanation on changes in operating income: The Company's operating income decreased by 53.25% year-on-year, mainly due to a decrease in the sales volume of the Company's product fuel cell system during the Reporting Period.

2. Explanation on changes in financial expenses: The financial expenses increased by RMB4.6901 million year-on-year, mainly due to the decrease in interest income of the Company during the Reporting Period.

3. Explanation on changes in R&D expenses: The R&D expenses decreased by 66.01% year-on-year, mainly due to the Company's optimization of R&D team, reduction of R&D outsourcing and focus on a technology-iterated R&D model during the Reporting Period.

4. Explanation on changes in other income: The other income decreased by 41.98% year-on-year, mainly due to the decrease in government subsidies received by the Company during the Reporting Period.

5. Explanation on changes in investment income: The investment income decreased by RMB20.6235 million year-on-year, mainly due to the increase in profits and losses of some of the Company's associates and joint ventures during the Reporting Period.

6. Explanation on changes in gains from changes in fair value: The gains from changes in fair value decreased by 69.97% year-on-year, mainly due to the decrease in interest income from financial products of the Company during the Reporting Period.

7. Explanation on changes in credit impairment losses: The amount of provision for credit impairment losses decreased by RMB18.7546 million year-on-year, mainly due to the writing down by the Company of the provision for bad debts made in the previous year based on customers' repayment during the Reporting Period.

8. Explanation on changes in gains from disposal of assets: The gains from disposal of assets decreased by RMB1.167 million year-on-year, mainly due to the disposal of fixed assets by subsidiaries in the previous period.

9. Explanation on changes in non-operating income: The non-operating income decreased by 91.44% year-on-year, mainly due to the decrease in the Company's claims against suppliers during the Reporting Period.

10. Explanation on changes in non-operating expenses: The non-operating expenses increased by 108.03% year-on-year, mainly due to the payment of tax late payment fee by subsidiaries during the Reporting Period.

11. Explanation on changes in income tax expenses: The income tax expenses increased by RMB10.6969 million year-on-year, mainly due to the decrease in recognition of the Company's deferred income tax assets during the Reporting Period.

12. Explanation on changes in net cash flows from operating activities: The net cash flows from operating activities increased by RMB148.5664 million year-on-year, mainly due to the Company's enhanced supply chain management and simultaneously optimized personnel structure during the Reporting Period.

13. Explanation on changes in net cash flows from investing activities: The net cash flows from investing activities increased by RMB27.8188 million year-on-year, mainly due to the income from redemption of the Company's financial products and dividends from investees during the Reporting Period.

14. Explanation on changes in net cash flows from financing activities: The net cash flows from financing activities decreased by RMB483.3328 million year-on-year, mainly due to the Company's strictly controlled new debts and accelerated repayment of existing debts during the Reporting Period.

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

Not Applicable

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

Unit: RMB

| Item | **Amount of current period** | Amount of last period | Percentage of change (%) |
|---|---|---|---|
| Other income | **11,478,048.84** | 19,781,776.55 | -41.98 |
| Investment income s ("−" for losses) | **-38,075,319.83** | -17,451,849.93 | -118.17 |
| Income from changes in fair value | **2,111,040.20** | 7,029,295.56 | -69.97 |
| Non-operating income | **62,288.57** | 727,385.64 | -91.44 |
| Non-operating expenses | **679,945.82** | 326,848.02 | 108.03 |

1. Explanation on changes in other income: The other income decreased by 41.98% year-on-year, mainly due to the decrease in government subsidies received by the Company during the Reporting Period.

2. Explanation on changes in investment income: The investment income decreased by RMB20.6235 million year-on-year, mainly due to the increase in profits and losses of some of the Company's associates and joint ventures during the Reporting Period.

3. Explanation on changes in gains from changes in fair value: The gains from changes in fair value decreased by 69.97% year-on-year, mainly due to the decrease in interest income from financial products of the Company during the Reporting Period.

4. Explanation on changes in non-operating income: The non-operating income decreased by 91.44% year-on-year, mainly due to the decrease in the Company's claims against suppliers during the Reporting Period.

5. Explanation on changes in non-operating expenses: The non-operating expenses increased by 108.03% year-on-year, mainly due to the payment of tax late payment fee by subsidiaries during the Reporting Period.

## (III) Analysis of assets and liabilities

### 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 |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 413,683,646.28 | 9.72 | 722,234,518.26 | 15.11 | -42.72 | 1 |
| Notes receivable | 5,592,800.00 | 0.13 | 14,478,407.04 | 0.30 | -61.37 | 2 |
| Receivables financing | 900.00 | 0.00 | 2,592,424.40 | 0.05 | -99.97 | 3 |
| Construction in progress | 23,592,431.07 | 0.55 | 15,004,992.89 | 0.31 | 57.23 | 4 |
| Right-of-use assets | 21,554,956.82 | 0.51 | 31,283,770.97 | 0.65 | -31.10 | 5 |
| Short-term borrowings | 456,503,292.47 | 10.73 | 762,428,281.10 | 15.95 | -40.13 | 6 |
| Note payables | 31,772,900.00 | 0.75 | 19,260,918.00 | 0.40 | 64.96 | 7 |
| Advances from customers | 146,037.74 | 0.00 | 0.00 | 0.00 | - | 8 |
| Taxes payable | 2,255,134.39 | 0.05 | 6,742,876.92 | 0.14 | -66.56 | 9 |
| Other current liabilities | 4,083,494.52 | 0.10 | 10,852,649.97 | 0.23 | -62.37 | 10 |
| Long-term payables | 255,233.49 | 0.01 | 2,062,150.49 | 0.04 | -87.62 | 11 |
| Lease liabilities | 5,791,994.46 | 0.14 | 12,329,805.18 | 0.26 | -53.02 | 12 |

*Other explanations*

1. Cash and cash equivalents decreased by 42.72% as compared with the end of the previous period, mainly due to the repayment of bank loans and payment to suppliers by the Company during the Reporting Period.

2. Notes receivable decreased by 61.37% as compared with the end of the previous period, mainly due to that 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 during the Reporting Period.

3. Receivables financing decreased by 99.97% as compared with the end of the previous period, mainly due to that 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 during the Reporting Period.

4. Construction in progress increased by 57.23% as compared with the end of the previous period, mainly due to an increase in the investment in production line construction projects by the Company during the Reporting Period.

5. Right-of-use assets decreased by 31.10% as compared with the end of the previous period, mainly due to the expiration of lease contracts for some of the Company's office buildings and factories and early termination of leases during the Reporting Period.

6. Short-term borrowings decreased by 40.13% as compared with the end of the previous period, mainly due to the repayment of bank loans by the Company during the Reporting Period.

7. Note payables increased by 64.96% as compared with the end of the previous period, mainly due to that the Company used letters of credit from 15 major banks to settle payments with suppliers to ease short-term funding pressure, resulting in an increase in book balance during the Reporting Period.

8. Advances from customers increased by RMB146,037.74 as compared with the end of the previous period, mainly due to an increase in rentals received in advance at the end of the Reporting Period.

9. Taxes payable decreased by 66.56% as compared with the end of the previous period, mainly due to that subsidiaries withheld corporate income tax based on their profits at the end of 2024 and completed the final settlement during the Reporting Period.

10. Other current liabilities decreased by 62.37% as compared with the end of the previous period, mainly due to that some notes receivable that had been endorsed or discounted in the previous period but not yet derecognized were derecognized in the period.

11. Long-term payables decreased by 87.62% as compared with the end of the previous period, mainly due to a decrease in the Company's financial leasing payables during the Reporting Period.

12. Lease liabilities decreased by 53.02% as compared with the end of the previous period, mainly due to the reclassification of the portion due within the next year to non-current liabilities due within one year.

## 2. Overseas assets

Not Applicable

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

For details, please refer to Note VII. 31. Assets with restricted ownership or right-of-use.

## 4. Other explanations

Not Applicable

## (IV) Analysis of investment status

### 1. Overall analysis of external equity investment

Unit: RMB

| Investment amount during the Reporting Period | Amount invested in the same period of previous year | Change |
|---|---|---|
| 184,000,000.00 | 78,300,000.00 | 134.99% |

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

1. The Company established Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB10 million;

2. SinoHytec Hydrogen, a holding subsidiary of the Company, established Zigong SinoHytec Hydrogen Technology Co., Ltd. (自貢億華通氫能科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB1 million;

3. Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司), a wholly-owned subsidiary of the Company, established Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) as a holding subsidiary, with a registered capital of RMB10 million, of which Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) contributed 85%, or RMB8.5 million;

4. Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) established Guyuan County Yigu New Energy Co., Ltd. (沽源縣億谷新能源有限公司), with a registered capital of RMB3 million;

5. Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) established Guyuan County Tonggu New Energy Co., Ltd. (沽源縣通谷新能源有限公司), with a registered capital of RMB3 million;

6. Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) established Guyuan County Yifeng New Energy Co., Ltd. (沽源縣億楓新能源有限公司), with a registered capital of RMB3 million;

7. SinoFuelCell, a holding subsidiary of the Company, established Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司) as a wholly-owned subsidiary, with a registered capital of RMB100 million;

8. Chengdu SinoHytec, a wholly-owned subsidiary of the Company, established Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB50 million;

9. SinoHytec Hydrogen, a holding subsidiary of the Company, and 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 Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司), with a registered capital of RMB10 million, of which SinoHytec Hydrogen contributed 20%, or RMB2 million; Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) contributed 35%, or RMB3.5 million.

## (1). Material equity investments

Not Applicable

## (2). Material non-equity investments

Not Applicable

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

Unit: RMB

| Type of assets | Opening balance | Profit or loss from in fair value during the period | Accumulated changes fair value 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 | 727,426,376.60 | 2,111,040.20 | – | – | 223,243,400.00 | 216,042,000.00 | -13,383,193.83 | 723,355,622.97 |
| Receivables financing | 2,592,424.40 | – | – | – | 168,400.00 | 2,759,924.40 | – | 900.00 |
| Other equity instrument investments | 157,846,800.00 | – | | – | – | | – | 157,846,800.00 |
| Other non-current financial assets | 4,096,500.00 | – | – | – | – | – | – | 4,096,500.00 |
| Total | 891,962,101.00 | 2,111,040.20 | 0.00 | 0.00 | 223,411,800.00 | 218,801,924.40 | -13,383,193.83 | 885,299,822.97 |

*The investment in securities*

Not Applicable

*The investment in derivatives*

Not Applicable

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

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 | Related 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 | In order to fully integrate and utilize the advantageous resources of all parties, 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 can capture investment opportunities in a timely manner, reduce investment risks and promote the achievement of the Company's strategic goals. | 8,000 | 0 | 8,000 | Limited Partnership | 100 | Yes | Long-term equity investment | Yes | Focus on healthcare, new generation information technology, new energy fields | -5.88 | 3,783.59 |
| Total | / | / | 8,000 | 0 | 8,000 | / | 100 | / | / | / | / | -5.88 | 3,783.59 |

*Other explanations*

Nil.

## (V) Significant disposal of asset and equity

Not Applicable

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

### Major subsidiaries and investee companies with an impact of more than 10% on the Company's net profit

Unit: RMB0'000

| Name of company | Type of company | Main business | Registered capital | Total assets | Net assets | Operating income | Operating profits ("–" for losses) | Net profits ("–" for losses) |
|---|---|---|---|---|---|---|---|---|
| SinoFuelCell | Subsidiary | R&D, manufacturing and sales of fuel cell stacks | 8,495.27 | 83,565.59 | 31,412.71 | 1,448.14 | -4,756.81 | -4,685.38 |
| SinoHytec Power | Subsidiary | Manufacturing and sales of fuel cell power system and related components | 35,966.80 | 81,192.60 | 12,244.73 | 8,151.51 | -1,754.32 | -1,719.21 |
| Toyota Sinohytec | Investee company | Manufacturing and sales of fuel cell products | 640,000.00 | 94,073.74 | 13,722.19 | 6,197.03 | -4,850.13 | -4,850.09 |

*Note:* In the column of registered capital, the registered capital unit of Toyota Sinohytec is ten thousand yen and the registered capital unit of other companies is ten thousand RMB.

### Acquisition and disposal of subsidiaries during the Reporting Period

| Company Name | Means of acquisition and disposal of subsidiaries during the Reporting Period | Impact on overall production, operation and results |
|---|---|---|
| Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) | Newly established | No specific business has been conducted yet |
| Zigong SinoHytec Hydrogen Technology Co., Ltd.(自貢億華通氫能科技有限公司) | Newly established | No specific business has been conducted yet |
| Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) | Newly established | No specific business has been conducted yet |
| Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司) | Newly established | No specific business has been conducted yet |
| Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司) | Newly established | No specific business has been conducted yet |
| Guyuan County Yigu New Energy Co., Ltd. (沽源縣億谷新能源有限公司) | Newly established | No specific business has been conducted yet |
| Guyuan County Tonggu New Energy Co., Ltd. (沽源縣通谷新能源有限公司) | Newly established | No specific business has been conducted yet |
| Guyuan County Yifeng New Energy Co., Ltd. (沽源縣億楓新能源有限公司) | Newly established | No specific business has been conducted yet |
| Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司) | Newly established | No specific business has been conducted yet |

*Other explanations*
Not Applicable

## (VII) Structural entities controlled by the Company

Not Applicable

# VI. OTHER DISCLOSURES

## (I). Changes in the scope of consolidation

Subsidiaries newly included in the scope of consolidation during the Reporting Period were as follows

| Name | Date of establishment |
|---|---|
| Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) | April 11, 2025 |
| Zigong SinoHytec Hydrogen Technology Co., Ltd. (自貢億華通氫能科技有限公司) | April 23, 2025 |
| Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) | May 21, 2025 |
| Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司) | May 23, 2025 |
| Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司) | May 26, 2025 |
| Guyuan County Yigu New Energy Co., Ltd. (沽源縣億谷新能源有限公司) | June 12, 2025 |
| Guyuan County Tonggu New Energy Co., Ltd. (沽源縣通谷新能源有限公司) | June 12, 2025 |
| Guyuan County Yifeng New Energy Co., Ltd. (沽源縣億楓新能源有限公司) | June 12, 2025 |
| Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司) | June 23, 2025 |

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

## (II). Audit Committee and review of financial data

The audit committee of the Company (the "**Audit Committee**") comprises three members, namely Mr. Li Zhijie (chairman), Mr. Ji Xuehong and Mr. Chan So Kuen, all of whom are independent non-executive Directors. The Audit Committee reports to the Board and has held regular meetings to review and make recommendations to improve the Group's financial reporting process and internal controls. In addition, the primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, review the financial statements and make significant judgments in respect of financial reporting and internal control of the Company.

The Audit Committee has reviewed, together with the management, the accounting principles and practices adopted by the Group, the unaudited interim financial information and this report.

## (III). Corporate Governance Code

During the Reporting Period and up to the date of this report, save as disclosed below, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

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

The Board is committed to achieving high standards of corporate governance. The Board believes that high standard of corporate governance is essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## (IV). Model Code for securities transactions by Directors and supervisors

During the Reporting Period, the Company has adopted a code of conduct regarding securities transactions by Directors and supervisors on terms no less exacting than the required standard set out in the model code (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. The supervisory committee of the Company was abolished on June 20, 2025. Having made specific enquiry of all Directors and then supervisors, the Company confirmed that, during the Reporting Period up to June 20, 2025 (for supervisors) and up to the date of this report (for Directors), each of the Directors and then supervisors has complied with the required standard set out in the Model Code regarding securities transactions by the Directors.

## (V). Purchase, sale or redemption of listed securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)). As of the end of the Reporting Period, the Company did not hold any treasury shares.

## (VI). 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 June 30, 2025, 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.

Unit: RMB million

| Use of proceeds | Percentage of total net proceeds (%) | Net proceeds from the Global Offering (RMB million) | Net proceeds utilized up to June 30, 2025 (RMB million) | Remaining net proceeds up to June 30, 2025 (RMB million) | Expected timetable for fully utilizing the remaining net proceeds |
|---|---|---|---|---|---|
| Develop a new generation of integrated research and development platform | 50.20 | 444.90 | 51.83 | 393.08 | 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 | 54.62 | 78.32 | 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** | **195.07** | **691.19** | |

## (VII).Interim dividend

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2025 (interim dividend for 2024: nil).

## (VIII). Significant subsequent events

The Company intended 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**").

At the 3rd meeting of the fourth session of the Board held on September 5, 2025, the Company considered and approved the Resolution on Termination of the Purchase of Assets by Issuance of Shares for Raising Supporting Funds and Related Transactions (《關於終止發行股份購買資產並募集配套資金暨關聯交易事項的議案》), agreeing to terminate the Transaction, and authorized the Company's management to handle matters related to the termination.

For details of the Transaction, please refer to the announcements of the Company dated February 27, 2025, March 5, 2025, March 13, 2025, April 11, 2025, June 6, 2025, July 7, 2025, August 6, 2025 and September 5, 2025.

## (IX). Interests and short positions of Directors or chief executive in the shares and underlying shares or debentures of the Company and its associated corporations under Hong Kong laws and regulations

As of June 30, 2025, based on the information available to the Company and to the best knowledge of the Directors, the following Directors 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 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 (%) (Note 1) | Approximate percentage of interest in the total shares (%) (Note 1) |
|---|---|---|---|---|---|
| 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:*

1. The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of June 30, 2025 by the total number of shares.

### 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 (Note 1) | 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 June 30, 2025, none of the Directors, chief executive 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.

## (X). Substantial shareholders' interests in securities

As of the June 30, 2025, to the best knowledge of the Directors, the following persons (other than the Directors 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 (Note 2) | 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 Ltd | Interest of controlled Corporation (Note 3) | H Shares | 7,578,634 (Long position) | 21.13 | 3.27 |
| GIC (Ventures) Pte. Ltd. | Interest of controlled Corporation (Note 3) | H Shares | 7,578,634 (Long position) | 21.13 | 3.27 |
| GIC Special Investments Private Limited | Interest of controlled Corporation (Note 3) | H Shares | 7,578,634 (Long position) | 21.13 | 3.27 |
| GIC Private Limited | Interest of controlled Corporation (Note 3) | H Shares | 7,578,634 (Long position) | 21.13 | 3.27 |

| 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) |
|---|---|---|---|---|---|
| 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 (Note 4) | H Shares | 5,083,750 (Long position) | 14.17 | 2.19 |
| China Credit Trust Co., Ltd | Interest of controlled Corporation (Note 4) | H Shares | 5,083,750 (Long position) | 14.17 | 2.19 |
| Harvest Fund Management Co., Ltd. | Interest of controlled Corporation (Note 4) | H Shares | 5,083,750 (Long position) | 14.17 | 2.19 |
| Huatai Securities Co., Ltd. | Interest of controlled Corporation (Note 5) | H Shares | 1,822,310 (Long position) | 5.08 | 0.79 |
| | | | 1,805,650 (Short position) | 5.03 | 0.78 |

*Notes:*

1. The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of June 30, 2025 by the total number of shares.

2. Xu Huini is the spouse of Zhang Guoqiang, a Director. 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 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.

## (XI). Sufficient public float

The Company has maintained sufficient public float during the Reporting Period.

## (XII). 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.

## (XIII). 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 "Notes to the Consolidated Financial Statements" of "Section VII Financial Statements".

## (XIV). 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 | 37.87% | 40.50% |
| (2) | Quick ratio (times) | 1.86 | 1.76 |
| (3) | Current ratio (times) | 1.97 | 1.87 |

*Notes:*

(1) Gearing ratio = Total liabilities/Total assets

(2) Quick ratio = (Current assets − Inventories)/Current liabilities

(3) Current ratio = Current assets/Current liabilities

## (XV). 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.

## (XVI). Contingent liabilities

Save as disclosed in this report, as of June 30, 2025, the Group had no other material contingent liabilities.

## (XVII). Indebtedness

The Group manages its capital needs by taking into account its cash flows, working capital needs and risk tolerance levels. The subsidiaries of the Company are responsible for their own cash flow projections based on the results of which the Company constantly monitors its short-term and long-term capital needs at the Company level to ensure that there are sufficient cash reserves.

As of June 30, 2025, the Company's all financial liabilities which were presented based on the maturity date of undiscounted contractual cash flows were as follows:

Unit: RMB

| | Closing balance | | | | |
|---|---|---|---|---|---|
| Item | Within 1 year | 1–2 years | 2–5 years | Over 5 years | Total undiscounted contractual amount |
| Long-term payables (including one year due) | 4,317,042.52 | 401,468.77 | – | – | 4,718,511.29 |
| Short-term borrowings | 456,503,292.47 | – | – | – | 456,503,292.47 |
| Note payables | 31,772,900.00 | – | – | – | 31,772,900.00 |
| Accounts payable | 649,770,541.48 | – | – | – | 649,770,541.48 |
| Other payables | 155,622,423.22 | – | – | – | 155,622,423.22 |
| Other current liabilities | 4,083,494.52 | – | – | – | 4,083,494.52 |
| Lease liabilities (including one year due) | 27,326,693.62 | 6,423,943.45 | – | – | 33,750,637.07 |
| Long-term borrowings | 200,180.56 | 9,708,756.94 | – | – | 9,908,937.50 |
| Total | 1,329,596,568.39 | 16,534,169.16 | – | – | 1,346,130,737.55 |

The Directors confirm that as of June 30, 2025, there was no material covenant on any of the Group's outstanding debts, and there was no breach of any covenants. The Directors further confirm that the Group did not experience any unusual difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants.

## (XVIII). Details of employees

The number of in-service employees of the Group as of June 30, 2025 was as follows:

| | Number (person) |
|---|---|
| Number of in-service employees of the Company | 232 |
| Number of in-service employees of the subsidiaries | 360 |
| Total number of in-service employees | 592 |

The Company strictly abides by national labor-related laws and regulations, adheres to the concept of common growth of the Company and employees based on business performance, and has established a remuneration policy system based on the principles of legality, competitiveness, incentives and fairness. Guided by the strategic objectives, the Company specifies the organizational performance targets from top to bottom, and relies on the performance management evaluation methods to ensure that employees' abilities are matched with their positions. The Company implements a job-level based wage system adjusted by employee's work performance and gives preference to outstanding employees in sales, research and development and technology, etc. The Company implements an incentive and relatively fair remuneration mechanism to attract and retain talents. For details of the employees' remuneration during the Reporting Period, please refer to "39. Accrued payroll" under "Notes to the Consolidated Financial Statements" of "Section VIII Financial Statements".

The Company has formulated specific training plans for specific business needs based on its strategic development plan and annual business objectives. Adhering to the principle of teaching as per requests, being practical and effective, the Company carried out training activities with rich contents and flexible forms for employees at different levels and categories, so as to enhance employees' sense of belonging and improve employees' job competence, professional skills and comprehensive quality. The Company has built a good career development channel for employees and reserved talents to achieve a win-win situation for both the Company and employees.

## (XIX). Changes in information of Directors under Rule 13.51B(1) of the Listing Rules

There is no information of Directors required to be disclosed in this interim report pursuant to Rule 13.51B(1) of the Listing Rules.

# SECTION IV CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

## I. CHANGES IN DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS OF THE COMPANY

| Name | Position | Changes |
|---|---|---|
| Teng Renjie | Non-executive Director | Resignation |
| Liu Xiaoshi | Independent non-executive Director | Resignation |
| Teng Zhaojun | Chairman of the Supervisory Committee, employee representative supervisor | Resignation |
| Liu Wei | Supervisor | Resignation |
| Wang Shanshan | Supervisor | Resignation |
| Zhang Hongli | Employee representative Director | Election |
| Nengyou Jia | Senior management | Resignation |

### Explanation on changes in Directors, senior management and core technicians of the Company

1. On June 20, 2025, the Company convened the 2024 annual general meeting, which considered and approved the Resolution on the Election of Non-independent Directors for the Fourth Session of the Board of Directors and the Resolution on the Election of Independent Non-executive Directors for the Fourth Session of the Board of Directors, electing Directors for the new session of the Board. The Company's non-executive Director Ms. Teng Renjie and independent non-executive Director Mr. Liu Xiaoshi resigned upon expiration of their terms.

2. To comply with regulatory requirements for listed companies and further improve its corporate governance, in accordance with the provisions of the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies and other laws, regulations and regulatory documents, and in light of the Company's actual conditions, the Company convened the 2024 annual general meeting on June 20, 2025, which considered and approved the Resolution on Abolition of the Supervisory Committee and Amendments to the Articles of Association. The revised Articles of Association removed the chapter on the Supervisory Committee and added an employee representative Director to the Board. The Company's supervisors Mr. Teng Chaojun, Mr. Liu Wei and Ms. Wang Shanshan resigned. Ms. Zhang Hongli was elected as an employee representative Director of the Company's fourth session of the Board at the 2025 second employee representative meeting of the Company.

3. On June 20, 2025, the Company convened the first meeting of the fourth session of the Board, which considered and approved the Resolution on the Appointment of Deputy General Manager and Chief Financial Officer among other matters, and elected a new session of senior management. The term of office of Mr. Nengyou Jia, the former deputy general manager of the Company, resigned upon expiration of his terms.

### Explanation on Certification of Core Technicians of the Company

Not Applicable

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

### Proposal for profit distribution and proposal for capitalization of capital reserve for the interim period

| | |
|---|---|
| Whether making distribution or capitalization | No |
| Bonus shares for every 10 shares (share) | N/A |
| Dividend per 10 shares (RMB) (tax inclusive) | N/A |
| Number of conversions per 10 shares (share) | N/A |
| Explanation on proposal for profit distribution or capitalization of capital reserve | N/A |

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

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

Not Applicable

### (II) Incentives not disclosed in the temporary announcements or with subsequent progress

#### Information of the equity incentive

Not Applicable

#### Other explanations

Not Applicable

#### Employee shareholding scheme

Not Applicable

#### Other incentive measures

Not Applicable

## IV. ENVIRONMENTAL INFORMATION ON LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES WHOSE ENVIRONMENTAL INFORMATION IS DISCLOSED IN ACCORDANCE WITH THE LAW

| | |
|---|---|
| Number of enterprises included in the list of enterprises whose environmental information has been disclosed in accordance with the law | 1 |

| No. | Name of enterprise | Inquiry index of reports on legal disclosure of environmental information |
|---|---|---|
| 1 | SinoFuelCell | Enterprise Environmental Information Disclosure System (Shanghai) https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp |

### Other explanations

Not Applicable

## V. CONSOLIDATION AND EXPANSION OF THE RESULTS OF POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER SPECIFIC WORK

All along, while focusing on its own business development, SinoHytec has never forgotten to actively engage in social public welfare, fulfilled its corporate social responsibility and implemented its "Green Future" welfare program. During the Reporting Period, the Company donated supplies to Changliang Township School, such practical actions providing warmth and care to the students there and contributing to talent development and rural revitalization.

# 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

| Background of undertakings | Category of undertakings | Party providing undertakings | Contents of undertakings | Time 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 the specific reasons for the failure | If the undertaking fails to be performed timely, please state the next plan |
|---|---|---|---|---|---|---|---|---|---|
| Undertakings related to initial public listing | 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 "(II) 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 |
| | 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 Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange | August 10, 2020 | No | Long term | Yes | N/A | N/A |
| | 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 | Long term | Yes | N/A | N/A |

| Background of undertakings | Category of undertakings | Party providing undertakings | Contents of undertakings | Time 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 the specific reasons for the failure | If the undertaking fails to be performed timely, please state the next plan |
|---|---|---|---|---|---|---|---|---|---|
| | 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 Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange | August 10, 2020 | No | Long term | Yes | N/A | N/A |
| | 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 Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange | August 10, 2020 | No | Long term | Yes | N/A | N/A |
| | 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 "(X) Other undertakings" of "Section X Investor Protection" of the 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 | Shareholder and the de facto controller | For details of non-competition undertaking, please refer to "(II) 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. NON-OPERATIONAL OCCUPATION OF FUNDS BY CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Unit: RMB0'000

| Name of shareholder or 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 interim report | Expected reimbursement method | Expected amount | Expected repayment date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Zhangjiakou Haiper | Other related parties | July 2019 to present | Current payments | 3,047.35 | 0.00 | 350 | 2,765.57 | 2,774.19 | Provision of hydrogen and Cash | 2,774.19 | 2026.12.31 |
| Total | / | / | / | 3,047.35 | 0.00 | 350 | 2,765.57 | 2,774.19 | / | 2,774.19 | / |

| | |
|---|---|
| Ratio of the total value at the end of the period to the latest audited net assets | 1.08% |
| Decision-making procedures for occupation of funds by controlling shareholder and other related parties for non-operational purpose | Not Applicable |
| 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) | Nil |

# SECTION V
# SIGNIFICANT EVENTS

## III. ILLEGAL GUARANTEES

Not Applicable

## IV. AUDIT OF THE INTERIM REPORT

Not Applicable

## V. CHANGES AND HANDLING OF MATTERS RELATED TO NON-STANDARD AUDIT OPINION IN THE PREVIOUS YEAR'S ANNUAL REPORT

Not Applicable

## VI. MATTERS RELATED TO BANKRUPTCY AND REORGANISATION

Not Applicable

## VII. MATERIAL LITIGATION AND ARBITRATION

The Company did not have material litigation and arbitration during the Reporting Period

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

Not Applicable

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

Not Applicable

## X. 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
   Not Applicable

2. Matters which have been published in temporary announcements but with further progress or changes
   Not Applicable

3. Matters which have not been published in temporary announcements
   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
   Not Applicable

2. Matters which have been published in temporary announcements but with further progress or changes
   Not Applicable

3. Matters which have not been published in temporary announcements
   Not Applicable

4. Disclose the performance of the results relating to the results agreement during the Reporting Period
   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
   Not Applicable

2. Matters which have been published in temporary announcements but with further progress or changes
   Not Applicable

3. Matters which have not been published in temporary announcements
   Not Applicable

## (IV) Claims and liabilities with related parties

### 1. Matters which have been published in temporary announcements and without further progress or changes

Not Applicable

### 2. Matters which have been published in temporary announcements but with further progress or changes

Not Applicable

### 3. Matters which have not been published in the temporary announcements

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 | 22,616,014.46 | -2,549,912.31 | 20,066,102.15 | – | – | – |
| Total | | 22,616,014.46 | -2,549,912.31 | 20,066,102.15 | – | – | – |

| | |
|---|---|
| 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 RMB20,066,102.15 as at 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. |

## (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

Not Applicable

## (VI) Others significant related-party transactions

Not Applicable

## (VII) Others

Not Applicable

# XI. MAJOR CONTRACTS AND THE PERFORMANCE

## (I) Custody, contracting and leasing matters

Not Applicable

## (II) Performed and not yet fulfilled material guarantees during the Reporting Period

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 (date of agreement) | Commencement date of guarantee | Maturity date of guarantee | Type of guarantee | Major debts | 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 guarantee | Affiliations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total amount of guarantees incurred during the Reporting Period (excluding guarantees for subsidiaries) | | | | | | | | | | | | | | | 0 |
| Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries) | | | | | | | | | | | | | | | 0 |

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| The Company | Headquarters of the Company | SinoHytec Power | Wholly-owned subsidiary | 9,900,000.00 | 2024/1/19 | 2024/1/19 | 2025/1/18 | Joint liability guarantee | Yes | No | 0 | No |
| The Company | Headquarters of the Company | SinoHytec Power | Wholly-owned subsidiary | 85,200.00 | 2024/2/1 | 2024/2/1 | 2025/1/27 | Joint liability guarantee | Yes | No | 0 | No |
| The Company | Headquarters of the Company | SinoHytec Power | Wholly-owned subsidiary | 6,999,416.72 | 2024/4/16 | 2024/4/16 | 2025/4/16 | Joint liability guarantee | Yes | No | 0 | No |
| The Company | Headquarters of the Company | Chengdu SinoHytec | Wholly-owned subsidiary | 1,075,455.00 | 2024/9/20 | 2024/9/20 | 2025/3/20 | Joint liability guarantee | Yes | No | 0 | No |
| The Company | Headquarters of the Company | Juxinghuatong | Wholly-owned subsidiary | 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 | Wholly-owned subsidiary | 1,000,000.00 | 2024/9/23 | 2024/9/23 | 2027/9/23 | Joint liability guarantee | No | No | 0 | No |

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| The Company | Headquarters of the Company | Juxinghuatong | Wholly-owned subsidiary | 19,000,000.00 | 2024/11/8 | 2024/11/8 | 2027/11/10 | Joint liability guarantee | No | 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 | 2025/1/30 | Joint liability guarantee | Yes | 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 | 10,000,000.00 | 2024/8/16 | 2024/8/16 | 2025/2/16 | Joint liability guarantee | Yes | No | 0 | No |
| SinoFuelCell | Majority-controlled subsidiary | Beijing Shenchuan Technology Co. Ltd. | Majority-controlled subsidiary | 5,000,000.00 | 2024/10/30 | 2024/10/30 | 2025/4/30 | Joint liability guarantee | Yes | No | 0 | No |
| SinoFuelCell | 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 |

| | |
|---|---|
| Total amount of guarantees provided to subsidiaries during the Reporting Period | 0 |
| Total balance of guarantees provided to subsidiaries at the end of the Reporting Period (B) | 51,900,000.00 |
| Total amount of guarantees provided by the Company (including guarantees for subsidiaries) | |
| Total guarantee amount (A + B) | 51,900,000.00 |
| Percentage of total guarantee amount to net assets of the Company (%) | 2.16 |
| Including: | |
| Amount of guarantees provided for shareholders, de facto controllers and their related parties (C) | 0 |
| Amount of debt guarantees directly or indirectly provided for guaranteed parties with gearing ratio over 70% (D) | 51,900,000.00 |
| Amount of total guarantee exceeding 50% of net assets (E) | 0 |
| Total amount of the above three guarantees (C + D + E) | 51,900,000.00 |
| Explanation on the potential joint and several liability for outstanding guarantees | Nil |
| Explanation on guarantee | Nil |

### (III) Other material contracts

Not Applicable

## XII. EXPLANATION ON OTHER MATERIAL MATTERS

Not Applicable

# SECTION VI
# 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

There were no changes to the total number of ordinary shares and share structure of the Company during the Reporting Period.

2. Explanation of changes in shares

Not Applicable

3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share within the period from the end of the Reporting Period to disclosure date of the interim report (if any)

Not Applicable

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

Not Applicable

### (II) Change in restricted shares

Unit: share

| Name of shareholder | Number of restricted shares at the beginning of the period | Number of restricted shares released during the Reporting Period | Increase in number of restricted shares during the Reporting Period | Number of restricted shares at the end of the Reporting Period | Reason for restriction | Date of release from restriction |
|---|---|---|---|---|---|---|
| Zhang Guoqiang | 36,397,596 | 36,397,596 | 0 | 0 | Pre-IPO shares | 2025/4/18 |
| Total | 36,397,596 | 36,397,596 | 0 | 0 | / | |

## II. SHAREHOLDERS

### (I) Total amount of shareholders:

| | |
|---|---|
| Total amount of ordinary shareholders as at the end of the Reporting Period | 14,356 |
| Total amount of preference shareholders with voting right restored as at the end of the Reporting Period | N/A |
| Total amount of shareholders holding special voting shares as at the end of the Reporting Period | N/A |

#### Number of depositary receipt holders

Not Applicable

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

### Particulars of shareholdings of the top ten shareholders through ordinary securities accounts and client credit trading guarantee securities accounts of the securities companies

Not Applicable

Unit: share

| | Shareholdings of the top ten shareholders (excluding shares lent through refinancing) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Name of shareholder (Full name) | Increase and decrease during the Reporting Period | Number of shares held at the end of the Reporting Period | Percentage (%) | Number of restricted shares held | Number of restricted shares including lending shares for securities financing | Shares pledged, marked or frozen | | Nature of shareholder |
| | | | | | | Status of shares | Number | |
| Zhang Guoqiang | 0 | 36,444,469 | 15.73 | 0 | 0 | Nil | 0 | Domestic natural person |
| HKSCC NOMINEES LIMITED *(Note 1)* | 0 | 35,859,552 | 15.48 | 0 | 0 | Unknown | 0 | Unknown |
| Tunghsu Optoelectronic Technology Co., Ltd. | 0 | 7,035,902 | 3.04 | 0 | 0 | Frozen | 7,035,902 | Domestic non-state-owned-legal person |
| Shuimu Changfeng | 0 | 3,333,392 | 1.44 | 0 | 0 | Nil | 0 | Others |
| Zhang He | -798,600 | 3,319,400 | 1.43 | 0 | 0 | Pledged | 3,000,000 | Domestic natural person |
| Shuimu Yuanjing | 0 | 2,564,278 | 1.11 | 0 | 0 | Nil | 0 | Others |
| Shuimu Sail | -72,797 | 2,497,203 | 1.08 | 0 | 0 | Nil | 0 | Others |
| Song Haiying | 0 | 2,381,163 | 1.03 | 0 | 0 | Nil | 0 | Domestic person natural |
| Zhou Pengfei | 0 | 2,020,600 | 0.87 | 0 | 0 | Nil | 0 | Domestic natural person |
| Chongqing Qingyan Equity Investment Fund Management Center (L.P.) (重慶清研股權投資基金管理中心(有限合夥)) – Chongqing Qingyan Huaye Equity Investment Fund Partnership (L.P.) (重慶清研華業股權投資基金合夥企業(有限合夥)) | 0 | 1,973,485 | 0.85 | 0 | 0 | Nil | 0 | Others |

**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 |
| Zhang Guoqiang | 36,444,469 | RMB-denominated ordinary shares | 36,444,469 |
| HKSCC NOMINEES LIMITED *(Note 1)* | 35,859,552 | Overseas-listed foreign shares | 35,859,552 |
| Tunghsu Optoelectronic Technology Co., Ltd. | 7,035,902 | RMB-denominated ordinary shares | 7,035,902 |
| Shuimu Changfeng | 3,333,392 | RMB-denominated ordinary shares | 3,333,392 |
| Zhang He | 3,319,400 | RMB-denominated ordinary shares | 3,319,400 |
| Shuimu Yuanjing | 2,564,278 | RMB-denominated ordinary shares | 2,564,278 |
| Shuimu Sail | 2,497,203 | RMB-denominated ordinary shares | 2,497,203 |
| Song Haiying | 2,381,163 | RMB-denominated ordinary shares | 2,381,163 |
| Zhou Pengfei | 2,020,600 | RMB-denominated ordinary shares | 2,020,600 |
| Chongqing Qingyan Equity Investment Fund Management Center (L.P.) (重慶清研股權投資基金管理中心(有限合夥)) – Chongqing Qingyan Huaye Equity Investment Fund Partnership (L.P.) (重慶清研華業股權投資基金合夥企業(有限合夥)) | 1,973,485 | RMB-denominated ordinary shares | 1,973,485 |

| | |
|---|---|
| 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 Beijing Shuimu Chuangxin Investment Management Center (G.P.). |
| Explanation on the preference shareholders with restored voting rights and the number of shares held | N/A |

*Note 1:* The shares held by HKSCC Nominees Limited were held on behalf of clients. As the relevant rules of the Hong Kong Stock Exchange 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, or refinancing and credit accounts.

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

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

## III. DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

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

Not Applicable

Other explanations
Not Applicable

### (II) Equity incentives granted to Directors, supervisors, senior management and core technicians during the Reporting Period

1. Share option
Not Applicable

2. The first type of restricted shares
Not Applicable

3. The second type of restricted shares
Not Applicable

### (III) Other explanations

Not Applicable

## IV. CHANGES IN THE CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

Not applicable

## V. IMPLEMENTATION AND CHANGES OF ARRANGEMENTS RELATED TO DEPOSITARY RECEIPTS DURING THE REPORTING PERIOD

Not applicable

## VI. INFORMATION ON SHARES WITH SPECIAL VOTING RIGHTS

Not Applicable

## VII. INFORMATION ON PREFERENCE SHARES

Not Applicable

# SECTION VII
# INFORMATION ON BONDS

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

Not Applicable

## II. CONVERTIBLE BONDS

Not Applicable

## I. AUDIT REPORT

Not Applicable

## II. FINANCIAL STATEMENTS

# Consolidated Statements of Balance Sheets

June 30, 2025

Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Current assets:** | | | |
| Cash and cash equivalents | VII. Note 1 | **413,683,646.28** | 722,234,518.26 |
| Balance with clearing companies | | | |
| Placements with other financial institutions | | | |
| Financial assets held-for-trading | VII. Note 2 | **723,355,622.97** | 727,426,376.60 |
| Derivative financial assets | | | |
| Notes receivable | VII. Note 4 | **5,592,800.00** | 14,478,407.04 |
| Accounts receivable | VII. Note 5 | **1,477,671,515.46** | 1,547,509,301.12 |
| Receivables financing | VII. Note 7 | **900.00** | 2,592,424.40 |
| Prepayments | VII. Note 8 | **4,877,780.75** | 4,723,114.27 |
| Premium receivables | | | |
| Reinsurance accounts receivable | | | |
| Provision for reinsurance contract receivable | | | |
| Other receivables | VII. Note 9 | **12,788,309.60** | 18,051,745.78 |
| Including: Interest receivables | | | |
| Dividend receivable | | | |
| Purchases of resold financial assets | | | |
| Inventories | VII. Note 10 | **161,291,832.60** | 192,962,787.88 |
| Including: Data resources | | | |
| Contract assets | VII. Note 6 | **1,066,465.00** | 1,249,340.20 |
| Held-for-sale assets | | | |
| Non-current assets due within one year | | | |
| Other current assets | VII. Note 13 | **44,884,388.39** | 45,501,021.66 |
| **Total current assets** | | **2,845,213,261.05** | 3,276,729,037.21 |

# Consolidated Statements of Balance Sheets (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Non-current assets:** | | | |
| Loans and advances to customers | | | |
| Debt investments | | | |
| Other debt investments | | | |
| Long-term receivables | | | |
| Long-term equity investments | VII. Note 17 | **241,582,155.22** | 283,798,699.12 |
| Other equity instrument investments | VII. Note 18 | **157,846,800.00** | 157,846,800.00 |
| Other non-current financial assets | VII. Note 19 | **4,096,500.00** | 4,096,500.00 |
| Investment properties | | | |
| Fixed assets | VII. Note 21 | **470,439,279.81** | 497,106,247.86 |
| Construction in progress | VII. Note 22 | **23,592,431.07** | 15,004,992.89 |
| Productive biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | VII. Note 25 | **21,554,956.82** | 31,283,770.97 |
| Intangible assets | VII. Note 26 | **253,356,451.64** | 262,423,602.68 |
| Including: Data resources | | | |
| Development expenses | VIII. Note 2 | **44,947,786.32** | 49,754,133.69 |
| Including: Data resources | | | |
| Goodwill | | | |
| Long-term deferred expenditures | VII. Note 28 | **26,488,380.13** | 32,384,453.80 |
| Deferred income tax assets | VII. Note 29 | **126,983,129.64** | 125,500,503.00 |
| Other non-current assets | VII. Note 30 | **37,970,831.53** | 43,040,121.89 |
| **Total non-current assets** | | **1,408,858,702.18** | 1,502,239,825.90 |
| **Total assets** | | **4,254,071,963.23** | 4,778,968,863.11 |

# Consolidated Statements of Balance Sheets (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Current liabilities:** | | | |
| Short-term borrowings | VII. Note 32 | **456,503,292.47** | 762,428,281.10 |
| Borrowings from central bank | | | |
| Loans from other financial institutions | | | |
| Financial liabilities held-for-trading | | | |
| Derivative financial liabilities | | | |
| Note payables | VII. Note 35 | **31,772,900.00** | 19,260,918.00 |
| Accounts payable | VII. Note 36 | **649,770,541.48** | 669,625,643.10 |
| Advances from customers | VII. Note 37 | **146,037.74** | |
| Contract liabilities | VII. Note 38 | **65,508,328.66** | 62,510,456.52 |
| Proceeds from disposal of repurchased financial assets | | | |
| Absorption of deposits and interbank deposits | | | |
| Acting sale of securities | | | |
| Acting underwriting of securities | | | |
| Accrued payroll | VII. Note 39 | **43,552,047.75** | 38,658,976.03 |
| Taxes payable | VII. Note 40 | **2,255,134.39** | 6,742,876.92 |
| Other payables | VII. Note 41 | **155,622,423.22** | 158,033,221.89 |
| 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. Note 43 | **31,843,916.70** | 26,456,210.28 |
| Other current liabilities | VII. Note 44 | **4,083,494.52** | 10,852,649.97 |
| **Total current liabilities** | | **1,441,058,116.93** | 1,754,569,233.81 |

# Consolidated Statements of Balance Sheets (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Non-current liabilities:** | | | |
| Reserve fund for insurance contracts | | | |
| Long-term borrowings | VII. Note 45 | **9,708,756.94** | 9,809,731.95 |
| Bonds payable | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | VII. Note 47 | **5,791,994.46** | 12,329,805.18 |
| Long-term payables | VII. Note 48 | **255,233.49** | 2,062,150.49 |
| Long-term accrued payroll | | | |
| Accrued liabilities | VII. Note 50 | **45,733,389.62** | 45,447,961.47 |
| Deferred income | VII. Note 51 | **105,608,972.08** | 108,418,593.70 |
| Deferred income tax liabilities | VII. Note 29 | **2,652,124.63** | 2,987,008.30 |
| Other non-current liabilities | | | |
| **Total non-current liabilities** | | **169,750,471.22** | 181,055,251.09 |
| **Total liabilities** | | **1,610,808,588.15** | 1,935,624,484.90 |

# Consolidated Statements of Balance Sheets (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Owners' equity (or shareholders' equity):** | | | |
| Paid-up capital (or share capital) | VII. Note 53 | **231,652,081.00** | 231,652,081.00 |
| Other equity instruments | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserve | VII. Note 55 | **3,172,887,547.88** | 3,172,887,547.88 |
| Less: Treasury shares | | | |
| Other comprehensive income | VII. Note 57 | **81,377,551.34** | 81,371,884.14 |
| Special reserve | VII. Note 58 | **10,276,920.75** | 10,194,879.88 |
| Surplus reserve | VII. Note 59 | **9,216,035.02** | 9,216,035.02 |
| Provision for general risk | | | |
| Undistributed profit ("-" for loss) | VII. Note 60 | **-1,107,717,371.24** | -944,289,558.55 |
| Total equity attributable to shareholders of the parent company (or shareholders' equity) | | **2,397,692,764.75** | 2,561,032,869.37 |
| Minority interests | | **245,570,610.33** | 282,311,508.84 |
| **Total owners' equity (or shareholders' equity)** | | **2,643,263,375.08** | 2,843,344,378.21 |
| **Total liabilities and owners' equity (or shareholders' equity)** | | **4,254,071,963.23** | 4,778,968,863.11 |

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

# Statements of Balance Sheets of the Parent Company

June 30, 2025
Prepared by: Beijing SinoHytec Co., Ltd.

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Current assets:** | | | |
| Cash and cash equivalents | | **343,148,694.80** | 546,467,442.54 |
| Financial assets held-for-trading | | **723,355,622.97** | 727,426,376.60 |
| Derivative financial assets | | | |
| Notes receivable | | **33,040,000.00** | 41,500,000.00 |
| Accounts receivable | XIX. Note 1 | **731,141,805.42** | 861,867,689.29 |
| Receivables financing | | | 65,787.00 |
| Prepayments | | **1,351,921.93** | 1,012,101.94 |
| Other receivables | XIX. Note 2 | **306,045,223.57** | 295,755,857.55 |
| Including: Interest receivables | | | |
| Dividend receivable | | | |
| Inventories | | **85,677,560.69** | 93,251,668.79 |
| Including: Data resources | | | |
| Contract assets | | | |
| Held-for-sale assets | | | |
| Non-current assets due within one year | | | |
| Other current assets | | **23,851,858.24** | 22,334,483.72 |
| **Total current assets** | | **2,247,612,687.62** | 2,589,681,407.43 |

# Statements of Balance Sheets of the Parent Company (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Non-current assets:** | | | |
| Debt investments | | | |
| Other debt investments | | | |
| Long-term receivables | | | |
| Long-term equity investments | XIX. Note 3 | **951,604,579.60** | 959,000,977.65 |
| Other equity instrument investments | | **157,846,800.00** | 157,846,800.00 |
| Other non-current financial assets | | | |
| Investment properties | | | |
| Fixed assets | | **47,815,898.17** | 54,883,395.04 |
| Construction in progress | | | |
| Productive biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | | **3,300,078.55** | 6,390,409.29 |
| Intangible assets | | **166,623,446.15** | 170,770,925.91 |
| Including: Data resources | | | |
| Development expenses | | **15,527,787.27** | 20,568,194.72 |
| Including: Data resources | | | |
| Goodwill | | | |
| Long-term deferred expenditures | | **1,908,055.84** | 2,573,574.57 |
| Deferred income tax assets | | **22,819,266.73** | 22,526,564.53 |
| Other non-current assets | | **14,377,034.51** | 14,391,379.72 |
| **Total non-current assets** | | **1,381,822,946.82** | 1,408,952,221.43 |
| **Total assets** | | **3,629,435,634.44** | 3,998,633,628.86 |

# Statements of Balance Sheets of the Parent Company (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Current liabilities:** | | | |
| Short-term borrowings | | **285,920,774.35** | 517,178,764.04 |
| Financial liabilities held-for-trading | | | |
| Derivative financial liabilities | | | |
| Note payables | | **42,213,893.00** | 23,873,893.00 |
| Accounts payable | | **221,393,278.65** | 267,059,796.87 |
| Advances from customers | | | |
| Contract liabilities | | **12,922,561.19** | 2,646,086.97 |
| Accrued payroll | | **25,428,968.57** | 22,099,653.85 |
| Taxes payable | | **597,381.58** | 634,775.41 |
| Other payables | | **10,000,901.67** | 11,926,495.47 |
| Including: Interest payable | | | |
| Dividend payable | | | |
| Held-for-sale liabilities | | | |
| Non-current liabilities due within one year | | **4,951,203.11** | 4,622,956.39 |
| Other current liabilities | | **2,086,845.85** | 10,003,790.47 |
| **Total current liabilities** | | **605,515,807.97** | 860,046,212.47 |

# Statements of Balance Sheets of the Parent Company (Continued)

June 30, 2025

Unit: RMB

| Item | Notes | June 30, 2025 | December 31, 2024 |
|---|---|---|---|
| **Non-current liabilities:** | | | |
| Long-term borrowings | | | |
| Bonds payable | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | | | 1,250,970.77 |
| Long-term payables | | | |
| Long-term accrued payroll | | | |
| Accrued liabilities | | **18,701,142.00** | 18,917,400.71 |
| Deferred income | | **39,303,750.90** | 41,292,304.56 |
| Deferred income tax liabilities | | | |
| Other non-current liabilities | | **15,864,111.15** | 18,394,852.77 |
| **Total non-current liabilities** | | **73,869,004.05** | 79,855,528.81 |
| **Total liabilities** | | **679,384,812.02** | 939,901,741.28 |
| **Owners' equity (or shareholders' equity):** | | | |
| Paid-up capital (or share capital) | | **231,652,081.00** | 231,652,081.00 |
| Other equity instruments | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserve | | **3,037,465,093.90** | 3,037,465,093.90 |
| Less: Treasury shares | | | |
| Other comprehensive income | | **81,377,551.34** | 81,377,551.34 |
| Special reserve | | **997,069.67** | 1,137,444.70 |
| Surplus reserve | | **9,216,035.02** | 9,216,035.02 |
| Undistributed profit ("-" for loss) | | **-410,657,008.51** | -302,116,318.38 |
| **Total owners' equity (or shareholders' equity)** | | **2,950,050,822.42** | 3,058,731,887.58 |
| **Total liabilities and owners' equity (or shareholders' equity)** | | **3,629,435,634.44** | 3,998,633,628.86 |

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

# Consolidated Income Statement

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| **I.** | **Total operating income** | | **71,929,258.41** | 153,843,525.55 |
| | Including: Operating income | VII. Note 61 | **71,929,258.41** | 153,843,525.55 |
| | Interest income | | | |
| | Premiums earned | | | |
| | Handling fee and commission income | | | |
| **II.** | **Total operating costs** | | **234,704,181.06** | 311,105,634.20 |
| | Including: Operating costs | VII. Note 61 | **90,220,424.30** | 128,182,431.97 |
| | 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. Note 62 | **1,674,846.43** | 1,543,812.28 |
| | Selling expenses | VII. Note 63 | **22,562,159.50** | 26,334,247.30 |
| | Administrative expenses | VII. Note 64 | **98,341,944.00** | 104,470,916.99 |
| | Research and development expenses | VII. Note 65 | **17,174,589.82** | 50,534,103.58 |
| | Financial expenses | VII. Note 66 | **4,730,217.01** | 40,122.08 |
| | Including: Interest expense | | **9,134,579.06** | 11,539,718.24 |
| | Interest income | | **5,854,162.93** | 10,339,500.53 |
| | Add: Other income | VII. Note 67 | **11,478,048.84** | 19,781,776.55 |
| | Investment income ("-" for losses) | VII. Note 68 | **-38,075,319.83** | -17,451,849.93 |
| | Including: Investment income from associates and joint ventures | | **-37,816,543.90** | -19,747,403.96 |
| | Gains from derecognition of financial assets at amortized cost ("−" for losses) | | | |
| | Exchange gains ("−" for losses) | | | |
| | Gains on net exposure hedges ("−" for losses) | | | |
| | Gains on change in fair value ("−" for losses) | VII. Note 70 | **2,111,040.20** | 7,029,295.56 |
| | Losses on credit impairment ("−" for losses) | VII. Note 72 | **-1,152,809.78** | -19,907,395.33 |
| | Impairment losses on assets ("−" for losses) | VII. Note 73 | **-11,877,701.30** | -15,394,844.71 |
| | Gains from asset disposal ("−" for losses) | VII. Note 71 | **-37,151.76** | 1,129,835.04 |

# Consolidated Income Statement (Continued)

January to June 2025

Unit: RMB

| Item | Notes | 2025 1H | 2024 1H |
|---|---|---|---|
| **III. Operating profits ("–" for losses)** | | **-200,328,816.28** | -182,075,291.47 |
| Add: Non-operating income | VII. Note 74 | **62,288.57** | 727,385.64 |
| Less: Non-operating expenses | VII. Note 75 | **679,945.82** | 326,848.02 |
| **IV. Total profits ("–" for total losses)** | | **-200,946,473.53** | -181,674,753.85 |
| Less: Income tax expenses | VII. Note 76 | **-587,073.82** | -11,283,997.00 |
| **V. Net profits ("–" for net losses)** | | **-200,359,399.71** | -170,390,756.85 |
| (1) Classified by continuity of operations | | | |
| 1. Net profit from continuing operations ("–" for net loss) | | **-200,359,399.71** | -170,390,756.85 |
| 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) | | **-163,427,812.69** | -141,489,332.28 |
| 2. Minority interests ("–" for net losses) | | **-36,931,587.02** | -28,901,424.57 |
| **VI. Net amount of other comprehensive income after tax** | | **5,667.20** | |
| (1) Net amount of other comprehensive income after tax attributable to shareholders of the parent company | | **5,667.20** | |
| 1. Other comprehensive income that cannot be reclassified to profit or loss | | | |
| (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 | | | |
| (4) Changes in fair value of the enterprise's own credit risk | | | |
| 2. Other comprehensive income that will be reclassified to profit or loss | | **5,667.20** | |
| (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 | | **5,667.20** | |
| (7) Others | | | |
| (2) Net amount of other comprehensive income after tax attributable to minority shareholders | | | |

# Consolidated Income Statement (Continued)

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| **VII.** | **Total comprehensive income ("–" for losses)** | | **-200,353,732.51** | -170,390,756.85 |
| (1) | Total comprehensive income attributable to owners of the parent company | | **-163,422,145.49** | -141,489,332.28 |
| (2) | Total comprehensive income attributable to minority shareholders | | **-36,931,587.02** | -28,901,424.57 |
| **VIII.** | **Earnings per share:** | | | |
| (1) | Basic earnings per share (RMB/share) ("–" for losses) | | **-0.71** | -0.61 |
| (2) | Diluted earnings per share (RMB/share) ("–" for losses) | | **-0.71** | -0.61 |

For the business combination under common control in the current period, the net profit realized by the merged party before the combination was RMB0.00, and the net profit realized by the merged party in the previous period was RMB0.00.

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

# Income Statement of the Parent Company

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| I. | **Operating income** | XIX. Note 4 | **38,039,263.22** | 98,480,593.66 |
| | Less: Operation costs | XIX. Note 4 | **51,688,303.79** | 72,713,157.17 |
| | Tax and surcharges | | **39,438.24** | 76,471.25 |
| | Selling expenses | | **13,162,547.00** | 17,398,043.74 |
| | Administrative expenses | | **45,100,685.83** | 46,853,408.15 |
| | Research and development expenses | | **8,130,866.18** | 25,126,636.67 |
| | Financial expenses | | **2,169,438.64** | -3,552,929.21 |
| | Including: Interest expense | | **5,787,068.61** | 7,173,221.80 |
| | Interest income | | **4,863,152.00** | 9,203,710.27 |
| | Add: Other income | | **4,679,383.79** | 2,483,790.45 |
| | Investment income ("-" for loss) | XIX. Note 5 | **-35,663,405.38** | -14,929,847.85 |
| | Including: Investment income from associates and joint ventures ("−" for losses) | | **-35,854,398.05** | -17,551,408.43 |
| | Gains from derecognition of financial assets at amortized cost ("−" for losses) | | | |
| | Gains on net exposure hedges ("−" for losses) | | | |
| | Gains on change in fair value ("−" for losses) | | **2,111,040.20** | 7,029,295.56 |
| | Losses on credit impairment ("−" for losses) | | **11,662,008.89** | -9,567,643.14 |
| | Impairment losses on assets ("−" for losses) | | **-9,454,322.16** | -9,901,919.80 |
| | Gains from asset disposal ("−" for losses) | | **-70,052.36** | -206,317.86 |
| II. | **Operating profits ("−" for losses)** | | **-108,987,363.48** | -85,226,836.75 |
| | Add: Non-operating income | | **265,798.35** | 668,396.99 |
| | Less: Non-operating expenses | | **111,827.20** | 321,562.84 |
| III. | **Total profits ("−" for total losses)** | | **-108,833,392.33** | -84,880,002.60 |
| | Less: Income tax expenses | | **-292,702.20** | -2,776,107.20 |

# Income Statement of the Parent Company (Continued)

January to June 2025

Unit: RMB

| Item | Notes | 2025 1H | 2024 1H |
|---|---|---|---|
| **IV. Net profits ("–" for net losses)** | | **-108,540,690.13** | -82,103,895.40 |
| (1) Net profit from continuing operations ("–" for net loss) | | **-108,540,690.13** | -82,103,895.40 |
| (2) Net profit from discontinued operations ("–" for net loss) | | | |
| **V. Net amount of other comprehensive income after tax** | | | |
| (1) Other comprehensive income that cannot be reclassified to profit or loss | | | |
| 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 | | | |
| 4. Changes in fair value of the enterprise's own credit risk | | | |
| (2) 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 investment | | | |
| 5. Cash flow hedging reserve | | | |
| 6. Differences on translation of foreign currency statement | | | |
| 7. Others | | | |
| **VI. Total comprehensive income ("–" for loss)** | | **-108,540,690.13** | -82,103,895.40 |
| **VII. Earnings per share:** | | | |
| (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

# Consolidated Statement of Cash Flows

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| I. | **Cash flows from operating activities:** | | | |
| | Cash received from sales of goods and rendering of services | | **130,681,637.52** | 131,046,180.34 |
| | 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 | | | 224.11 |
| | Cash received relating to other operating activities | VII. Note 78 | **68,664,422.17** | 68,340,973.45 |
| | **Sub-total of cash inflows from operating activities** | | **199,346,059.69** | 199,387,377.90 |
| | Cash paid for the purchase of goods and the acceptance of services | | **60,240,003.34** | 157,296,466.19 |
| | 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 | | **95,895,269.81** | 164,007,227.45 |
| | Payments of all types of taxes | | **14,690,918.21** | 3,260,525.73 |
| | Cash payments relating to other operating activities | VII. Note 78 | **63,073,617.04** | 57,943,329.71 |
| | **Sub-total of cash outflows from operating activities** | | **233,899,808.40** | 382,507,549.08 |
| | **Net cash flows from operating activities ("–" for outflows)** | | **-34,553,748.71** | -183,120,171.18 |

# Consolidated Statement of Cash Flows (Continued)

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| II. | **Cash flows from investing activities:** | | | |
| | Cash received from disposal of investments | | **216,042,000.00** | |
| | Cash received from investment income | | **19,934,346.50** | 2,606,273.98 |
| | Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | **89,192.00** | 8,813,769.95 |
| | Net cash received from disposal of subsidiaries and other operating units | | | |
| | Cash received relating to other investing activities | | | |
| | **Sub-total of cash inflows from investing activities** | | **236,065,538.50** | 11,420,043.93 |
| | Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | | **12,926,152.34** | 14,873,494.41 |
| | Cash paid for investments | | **225,243,400.00** | 26,469,360.00 |
| | Net increase in pledged loans | | | |
| | Net cash paid for acquisition of subsidiaries and other operating units | | | |
| | Cash paid relating to other investing activities | | | |
| | **Sub-total of cash outflows from investing activities** | | **238,169,552.34** | 41,342,854.41 |
| | **Net cash flows from investing activities ("–" for outflows)** | | **-2,104,013.84** | -29,922,810.48 |
| III. | **Cash flows from financing activities:** | | | |
| | Cash received from capital contributions | | **25,090,000.00** | 5,000,000.00 |
| | Including: Cash received by subsidiaries from investment of minority shareholders | | **25,090,000.00** | 5,000,000.00 |
| | Cash received from borrowings | | **82,920,642.96** | 456,434,177.04 |
| | Cash received from other financing activities | VII. Note 78 | **714,185.11** | 17,148,542.58 |
| | **Sub-total of cash inflows from financing activities** | | **108,724,828.07** | 478,582,719.62 |
| | Cash paid for repayment of debts | | **376,971,571.20** | 245,141,211.47 |
| | Cash payments for distribution of dividends, profits or interest expenses | | **9,029,242.34** | 10,363,496.82 |
| | Including: Dividends and profits paid to minority shareholders by subsidiaries | | | |
| | Cash paid relating to other financing activities | VII. Note 78 | **2,125,666.61** | 19,146,837.42 |
| | **Sub-total of cash outflows from financing activities** | | **388,126,480.15** | 274,651,545.71 |
| | **Net cash flows from financing activities ("–" for outflows)** | | **-279,401,652.08** | 203,931,173.91 |

# Consolidated Statement of Cash Flows (Continued)

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| **IV.** | **Effect of exchange rate changes on cash and cash equivalents** | | **-1,227,997.52** | 1,764,636.72 |
| **V.** | **Net increase in cash and cash equivalents** | | **-317,287,412.15** | -7,347,171.03 |
| | Add: Balance of cash and cash equivalents at the beginning of the period | | **719,392,973.65** | 592,026,461.60 |
| **VI.** | **Balance of cash and cash equivalents at the end of the period** | | **402,105,561.50** | 584,679,290.57 |

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

# Statement of Cash Flows of the Parent Company

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| I. | **Cash flows from operating activities:** | | | |
| | Cash received from sales of goods and rendering of services | | **186,594,618.34** | 126,130,551.94 |
| | Refund of taxes and levies | | | |
| | Cash received relating to other operating activities | | **13,664,925.01** | 10,958,400.68 |
| | **Sub-total of cash inflows from operating activities** | | **200,259,543.35** | 137,088,952.62 |
| | Cash paid for the purchase of goods and the acceptance of services | | **67,205,507.90** | 70,610,149.09 |
| | Cash paid to and for employees | | **47,357,722.88** | 88,559,586.67 |
| | Payments of all types of taxes | | **76,260.85** | 540,046.38 |
| | Cash payments relating to other operating activities | | **37,375,091.23** | 35,395,656.44 |
| | **Sub-total of cash outflows from operating activities** | | **152,014,582.86** | 195,105,438.58 |
| | **Net cash flows from operating activities ("–" for outflows)** | | **48,244,960.49** | -58,016,485.96 |
| II. | **Cash flows from investing activities:** | | | |
| | Cash received from disposal of investments | | **216,042,000.00** | 1,550,000.00 |
| | Cash received from investment income | | **19,934,346.50** | 2,606,273.98 |
| | Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | **1,346,941.13** | |
| | Net cash received from disposal of subsidiaries and other operating units | | | |
| | Cash received relating to other investing activities | | | |
| | **Sub-total of cash inflows from investing activities** | | **237,323,287.63** | 4,156,273.98 |
| | Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | | **1,222,000.00** | 3,385,579.29 |
| | Cash paid for investments | | **258,101,400.00** | 31,219,360.00 |
| | Net cash paid for acquisition of subsidiaries and other operating units | | | |
| | Cash paid relating to other investing activities | | | |
| | **Sub-total of cash outflows from investing activities** | | **259,323,400.00** | 34,604,939.29 |
| | **Net cash flows from investing activities ("–" for outflows)** | | **-22,000,112.37** | -30,448,665.31 |

# Statement of Cash Flows of the Parent Company (Continued)

January to June 2025

Unit: RMB

| Item | | Notes | 2025 1H | 2024 1H |
|---|---|---|---|---|
| **III.** | **Cash flows from financing activities:** | | | |
| | Cash received from capital contributions | | | |
| | Cash received from borrowings | | **58,150,832.28** | 233,703,334.56 |
| | Cash received from other financing activities | | **272,935.11** | 7,564,465.15 |
| | **Sub-total of cash inflows from financing activities** | | **58,423,767.39** | 241,267,799.71 |
| | Cash paid for repayment of debts | | **290,208,311.90** | 160,832,715.83 |
| | Cash payments for distribution of dividends, profits or interest expenses | | **5,907,345.01** | 6,881,302.77 |
| | Cash paid relating to other financing activities | | **1,093,223.92** | 11,352,804.77 |
| | **Sub-total of cash outflows from financing activities** | | **297,208,880.83** | 179,066,823.37 |
| | **Net cash flows from financing activities ("–" for outflows)** | | **-238,785,113.44** | 62,200,976.34 |
| **IV.** | **Effect of exchange rate changes on cash and cash equivalents** | | **-1,215,706.31** | 1,764,636.72 |
| **V.** | **Net increase in cash and cash equivalents** | | **-213,755,971.63** | -24,499,538.21 |
| | Add: Balance of cash and cash equivalents at the beginning of the period | | **546,180,059.78** | 501,331,588.46 |
| **VI.** | **Balance of cash and cash equivalents at the end of the period** | | **332,424,088.15** | 476,832,050.25 |

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

# Consolidated Statements of Changes in Owner's Equity

January to June 2025

Unit: RMB

| Item | 2025 1H | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of parent company | | | | | | | | | | | | | |
| | Paid-up capital (or share capital) | Other equity instruments: Preferred shares | Other equity instruments: Perpetual bonds | Other equity instruments: Others | Capital reserve | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Provision for general risk | Undistributed profit | Others | Subtotal | Minority interests | Total owners' equity |
| **I. Balance at the end of last year** | 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 |
| Add: Changes in accounting policies | | | | | | | | | | | | | | | |
| Correction of errors in prior period | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | |
| **II. Balance at the beginning of the year** | 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 |
| **III. Increase/decrease for the period ("-" for decrease)** | | | | | | | 5,667.20 | 82,040.87 | | | -163,427,812.69 | | -163,340,104.62 | -36,740,898.51 | -200,081,003.13 |
| (1) Total comprehensive income | | | | | | | 5,667.20 | | | | -163,427,812.69 | | -163,422,145.49 | -36,931,587.02 | -200,353,732.51 |
| (2) Capital contribution and reduction by owners | | | | | | | | | | | | | | 90,000.00 | 90,000.00 |
| 1. Ordinary shares contributed by owners | | | | | | | | | | | | | | 90,000.00 | 90,000.00 |
| 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 | | | | | | | | | | | | | | | |
| 1. Capitalization of capital reserve (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 | | | | | | | | 82,040.87 | | | | | 82,040.87 | 100,688.51 | 182,729.38 |
| 1. Appropriation for the period | | | | | | | | 355,656.42 | | | | | 355,656.42 | 441,121.82 | 796,778.24 |
| 2. Utilization for the period | | | | | | | | 273,615.55 | | | | | 273,615.55 | 340,433.31 | 614,048.86 |
| (6) Others | | | | | | | | | | | | | | | |
| **IV. Balance at the end of the period** | 231,652,081.00 | | | | 3,172,887,547.88 | | 81,377,551.34 | 10,276,920.75 | 9,216,035.02 | | -1,107,717,371.24 | | 2,397,692,764.75 | 245,570,610.33 | 2,643,263,375.08 |

# Consolidated Statements of Changes in Owner's Equity (Continued)

January to June 2025

Unit: RMB

| Item | 2024 1H | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of parent company | | | | | | | | | | | | | |
| | Paid-up capital (or share capital) | Other equity instruments: Preferred shares | Other equity instruments: Perpetual bonds | Other equity instruments: Others | Capital reserve | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Provision for general risk | Undistributed profit | Others | Subtotal | Minority interests | Total owners' equity |
| **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 decrease)** | | | | | | | | 1,395,589.61 | | | -141,489,332.28 | | -140,093,742.67 | -28,449,311.82 | -168,543,054.49 |
| (1) Total comprehensive income | | | | | | | | | | | -141,489,332.28 | | -141,489,332.28 | -28,901,424.57 | -170,390,756.85 |
| (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 | | | | | | | | | | | | | | | |
| 1. Capitalization of capital reserve (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 | | | | | | | | 1,395,589.61 | | | | | 1,395,589.61 | 452,112.75 | 1,847,702.36 |
| 1. Appropriation for the period | | | | | | | | 1,525,735.51 | | | | | 1,525,735.51 | 734,624.64 | 2,260,360.15 |
| 2. Utilization for the period | | | | | | | | 130,145.90 | | | | | 130,145.90 | 282,511.89 | 412,657.79 |
| (6) Others | | | | | | | | | | | | | | | |
| **IV. Balance at the end of the period** | 165,465,772.00 | | | | 3,236,926,118.73 | | 113,391,271.34 | 9,103,396.61 | 9,216,035.02 | | -629,346,036.46 | | 2,904,756,557.24 | 333,843,237.27 | 3,238,599,794.51 |

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

# Statements of Changes in Owner's Equity of the Parent Company

January to June, 2025

Unit: RMB

| Item | 2025 1H | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Paid-up capital (or share capital) | Other equity instruments: Preferred shares | Other equity instruments: Perpetual bonds | Other equity instruments: Others | Capital reserve | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Total owners' equity |
| **I. Balance at the end of last year** | 231,652,081.00 | | | | 3,037,465,093.90 | | 81,377,551.34 | 1,137,444.70 | 9,216,035.02 | -302,116,318.38 | 3,058,731,887.58 |
| Add: Changes in accounting policies | | | | | | | | | | | |
| Correction of errors in prior period | | | | | | | | | | | |
| Others | | | | | | | | | | | |
| **II. Balance at the beginning of the year** | 231,652,081.00 | | | | 3,037,465,093.90 | | 81,377,551.34 | 1,137,444.70 | 9,216,035.02 | -302,116,318.38 | 3,058,731,887.58 |
| **III. Increase/decrease for the period ("–" for decrease)** | | | | | | | | -140,375.03 | | -108,540,690.13 | -108,681,065.16 |
| (1) Total comprehensive income | | | | | | | | | | -108,540,690.13 | -108,540,690.13 |
| (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. Distribution to owner/shareholder | | | | | | | | | | | |
| 3. Others | | | | | | | | | | | |
| (4) Transfer within owner's equity | | | | | | | | | | | |
| 1. Capitalization of capital reserve (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 | | | | | | | | -140,375.03 | | | -140,375.03 |
| 1. Appropriation for the period | | | | | | | | | | | |
| 2. Utilization for the period | | | | | | | | 140,375.03 | | | 140,375.03 |
| (6) Others | | | | | | | | | | | |
| **IV. Balance at the end of the period** | 231,652,081.00 | | | | 3,037,465,093.90 | | 81,377,551.34 | 997,069.67 | 9,216,035.02 | -410,657,008.51 | 2,950,050,822.42 |

# Statements of Changes in Owner's Equity of the Parent Company (Continued)

January to June, 2025

Unit: RMB

| Item | 2024 1H | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Paid-up capital (or share capital) | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Total owners' equity |
| | | Preferred shares | Perpetual bonds | Others | | | | | | | |
| **I. Balance at the end of last year** | 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 |
| Add: Changes in accounting policies | | | | | | | | | | | |
| Correction of errors in prior period | | | | | | | | | | | |
| Others | | | | | | | | | | | |
| **II. Balance at the beginning of the year** | 165,465,772.00 | | | | 3,103,731,448.70 | | 113,391,271.34 | 1,298,986.85 | 9,216,035.02 | -114,107,661.87 | 3,278,995,852.04 |
| **III. Increase/decrease for the period ("–" for decrease)** | | | | | | | | | | -82,103,895.40 | -82,103,895.40 |
| (1) Total comprehensive income | | | | | | | | | | -82,103,895.40 | -82,103,895.40 |
| (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. Distribution to owner/shareholder | | | | | | | | | | | |
| 3. Others | | | | | | | | | | | |
| (4) Transfer within owner's equity | | | | | | | | | | | |
| 1. Capitalization of capital reserve (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 | | | | 3,103,731,448.70 | | 113,391,271.34 | 1,298,986.85 | 9,216,035.02 | -196,211,557.27 | 3,196,891,956.64 |

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 VIII
# FINANCIAL STATEMENTS

## III. BASIC INFORMATION OF THE COMPANY

### 1. Company profile

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 June 30, 2025, 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 August 2025.

## 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

The financial statements are based on the assumption of going concern.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

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 June 30, 2025, and of their consolidated and the parent company's financial performance and cash flows for the half 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

The Company adopts 12 months as an operating cycle.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 4. Functional currency

The functional currency of the Company is RMB.

### 5. Determination method and selection basis of materiality

| 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 |

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 6. Accounting treatment of business combinations under common control and not under common control

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

#### 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.

#### 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 7. Criteria of control and preparation method of consolidated financial statements (Continued)

#### 2. Consolidation procedures (Continued)

*(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.

*(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.

## 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 (Continued)*

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.

*(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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 7. Criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedures (Continued)

*(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

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 the Note "V. 19. Long-term equity investments" for details on the equity method adopted by the Company on investment in joint ventures.

## 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

#### (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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments

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.

#### 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments (Continued)

#### 1. Classification of financial instruments (Continued)

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.

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments (Continued)

#### 2. Recognition basis and measurement method of financial instruments (Continued)

*(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.

*(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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments (Continued)

#### 2. Recognition basis and measurement method of financial instruments (Continued)

*(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.

#### 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.

## 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)

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).

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments (Continued)

#### 4. Derecognition of financial liabilities (Continued)

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.

#### 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments (Continued)

#### 6. Test and accounting methods for impairment of financial instruments (Continued)

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.

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 11. Financial instruments (Continued)

#### 6. Test and accounting methods for impairment of financial instruments (Continued)

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 |

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 12. Bills receivable

Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis

Please refer to Note V. 11. Financial instruments.

Method for calculating ages for ages recognized by the credit risk characteristics portfolio

Please refer to Note V. 11. Financial instruments.

Individual provisioning judgment criteria according to individual provision for bad debts

Not Applicable

### 13. Accounts receivable

Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis

Please refer to Note V. 11. Financial instruments.

Method for calculating ages for ages recognized by the credit risk characteristics portfolio

Please refer to Note V. 11. Financial instruments.

Individual provisioning judgment criteria according to individual provision for bad debts

Please refer to Note V. 11. Financial instruments.

### 14. Receivables financing

Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis

Please refer to Note V. 11. Financial instruments.

Method for calculating ages for ages recognized by the credit risk characteristics portfolio

Please refer to Note V. 11. Financial instruments.

Individual provisioning judgment criteria according to individual provision for bad debts

Not Applicable

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 15. Other receivables

#### Categories of items for which bad debt provisioning is made based on a combination of credit risk characteristics and the basis

Please refer to Note V. 11. Financial instruments.

#### Method for calculating ages for ages recognized by the credit risk characteristics portfolio

Please refer to Note V. 11. Financial instruments.

#### Individual provisioning judgment criteria according to individual provision for bad debts

Not Applicable

### 16. Inventories

#### Inventory category, method of valuation of inventories upon delivery, inventory system, amortization method of low-value consumption goods and packaging

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 s 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 16. Inventories (Continued)

#### Inventory category, method of valuation of inventories upon delivery, inventory system, amortization method of low-value consumption goods and packaging (Continued)

*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 is amortized using one-off writing-off method;

(3) Other turnover materials are amortized using one-off write-off method.

#### Recognition criteria and accrual method for inventory impairment provision

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

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

Not Applicable

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 17. Contract assets

#### Recognitions and criteria for contract assets

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

For details, please refer to Note V. 11. Financial instruments.

#### Aging methodology for determining credit risk characteristic portfolios on ageing

For details, please refer to Note V. 11. Financial instruments.

#### Individual provision determination criteria of provision for bad debts on an individual basis

For details, please refer to Note V. 11. Financial instruments.

### 18. Non-current assets and disposal groups held for sale

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

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 18. Non-current assets and disposal groups held for sale (Continued)

#### Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale (Continued)

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.

#### Recognition criteria and presentation of discontinued operations

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.

### 19. Long-term equity investments

#### 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 19. Long-term equity investments (Continued)

### 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 is 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.

*(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.

## 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*

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.

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.

## 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*

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.

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 20. Investment properties

Not Applicable

## 21. Fixed assets

### (1). Recognitions

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

| 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 |

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 21. Fixed assets (Continued)

#### (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

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".

### 23. Borrowing costs

#### (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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 23. Borrowing costs (Continued)

#### (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.

#### (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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 24. Biological assets

Not Applicable

### 25. Oil and gas assets

Not Applicable

### 26. Intangible assets

#### (1). Useful life and its basis of determination, estimation, amortisation method or review procedures

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 |

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 26. Intangible assets (Continued)

#### (2). Scope of research and development expenditures and related accounting treatment

*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

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.

### 28. Long-term deferred expenditures

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 29. Contract liabilities

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

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.

#### (2). Accounting treatment of post-employment benefits

*(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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 30. Employee benefits (Continued)

#### (2). Accounting treatment of post-employment benefits (Continued)

*(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.

#### (3). Accounting treatment of termination benefits

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

Other long-term employee benefits are all employee benefits other than short-term salary, post-employment benefits and termination benefits.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 31. Accrued liabilities

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.

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 32. Share-based payments

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, according to the best estimate of the number of feasible equity instruments, includes the services received in the current period into the relevant cost or expense on the basis of the fair value on the date of grant, with a corresponding increase in capital reserve.

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.

### 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 33. Preferred shares, perpetual bonds and other financial instruments

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 as a whole or its components at initial recognition.

### 34. Revenue

#### (1). Disclosure of accounting policies for revenue recognition and measurement by business types

*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.

## 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)*

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.

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.

## 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)*

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.

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.

## 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)

*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

Not Applicable

### 35. Contract costs

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 35. Contract costs (Continued)

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 is 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.

### 36. Government grants

#### 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 36. Government grants (Continued)

### 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.

## 37. Deferred income tax assets/deferred income tax liabilities

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 37. Deferred income tax assets/deferred income tax liabilities (Continued)

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.

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 38. Lease

Judgement basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

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:

1. the amount of the initial measurement of lease liability;

2. lease payments made at or before the inception of the lease less any lease incentives already received (if there is a lease incentive);

3. initial direct costs incurred by the Company;

4. 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 the Note "V. 27. Impairment of long-term assets" and conducts accounting treatment for impairment loss identified.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 38. 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:

1. fixed payments (including in-substance fixed payments), less any lease incentives (if there is a lease incentive);

2. variable lease payments that are based on an index or a rate;

3. amounts expected to be payable under the guaranteed residual value provided by the Company;

4. the exercise price of a purchase option if the Company is reasonably certain to exercise that option;

5. 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 38. 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:

1. the lease change expands the scope of lease by increasing the rights to use one or more leased assets;

2. 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

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.

#### *(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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 38. Lease (Continued)

#### (4) Lease change (Continued)

*(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".

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 the Note "V. 11. Financial instruments".

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 38. 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 the Note "V. 34. Revenue".

(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 the Note "V. 38. Lease". 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 the Note "V. 11. Financial instruments".

(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 the Note "V. 11. Financial instruments".

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 39. Other significant accounting policies and accounting estimates

### (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.

In the case of debt restructuring through the modification of other terms, the Company recognizes and measures the restructured claim in accordance with the Note "V. 11. Financial instruments". 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 the Note "V. 11. Financial instruments", 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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 39. Other significant accounting policies and accounting estimates (Continued)

### (1) Debt restructuring (Continued)

*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 the Note "V. 11. Financial instruments".

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.

### (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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 39. Other significant accounting policies and accounting estimates (Continued)

### (2) Significant accounting policies and estimates (Continued)

*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:

Impairment of financial instruments

The Company uses the expected credit loss model to assess the impairment of financial instruments. The Company 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.

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

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.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

## 40. Changes in significant accounting policies and accounting estimates

### (1). Changes in significant accounting policies

Unit: RMB

| Details of and reasons for the changes in accounting policies | Items that are significantly affected | Amount affected |
|---|---|---|
| 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 "Interpretation No. 18") , 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.<br><br>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.<br><br>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. | (1) | (1) |

Other explanations:

(1) The main impact of the Company's implementing this provision from 2024 is as follows:

| Affected items | Consolidation January to June 2024 | Parent company January to June 2024 |
|---|---|---|
| Selling expenses | -1,587,461.69 | -368,332.31 |
| Operating cost | 1,587,461.69 | 368,332.31 |

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

### 40. Changes in significant accounting policies and accounting estimates (Continued)

(2). Changes in significant accounting estimates

Not Applicable

(3). The first implementation of new accounting standards or interpretations of standards from 2025 involves adjustments to the financial statements at the beginning of the year of first implementation

Not Applicable

### 41. Others

Not Applicable

# VI. TAXATION

## 1. Main taxes and tax rates

### Main taxes and tax rates

| 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/$m^2$, RMB5/$m^2$ |
| Property tax | Residual value after deducting a certain percentage from the original value of the property | 1.20% |

## VI. TAXATION (Continued)

### 1. Main taxes and tax rates (Continued)

#### Main taxes and tax rates (Continued)

Disclosure of entities subject to different enterprise income tax rates

| Name of taxpayer | Income tax rate (%) |
|---|---|
| The Company | 15% |
| SinoHytec Power | 15% |
| SinoFuelCell | 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% |
| Chengdu SinoHytec | 15% |
| Chengdu Guoqinghuatong Technology Co., Ltd. | 15% |
| Juxinghuatong | 25% |
| Shandong Huaqing Dongli Technology Co., Ltd. | 25% |
| Tangshan Qianchen | 25% |
| Zhengzhou SinoHytec | 25% |
| SinoHytec Hydrogen Energy | 25% |
| Zhangjiakou Guoqing Technology Co., Ltd. | 25% |
| Zhangjiakou Qingtong 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 | 16.50% |

## VI. TAXATION (Continued)

### 1. Main taxes and tax rates (Continued)

Main taxes and tax rates (Continued)

| Name of taxpayer | Income tax rate (%) |
|---|---|
| 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% |
| Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) | 25% |
| Zigong SinoHytec Hydrogen Technology Co., Ltd. (自貢億華通氫能科技有限公司) | 25% |
| Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) | 25% |
| Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司) | 25% |
| Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司) | 25% |
| Guyuan County Yigu New Energy Co., Ltd. (沽源縣億谷新能源有限公司) | 25% |
| Guyuan County Tonggu New Energy Co., Ltd. (沽源縣通谷新能源有限公司) | 25% |
| Guyuan County Yifeng New Energy Co., Ltd. (沽源縣億楓新能源有限公司) | 25% |
| Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司) | 25% |

## VI. TAXATION (Continued)

### 2. Tax preference

| Taxpayer | Tax preference | Year | Basis |
|---|---|---|---|
| The Company | High-tech enterprise income tax levied at a tax rate of15% | 2022-2024 (Note 1) | 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 | High-tech enterprise income tax levied at a tax rate of 15% | 2024-2026 | GR202413004262 High and New Technology Enterprise Certificate |
| SinoHytec Power | 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) |
| SinoFuelCell | High-tech enterprise income tax levied at a tax rate 15% | 2023-2025 | GR202331002455 High and New Technology Enterprise Certificate |
| Chengdu SinoHytec | 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 | 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) |

## VI. TAXATION (Continued)

### 2. Tax preference (Continued)

Other explanations:

1. Pursuant to the Announcement of the SAT on Issues Regarding Implementation of Preferential Income Tax Policy for High and New Technology Enterprises (《國家税務總局關於實施高新技術企業所得税優惠政策有關問題的公告》) (Announcement No. 24 of 2017 of the STA), in the year of expiry of its qualification as high and new technology enterprise, corporate income tax of an enterprise shall be temporarily levied at the rate of 15% before renewal of the qualification; if the enterprise fails to obtain such qualification by the end of the year, the tax underpaid during the corresponding period shall be made up according to relevant provisions. As of the end of the Reporting Period, the re-examination of the Company's qualification as high and new technology enterprise is still ongoing.

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.

### 3. Others

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and cash equivalents

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Cash on hand | **51,608.94** | 32,228.34 |
| Bank deposits | **412,810,338.12** | 709,360,184.93 |
| Other monetary funds | **821,699.22** | 12,842,104.99 |
| Deposit with a finance company | **0.00** | 0.00 |
| Total | **413,683,646.28** | 722,234,518.26 |
| Including: Total amount deposited overseas | **301,383,207.46** | 293,862,879.24 |

#### Other explanations

Nil

### 2. Financial assets held-for-trading

Unit: RMB

| Item | Closing balance | Opening balance | Reasons and basis for determination |
|---|---|---|---|
| Financial assets at fair value through profit or loss | **723,355,622.97** | 727,426,376.60 | / |
| Including: | | | |
| Others | **723,355,622.97** | 727,426,376.60 | / |
| Total | **723,355,622.97** | 727,426,376.60 | / |

#### Other explanations:

Other financial assets at fair value through profit or loss are structured deposits, and their fair values are calculated based on expected yield rate.

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. Derivative financial assets

Not Applicable

### 4. Bills receivable

#### (1). Bills receivable by category

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Bank acceptance bills | **5,592,800.00** | 14,478,407.04 |
| Commercial acceptance bills | | |
| Total | **5,592,800.00** | 14,478,407.04 |

#### (2). Pledged bills receivable at the end of the period

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 4. Bills receivable (Continued)

(3). Bills receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Unit: RMB

| Item | **Amount derecognized at the end of the period** | Amount not derecognized at the end of the period |
|---|---|---|
| Bank acceptance bills | | 5,549,000.00 |
| Commercial acceptance bills | | |
| Total | | 5,549,000.00 |

(4). Disclosure by classification with the method of provision for bad debt

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 4. Bills receivable (Continued)

(5). Provision for bad debts

Not Applicable

(6). Bills receivable written off during the period

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 5. Accounts receivable

(1). Disclosure by aging

Unit: RMB

| Age | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (inclusive) | **269,123,796.53** | 365,276,012.90 |
| Sub-total within 1 year | **269,123,796.53** | 365,276,012.90 |
| 1 to 2 years | **810,217,998.77** | 777,239,088.68 |
| 2 to 3 years | **457,695,010.79** | 498,177,597.19 |
| 3 to 4 years | **266,223,559.53** | 225,801,954.47 |
| 4 to 5 years | **15,989,981.27** | 18,337,181.27 |
| Over 5 years | **310,749,020.45** | 310,749,020.45 |
| Total | **2,129,999,367.34** | 2,195,580,854.96 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 5. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt

Unit: RMB

| | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | Provision for bad debts | | | Book value | | Provision for bad debts | | |
| Category | 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 | 14.54 | 309,772,860.00 | 100.00 | 0.00 | 309,772,860.00 | 14.11 | 309,772,860.00 | 100.00 | 0.00 |
| Including: | | | | | | | | | | |
| Provision on individual basis | 309,772,860.00 | 14.54 | 309,772,860.00 | 100.00 | 0.00 | 309,772,860.00 | 14.11 | 309,772,860.00 | 100.00 | 0.00 |
| Provision for bad debts on group basis | 1,820,226,507.34 | 85.46 | 342,554,991.88 | 18.82 | 1,477,671,515.46 | 1,885,807,994.96 | 85.89 | 338,298,693.84 | 17.94 | 1,547,509,301.12 |
| Including: | | | | | | | | | | |
| Grouped by aging | 1,820,226,507.34 | 85.46 | 342,554,991.88 | 18.82 | 1,477,671,515.46 | 1,885,807,994.96 | 85.89 | 338,298,693.84 | 17.94 | 1,547,509,301.12 |
| Total | 2,129,999,367.34 | / | 652,327,851.88 | / | 1,477,671,515.46 | 2,195,580,854.96 | / | 648,071,553.84 | / | 1,547,509,301.12 |

*Provision for bad debts on individual basis:*

Unit: RMB

| | Closing balance | | | |
|---|---|---|---|---|
| Name | Book balance | Provision for bad debts | Percentage of provision (%) | Reasons for provision |
| Chengdu Dayun Automobile Group Co., Ltd. | 469,485.00 | 469,485.00 | 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 |
| Sichuan Yema Automobile Co., Ltd. | 1,295,700.00 | 1,295,700.00 | 100.00 | Not expected to be recovered |
| Zhongzhi Vehicle (Chun'an) Co., Ltd. | 36,941,380.00 | 36,941,380.00 | 100.00 | Not expected to be recovered |
| Total | 309,772,860.00 | 309,772,860.00 | 100.00 | / |

## 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)

*Explanation of provision for bad debts on individual basis:*

Not Applicable

*Provision for bad debts on group basis:*

Items provided on group basis: grouped by aging

Unit: RMB

| | Closing balance | | |
|---|---|---|---|
| Item | Book balance | Provision for bad debts | Percentage of provision (%) |
| Within 1 year | **269,123,796.53** | **10,764,951.88** | **4.00** |
| 1–2 years | **810,217,998.77** | **48,613,079.50** | **6.00** |
| 2–3 years | **457,695,010.79** | **132,731,553.13** | **29.00** |
| 3–4 years | **265,488,587.80** | **132,744,293.92** | **50.00** |
| 4–5 years | **14,659,768.00** | **14,659,768.00** | **100.00** |
| Over 5 years | **3,041,345.45** | **3,041,345.45** | **100.00** |
| Total | **1,820,226,507.34** | **342,554,991.88** | **/** |

*Explanation of provision for bad debts on group basis:*

Not Applicable

*Provision for bad debts based on the general model of expected credit losses*

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:*

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 5. Accounts receivable (Continued)

#### (3). Provision for bad debts

Unit: RMB

| Category | Opening balance | Changes during the period | | | | **Closing balance** |
|---|---|---|---|---|---|---|
| | | Provision | Recovered or reversed | Written-back or written-off | Other changes | |
| Accounts receivable with expected credit losses on an individual basis | 309,772,860.00 | | | | | **309,772,860.00** |
| Accounts receivable with expected credit losses on a group basis | 338,298,693.84 | 36,524,852.78 | 32,268,554.74 | | | **342,554,991.88** |
| Total | 648,071,553.84 | 36,524,852.78 | 32,268,554.74 | | | **652,327,851.88** |

*The significant amount of bad debt provision recovered or reversed in the current period:*
Not Applicable

#### (4). Accounts receivable written off during the period

Not Applicable

## 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

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 | 492,575,884.00 | | 492,575,884.00 | 22.82 | 60,650,539.92 |
| Customer I | 312,951,404.08 | 25,650,000.00 | 338,601,404.08 | 15.69 | 58,042,283.70 |
| Customer A | 333,084,888.97 | | 333,084,888.97 | 15.43 | 102,828,244.30 |
| Customer M | 271,066,295.00 | | 271,066,295.00 | 12.56 | 271,066,295.00 |
| Customer N | 250,380,000.00 | | 250,380,000.00 | 11.60 | 11,256,800.00 |
| Total | 1,660,058,472.05 | 25,650,000.00 | 1,685,708,472.05 | 78.10 | 503,844,162.92 |

*Other explanations*

Nil

### 6. Contract assets

(1). Contract assets

Unit: RMB

| Item | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for bad debts | Carrying amount | Book balance | Provision for bad debts | Carrying amount |
| Warranty | 1,110,901.04 | 44,436.04 | 1,066,465.00 | 1,301,396.04 | 52,055.84 | 1,249,340.20 |
| Total | 1,110,901.04 | 44,436.04 | 1,066,465.00 | 1,301,396.04 | 52,055.84 | 1,249,340.20 |

## 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

Not Applicable

(3). Disclosure by classification with the method of provision for bad debt

Unit: RMB

| | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | Provision for bad debts | | | Book balance | | Provision for bad debts | | |
| Category | 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 on individual basis | | | | | | | | | | |
| Provision for bad debts on group basis | 1,110,901.04 | 100 | 44,436.04 | 4.00 | 1,066,465.00 | 1,301,396.04 | 100 | 52,055.84 | 4.00 | 1,249,340.20 |
| Including: | | | | | | | | | | |
| Grouped by aging | 1,110,901.04 | 100 | 44,436.04 | 4.00 | 1,066,465.00 | 1,301,396.04 | 100 | 52,055.84 | 4.00 | 1,249,340.20 |
| Total | 1,110,901.04 | / | 44,436.04 | / | 1,066,465.00 | 1,301,396.04 | / | 52,055.84 | / | 1,249,340.20 |

*Provision for bad debts on individual basis:*

Not Applicable

*Explanation of provision for bad debts on individual basis:*

Not Applicable

*Provision for bad debts on group basis:*

Items provided on group basis: aging portfolio

Unit: RMB

| | Closing balance | | |
|---|---|---|---|
| Name | Book balance | Provision for bad debts | Percentage of provision (%) |
| Within 1 year | 1,110,901.04 | 44,436.04 | 4.00 |
| Total | 1,110,901.04 | 44,436.04 | 4.00 |

## 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)

*Explanation of provision for bad debts on group basis*

Not Applicable

*Provision for bad debts based on the general model of expected credit losses*

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:*

Not Applicable

#### (4). Provision for bad debts of contract assets during the period

Unit: RMB

| | | Changes during the period | | | | | |
|---|---|---|---|---|---|---|---|
| Item | Opening balance | Provision for the period | Recovered or reversed during the period | Written back or written-off during the period | Other Changes | **Closing balance** | **Reason** |
| Warranty | 52,055.84 | 16,534.40 | 24,154.20 | | | 44,436.04 | Provision made based on aging and expected credit risk |
| Total | 52,055.84 | 16,534.40 | 24,154.20 | | | 44,436.04 | / |

*The significant amount of bad debt provision recovered or reversed in the current period:*

Not Applicable

*Other explanations:*

Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. Contract assets (Continued)

(5). Contract assets written off during the period

Not Applicable

### 7. Receivables financing

(1). Receivables financing by category

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Bills receivable | **900.00** | 2,592,424.40 |
| Total | **900.00** | 2,592,424.40 |

(2). Receivables financing pledged by the Company at the end of the period

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7. Receivables financing (Continued)

(3). Receivables financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Unit: RMB

| Item | **Amount derecognized at the end of the period** | Amount not derecognized at the end of the period |
|---|---|---|
| Bank acceptance bills | **167,500.00** | |
| Commercial acceptance bills | | |
| Total | **167,500.00** | |

(4). Disclosure by classification with the method of provision for bad debt

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7. Receivables financing (Continued)

#### (5). Provision for bad debts

Not Applicable

#### (6). Receivables financing written off during the period

Not Applicable

#### (7). Changes in receivables financing and changes in fair value during the period:

The Company's receivables financing increased by RMB168,400.00 and decreased by RMB2,759,924..40 during the Reporting Period.

The Company believes that, as the maturity of the bank acceptance bills does not exceed one year and the impact of the time value of money factor on their fair value is not material, the Company considers that the fair value at the end of the period of the bank acceptance bills is equal to their nominal value.

#### (8). Other explanations:

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 8. Prepayments

(1). Prepayments presented by aging

Unit: RMB

| | Closing balance | | Opening balance | |
|---|---|---|---|---|
| Age | **Amount** | **Percentage (%)** | Amount | Percentage (%) |
| Within 1 year | **4,205,395.57** | **86.22** | 3,758,043.17 | 79.57 |
| 1 to 2 years | **246,607.48** | **5.06** | 519,947.51 | 11.01 |
| 2 to 3 years | **398,251.90** | **8.16** | 417,597.79 | 8.84 |
| Over 3 years | **27,525.80** | **0.56** | 27,525.80 | 0.58 |
| Total | **4,877,780.75** | **100.00** | 4,723,114.27 | 100.00 |

*Explanation of the reasons for not timely settlement of significant prepayments with an age of over one year:*

Nil

## 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

Unit: RMB

| Name of entity | Closing balance | Percentage of total closing balance of prepayments (%) |
|---|---|---|
| Rubik's Cube Hydrogen Energy Technology (Jiangsu) Co., Ltd. | **440,421.82** | **9.03** |
| Jiangsu Jicui Intelligent Manufacturing Technology Research Institute Co., Ltd. | **415,261.36** | **8.51** |
| Beijing Dongsheng Bozhan Technology Development Co., Ltd. | **345,593.94** | **7.09** |
| Dingzhou Risun Hydrogen Energy Co., Ltd. (定州旭陽氫能有限公司) | **325,546.05** | **6.67** |
| MECHANICAL AUTOMATION EQUIPMENT CO. LTD. SHANGHAI CHINA | **310,000.00** | **6.36** |
| Total | **1,836,823.17** | **37.66** |

*Other explanation:*
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Other receivables

#### Breakdown of items

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Interest receivables | | |
| Dividend receivable | | |
| Other receivables | **12,788,309.60** | 18,051,745.78 |
| Total | **12,788,309.60** | 18,051,745.78 |

*Other explanation:*
Not Applicable

#### Interest receivable

Not Applicable

#### Dividend receivable

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Other receivables (Continued)

Other receivables

*(1). Disclosure by aging*

Unit: RMB

| Age | **Closing book balance** | Opening book balance |
|---|---|---|
| Within 1 year (inclusive) | **1,714,837.77** | 8,018,675.91 |
| Subtotal within 1 year | **1,714,837.77** | 8,018,675.91 |
| 1 to 2 years | **2,517,957.09** | 2,488,045.14 |
| 2 to 3 years | **3,547,226.01** | 4,589,100.47 |
| 3 to 4 years | **3,758,902.29** | 3,496,244.65 |
| 4 to 5 years | **4,608,867.88** | 3,271,420.68 |
| Over 5 years | **20,244,493.51** | 28,168,413.54 |
| Total | **36,392,284.55** | 50,031,900.39 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Other receivables (Continued)

#### Other receivables (Continued)

*(2). Classified by nature*

Unit: RMB

| Nature | Closing book balance | Opening book balance |
|---|---|---|
| Reserve funds | **115,860.51** | 12,819.31 |
| Deposits and guarantees | **7,868,169.05** | 6,941,607.79 |
| Current accounts with related parties outside the scope of consolidation | **28,394,108.31** | 36,690,986.32 |
| Social security and provident fund | **10,427.00** | 11,885.00 |
| Others | **3,719.68** | 6,374,601.97 |
| Total | **36,392,284.55** | 50,031,900.39 |

*(3). Provision for bad debts*

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, 2025 | 26,707,463.21 | | 5,272,691.40 | 31,980,154.61 |
| Balance at January 1, 2025 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 | | | | |
| Reversal for the period | 3,103,488.26 | | | 3,103,488.26 |
| Written-back for the period | | | | |
| Write-off for the period | | | 5,272,691.40 | 5,272,691.40 |
| Other changes | | | | |
| Balance at June 30, 2025 | **23,603,974.95** | | | **23,603,974.95** |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Other receivables (Continued)

#### Other receivables (Continued)

*(3). Provision for bad debts (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 for which loss provision has changed in the period:

Not Applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Not Applicable

*(4). Information on provision for bad debts*

Unit: RMB

| | | Changes during the period | | | | |
|---|---|---|---|---|---|---|
| Category | Opening balance | Provision | Recovered or reversed | Written-back or written-off | Other changes | **Closing balance** |
| Provision for bad debts on group basis by credit risk characteristics | 31,980,154.61 | | 3,103,488.26 | 5,272,691.40 | | **23,603,974.95** |
| Including: grouped by aging | 31,980,154.61 | | 3,103,488.26 | 5,272,691.40 | | **23,603,974.95** |
| Total | 31,980,154.61 | | 3,103,488.26 | 5,272,691.40 | | **23,603,974.95** |

The bad debt provision of significant amount reversed or recovered in the current period:

Not Applicable

Other explanations

Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Other receivables (Continued)

#### Other receivables (Continued)

*(5). Other receivables actually written off during the period*

Unit: RMB

| Item | Amount written off |
|---|---|
| Other receivables actually written off | **5,272,691.40** |

Information on write-off of significant other receivables:
Not Applicable

Explanation of other receivables written off:
Not Applicable

*(6). Top five other receivables by debtors at the end of the period*

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 | 27,655,736.09 | **75.99** | **Current accounts with related parties outside the scope of consolidation** | **RMB8,306,954.76 within 5 years; RMB19,348,781.33 over 5 years** | **22,903,974.95** |
| Beijing Dongsheng Bozhan Technology Development Co., Ltd. | 2,691,873.93 | **7.40** | **Deposits and warranty** | **2-5 years** | |
| Yangtao Technology (Guangzhou) Co., Ltd. | 1,159,564.00 | **3.19** | **Deposits and warranty** | **0-2 years** | |
| Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. | 1,128,619.34 | **3.10** | **Deposits and warranty** | **2-4 years** | |
| Zhangjiakou Huagong Construction Group Co., Ltd. (張家口華工建設集團有限公司) | 970,000.00 | **2.67** | **Deposits and warranty** | **4-5 years** | |
| Total | 33,605,793.36 | **92.35** | / | / | **22,903,974.95** |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 9. Other receivables (Continued)

#### Other receivables (Continued)

*(7). Presented in other receivables due to centralized management of funds*

Not Applicable

Other explanations:

Not Applicable

### 10. Inventories

#### (1). Classification of inventories

Unit: RMB

| Item | Closing balance Book balance | Closing balance Provision for inventory impairment/ impairment provision for contract performance cost | Closing balance Carrying amount | Opening balance Book balance | Opening balance Provision for inventory impairment/ impairment provision for contract performance cost | Opening balance Carrying amount |
|---|---|---|---|---|---|---|
| Raw materials | **97,350,618.64** | **49,795,534.21** | **47,555,084.43** | 108,909,055.68 | 49,726,530.62 | 59,182,525.06 |
| Product in progress | **47,185,132.95** | **3,075,426.98** | **44,109,705.97** | 34,167,549.60 | 3,032,210.27 | 31,135,339.33 |
| Finished goods | **58,245,644.51** | **13,392,882.68** | **44,852,761.83** | 92,170,132.34 | 10,350,642.72 | 81,819,489.62 |
| Good delivered | **26,065,328.91** | **2,287,496.67** | **23,777,832.24** | 20,824,955.23 | 995,969.49 | 19,828,985.74 |
| Contract performance cost | **996,448.13** | | **996,448.13** | 996,448.13 | | 996,448.13 |
| Total | **229,843,173.14** | **68,551,340.54** | **161,291,832.60** | 257,068,140.98 | 64,105,353.10 | 192,962,787.88 |

#### (2). Data resources recognized as inventory

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 10. Inventories (Continued)

#### (3). Provision for inventory impairment and impairment provision for contract performance cost

Unit: RMB

| Item | Opening balance | Increase for the period | | Decrease for the period | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Others | Reversal or write-off | Others | |
| Raw materials | 49,726,530.62 | 6,320,151.46 | | 6,251,147.87 | | **49,795,534.21** |
| Product in progress | 3,032,210.27 | 523,125.34 | | 479,908.63 | | **3,075,426.98** |
| Finished goods | 10,350,642.72 | 3,332,796.41 | | 290,556.45 | | **13,392,882.68** |
| Good delivered | 995,969.49 | 1,678,033.19 | | 386,506.01 | | **2,287,496.67** |
| Contract performance cost | | | | | | |
| Total | 64,105,353.10 | 11,854,106.40 | | 7,408,118.96 | | **68,551,340.54** |

*Reasons for reversal or write-off of provision for inventory impairment during the period*
Not Applicable

*Provision for inventory impairment on group basis*
Not Applicable

*Provisioning criteria for provision for inventory impairment on group basis*
Not Applicable

#### (4). Capitalised amount of borrowing costs included in the closing balance of inventories and the criteria and basis for their calculation

Not Applicable

#### (5). Explanation of amortisation amount of contract performance cost in the current period

Not Applicable

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 11. Held-for-sale assets

Not Applicable

### 12. Non-current assets due within one year

Not Applicable

### 13. Other current assets

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Deductible input tax | **40,830,979.30** | 44,235,876.91 |
| Amortization expenses | **137,273.92** | 1,265,144.75 |
| Prepaid corporate income tax | **3,916,135.17** | |
| Total | **44,884,388.39** | 45,501,021.66 |

*Other explanations:*
Nil

### 14. Debt investments

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 15. Other debt investments

Not Applicable

### 16. Long-term receivables

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 17. Long-term equity investments

#### (1). Long-term equity investments

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 | 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 | Others | | |
| I. Joint ventures | | | | | | | | | | | | |
| Toyota Sinohytec Fuel | 67,017,297.33 | | | | -24,375,314.70 | | | | | | 42,641,982.63 | |
| Sub-total | 67,017,297.33 | | | | -24,375,314.70 | | | | | | 42,641,982.63 | |
| II. Associates | | | | | | | | | | | | |
| Shaanxi Huasheng Weipu Technology Co., Ltd. | | | | | 269,053.85 | | | | | | 269,053.85 | |
| Air Sinohytec Hydrogen Technology Co., Ltd | 10,128,088.67 | 9,218,880.22 | | | -33,538.94 | | | | | | 10,094,549.73 | 9,218,880.22 |
| United Fuel | 14,164,561.45 | | | | -301,577.37 | | | | | | 13,862,984.08 | |
| Shanghai Maximfuelcell Technology Co., Ltd. | 9,851,863.12 | | | | -1,814,419.17 | | | | | | 8,037,443.95 | |
| Beijing Swift New Energy Technology Co., Ltd. | 5,260,810.26 | | | | -1,369,926.69 | | | | | | 3,890,883.57 | |
| Beijing Shuimu Pilot Venture Capital Center (Limited Partnership) | 117,894,728.42 | | | | -58,803.26 | | | 6,400,000.00 | | | 111,435,925.16 | |
| Beijing Caven New Energy Vehicles Co., Ltd. | 29,056,943.09 | | | | -8,097,265.01 | | | | | | 20,959,678.08 | |
| Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd. | 8,279,456.70 | | 2,000,000.00 | | 68,953.72 | | | | | | 10,348,410.42 | |
| Shanghai Kuitong Technology Co., Ltd. | 3,112,773.87 | | | | -141,560.48 | | | | | | 2,971,213.39 | |
| Zhangjiakou Jiaotou Hydrogen New Energy Technology Co., Ltd. | 8,567,603.05 | | | | -113,736.53 | | | | | | 8,453,866.52 | |
| Zhangjiakou Haiper | 10,464,573.16 | 51,251,811.64 | | | -1,848,409.32 | | | | | | 8,616,163.84 | 51,251,811.64 |
| Sub-total | 216,781,401.79 | 60,470,691.86 | 2,000,000.00 | | -13,441,229.20 | | | 6,400,000.00 | | | 198,940,172.59 | 60,470,691.86 |
| Total | 283,798,699.12 | 60,470,691.86 | 2,000,000.00 | | -37,816,543.90 | | | 6,400,000.00 | | | 241,582,155.22 | 60,470,691.86 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 17. Long-term equity investments (Continued)

#### (2). Impairment testing of long-term equity investments

Not Applicable

Other explanations

Note 1: The Company holds 15% of the equity of United Fuel and 15% of the voting rights of United Fuel. Although the proportion is less than 20%, the Company has a representative in the board of directors of United Fuel, and the representative participates in the decision-making of financial and business policies. Therefore, the Company can exert a significant influence on United Fuel.

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, 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 June 30, 2025, 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.. In June 2025, following the completion of a new round of capital increase at Beijing Caven New Energy Automobile Co., Ltd., the equity held by our Company in Beijing Caven New Energy Automobile Co., Ltd was diluted from 10% to 3.83%. As the Company has a representative in the board of directors of Beijing Caven New Energy Automobile Co., Ltd., and the representative participates in the financial and operating decision-making. Therefore, the Company can exert a significant influence on Beijing Caven New Energy Automobile Co., Ltd..

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 18. Other equity instrument investments

### (1). Other equity instrument investments

Unit: RMB

| Item | Opening Balance | Changes during the period | | | | | 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** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Additional investment | Decrease in investment | Gains included in other comprehensive income for the period | Losses included in other comprehensive income during the period | Others | | | | | |
| Hozon New Energy Automobile Co., Ltd. | 157,846,800.00 | | | | | | 157,846,800.00 | | 113,391,271.34 | **37,663,200.00** | **Long-term holding for strategic purposes** |
| Total | 157,846,800.00 | | | | | | 157,846,800.00 | | 113,391,271.34 | **37,663,200.00** | / |

### (2). Explanation of derecognition in the current period

Not Applicable

Other explanations:

As of June 30, 2025, the registered capital of Hozon New Energy Automobile Co., Ltd. was RMB2,837.45818 million. The Company contributed RMB26.9167 million and holds 0.9486% equity interest in Hozon New Energy Automobile.

## 19. Other non-current financial assets

Unit: RMB

| Item | **Closing balance** | Opening balance |
|---|---|---|
| Equity instrument investments | **4,096,500.00** | 4,096,500.00 |
| Total | **4,096,500.00** | 4,096,500.00 |

Other explanations:
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 20. Investment properties

Measurement model of investment properties

Not applicable

### 21. Fixed assets

Breakdown of items

Unit: RMB

| Item | **Closing balance** | Opening balance |
|---|---|---|
| Fixed assets | **470,439,279.81** | 497,106,247.86 |
| Disposal of fixed assets | | |
| Total | **470,439,279.81** | 497,106,247.86 |

*Other explanations:*

Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 21. Fixed assets (Continued)

#### Fixed assets

*(1). Fixed assets*

Unit: RMB

| Item | Buildings and structures | Specialized equipment | Transportation equipment | Electronic equipment | Mold | Office equipment and others | Total |
|---|---|---|---|---|---|---|---|
| I. Original book value: | | | | | | | |
| 1. Opening 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 |
| 2. Increase for the period | 297,988.79 | 7,159,453.48 | 329,515.78 | | 723,269.24 | | 8,510,227.29 |
| (1) Purchase | | 2,920,031.96 | 329,515.78 | | 723,269.24 | | 3,972,816.98 |
| (2) Transfer from construction in progress | 297,988.79 | | | | | | 297,988.79 |
| (3) Increase in business combination | | | | | | | |
| (4) Other increase | | 4,239,421.52 | | | | | 4,239,421.52 |
| 3. Decrease for the period | | 5,536,206.02 | | 304,852.87 | 143,362.83 | | 5,984,421.72 |
| (1) Disposal or retirement | | 5,536,206.02 | | 304,852.87 | 0.00 | | 5,841,058.89 |
| (2) Others | | | | | 143,362.83 | | 143,362.83 |
| 4. Closing balance | 277,463,877.04 | 381,944,964.99 | 3,587,696.22 | 15,207,336.09 | 29,456,273.63 | 26,195,204.39 | 733,855,352.36 |
| II. Accumulated depreciation | | | | | | | |
| 1. Opening 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 |
| 2. Increase for the period | 5,330,013.22 | 21,153,784.54 | 152,000.07 | 898,921.22 | 36,468.37 | 3,011,928.33 | 30,583,115.75 |
| (1) Provision | 5,330,013.22 | 21,153,784.54 | 152,000.07 | 898,921.22 | 36,468.37 | 3,010,764.49 | 30,581,951.91 |
| (2) Other increase | | | | | | 1,163.84 | 1,163.84 |
| 3. Decrease for the period | | 1,219,777.23 | | 170,564.90 | | | 1,390,342.13 |
| (1) Disposal or retirement | | 1,219,777.23 | | 169,401.06 | | | 1,389,178.29 |
| (2) Others | | | | 1,163.84 | | | 1,163.84 |
| 4. Closing balance | 50,706,877.54 | 166,755,605.60 | 2,395,964.72 | 10,547,840.10 | 3,671,808.02 | 12,443,515.40 | 246,521,611.38 |
| III. Provision for impairment | | | | | | | |
| 1. Opening balance | | 8,171,762.84 | | | 8,722,698.33 | | 16,894,461.17 |
| 2. Increase for the period | | | | | | | |
| (1) Provision | | | | | | | |
| 3. Decrease for the period | | | | | | | |
| (1) Disposal or retirement | | | | | | | |
| 4. Closing balance | | 8,171,762.84 | | | 8,722,698.33 | | 16,894,461.17 |
| IV. Carrying amount | | | | | | | |
| 1. Closing book value | 226,756,999.50 | 207,017,596.55 | 1,191,731.50 | 4,659,495.99 | 17,061,767.28 | 13,751,688.99 | 470,439,279.81 |
| 2. Opening 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 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 21. Fixed assets (Continued)

Fixed assets (Continued)

*(2). Temporarily idle fixed assets*

Not Applicable

*(3). Fixed assets leased out under operating leases*

Unit: RMB

| Item | Closing book value |
|---|---|
| Machinery equipment | **2,009,105.63** |
| Buildings and structures | **1,596,446.25** |
| Total | **3,605,551.88** |

*(4). Fixed assets for which title certificates have not been obtained*

Unit: RMB

| Item | Carrying amount | Reason for not obtaining the title certificate |
|---|---|---|
| Buildings and structures | 18,764,613.36 | The title certificate is in process |
| Total | 18,764,613.36 | / |

*(5). Impairment testing of fixed assets*

Not Applicable

Other explanations:

Not Applicable

Disposal of fixed assets

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 22. Construction in progress

### Breakdown of items

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Construction in progress<br>Construction materials | **23,592,431.07** | 15,004,992.89 |
| Total | **23,592,431.07** | 15,004,992.89 |

Other explanations:

Note: Construction in progress in the above table refers to construction in progress after deducting project materials.

### Construction in progress

*(1). Construction in progress*

Unit: RMB

| | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| Item | Book balance | Impairment provision | Carrying amount | Book balance | Impairment provision | Carrying amount |
| Production line construction | **16,470,171.74** | | **16,470,171.74** | 7,553,788.59 | | 7,553,788.59 |
| Upgrade and transformation of equipment and facilities | **3,171,657.90** | | **3,171,657.90** | 3,633,907.32 | | 3,633,907.32 |
| Development project for fuel cell stack testing flatform | **3,950,601.43** | | **3,950,601.43** | 3,817,296.98 | | 3,817,296.98 |
| Total | **23,592,431.07** | | **23,592,431.07** | 15,004,992.89 | | 15,004,992.89 |

*(2). Changes in significant construction in progress during the period*

Not Applicable

*(3). Provision for impairment of construction in progress during the period*

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 22. Construction in progress (Continued)

#### Construction in progress (Continued)

*(4). Impairment testing of construction in progress*

Not Applicable

*Other explanations*

Not Applicable

#### Construction materials

Not Applicable

### 23. Productive biological assets

Not Applicable

### 24. Oil and gas assets

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 25. Right-of-use assets

#### (1). Right-of-use assets

Unit: RMB

| Item | | Buildings and structures | Total |
|---|---|---|---|
| I. | Original book value | | |
| | 1. Opening balance | 57,949,318.75 | 57,949,318.75 |
| | 2. Increase for the period | | |
| | 3. Decrease for the period | 9,706,492.94 | 9,706,492.94 |
| | (1) Others | 9,706,492.94 | 9,706,492.94 |
| | 4. Closing balance | 48,242,825.81 | 48,242,825.81 |
| II. | Accumulated depreciation | | |
| | 1. Opening balance | 26,665,547.78 | 26,665,547.78 |
| | 2. Increase for the period | 8,179,889.00 | 8,179,889.00 |
| | (1) Provision | 8,179,889.00 | 8,179,889.00 |
| | 3. Decrease for the period | 8,157,567.79 | 8,157,567.79 |
| | (1) Disposal | | |
| | (2) Others | 8,157,567.79 | 8,157,567.79 |
| | 4. Closing balance | 26,687,868.99 | 26,687,868.99 |
| III. | Provision for impairment | | |
| | 1. Opening balance | | |
| | 2. Increase for the period | | |
| | (1) Provision | | |
| | 3. Decrease for the period | | |
| | (1) Disposal | | |
| | 4. Closing balance | | |
| IV. | Carrying amount | | |
| | 1. Closing book value | 21,554,956.82 | 21,554,956.82 |
| | 2. Opening book value | 31,283,770.97 | 31,283,770.97 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 25. Right-of-use assets (Continued)

(2). Impairment testing of right-of-use assets

Not Applicable

*Other explanations:*

Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 26. Intangible assets

#### (1). Intangible assets

Unit: RMB

| Item | Land use rights | Patents/Non-patented technology | Software | Copyright | Total |
|---|---|---|---|---|---|
| I. Original book value | | | | | |
| 1. Opening balance | 28,428,528.50 | 253,682,618.19 | 78,729,825.82 | 807,030.64 | 361,648,003.15 |
| 2. Increase for the period | | 8,161,579.56 | | | 8,161,579.56 |
| (1) Purchase | | | | | |
| (2) Internal research and development | | 8,161,579.56 | | | 8,161,579.56 |
| (3) Increase in business combination | | | | | |
| 3. Decrease for the period | | | | | |
| (1) Disposal | | | | | |
| 4. Closing balance | 28,428,528.50 | 261,844,197.75 | 78,729,825.82 | 807,030.64 | 369,809,582.71 |
| II. Accumulated amortization | | | | | |
| 1. Opening balance | 3,354,291.83 | 68,779,344.98 | 26,357,711.09 | 733,052.57 | 99,224,400.47 |
| 2. Increase for the period | 284,702.70 | 10,477,970.40 | 6,425,706.00 | 40,351.50 | 17,228,730.60 |
| (1) Provision | 284,702.70 | 10,477,970.40 | 6,425,706.00 | 40,351.50 | 17,228,730.60 |
| 3. Decrease for the period | | | | | |
| (1) Disposal | | | | | |
| 4. Closing balance | 3,638,994.53 | 79,257,315.38 | 32,783,417.09 | 773,404.07 | 116,453,131.07 |
| III. Provision for impairment | | | | | |
| 1. Opening balance | | | | | |
| 2. Increase for the period | | | | | |
| (1) Provision | | | | | |
| 3. Decrease for the period | | | | | |
| (1) Disposal | | | | | |
| 4. Closing balance | | | | | |
| IV. Carrying amount | | | | | |
| 1. Closing book value | 24,789,533.97 | 182,586,882.37 | 45,946,408.73 | 33,626.57 | 253,356,451.64 |
| 2. Opening book value | 25,074,236.67 | 184,903,273.21 | 52,372,114.73 | 73,978.07 | 262,423,602.68 |

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 70.90%.

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 26. Intangible assets (Continued)

(2). Data resources recognized as intangible assets

Not Applicable

(3). Land use rights for which title certificates have not been obtained

Not Applicable

(4). Impairment testing of intangible assets

Not Applicable

*Other explanation:*

Not Applicable

### 27. Goodwill

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 28. Long-term deferred expenditures

Unit: RMB

| Item | Opening balance | Increase for the period | Amortization for the period | Other decrease | **Closing balance** |
|---|---|---|---|---|---|
| Renovation and alteration costs | 16,101,689.92 | 447,216.94 | 3,213,700.80 | | **13,335,206.06** |
| Renovation expenditure for fuel cell center | 15,777,801.32 | | 2,856,832.14 | | **12,920,969.18** |
| Technical service fee | 230,034.59 | 33,018.87 | 219,851.74 | | **43,201.72** |
| Tooling fixture | 274,927.97 | 198,975.72 | 284,900.52 | | **189,003.17** |
| Total | 32,384,453.80 | 679,211.53 | 6,575,285.20 | | **26,488,380.13** |

*Other explanations:*
Nil

### 29. Deferred income tax assets/deferred income tax liabilities

#### (1). Deferred income tax assets not offset

Unit: RMB

| | **Closing balance** | | Opening balance | |
|---|---|---|---|---|
| Item | **Deductible temporary differences** | **Deferred income tax assets** | Deductible temporary differences | Deferred income tax assets |
| Provision for impairment of assets | **579,831,887.69** | **91,423,690.60** | 579,838,356.26 | 91,425,301.36 |
| Unrealized profit from internal transactions | **36,344,793.20** | **5,451,718.98** | 37,572,856.73 | 5,635,928.51 |
| Deductible losses | **256,888,097.09** | **38,533,214.57** | 256,888,097.09 | 38,533,214.57 |
| Accrued liabilities | **19,931,265.57** | **3,210,845.46** | 20,147,524.28 | 3,243,284.27 |
| Deferred income tax difference | **37,489,074.45** | **5,860,835.71** | 38,102,849.67 | 6,014,279.51 |
| Tax differences arising from lease liabilities | **28,870,803.73** | **6,710,683.52** | 23,922,661.33 | 7,252,447.56 |
| Total | **959,355,921.73** | **151,190,988.84** | 956,472,345.36 | 152,104,455.78 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 29. Deferred income tax assets/deferred income tax liabilities (Continued)

#### (2). Deferred income tax liabilities not offset

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 | **14,310,761.74** | **2,345,192.58** | 14,741,306.74 | 2,415,668.09 |
| Changes in fair value of other equity instrument investments | **107,846,800.00** | **16,177,020.00** | 107,846,800.00 | 16,177,020.00 |
| Accelerated depreciation of fixed assets | **16,114,318.63** | **2,919,062.77** | 19,153,086.73 | 3,462,193.10 |
| Changes in fair value of other non-current financial assets | **2,496,500.00** | **374,475.00** | 2,496,500.00 | 374,475.00 |
| Tax differences arising from lease | **21,554,956.47** | **5,044,233.48** | 31,283,770.97 | 7,161,604.89 |
| Total | **162,323,336.84** | **26,859,983.83** | 175,521,464.44 | 29,590,961.08 |

#### (3). Deferred income tax assets or liabilities stated on a net basis after offset

Unit: RMB

| Item | Closing balance | | Opening balance | |
|---|---|---|---|---|
| | **Deferred income tax assets and liabilities offset amount** | **Deferred income tax assets or liabilities balance after offset** | Deferred income tax assets and liabilities offset amount | Deferred income tax assets or liabilities balance after offset |
| Deferred income tax assets | **24,207,859.20** | **126,983,129.64** | 26,603,952.78 | 125,500,503.00 |
| Deferred income tax liabilities | **24,207,859.20** | **2,652,124.63** | 26,603,952.78 | 2,987,008.30 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 29. Deferred income tax assets/deferred income tax liabilities (Continued)

#### (4). Breakdown of unrecognized deferred income tax assets

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Deductible temporary differences | **221,680,543.07** | 226,644,861.40 |
| Deductible losses | **638,122,296.97** | 506,127,314.78 |
| Total | **859,802,840.04** | 732,772,176.18 |

#### (5). Deductible losses that are not recognized as deferred income tax assets will be expired in the following years

Unit: RMB

| Year | Closing amount | Opening amount | Remark |
|---|---|---|---|
| 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 | **227,962,959.62** | 227,962,959.62 | |
| 2029 and beyond | **343,734,301.22** | 211,739,319.03 | |
| Total | **638,122,296.97** | 506,127,314.78 | / |

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 30. Other non-current assets

Unit: RMB

| Item | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | Impairment provision | Carrying amount | Book balance | Impairment provision | Carrying amount |
| Contract assets | **27,527,975.00** | **5,864,381.30** | **21,663,593.70** | 27,567,730.00 | 5,833,166.60 | 21,734,563.40 |
| Prepayments for purchase of equipment | **16,307,237.83** | | **16,307,237.83** | 21,305,558.49 | | 21,305,558.49 |
| Total | **43,835,212.83** | **5,864,381.30** | **37,970,831.53** | 48,873,288.49 | 5,833,166.60 | 43,040,121.89 |

*Other explanations:*
Nil

### 31. Assets with restricted ownership or right-of-use

Unit: RMB

| Item | Closing | | | | Opening | | | |
|---|---|---|---|---|---|---|---|---|
| | Book balance | Book value | Type | Reason for restriction | Book balance | Book value | Type | Reason for restriction |
| Monetary funds | **779,338.55** | **779,338.55** | **Other** | **Deposits for bank acceptance bills** | 2,729,744.61 | 2,729,744.61 | Other | Deposits for bank acceptance bills |
| Monetary funds | **2,000.00** | **2,000.00** | **Other** | **ETC deposit** | 2,000.00 | 2,000.00 | Other | ETC deposit |
| Monetary funds | **39,800.00** | **39,800.00** | **Other** | **Deposits for letter of guarantee** | 39,800.00 | 39,800.00 | Other | Deposits for letter of guarantee |
| Monetary funds | **10,756,946.23** | **10,756,946.23** | **Frozen** | **Frozen funds for litigation** | 70,000.00 | 70,000.00 | Other | Interest rate swap margin |
| Fixed assets | **6,566,911.46** | **3,551,604.56** | **Mortgage** | **Mortgage of buildings** | 6,566,911.46 | 3,655,580.66 | Mortgage | Mortgage of buildings |
| Bills receivable | **5,549,000.00** | **5,549,000.00** | **Other** | **Bills receivable are endorsed or discounted but not yet due and their right of use is restricted** | 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 |
| Total | **23,693,996.24** | **20,678,689.34** | / | / | 19,692,070.43 | 16,780,739.63 | / | / |

*Other explanations:*
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 32. Short-term borrowings

#### (1). Classification of short-term borrowings

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Secured borrowings | | 57,379,265.00 |
| Guaranteed loans | | 16,984,616.72 |
| Credit loans | **456,204,813.68** | 687,505,161.47 |
| Unearned interest payable | **298,478.79** | 559,237.91 |
| Total | **456,503,292.47** | 762,428,281.10 |

*Explanation on classification of short-term borrowings:*
Ni

#### (2). Short-term borrowings overdue but not repaid

Not Applicable

*Other explanations:*
Not Applicable

### 33. Financial liabilities held-for-trading

Not Applicable

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 34. Derivative financial liabilities

Not Applicable

### 35. Note payables

Unit: RMB

| Type | Closing balance | Opening balance |
|---|---|---|
| Commercial acceptance bills | | |
| Bank acceptance bills | **31,772,900.00** | 19,260,918.00 |
| Total | **31,772,900.00** | 19,260,918.00 |

The total amount of note payables due and unpaid at the end of the period is RMB0.00, which is due to nil.

### 36. Accounts payable

#### (1). Breakdown of accounts payable

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Payables for purchase of materials | **581,256,631.42** | 588,857,028.78 |
| Payables for purchase of equipment and construction | **24,249,154.87** | 31,301,953.92 |
| Other payables such as freight charges | **44,264,755.19** | 49,466,660.40 |
| Total | **649,770,541.48** | 669,625,643.10 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 36. Accounts payable (Continued)

(2). Significant accounts payable aged over one year or overdue

Unit: RMB

| Item | Closing balance | Reason for outstanding or carried forward |
|---|---|---|
| Shanghai Tangfeng Energy Technology Co., Ltd. | 116,902,243.03 | Outstanding |
| Total | 116,902,243.03 | / |

*Other explanations:*
Not Applicable

### 37. Advances from customers

(1). Breakdown of advances from customers

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Rental expenses | **146,037.74** | |
| Total | **146,037.74** | |

(2). Significant advances from customers aged over one year
Not Applicable

(3). Amounts and reasons for significant changes in carrying amount during the Reporting Period
Not Applicable

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 38. Contract liabilities

#### (1). Contract liabilities

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Loans | **65,508,328.66** | 62,510,456.52 |
| Total | **65,508,328.66** | 62,510,456.52 |

#### (2). Significant contract liabilities aged over one year

Not Applicable

#### (3). Amounts and reasons for significant changes in carrying amount during the Reporting Period

Not Applicable

*Other explanations:*

Not Applicable

### 39. Accrued payroll

#### (1). Breakdown of accrued payroll

Unit: RMB

| Item | Opening balance | Increase for the period | Decrease for the period | Closing balance |
|---|---|---|---|---|
| I. Short-term remuneration | 36,690,726.16 | 88,338,855.18 | 83,316,859.21 | **41,712,722.13** |
| II. Post-employment benefits-defined contribution plans | 1,837,131.14 | 11,022,689.68 | 11,266,334.93 | **1,593,485.89** |
| III. Termination benefits | 131,118.73 | 3,918,948.55 | 3,804,227.55 | **245,839.73** |
| IV. Other benefits due within one year | | | | |
| Total | 38,658,976.03 | 103,280,493.41 | 98,387,421.69 | **43,552,047.75** |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 39. Accrued payroll (Continued)

#### (2). Breakdown of short-term remuneration

Unit: RMB

| Item | Opening balance | Increase for the period | Decrease for the period | **Closing balance** |
|---|---|---|---|---|
| I. Wages, bonuses, allowances and subsidies | 32,444,588.93 | 68,241,205.63 | 63,587,437.49 | **37,098,357.07** |
| II. Employee benefits | | 2,445,262.17 | 2,445,262.17 | |
| III. Social insurance | 1,107,465.83 | 6,524,051.85 | 6,667,544.71 | **963,972.97** |
| Including: Medical insurance | 1,059,810.67 | 6,260,772.55 | 6,400,558.45 | **920,024.77** |
| Work-related injury insurance | 47,655.16 | 258,890.42 | 262,597.38 | **43,948.20** |
| Maternity insurance premiums | | 4,388.88 | 4,388.88 | |
| IV. Housing provident fund | 265,299.00 | 4,650,895.90 | 4,694,772.90 | **221,422.00** |
| V. Union and education fund | 2,826,879.61 | 1,105,497.16 | 694,316.75 | **3,238,060.02** |
| VI. Short-term paid absence | | | | |
| VII. Short-term profit sharing plan | | | | |
| VIII. Other short-term remuneration | 46,492.79 | 5,371,942.47 | 5,227,525.19 | **190,910.07** |
| Total | 36,690,726.16 | 88,338,855.18 | 83,316,859.21 | **41,712,722.13** |

#### (3). Breakdown of defined contribution plans

Unit: RMB

| Item | Opening balance | Increase for the period | Decrease for the period | **Closing balance** |
|---|---|---|---|---|
| 1. Basic pension insurance | 1,781,451.81 | 10,679,173.85 | 10,915,413.35 | **1,545,212.31** |
| 2. Unemployment insurance | 55,679.33 | 343,515.83 | 350,921.58 | **48,273.58** |
| 3. Enterprise annuity | | | | |
| Total | 1,837,131.14 | 11,022,689.68 | 11,266,334.93 | **1,593,485.89** |

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 40. Taxes payable

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Value-added tax | **1,168,570.77** | 1,361,572.00 |
| Corporate income tax | | 4,075,821.33 |
| Individual income tax | **812,188.17** | 917,003.12 |
| City maintenance and construction tax | **29,214.27** | 35,642.60 |
| Property tax | **112,689.60** | 123,968.29 |
| Land use tax | **17,330.63** | 17,330.63 |
| Education surcharge | **17,528.56** | 21,385.56 |
| Stamp duty | **85,926.68** | 175,896.35 |
| Local education surcharges | **11,685.71** | 14,257.04 |
| Total | **2,255,134.39** | 6,742,876.92 |

*Other explanations:*
Nil

### 41. Other payables

#### (1). Breakdown of items

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Interest payables | | |
| Dividend payable | | |
| Other payables | **155,622,423.22** | 158,033,221.89 |
| Total | **155,622,423.22** | 158,033,221.89 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 41. Other payables (Continued)

#### (2). Interest payable

Not Applicable

#### (3). Dividend payable

Not Applicable

#### (4). Other payables

*Other payables by nature*

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Deposits and guarantees | **303,611.75** | 274,611.75 |
| Employee social security fund | **663,860.18** | 761,735.05 |
| Payables to employees | **471,118.70** | 580,634.85 |
| Current accounts with other entities | **2,807,670.10** | 25,956,815.10 |
| Agency collection and payment subsidy | **125,817,400.25** | 127,117,800.00 |
| Others | **25,558,762.24** | 3,341,625.14 |
| Total | **155,622,423.22** | 158,033,221.89 |

*Significant other payables aged over one year or overdue*

Not Applicable

*Other explanations:*

Not Applicable

### 42. Held-for-sale liabilities

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 43. Non-current liabilities due within one year

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Long-term borrowings due within one year | **200,180.56** | 200,198.62 |
| Long-term payables due within one year | **4,317,042.52** | 4,958,768.11 |
| Lease liabilities due within one year | **27,326,693.62** | 21,297,243.55 |
| Total | **31,843,916.70** | 26,456,210.28 |

*Other explanations:*
Nil

### 44. Other current liabilities

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Notes receivable endorsed or discounted but not derecognized | **2,244,928.89** | 9,918,242.36 |
| Pending output tax | **1,838,565.63** | 934,407.61 |
| Total | **4,083,494.52** | 10,852,649.97 |

*Changes in short-term bonds payable:*
Not Applicable

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 45. Long-term borrowings

#### (1). Classification of long-term borrowings

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Guaranteed loans | **9,900,000.00** | 10,000,000.00 |
| Unearned interest payable | **8,937.50** | 9,930.57 |
| Less: Long-term borrowings due within one year | **200,180.56** | 200,198.62 |
| Total | **9,708,756.94** | 9,809,731.95 |

*Explanation of classification of long-term borrowings:*
Nil

*Other explanations:*
Not Applicable

### 46. Bonds payable

Not Applicable

### 47. Lease liabilities

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Total lease payments | **33,750,637.07** | 34,786,115.96 |
| Less: Unrecognized finance charges | **631,948.99** | 1,159,067.23 |
| Subtotal present value of lease payments | **33,118,688.08** | 33,627,048.73 |
| Less: Lease liabilities due within one year | **27,326,693.62** | 21,297,243.55 |
| Total | **5,791,994.46** | 12,329,805.18 |

*Other explanations:*
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 48. Long-term payables

#### Breakdown of items

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Long-term payables | **255,233.49** | 2,062,150.49 |
| Special payables | | |
| Total | **255,233.49** | 2,062,150.49 |

*Other explanations:*
Nil

#### Long-term payables

Unit: RMB

| Item | Closing balance | Opening balance |
|---|---|---|
| Finance lease payables | **4,718,511.29** | 7,327,086.98 |
| Less: Unrealized finance charges | **146,235.28** | 306,168.38 |
| Less: long-term payables due within one year | **4,317,042.52** | 4,958,768.11 |
| Total | **255,233.49** | 2,062,150.49 |

*Other explanations:*
Nil

#### Special payables

Not Applicable

### 49. Long-term accrued payroll

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 50. Accrued liabilities

Unit: RMB

| Item | Closing balance | **Opening balance** | Reasons for formation |
|---|---|---|---|
| Product quality assurance | 45,733,389.62 | **45,447,961.47** | Provision for warranty |
| Total | 45,733,389.62 | **45,447,961.47** | / |

*Other explanations, including important assumptions and estimates related to significant accrued liabilities:*
Nil

### 51. Deferred income

#### Deferred income

Unit: RMB

| Item | Opening balance | Increase for the period | Decrease for the period | **Closing balance** | Reasons for formation |
|---|---|---|---|---|---|
| Government grants related to assets | 105,552,450.00 | 5,320,000.00 | 8,103,477.92 | **102,768,972.08** | Project funds and special subsidies |
| Government grants related to income | 2,866,143.70 | | 26,143.70 | **2,840,000.00** | Project funds and special subsidies |
| Total | 108,418,593.70 | 5,320,000.00 | 8,129,621.62 | **105,608,972.08** | / |

*Other explanations:*
Not Applicable

### 52. Other non-current liabilities

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 53. Share capital

Unit: RMB

| | | Increase or decrease (+,-) | | | | | |
|---|---|---|---|---|---|---|---|
| | Opening balance | Issuance of new shares | Bonus issue | Capitalization of provident fund | Others | Sub-total | **Closing balance** |
| Total number of shares | 231,652,081.00 | | | | | | **231,652,081.00** |

*Other explanations:*
Nil

### 54. Other equity instruments

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 55. Capital reserve

Unit: RMB

| Item | Opening balance | Increase for the period | Decrease for the period | **Closing balance** |
|---|---|---|---|---|
| Capital appreciation (share appreciation) | 3,045,604,590.59 | | | **3,045,604,590.59** |
| Other capital reserve | 127,282,957.29 | | | **127,282,957.29** |
| Total | 3,172,887,547.88 | | | **3,172,887,547.88** |

*Other explanations, including the changes in the current period and the reasons for the changes:*
Nil

### 56. Treasury shares

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 57. Other comprehensive income

Unit: RMB

| Item | Opening balance | Amount for the period | | | | | | Closing balance |
|---|---|---|---|---|---|---|---|---|
| | | Amount before income tax for the period | 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 | Amount attributable to the minority shareholders after tax | |
| I. Other comprehensive income that cannot be reclassified to profit or loss ("-" for losses) | 81,377,551.34 | | | | | | | **81,377,551.34** |
| 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 | 81,377,551.34 | | | | | | | **81,377,551.34** |
| Changes in fair value of the enterprise's own credit risk | | | | | | | | |
| II. Other comprehensive income that will be reclassified to profit or loss ("-" for losses) | -5,667.20 | | -5,667.20 | | | 5,667.20 | | **0.00** |
| Including: Other comprehensive income to be reclassified to profit or loss under equity method ("-" for losses) | | | | | | | | |
| 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 | | | 5,667.20 | | **0.00** |
| Total other comprehensive income ("-" for losses) | 81,371,884.14 | | -5,667.20 | | | 5,667.20 | | **81,377,551.34** |

*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

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 58. Special reserve

Unit: RMB

| Item | Opening balance | Increase for the period | Decrease for the period | **Closing balance** |
|---|---|---|---|---|
| Safety production fee | 10,194,879.88 | 355,656.42 | 273,615.55 | **10,276,920.75** |
| Total | 10,194,879.88 | 355,656.42 | 273,615.55 | **10,276,920.75** |

*Other explanations, including the changes in the current period and the reasons for the changes:*
Nil

### 59. Surplus reserve

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

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 60. Undistributed profit

Unit: RMB

| Item | Current period | Previous year |
|---|---|---|
| Retained profits at the end of the previous period before adjustment | **-944,289,558.55** | -487,856,704.18 |
| Total adjustment to retained profit at the beginning of the period (increase +, decrease-) | | |
| Retained profits at the beginning of the period after adjustment | **-944,289,558.55** | -487,856,704.18 |
| Add: Net profit attributable to owners of the parent company for the period | **-163,427,812.69** | -456,432,854.37 |
| 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 | **-1,107,717,371.24** | -944,289,558.55 |

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 RMB0.00.

2. The effect of the changes in accounting policies on the undistributed profits as at the beginning of the period amounted to RMB0.00.

3. The effect of corrections of significant accounting errors on the undistributed profits as at the beginning of the period amounted to RMB0.00.

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 RMB0.00.

5. The effect of other adjustments on the undistributed profits as at the beginning of the period amounted to RMB0.00.

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 61. Operating income and operating costs

#### (1). Operating income and operating costs

Unit: RMB

| | Amount for the current period | | Amount for the last period | |
|---|---|---|---|---|
| Item | **Revenue** | **Cost** | Revenue | Cost |
| Principal business | **71,122,996.84** | **89,845,402.30** | 152,555,616.42 | 127,610,449.40 |
| Other Businesses | **806,261.57** | **375,022.00** | 1,287,909.13 | 571,982.57 |
| Total | **71,929,258.41** | **90,220,424.30** | 153,843,525.55 | 128,182,431.97 |

#### (2). Breakdown of operating income and operating costs

Unit: RMB

| | Fuel cell system and related services | | Total | |
|---|---|---|---|---|
| **Classification** | **Operating income** | **Operating costs** | **Operating income** | **Operating costs** |
| Type of goods | | | | |
| Fuel cell system | 50,642,296.45 | 69,571,352.69 | 50,642,296.45 | 69,571,352.69 |
| Parts | 2,173,862.78 | 2,756,963.26 | 2,173,862.78 | 2,756,963.26 |
| Technology development and services | 8,519,193.20 | 7,018,610.69 | 8,519,193.20 | 7,018,610.69 |
| Others | 10,593,905.98 | 10,873,497.66 | 10,593,905.98 | 10,873,497.66 |
| By operating region | | | | |
| Domestic | 70,289,781.25 | 89,043,882.38 | 70,289,781.25 | 89,043,882.38 |
| Overseas | 1,639,477.16 | 1,176,541.92 | 1,639,477.16 | 1,176,541.92 |
| By time of transfer of goods | | | | |
| At a point in time | 71,418,794.26 | 89,958,679.03 | 71,418,794.26 | 89,958,679.03 |
| Over time | 510,464.15 | 261,745.27 | 510,464.15 | 261,745.27 |
| Total | 71,929,258.41 | 90,220,424.30 | 71,929,258.41 | 90,220,424.30 |

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 61. Operating income and operating costs (Continued)

#### (3). Description of performance obligations

Not Applicable

#### (4). Explanation about allocation to the remaining performance obligations

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 RMB69,231,441.86, of which:

RMB66,244,889.58 is expected to be recognized in the second half of 2025;

RMB2,986,552.28 is expected to be recognized in the years after 2025.

#### (5). Major changes to contracts or major adjustments to transaction price

Not Applicable

*Other explanations:*

Nil

### 62. Tax and surcharges

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| City maintenance and construction tax | **184,892.78** | 26,097.33 |
| Education surcharge | **84,352.38** | 11,184.57 |
| Local education surcharge | **56,165.11** | 7,456.38 |
| Property tax | **1,117,225.54** | 1,107,470.52 |
| Land use tax | **129,513.44** | 129,513.44 |
| Vehicle and vessel use tax | **1,050.00** | 8,850.00 |
| Stamp duty | **101,647.18** | 253,234.55 |
| Others | | 5.49 |
| Total | **1,674,846.43** | 1,543,812.28 |

*Other explanations:*

Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 63. Selling expenses

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Accrued payroll | **12,090,795.27** | 14,069,324.67 |
| Business promotion and service fees | **31,454.32** | 2,718,494.79 |
| Travel expenses | **201,135.59** | 532,623.85 |
| Depreciation and amortization expenses, etc. | **6,775,228.61** | 3,965,073.99 |
| Others | **3,463,545.71** | 5,048,730.00 |
| Total | **22,562,159.50** | 26,334,247.30 |

*Other explanations:*
Nil

### 64. Administrative expenses

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Accrued payroll | **50,735,251.86** | 59,075,906.55 |
| Depreciation and amortization, lease expenses, etc. | **34,766,235.59** | 30,120,721.52 |
| Materials and low-value consumables | **139,192.96** | 348,703.26 |
| Intermediary fees | **1,324,748.91** | 2,177,521.08 |
| Audit fees | **1,509,433.96** | 1,415,094.34 |
| Travel expenses | **1,393,528.73** | 1,451,206.71 |
| Office expenses | **1,162,198.29** | 1,393,675.25 |
| Entertainment expenses | **1,080,690.72** | 1,117,772.97 |
| Others | **6,230,662.98** | 7,370,315.31 |
| Total | **98,341,944.00** | 104,470,916.99 |

*Other explanations:*
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 65. Research and development expenses

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Accrued payroll | **5,959,916.86** | 24,885,319.49 |
| Material costs | **5,341,886.84** | 3,285,238.19 |
| Commission fees for external development | | 6,982,075.48 |
| Depreciation and amortization expenses | **5,664,550.42** | 10,599,350.14 |
| Testing and processing fee | | 3,453,263.72 |
| Others | **208,235.70** | 1,328,856.56 |
| Total | **17,174,589.82** | 50,534,103.58 |

*Other explanations:*
Nil

### 66. Financial expenses

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Interest expense | **9,134,579.06** | 11,539,718.24 |
| Including: Interest expense on lease liabilities | **490,630.54** | 737,192.24 |
| Less: Interest income | **5,854,162.93** | 10,339,500.53 |
| Exchange gains and losses | **1,232,323.30** | -1,784,966.18 |
| Bank charges | **217,477.58** | 624,870.55 |
| Total | **4,730,217.01** | 40,122.08 |

*Other explanations:*
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 67. Other income

Unit: RMB

| Classification by nature | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Government grants | **10,628,505.62** | 17,350,284.84 |
| Tax relief and individual tax refund, etc. | **845,654.33** | 2,425,519.49 |
| Others | **3,888.89** | 5,972.22 |
| Total | **11,478,048.84** | 19,781,776.55 |

*Other explanations:*
For details of government grants of the Company, please refer to Note XI.3. Government grants recognized in profit or loss for the current period.

### 68. Investment income

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Income from long-term equity investment under equity method ("-" for losses) | **-37,816,543.90** | -19,747,403.96 |
| Investment income from trading financial assets during the holding period ("-" for losses) | **759.97** | 2,606,273.98 |
| Investment income from disposal of trading financial assets ("-" for losses) | **150,392.70** | |
| Gain on debt restructuring ("-" for losses) | **46,190.00** | -310,719.95 |
| Loss on discount of receivables financing ("-" for losses) | **-456,118.60** | |
| Total | **-38,075,319.83** | -17,451,849.93 |

*Other explanations:*
Nil

### 69. Hedging gains on net exposure

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 70. Gains from changes in fair value

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 | **2,111,040.20** | 7,029,295.56 |
| Total | **2,111,040.20** | 7,029,295.56 |

*Other explanations:*
Nil

### 71. Gains from disposal of assets

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Gains or losses on disposal of fixed assets | **-70,052.36** | 1,129,835.04 |
| Gains or losses on disposal of right-of-use assets | **32,900.60** | |
| Total | **-37,151.76** | 1,129,835.04 |

*Other explanations:*
Not Applicable

### 72. Credit impairment losses

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Losses on bad debts of bills receivable | | -36,290.00 |
| Losses on bad debts of accounts receivable | **4,256,298.04** | 19,594,579.88 |
| Losses on bad debts of other receivables | **-3,103,488.26** | 349,105.45 |
| Total | **1,152,809.78** | 19,907,395.33 |

*Other explanations:*
Nil

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 73. Impairment losses of assets

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| I. Impairment losses of contract assets | **23,594.90** | -641,181.60 |
| II. Impairment losses of inventories and impairment losses on contract performance costs | **11,854,106.40** | 16,036,026.31 |
| Total | **11,877,701.30** | 15,394,844.71 |

*Other explanations:*
Nil

### 74. Non-operating income

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 |
|---|---|---|---|
| Amounts written off as uncollectible | **26,607.88** | | 26,607.88 |
| Waste disposal | **1,018.00** | | 1,018.00 |
| Others | **34,662.69** | 727,385.64 | 34,662.69 |
| Total | **62,288.57** | 727,385.64 | 62,288.57 |

*Other explanations:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 75. Non-operating expenses

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 |
|---|---|---|---|
| Disposal of defective product losses | **21,640.16** | 259,543.84 | 21,640.16 |
| Claims and penalty expenses | **539,599.08** | | 539,599.08 |
| Others | **118,706.58** | 67,304.18 | 118,706.58 |
| Total | **679,945.82** | 326,848.02 | 679,945.82 |

*Other explanations:*
Nil

### 76. Income tax expenses

#### (1). Income tax expense statement

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Current income tax expense | **1,230,436.49** | -40,189.92 |
| Deferred income tax expense | **-1,817,510.31** | -11,243,807.08 |
| Total | **-587,073.82** | -11,283,997.00 |

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 76. Income tax expenses (Continued)

#### (2). Reconciliation between accounting profit and income tax expenses

Unit: RMB

| Item | Amount for the current period |
|---|---|
| Total profit ("-" for losses) | **-200,946,473.53** |
| Income tax expenses calculated at statutory/applicable tax rate | **-30,141,971.03** |
| Effect of different tax rates applicable to subsidiaries | **-2,619,390.92** |
| Effect of adjustment to income tax of previous periods | |
| Effect of non-taxable income | |
| Effect of non-deductible costs, expenses and losses | **8,892,651.96** |
| Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period | |
| Effect of deductible temporary differences in deferred income tax assets not recognized in current period or effect of deductible loss | **25,697,634.51** |
| Additional deduction of research and development expenses | **-2,415,998.34** |
| Income tax expenses | **-587,073.82** |

*Other explanations:*
Not Applicable

### 77. Other comprehensive income

For details, please see the Note VII. 57. Other comprehensive income.

## 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*

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Government grants received | **37,796,211.09** | 48,834,147.17 |
| Collection of project fees and advances | | 6,104,296.13 |
| Deposit and guarantee refund | **160,360.30** | 922,000.00 |
| Interest income | **5,213,681.88** | 9,003,486.64 |
| Agency collection and payment of subsidies | **1,960,000.00** | |
| Recovery of frozen funds | | 2,617,981.79 |
| Others | **23,534,168.90** | 859,061.72 |
| Total | **68,664,422.17** | 68,340,973.45 |

*Description of other cash received related to operating activities:*

Nil

Other cash paid related to operating activities

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Operating expenses | **27,610,953.37** | 50,670,278.67 |
| Prepaid expenses such as rental properties | **525,809.98** | 2,711,172.70 |
| Technology development fee, testing expense, transportation fee, etc. | **1,382,755.33** | 2,535,944.38 |
| Frozen litigation | **10,756,946.23** | |
| Agency collection and payment of subsidies | **22,258,700.00** | |
| Others | **538,452.13** | 2,025,933.96 |
| Total | **63,073,617.04** | 57,943,329.71 |

*Explanation of other cash paid related to operating activities:*

Nil

## 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*

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Redemption of wealth management products at maturity | **216,042,000.00** | |
| Total | **216,042,000.00** | |

*Explanation of cash received related to material investment activities:*
Nil

Cash paid related to material investment activities

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Capital contribution from associates | **2,000,000.00** | |
| Purchase of wealth management products | **223,243,400.00** | |
| Total | **225,243,400.00** | |

*Explanation of cash paid related to material investment activities:*
Nil

*Cash received relating to other investing activities:*
Not Applicable

*Cash paid relating to other investing activities:*
Not Applicable

## 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*

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Collection of notes deposits | **714,185.11** | 17,142,570.36 |
| Others | | 5,972.22 |
| Total | **714,185.11** | 17,148,542.58 |

*Explanation of other cash received related to financing activities:*

Nil

Other cash paid related to financing activities

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Lease related expenses | **2,125,666.61** | 7,266,927.82 |
| Deposit for acceptance of bills | | 11,879,909.60 |
| Total | **2,125,666.61** | 19,146,837.42 |

*Explanation of other cash paid related to financing activities:*

Nil

## 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*

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 | 762,428,281.10 | 82,224,315.62 | 27,633,041.41 | 380,835,323.66 | 34,947,022.00 | **456,503,292.47** |
| Long-term borrowing (including those due within one year) | 10,009,930.57 | | 162,084.71 | 263,077.78 | | **9,908,937.50** |
| Long-term payables (including those due within one year) | 7,020,918.60 | | 159,933.10 | 2,608,575.69 | | **4,572,276.01** |
| Lease liabilities (including those due within one year) | 33,627,048.73 | | 2,969,656.47 | 1,658,743.69 | 1,819,273.43 | **33,118,688.08** |
| Total | 813,086,179.00 | 82,224,315.62 | 30,924,715.69 | 385,365,720.82 | 36,766,295.43 | **504,103,194.06** |

(4). Explanation of cash flows presented on a net basis

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

Not Applicable

## 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

Unit: RMB

| Supplementary information | **Amount for current period** | Amount for previous period |
|---|---|---|
| **1. Adjustment of net profit to cash flows of operating activities:** | | |
| Net profit ("-" for losses) | **-200,359,399.71** | -170,390,756.85 |
| Add: Provision for impairment of assets | **11,877,701.30** | 15,394,844.71 |
| Credit impairment losses | **1,152,809.78** | 19,907,395.33 |
| Depreciation of fixed assets, consumption of oil and gas assets and depreciation of productive biological assets | **30,583,115.75** | 27,617,484.78 |
| Amortization of right-of-use assets | **8,179,889.00** | 8,195,894.15 |
| Amortization of intangible assets | **17,228,730.60** | 16,141,637.79 |
| Amortization of long-term deferred expenditures | **6,575,285.20** | 5,819,333.64 |
| Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains) | **37,151.76** | -1,129,835.04 |
| Losses on retirement of fixed assets ("-" for gains) | | |
| Losses from changes in fair value ("-" for gains) | **-2,111,040.20** | -7,029,295.56 |
| Financial expenses ("-" for gains) | **10,366,902.36** | 9,754,752.06 |
| Investment losses ("-" for gains) | **38,075,319.83** | 17,451,849.93 |
| Decrease in deferred income tax assets ("-" for increase) | **-1,482,626.64** | -13,845,122.77 |
| Increase in deferred income tax liabilities ("-" for decrease) | **-334,883.68** | 2,601,315.69 |
| Decrease in inventories ("-" for increase) | **19,816,848.88** | -48,959,230.79 |
| Decrease in operating receivables ("-" for increase) | **82,734,179.18** | -30,417,776.20 |
| Increase in operating payables ("-" for decrease) | **-56,893,732.12** | -34,232,662.05 |
| Others | | |
| Net cash flows from operating activities ("-" for losses) | **-34,553,748.71** | -183,120,171.18 |
| **2. Major investment and financing activities not involved cash receipts and payments:** | | |
| Conversion of debt to capital | | |
| Convertible corporate bonds due within one year | | |
| Fixed assets held under finance leases | | |
| **3. Net change in cash and cash equivalents:** | | |
| Closing balance of cash | **402,105,561.50** | 584,679,290.57 |
| Less: Opening balance of cash | **719,392,973.65** | 592,026,461.60 |
| Add: Closing balance of cash equivalents | | |
| Less: Opening balance of cash equivalents | | |
| Net increase in cash and cash equivalents ("-" for losses) | **-317,287,412.15** | -7,347,171.03 |

## 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

Not Applicable

#### (3). Net cash received from disposal of subsidiaries during the period

Not Applicable

#### (4). Composition of cash and cash equivalents

Unit: RMB

| Item | | Closing balance | Opening balance |
|---|---|---|---|
| I. | Cash | **402,105,561.50** | 719,392,973.65 |
| | Including: Cash on hand | **51,608.94** | 32,228.34 |
| | Bank deposits available for payment | **402,053,391.89** | 709,360,184.93 |
| | Other monetary funds available for payment | **560.67** | 10,000,560.38 |
| | 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 | **402,105,561.50** | 719,392,973.65 |
| | Including: Restricted cash and cash equivalents of the parent company or subsidiaries of the Group | | |

#### (5). Items with restricted use but still presented as cash and cash equivalents

Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 79. Supplementary information to the statement of cash flows (Continued)

(6). Monetary funds other than cash and cash equivalents

Unit: RMB

| Item | Closing balance | Opening balance | Reason |
|---|---|---|---|
| Other monetary funds | **779,338.55** | 2,729,744.61 | Deposits for bank acceptance bills |
| Other monetary funds | **2,000.00** | 2,000.00 | ETC deposits |
| Other monetary funds | **39,800.00** | 39,800.00 | Deposits for letter of guarantee |
| Other monetary funds | **0.00** | 70,000.00 | Interest rate swap margin |
| Bank deposits | **10,756,946.23** | | Frozen funds for litigation |
| Total | **11,578,084.78** | 2,841,544.61 | / |

*Other explanations:*
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:*
Not Applicable

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 81. Foreign currency monetary items

(1). Foreign currency monetary items

| Item | Balance of foreign currency at the end of the period | Exchange rate | Balance in RMB equivalent at the end of the period (RMB) |
|---|---|---|---|
| Cash and cash equivalents | | | 301,383,207.46 |
| Including: US Dollar | 42,095,716.92 | 7.1586 | 301,346,399.14 |
| Hong Kong dollar | 40,360.00 | 0.9120 | 36,808.32 |
| Accounts receivable | | | 1,042,559.39 |
| Including: US Dollar | 145,637.33 | 7.1586 | 1,042,559.39 |
| Financial assets held-for-trading | | | 723,355,622.97 |
| Including: US Dollar | 101,047,079.45 | 7.1586 | 723,355,622.97 |

*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
Not Applicable

### 82. Lease

(1). As lessee
*Variable lease payments not included in the measurement of lease liabilities*
Not Applicable

*Lease expenses on short-term leases or low-value assets under simplified treatment*
Lease expenses on short-term leases under simplified treatment, included in cost of related assets during the Reporting Period or profit or loss of the current period is RMB905,911.02.

*Sale-leaseback transactions and judgment basis*
Interest expense recognized in current profit or loss on sale and leaseback transactions RMB102,693.63;

The cash outflow from the sale-leaseback transaction was RMB1,815,029.87.

Total cash outflows related to leases RMB2,967,588.82 (Unit: RMB)

## VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 82. Lease (Continued)

#### (2). As a lessor

*Operating lease as lessor*

Unit: RMB

| Item | Lease income | Including: Income related to variable lease payments not included in lease receipts |
|---|---|---|
| Property leasing | 247,686.61 | |
| Equipment leasing | 236,078.14 | |
| Total | 483,764.75 | |

*Financing lease as lessor*

Not Applicable

*Adjustment table for undiscounted lease receipts and net lease investments*

Not Applicable

*Undiscounted lease receipts for the next five years*

Not Applicable

#### (3). Profit or loss on sales of financing lease recognized as a producer or distributor

Not Applicable

*Other explanations*

Nil

### 83. Data resources

Not Applicable

### 84. Others

Not Applicable

## VIII. RESEARCH AND DEVELOPMENT EXPENSES

### 1. By nature of expenses

Unit: RMB

| Item | **Amount for the current period** | Amount for the previous period |
|---|---|---|
| Accrued payroll | **11,734,605.30** | 41,136,434.91 |
| Material costs | **5,797,630.74** | 9,234,443.03 |
| Commission fees for external development | **33,018.87** | 6,982,075.48 |
| Depreciation and amortization expenses, etc. | **7,595,026.08** | 14,309,742.52 |
| Testing and processing fee | **52,722.78** | 4,509,914.47 |
| Others | **260,074.74** | 1,448,105.80 |
| Total | **25,473,078.51** | 77,620,716.21 |
| Including: Expensed research and development costs | **17,174,589.82** | 50,534,103.58 |
| Capitalized research and development costs | **8,298,488.69** | 27,086,612.63 |

*Other explanations:*
Nil

## VIII. RESEARCH AND DEVELOPMENT EXPENSES (Continued)

### 2. Development expenses on R&D projects eligible for capitalization

Unit: RMB

| Item | Opening balance | Increase for the period: Internal development expenditure | Decrease for the period: Recognized as intangible assets | Decrease for the period: Transferred to the current profit or loss | Decrease for the period: Recognized as fixed assets | **Closing balance** |
|---|---|---|---|---|---|---|
| Ultra-thin graphite bipolar plate and high-performance stack key technologies | 504,646.17 | 268,391.83 | | | | **773,038.00** |
| Single battery life verification and research on attenuation specification of key components | 9,519,717.90 | 1,831,187.67 | | | | **11,350,905.57** |
| Development of energy-efficient megawatt-scale fuel cell electricity and heat cogeneration system | 1,503,550.31 | 963,625.46 | | 429,687.27 | | **2,037,488.50** |
| Design and development of high consistency high power fuel cells | 5,981,145.78 | 1,249,218.01 | | 325,387.50 | | **6,904,976.29** |
| R&D of national fuel cell system | 8,678,930.96 | 52,094.37 | | 5,909.21 | | **8,725,116.12** |
| Research and development of multi-energy efficient coupling control for hybrid power generation system and key components | 2,919,896.83 | 277,413.29 | | | | **3,197,310.12** |
| Graphite material high-performance bipolar plate | 589,494.11 | 1,245,657.55 | | | | **1,835,151.66** |
| Research and development of key technologies for hydrogen production and energy storage systems and industrialization demonstration | 291,543.49 | 630,964.91 | | 4,220.18 | | **918,288.22** |
| Forward-looking technology research | 1,622,544.46 | 18,424.23 | | 766.98 | | **1,640,201.71** |
| Development of fuel cell stack testing equipment | 4,915,171.59 | 28,084.91 | | 703,834.98 | 4,239,421.52 | **0.00** |
| Development of high-performance membrane electrodes and key materials for fuel cells | 5,207,508.09 | 1,874,121.58 | | 496,307.19 | - | **6,585,322.48** |
| Integration and demonstration of fuel cell-hydrogen internal combustion engine hybrid power generation system | 143,993.45 | 95,533.52 | | | | **239,526.97** |
| Fuel cell system development and vehicle application suitable for low pressure input of vehicle liquid hydrogen storage and supply system – 2023 | 7,875,990.54 | 410,676.22 | 8,161,579.56 | 125,087.20 | | **0.00** |
| National key little giant project | | 740,460.67 | | | | **740,460.67** |
| Total | 49,754,133.69 | 9,685,854.22 | 8,161,579.56 | 2,091,200.51 | 4,239,421.52 | **44,947,786.32** |

*Significant capitalized research and development projects*
Not Applicable

*Provision for impairment of development expenses*
Not Applicable

*Other explanations*
Nil

### 3. Material purchased projects under development

Not Applicable

# IX. CHANGES IN CONSOLIDATION SCOPE

## 1. Business combination not under common control

Not Applicable

## 2. Business combination under common control

Not Applicable

## 3. Counter purchase

Not Applicable

## 4. Disposal of subsidiaries

*Whether there are any transactions or events during the period that leads to loss of control of a subsidiary*
Not Applicable

*Other explanations:*
Not Applicable

*Whether there is a disposal of investment in a subsidiary in stages through multiple transactions that leads to loss of control during the period*
Not Applicable

*Other explanations:*
Not Applicable

## IX. CHANGES IN CONSOLIDATION SCOPE (Continued)

### 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:

#### Subsidiaries newly included in the scope of consolidation during the period

| Name of company | Reason for changes |
|---|---|
| Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) | Newly established |
| Zigong SinoHytec Hydrogen Technology Co., Ltd. (自貢億華通氫能科技有限公司) | Newly established |
| Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) | Newly established |
| Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司) | Newly established |
| Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司) | Newly established |
| Guyuan County Yigu New Energy Co., Ltd. (沽源縣億谷新能源有限公司) | Newly established |
| Guyuan County Tonggu New Energy Co., Ltd. (沽源縣通谷新能源有限公司) | Newly established |
| Guyuan County Yifeng New Energy Co., Ltd. (沽源縣億楓新能源有限公司) | Newly established |
| Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司) | Newly established |

### 6. Others

Not Applicable

# X. INTERESTS IN OTHER ENTITIES

## 1. Interests in subsidiaries

### (1). Constitution of enterprise group

Unit: RMB'0,000

| Name of subsidiary | Principal place of business | Registered capital | Place of registration | Nature of business | Shareholding (%) Direct | Shareholding (%) Indirect | Method of acquisition |
|---|---|---|---|---|---|---|---|
| SinoHytec Power | Zhangjiakou | 35,966.801 | Zhangjiakou | Production of fuel cell power system | 100 | | Establishment through investment |
| SinoFuelCell | Shanghai | 8,495.2654 | Shanghai | Design and development of fuel cell reactors | 25.601 | | Equity Transfer |
| Shanghai Shenrong New Energy Technology Co., Ltd. | Shanghai | 600 | Shanghai | Production of fuel cell reactors | | 25.601 | Equity Transfer |
| Beijing Shenchuan Technology Co., Ltd. | Beijing | 1,000 | Beijing | Technology development and sales of auto parts | | 25.601 | Establishment through investment |
| Tangshan SinoFuelCell Technology Co., Ltd. | Tangshan | 3,000 | Tangshan | New energy technology promotion | | 25.601 | Establishment through investment |
| Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. | Guangzhou | 2,000 | Guangzhou | Engineering and technical research and experimental development | | 25.601 | Establishment through investment |
| SinoHytec Hydrogen | Beijing | 6,923.21 | Beijing | Scientific research and technical services | 72.2208 | | Establishment through investment |
| Zhangjiakou Guoqing Technology Co., Ltd. | Zhangjiakou | 3,000 | Zhangjiakou | Technology development | | 72.2208 | Establishment through investment |
| Zhangjiakou Qingtong Technology Co., Ltd. | Zhangjiakou | 1,000 | Zhangjiakou | Technology development | | 72.2208 | Establishment through investment |
| Guangxi SinoHytec Hydrogen Technology Co., Ltd. | Baise | 5,000 | Baise | Wholesale and retail industry | | 72.2208 | Establishment through investment |
| Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. | Baise | 500 | Baise | New energy technology promotion services | | 47.6657 | Establishment through investment |
| Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. | Baise | 500 | Baise | New energy technology promotion services | | 47.6657 | Note 1 |
| Beijing Future Hydrogen Valley Technology Co., Ltd. | Beijing | 10,100 | Beijing | Technology development | 100 | | Establishment through investment |
| Chengdu SinoHytec | Chengdu | 5,000 | Chengdu Economic and Technological Development Zone | Technology development | 100 | | Establishment through investment |
| Chengdu Guoqinghuatong Technology Co., Ltd. | Chengdu | 4,000 | Chengdu Economic and Technological Development Zone | New energy technology promotion | 70 | | Establishment through investment |
| Juxinghuatong | Beijing | 3,000 | Beijing | New energy technology promotion | 100 | | Establishment through investment |
| Shandong Huaqing Dongli Technology Co., Ltd. | Zibo | 3,000 | Zibo | New energy technology promotion | 100 | | Establishment through investment |
| Yifan Hydrogen Technology Co., Ltd. | Beijing | 10,000 | Beijing | Scientific research and technical services | 51 | | Establishment through investment |
| Tangshan Yitong Hydrogen Technology Co., Ltd. | Tangshan | 500 | Tangshan | New energy technology research and development | | 51 | Establishment through investment |

## X. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in subsidiaries (Continued)

#### (1). Constitution of enterprise group (Continued)

Unit: RMB'0,000

| Name of subsidiary | Principal place of business | Registered capital | Place of registration | Nature of business | Shareholding (%) Direct | Shareholding (%) Indirect | Method of acquisition |
|---|---|---|---|---|---|---|---|
| Tangshan Qianchen | Tangshan | 5,000 | Tangshan | New energy technology promotion | 100 | | Establishment through investment |
| Zhengzhou SinoHytec | Zhengzhou | 5,000 | Zhengzhou | New energy technology promotion | 100 | | Establishment through investment |
| Guangdong SinoHytec Technology Co., Ltd. | Guangzhou | 5,000 | Guangzhou | Scientific research and technical services | 100 | | Establishment through investment |
| Guangzhou SinoHytec New Energy Technology Co., Ltd. | Guangzhou | 5,000 | Guangzhou | Scientific research and technical services | | 70 | Establishment through investment |
| SinoHytec International Limited | Hong Kong | US$30 million | Hong Kong | New energy technology promotion | 100 | | Establishment through investment |
| Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司) | Zhangjiakou | 1,000 | Zhangjiakou | New energy technology research and development | 100 | | Establishment through investment |
| Zigong SinoHytec Hydrogen Technology Co., Ltd. (自貢億華通氫能科技有限公司) | Zigong | 100 | Zigong | New energy technology promotion | | 72.2208 | Establishment through investment |
| Guyuan County Tongyuan New Energy Co., Ltd. (沽源縣通源新能源有限公司) | Zhangjiakou | 1,000 | Zhangjiakou | New energy technology research and development | | 85 | Establishment through investment |
| Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司) | Nanchong | 10,000 | Nanchong | Technology services and development | | 25.601 | Establishment through investment |
| Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司) | Chengdu | 5,000 | Chengdu | Technology services and development | | 100 | Establishment through investment |
| Guyuan County Yigu New Energy Co., Ltd. (沽源縣億谷新能源有限公司) | Zhangjiakou | 300 | Zhangjiakou | New energy technology research and development | | 85 | Establishment through investment |
| Guyuan County Tonggu New Energy Co., Ltd. (沽源縣通谷新能源有限公司) | Zhangjiakou | 300 | Zhangjiakou | New energy technology research and development | | 85 | Establishment through investment |
| Guyuan County Yifeng New Energy Co., Ltd. (沽源縣億楓新能源有限公司) | Zhangjiakou | 300 | Zhangjiakou | New energy technology research and development | | 85 | Establishment through investment |
| Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司) | Baise | 1,000 | Baise | New energy technology research and development | | 31.1272 | Establishment through investment |

Note 1: Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. was deregistered in July 2025.

*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 SinoFuelCell (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 8 years.

## X. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in subsidiaries (Continued)

#### (1). Constitution of enterprise group (Continued)

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 SinoFuelCell. In 2019, the Company entered into the Voting Rights Proxy Agreement with Shanghai Shenjie New Energy Technology Center (Limited Partnership), a shareholder of SinoFuelCell (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 five companies of Shanghai Shenrong New Energy Technology Co., Ltd., Beijing Shenchuan Technology Co., Ltd., Tangshan SinoFuelCell Technology Co., Ltd., Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. and Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司). As the Company holds 25.601% equity interest in Shanghai SinoFuelCell and indirectly holds 25.601% equity interest in the above four companies, the reasons for holding less than half of the 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.

(4) The Company directly holds 72.2208% equity interest in SinoHytec Hydrogen, over which it has control, and indirectly holds 47.6657% equity interest in Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司), over which it has control. SinoHytec Hydrogen directly holds 20% equity interest in Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司). Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) holds 35% equity interest in Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司). Thus, the Company indirectly holds 31.1272% equity interest in Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司), over which it has control.

*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

## X. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in subsidiaries (Continued)

#### (2). Significant non-wholly owned subsidiaries

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 |
|---|---|---|---|---|
| SinoFuelCell | 74.3990 | -33,852,873.33 | | 231,999,853.87 |

*Explanation of the shareholding proportion of minority shareholders is not equal to the voting right ratio in the subsidiary:*
For details, please see Note 1. (1) Constitution of enterprise group.

*Other explanation:*
Not Applicable

#### (3). Main financial information of significant non-wholly-owned subsidiaries

Unit: RMB

| | Closing balance | | | | | | Opening balance | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of subsidiary | 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 |
| SinoFuelCell | 571,396,087.37 | 264,259,839.65 | 835,655,927.02 | 471,280,520.57 | 50,248,270.21 | 521,528,790.78 | 616,595,605.26 | 275,838,841.16 | 892,434,446.42 | 482,059,473.63 | 49,529,372.30 | 531,588,845.93 |

| | Amount for the current period | | | | Amount for the last period | | | |
|---|---|---|---|---|---|---|---|---|
| Name of subsidiary | Operating Income | Net profit | Total comprehensive income | Cash flows from operating activities | Operating income | Net profit | Total comprehensive income | Cash flows from operating activities |
| SinoFuelCell | 14,481,356.08 | -46,853,799.96 | -46,853,799.96 | 17,571,726.56 | 89,327,717.21 | -37,057,333.57 | -37,057,333.57 | -19,081,966.98 |

*Other explanation:*
Nil

## X. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in subsidiaries (Continued)

(4). Significant restrictions on the use of assets and settlement of debts of the Group:
Not Applicable

(5). Financial support or other support provided to structured entities included in the scope of consolidated financial statements:
Not Applicable

*Other explanation:*
Not Applicable

### 2. Transactions in which the share of owner's equity in the subsidiary changes and still controls the subsidiary

Not Applicable

### 3. Interests in joint ventures or associates

(1). Significant joint ventures or associates

Unit: RMB

| Name of joint ventures or associates | Principal place of business | Place of registration | Nature of business | Shareholding (%) Direct | Shareholding (%) Indirect | Accounting treatment for investments in joint ventures or associates |
|---|---|---|---|---|---|---|
| Toyota Sinohytec | Beijing | Beijing | New energy technology promotion services | 50.00 | | Equity method accounting |

*Explanation of the shareholding proportion of equity holdings in a joint venture or associated enterprise differing from the proportion of voting rights:*
Nil

*Basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but lacking significant influence:*
For details, please see Note VII.17. Long-term equity investment (Other explanation).

## X. INTERESTS IN OTHER ENTITIES (Continued)

### 3. Interests in joint ventures or associates (Continued)

(2). Major financial information of significant joint ventures

Unit: RMB

| | Closing balance/ amount for the current period Toyota Sinohytec | Opening balance/ amount for previous period Toyota Sinohytec |
|---|---|---|
| Current assets | **464,236,938.73** | 507,455,126.58 |
| Including: Cash and cash equivalents | **25,218,317.08** | 73,426,727.97 |
| Non-current assets | **476,500,446.77** | 484,214,896.28 |
| Total assets | **940,737,385.50** | 991,670,022.86 |
| Current liabilities | **459,191,081.47** | 478,714,979.68 |
| Non-current liabilities | **344,324,452.85** | 327,232,302.81 |
| Total liabilities | **803,515,534.32** | 805,947,282.49 |
| Minority interests | | |
| Equity attributable to shareholders of the parent company | **137,221,851.18** | 185,722,740.37 |
| Net asset share calculated on the basis of shareholding percentage | | |
| Adjustment items | | |
| – Goodwill | | |
| – Unrealized gains on insider transactions | | |
| – Others | | |
| Carrying amount of equity investments in joint ventures | **42,641,982.63** | 67,017,297.33 |
| Fair value of equity investments in joint ventures with publicly quoted prices | | |
| Operating income | **61,970,323.51** | 15,855,192.94 |
| Financial expenses | **7,771,699.93** | 1,717,524.48 |
| Income tax expenses | | |
| Net profits ("-" for loss) | **-48,500,889.19** | -20,538,032.29 |
| Net profit from discontinued operations ("-" for loss) | | |
| Other comprehensive income ("-" for loss) | | |
| Total comprehensive income ("-" for loss) | **-48,500,889.19** | -20,538,032.29 |
| Dividends received from joint ventures during the current year | | |

*Other explanation*

Nil

## X. INTERESTS IN OTHER ENTITIES (Continued)

### 3. Interests in joint ventures or associates (Continued)

#### (3). Major financial information of significant associates

Not Applicable

#### (4). Summary financial information of insignificant joint ventures and associates

Unit: RMB

| | **Closing balance/ amount for the current period** | Opening balance/ amount for previous period |
|---|---|---|
| Joint ventures: | | |
| Total book value of investments | | |
| Total amount of the following items calculated on the basis of shareholding percentage | | |
| – Net profits ("-" for loss) | | |
| – Other comprehensive income ("-" for loss) | | |
| – Total comprehensive income ("-" for loss) | | |
| Associates: | | |
| Total book value of investments | **198,940,172.59** | 216,781,401.79 |
| Total amount of the following items calculated on the basis of shareholding percentage | | |
| – Net profits ("-" for loss) | **-13,441,229.20** | -9,478,387.81 |
| – Other comprehensive income ("-" for loss) | | |
| – Total comprehensive income ("-" for loss) | **-13,441,229.20** | -9,478,387.81 |

*Other explanation*

Nil

## 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

Not Applicable

(6). Excess loss incurred by joint ventures or associates

Not Applicable

(7). Unconfirmed commitments related to investments in joint ventures

Not Applicable

(8). Contingent liabilities related to investments in joint ventures or associates

Not Applicable

### 4. Significant joint operations

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:*

Not Applicable

### 6. Others

Not Applicable

## XI. GOVERNMENT GRANTS

### 1. Government grants recognized by the amounts receivable at the end of the Reporting Period

Not Applicable

*Reasons for not receiving the expected amount of government grants at the expected time*
Not Applicable

### 2. Liability items involving government grants

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 | 105,552,450.00 | 5,320,000.00 | | 8,103,477.92 | | **102,768,972.08** | Related to assets |
| Deferred income | 2,866,143.70 | | | 26,143.70 | | **2,840,000.00** | Related to income |
| Total | 108,418,593.70 | 5,320,000.00 | | 8,129,621.62 | | **105,608,972.08** | / |

### 3. Government grants recognized in profit or loss for the current period

Unit: RMB

| Type | **Amount for the current period** | Amount for the previous period |
|---|---|---|
| Related to assets | **8,103,477.92** | 7,207,619.37 |
| Related to income | **2,525,027.70** | 12,574,157.18 |
| Total | **10,628,505.62** | 19,781,776.55 |

*Other explanation:*
Nil

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

### 1. Risks of various financial instruments

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.

### 2. 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.

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 2. Credit risk (Continued)

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.

### 3. 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.

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 3. Liquidity risk (Continued)

The undiscounted contractual cash flows of the Company's financial liabilities by maturity date are as follows:

Unit: RMB

| | Closing balance | | | | |
|---|---|---|---|---|---|
| Item | Within 1 year | 1 to 2 years | 2 to 5 years | Above 5 years | Total undiscounted contract amount |
| Long-term payables (including those due within one year) | 4,317,042.52 | 401,468.77 | | | 4,718,511.29 |
| Short-term borrowings | 456,503,292.47 | | | | 456,503,292.47 |
| Bills payable | 31,772,900.00 | | | | 31,772,900.00 |
| Accounts payable | 649,770,541.48 | | | | 649,770,541.48 |
| Other payables | 155,622,423.22 | | | | 155,622,423.22 |
| Other current liabilities | 4,083,494.52 | | | | 4,083,494.52 |
| Lease liabilities (including those due within one year) | 27,326,693.62 | 6,423,943.45 | | | 33,750,637.07 |
| Long-term borrowing | 200,180.56 | 9,708,756.94 | | | 9,908,937.50 |
| Total | 1,329,596,568.39 | 16,534,169.16 | | | 1,346,130,737.55 |

continued

| | Balance at the end of last year | | | | |
|---|---|---|---|---|---|
| Item | Within 1 year | 1 to 2 years | 2 to 5 years | Above 5 years | Total undiscounted contract amount |
| Long-term payables (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 |

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 4. Market risk

Market risk of financial instruments, including foreign exchange rate risk, interest rate risk and other price 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.

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:

| | Closing balance | | | Balance at the end of last year | | |
|---|---|---|---|---|---|---|
| Item | US dollar | Other foreign currencies | Total | US dollar | Other foreign currencies | Total |
| Monetary Funds | **301,346,399.14** | **36,808.32** | **301,383,207.46** | 293,862,879.96 | | 293,862,879.96 |
| Account receivables | **1,042,559.39** | | **1,042,559.39** | 943,473.55 | | 943,473.55 |
| Financial assets held-for trading | **723,355,622.97** | | **723,355,622.97** | 727,426,376.60 | | 727,426,376.60 |
| Total | **1,025,744,581.50** | **36,808.32** | **1,025,781,389.82** | 950,348,729.47 | | 950,348,729.47 |

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 4. Market risk (Continued)

#### (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.

### 5. Hedging

#### (1). The Company carried out hedging business for risk management

Not Applicable

*Other explanations:*
Not Applicable

#### (2). The Company conducts eligible hedging operations and applies hedge accounting

Not Applicable

*Other explanations:*
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

Not Applicable

*Other explanations:*
Not Applicable

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 6. Transfer of financial assets

#### (1). Classification of transfer methods

Unit: RMB

| Method of transfer | Nature of transferred financial assets | Amount of transferred financial assets | Status of derecognition | Basis for judging the status of derecognition |
|---|---|---|---|---|
| Bills endorsements | Bills receivable | 2,244,928.89 | Not derecognized | Retains substantially all of the risks and rewards, including the associated risk of default |
| Bills discounted | Bills receivable | 3,304,071.11 | Not derecognized | Retains substantially all of the risks and rewards, including the associated risk of default |
| Bills endorsements | Receivables financing | | Derecognized | Transferred almost all risks and rewards |
| Bills discounted | Receivables financing | 167,500.00 | Derecognized | Transferred almost all risks and rewards |
| Total | / | 5,716,500.00 | / | / |

#### (2). Financial assets derecognized due to transfer

Unit: RMB

| Item | Method of transfer of financial assets | Amount of financial assets derecognized | Gains or losses related to derecognition |
|---|---|---|---|
| Receivables financing | Bills endorsements | | |
| Receivables financing | Bills discounted | 167,500.00 | 1,118.60 |
| Total | / | 167,500.00 | 1,118.60 |

#### (3). Transferred financial assets with continuing involvement

Not Applicable

*Other explanations:*

Not Applicable

## XIII. DISCLOSURE OF FAIR VALUE

### 1. Fair value of assets and liabilities measured at fair value at the end of the period

Unit: RMB

| Item | Fair value at the end of the period<br>Level 1 fair value | Level 2 fair value | Level 3 fair value measurement | Total |
|---|---|---|---|---|
| **I. Continuous fair value measurement** | | | | |
| (I) Financial assets held-for-trading | | | 723,355,622.97 | 723,355,622.97 |
| 1. Financial assets at fair value through profit or loss in the current period | | | 723,355,622.97 | 723,355,622.97 |
| (1) Debt instrument investments | | | | |
| (2) Equity instrument investment | | | | |
| (3) Derivative financial assets | | | | |
| (4) Others | | | 723,355,622.97 | 723,355,622.97 |
| 2. Financial assets designated at fair value through profit or loss | | | | |
| (1) Debt instrument investments | | | | |
| (2) Equity instrument investment | | | | |
| (II) Other debt investments | | | | |
| (III) Other equity instrument investments | | | 157,846,800.00 | 157,846,800.00 |
| (IV) Investment property | | | | |
| 1. Land use rights for lease purpose | | | | |
| 2. Leased buildings | | | | |
| 3. Land use rights held for transfer after appreciation | | | | |
| (V) Biological assets | | | | |
| 1. Consumable biological assets | | | | |
| 2. Productive biological assets | | | | |
| (VI) Receivables financing | | | 900.00 | 900.00 |
| (VII) Other non-current financial assets | | | 4,096,500.00 | 4,096,500.00 |
| **Total assets measured at fair value on a recurring basis** | | | 885,299,822.97 | 885,299,822.97 |
| (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

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

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

*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

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

Not Applicable

### 7. Changes of valuation techniques during the period and reasons for changes

Not Applicable

### 8. Fair value of financial assets and financial liabilities that are not measured at fair value

Not Applicable

### 9. Others

Not Applicable

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS

### 1. Parent company of the Company

Not Applicable

### 2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note X. 1. Interests in subsidiaries.

### 3. Joint ventures and associates of the Company

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 form balance through related party transactions during the previous period

| Name of joint venture or associate | Relationship with the Company |
|---|---|
| Toyota Sinohytec | Joint venture |
| Zhangjiakou Haiper | Associate |
| Shaanxi Huasheng Weipu Technology Co., Ltd. | Associate |
| Shanghai Maximfuelcell Technology Co., Ltd. | Associate |
| United Fuel Cell | Associate |

*Other explanations:*
Not Applicable

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 4. Other related parties

| 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 serves as a director of the Beijing Qingneng Huatong and previously served as a director of the Company prior to June 20, 2025 |
| Beijing Shuimu Tongda Transportation Co., Ltd. | Song Feng, a Director of the Company, serves as a director of the company |
| Beijing Shuimu Qingcheng Technology Co., Ltd. (北京水木氫城科技有限公司) | A wholly owned subsidiary of Beijing Shuimu Tongda Transportation Co., Ltd. |
| Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. | Teng Renjie serves as a director of the controlling shareholder company of Shuimu Xingchuang and previously served as a director of the Company prior to June 20, 2025 |
| 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

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 5. Related party transactions

#### (1). Related party transactions on purchase and sale of goods, provision and receipt of services

*Purchase of goods/receipt of services*

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 materials | 33,738.94 | 11,600,000.00 | No | 1,283,167.26 |
| Beijing Qingneng Huatong Technology Development Co., Ltd. | Water and electricity fee | 161,379.66 | | No | 177,886.64 |
| Zhangjiakou Haiper | Procurement of hydrogen and service fees | 1,304,592.81 | 4,500,000.00 | No | 1,091,794.83 |
| Toyota Sinohytec | Procurement of materials and maintenance fee | 48,665.33 | 117,000,000.00 | No | 294,261.14 |
| Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. | Water and Electricity fee and property fee | 1,442,751.08 | 2,500,000.00 | No | 1,937,671.08 |
| Guangzhou Yiqing New Energy Technology Co., Ltd. | Procurement of materials | | | No | 5,950,796.69 |
| Yihydrogen Technology (Beijing) Co., Ltd. | Procurement of materials | | | No | 26,053.09 |
| Beijing Huachuang Huiqing Technology | Procurement of materials | | | No | 72,841.19 |
| Total | / | 2,991,127.82 | 135,600,000.00 | / | 10,834,471.92 |

*Notes:* 1. Guangzhou Yiqing New Energy Technology Co., Ltd. and Yihydrogen Technology (Beijing) Co., Ltd. are wholly-owned subsidiaries of Shanghai Maximfuelcell Technology Co., Ltd. and the three companies share a transaction amount of RMB11.60 million.

2. Amount for the current period of transactions with Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. included the fees (water and electricity fees) collected by it on behalf of a third party, and after excluding the above effect, the actual amount of property fee incurred during the current period amounted to RMB1,093,809.32, which did not exceed the approved transaction amount for the current period.

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 5. Related party transactions (Continued)

#### (1). Related party transactions on purchase and sale of goods, provision and receipt of services (Continued)

*Sales of goods/rendering of services*

Unit: RMB

| Related parties | Description of related party transactions | **Amount for the current period** | Amount for the last period |
|---|---|---|---|
| Shanghai Fangshi New Energy Vehicle Rental Co., Ltd. | Sales of hydrogen | **679,410.13** | 460,418.86 |
| Shanghai Maximfuelcell Technology Co., Ltd. | Sales of equipment and service fees, etc. | **113,276.73** | 131,499.78 |
| United Fuel Cell | Service fees | **2,150,786.20** | 2,776,862.60 |
| Toyota Sinohytec | Test benches and service fees | **7,098,267.25** | 4,345,395.09 |
| Beijing Shuimu Tongda Transportation Co., Ltd. | Sales of hydrogen | **501,110.27** | 1,546,871.42 |
| Beijing Shuimu Qingcheng Technology Co., Ltd. (北京水木氫城科技有限公司) | Sales of hydrogen | **599,607.50** | |
| Total | / | **11,142,458.08** | 9,261,047.75 |

*Description of related party transactions on purchase and sale of goods, provision and receipt of services:*
Not Applicable

#### (2). Related party trusteeship/contractual operation/outsourcing

*Table of trusteeship/contractual operation of the Company:*
Not Applicable

*Description of related trusteeship/contractual operation:*
Not Applicable

*Table of entrusted management/outsourcing of the Company:*
Not Applicable

*Description of related party management/outsourcing:*
Not Applicable

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 5. Related party transactions (Continued)

#### (3). Leases with related parties

The Company as lessor:

Unit: RMB

| Name of lessor | Types of leased assets | **Lease income recognized in the current period** | Lease income recognized in the last period |
|---|---|---|---|
| Shanghai Maximfuelcell Technology Co., Ltd. | Rent | **247,686.61** | 0.00 |
| Shanghai Maximfuelcell Technology Co., Ltd. | Equipment leasing | **205,380.00** | 0.00 |

*The Company as lessee:*

Not Applicable

*Description of related party leases:*

Not Applicable

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 5. Related party transactions (Continued)

#### (4). Related party guarantees

The Company as the guarantor

Unit: RMB

| Guaranteed party | Amount guaranteed | Commencement date of guarantee | Maturity date of guarantee | Whether the guarantee has been fulfilled |
|---|---|---|---|---|
| SinoHytec Power | 9,900,000.00 | 2024-1-19 | 2025-1-18 | Yes |
| SinoHytec Power | 85,200.00 | 2024-2-1 | 2025-1-27 | Yes |
| SinoHytec Power | 6,999,416.72 | 2024-4-16 | 2025-4-16 | Yes |
| Chengdu SinoHytec. | 1,075,455.00 | 2024-9-20 | 2025-3-20 | Yes |
| Juxinghuatong | 10,000,000.00 | 2024-8-21 | 2027-8-21 | No |
| Juxinghuatong | 1,000,000.00 | 2024-9-23 | 2027-9-23 | No |
| Juxinghuatong | 19,000,000.00 | 2024-11-8 | 2027-11-10 | No |
| Juxinghuatong | 7,000,000.00 | 2024-12-18 | 2028-12-17 | No |
| Zhengzhou SinoHytec | 100,000.00 | 2024-7-30 | 2025-1-30 | Yes |
| Zhengzhou SinoHytec | 100,000.00 | 2024-7-30 | 2028-7-30 | No |
| Zhengzhou SinoHytec | 100,000.00 | 2024-7-30 | 2029-1-30 | No |
| Zhengzhou SinoHytec | 9,700,000.00 | 2024-7-30 | 2029-7-30 | No |
| Total | 65,060,071.72 | / | / | / |

*The Company as the guaranteed party:*

Not Applicable

Description of related party guarantees

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 |
|---|---|---|---|---|---|
| SinoFuelCell | Beijing Shenchuan Technology Co., Ltd. | 10,000,000.00 | 2024-8-16 | 2025-2-16 | Yes |
| SinoFuelCell | Beijing Shenchuan Technology Co., Ltd. | 5,000,000.00 | 2024-10-30 | 2025-4-30 | Yes |
| SinoFuelCell | Beijing Shenchuan Technology Co., Ltd. | 5,000,000.00 | 2024-9-11 | 2027-9-11 | No |
| Total | / | 20,000,000.00 | / | / | / |

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 5. Related party transactions (Continued)

#### (5). Related party borrowings

Unit: RMB

| Related parties | Borrowings | Commencement date | Expiry date | Description |
|---|---|---|---|---|
| Lending | | | | |
| Zhangjiakou Haiper | 20,066,102.15 | 2019-1-1 | 2026-12-31 | Plus accrued interest of RMB7,589,633.94 |

#### (6). Assets transfer and debt restructuring of related parties

Not Applicable

#### (7). Emolument of key management

Unit: RMB

| Item | Amount for the current period | Amount for the last period |
|---|---|---|
| Emolument of key management | **2,172,719.57** | 2,776,256.98 |

#### (8). Other related party transactions

Not Applicable

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 6. Balance of receivables and payables by related parties

#### (1). Receivables

Unit: RMB

| | | Closing balance | | Opening balance | |
|---|---|---|---|---|---|
| Item | Related parties | Book balance | Provision for bad debts | Book balance | Provision for bad debts |
| Accounts receivable | Beijing Shuimu Tongda Transportation Co., Ltd. | **617,409.81** | **24,696.39** | 651,155.19 | 26,046.21 |
| | Beijing Shuimu Qingcheng Technology Co., Ltd. (北京水木氫城科技有限公司) | **2,931.19** | **117.25** | | |
| | Shanghai Fangshi New Energy Vehicle Rental Co., Ltd. | **2,313,886.29** | **110,481.68** | 1,546,152.84 | 64,804.11 |
| | Shanghai Maximfuelcell Technology Co., Ltd. | **56,198.80** | **2,247.95** | 774,836.20 | 31,049.45 |
| | Toyota Sinohytec | **4,570,609.30** | **182,824.37** | 5,520,841.99 | 220,833.68 |
| | United Fuel Cell | **8,281,809.09** | **390,905.86** | 6,159,340.17 | 285,971.46 |
| | Shaanxi Huasheng Weipu Technology Co., Ltd. | **3,290,000.00** | **131,600.00** | 3,290,000.00 | 131,600.00 |
| Contract assets | Toyota Sinohyte | **314,860.00** | **12,594.40** | | |
| | Shaanxi Huasheng Weipu Technology Co., Ltd. | **210,000.00** | **8,400.00** | 210,000.00 | 8,400.00 |
| Other receivables | Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. | **1,128,619.34** | | 1,128,619.34 | |
| | Zhangjiakou Haiper | **27,655,736.09** | **22,903,974.95** | 30,473,486.32 | 25,500,400.45 |
| | Shanghai Maximfuelcell Technology Co., Ltd. | **38,372.22** | | 19,068.98 | 762.76 |
| Prepayments | Beijing Qingneng Huatong Technology Development Co., Ltd. | **15,546.44** | | 33,992.03 | |
| | Shuimu Xingchuang (Beijing) Technology Development Co., Ltd. | | | 33,661.26 | |

## XIV. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

### 6. Balance of receivables and payables by related parties (Continued)

(2). Payables

Unit: RMB

| Item | Related parties | Closing book balance | Opening book balance |
|---|---|---|---|
| Trade payables | Toyota Sinohytec | **140,334,197.99** | 145,833,206.17 |
| | Beijing Huachuang Huiqing Technology Co., Ltd. | **20,816,310.55** | 20,816,310.55 |
| | Shanghai Maximfuelcell Technology Co., Ltd. | **2,189,472.12** | 3,803,432.30 |
| | Yihydrogen Technology (Beijing) Co., Ltd. | **1,078,170.00** | 1,078,170.00 |
| | Guangzhou Yiqing New Energy Technology Co., Ltd. | **50,000.00** | 50,000.00 |
| | Zhangjiakou Haiper | **480,836.82** | 1,244.01 |
| | Shuimu Xingchuang (Beijing) Technology | **1,125,485.52** | 57,664.10 |
| | United Fuel Cell | **14,967,000.00** | 14,826,424.52 |

(3). Other items

Not Applicable

### 7. Related party commitments

Not Applicable

### 8. Others

Not Applicable

## XV. SHARE-BASED PAYMENTS

Not Applicable

## XVI. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

#### 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 June 30, 2025, the Company, as the lessee, is required to aggregate future minimum lease payments under non-cancellable operating leases in respect of rentals and equipment leasing for the following periods:

Unit: RMB

| Period | June 30, 2025 |
|---|---|
| One year after the balance sheet date | 17,000,777.87 |

Save for the above commitments, as at June 30, 2025, 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

Not Applicable

#### (2). To state that the Company has no material contingency that needs to be disclosed:

Not Applicable

### 3. Others

Not Applicable

## XVII. EVENTS AFTER THE BALANCE SHEET DATE

### 1. Significant non-adjustment items

Unit: RMB

| Item | Content | Impact on financial position and operating results | Reasons for impact cannot be estimated |
|---|---|---|---|
| Issuance of shares and bonds (Discontinued) | 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 (Discontinued) | 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 |

## XVII. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

### 1. Significant non-adjustment items (Continued)

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.

At the 3rd meeting of the fourth session of the Board held on September 5, 2025, the Company considered and approved the Resolution on Termination of the Purchase of Assets by Issuance of Shares for Raising Supporting Funds and Related Transactions (《關於終止發行股份購買資產並募集配套資金暨關聯交易事項的議案》), agreeing to terminate the Transaction, and authorized the Company's management to handle matters related to the termination.

## XVII. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

### 2. Profit distribution

Not Applicable

### 3. Sales return

Not Applicable

### 4. Explanation of other events after the balance sheet date

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

Not Applicable

(2). Prospective application

Not Applicable

### 2. Significant debt restructuring

Not Applicable

### 3. Asset replacement

(1). Exchange of non-monetary assets

Not Applicable

(2). Other assets replacement

Not Applicable

### 4. Annuity plan

Not Applicable

### 5. Discontinued operation

Not Applicable

## XVIII. OTHER SIGNIFICANT EVENTS (Continued)

### 6. Segment information

(1). Determination basis and accounting policies of reporting segments

Not Applicable

(2). Financial information of reportable segments

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

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

Not Applicable

### 7. Other material transactions and matters affecting investors' decisions

Not Applicable

### 8. Others

Not Applicable

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

### 1. Accounts receivable

#### (1). Disclosure by ageing

Unit: RMB

| Aging | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (including 1 year) | **132,586,909.00** | 162,563,727.84 |
| Subtotal of within the 1 year | **132,586,909.00** | 162,563,727.84 |
| 1 to 2 years | **420,837,957.40** | 469,070,855.23 |
| 2 to 3 years | **89,844,445.18** | 149,676,030.40 |
| 3 to 4 years | **165,541,694.85** | 167,041,985.72 |
| 4 to 5 years | **12,794,968.00** | 15,134,968.00 |
| Over 5 years | **12,570,860.00** | 12,570,860.00 |
| Total | **834,176,834.43** | 976,058,427.19 |

#### (2). Disclosure by bad debt provision method

Unit: RMB

| | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | Bad debt provision | | | Book balance | | Bad debt provision | | |
| Category | 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** | **1.23** | **10,290,865.00** | **100.00** | **0.00** | 10,290,865.00 | 1.05 | 10,290,865.00 | 100.00 | 0.00 |
| Including: | | | | | | | | | | |
| Provision on individual basis | **10,290,865.00** | **1.23** | **10,290,865.00** | **100.00** | **0.00** | 10,290,865.00 | 1.05 | 10,290,865.00 | 100.00 | 0.00 |
| Provision for bad debts on group basis | **823,885,969.43** | **98.77** | **92,744,164.01** | **11.26** | **731,141,805.42** | 965,767,562.19 | 98.95 | 103,899,872.90 | 10.76 | 861,867,689.29 |
| Including: | | | | | | | | | | |
| Aging portfolio | **302,705,213.32** | **36.29** | **92,744,164.01** | **30.64** | **209,961,049.31** | 346,578,008.73 | 35.51 | 103,899,872.90 | 29.98 | 242,678,135.83 |
| Group of related parties within the scope of consolidation | **521,180,756.11** | **62.48** | | | **521,180,756.11** | 619,189,553.46 | 63.44 | | 0.00 | 619,189,553.46 |
| Total | **834,176,834.43** | / | **103,035,029.01** | / | **731,141,805.42** | 976,058,427.19 | / | 114,190,737.90 | / | 861,867,689.29 |

## 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:*

Unit: RMB

| Name | Book balance | Closing balance | | Reason for provision |
|---|---|---|---|---|
| | | Bad debt provision | Percentage of provision (%) | |
| 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 unrecoverable |
| Zhongzhi Vehicle (Chun'an) Co., Ltd. | 9,241,380.00 | 9,241,380.00 | 100.00 | Expected to be unrecoverable |
| Total | 10,290,865.00 | 10,290,865.00 | 100.00 | / |

*Explanation on provision for bad debts on individual basis:*
Not Applicable

*Provision for bad debts by portfolio:*
Provision items on group basis: aging portfolio

Unit: RMB

| Name | Book balance | Closing balance | |
|---|---|---|---|
| | | Bad debt provision | Percentage of provision (%) |
| Within 1 year | 32,710,181.19 | 1,308,407.25 | 4.00 |
| 1 to 2 years | 89,974,928.41 | 5,398,495.31 | 6.00 |
| 2 to 3 years | 55,214,354.39 | 16,012,162.77 | 29.00 |
| 3 to 4 years | 109,561,301.33 | 54,780,650.68 | 50.00 |
| 4 to 5 years | 12,794,968.00 | 12,794,968.00 | 100.00 |
| Over 5 years | 2,449,480.00 | 2,449,480.00 | 100.00 |
| Total | 302,705,213.32 | 92,744,164.01 | / |

## 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:*
Not Applicable

*Provision for bad debts based on the general model of expected credit losses:*
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:*
Not Applicable

#### (3). Bad debt provision

Unit: RMB

| Category | Opening balance | Changes in the period | | | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Recovery or reversal | Written-back or written-off | Other changes | |
| Provision for bad debts on individual basis | 10,290,865.00 | | | | | 10,290,865.00 |
| Bad debt provision by portfolio | 103,899,872.90 | 9,966,431.19 | 21,122,140.08 | | | 92,744,164.01 |
| Including: aging portfolio | 103,899,872.90 | 9,966,431.19 | 21,122,140.08 | | | 92,744,164.01 |
| Total | 114,190,737.90 | 9,966,431.19 | 21,122,140.08 | | | 103,035,029.01 |

*Among them, the amount of bad debt reserves recovered or reversed in the period is important:*
Not Applicable

*Other explanation:*
Nil

## 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

Not Applicable

#### (5). Top five accounts receivable and contract assets by debtors at the end of the period

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 | 194,414,309.59 | | 194,414,309.59 | 23.26 | 56,968,919.47 |
| Tangshan Qianchen | 138,216,040.07 | | 138,216,040.07 | 16.54 | |
| Juxinghuatong | 125,230,743.05 | | 125,230,743.05 | 14.98 | |
| SinoHytec Power | 121,593,223.50 | | 121,593,223.50 | 14.55 | |
| Zhengzhou SinoHytec | 82,185,298.35 | | 82,185,298.35 | 9.83 | |
| Total | 661,639,614.56 | | 661,639,614.56 | 79.16 | 56,968,919.47 |

*Other explanation:*

Nil

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

### 2. Other receivables

#### Breakdown of items

Unit: RMB

| Item | Closing Balance | Opening Balance |
|---|---|---|
| Interest receivable | | |
| Dividends receivable | | |
| Other receivables | **306,045,223.57** | 295,755,857.55 |
| Total | **306,045,223.57** | 295,755,857.55 |

*Other explanation:*
Not Applicable

#### Interest receivable

Not Applicable

#### Dividends receivable

Not Applicable

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

### 2. Other receivables (Continued)

#### (1). Disclosure by ageing

Unit: RMB

| Aging | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (including 1 year) | **20,884,167.70** | 13,387,796.41 |
| Subtotal of within the 1 year | **20,884,167.70** | 13,387,796.41 |
| 1 to 2 years | **18,472,245.30** | 26,293,838.57 |
| 2 to 3 years | **27,945,382.91** | 20,825,413.39 |
| 3 to 4 years | **120,692,602.27** | 202,094,089.21 |
| 4 to 5 years | **132,213,651.78** | 47,564,819.04 |
| Over 5 years | **67,877.30** | 326,904.62 |
| Total | **320,275,927.26** | 310,492,861.24 |

#### (2). Classified by nature

Unit: RMB

| Nature | Closing book balance | Opening book balance |
|---|---|---|
| Current accounts with related parties within the scope of consolidation | **316,225,565.71** | 300,923,174.33 |
| Current accounts with related parties outside the scope of consolidation | | 5,517,500.00 |
| Deposit and guarantee | **3,951,450.83** | 4,051,361.20 |
| Reserve fund | **95,383.04** | 819.31 |
| Others | **3,527.68** | 6.40 |
| Total | **320,275,927.26** | 310,492,861.24 |

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

### 2. Other receivables (Continued)

#### (3). Bad debt provision

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, 2025 | 14,737,003.69 | | | 14,737,003.69 |
| Balance at January 1, 2025 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 | | | | |
| Reversal for the period | 506,300.00 | | | 506,300.00 |
| Written-back for the period | | | | |
| Write-off for the period | | | | |
| Other changes | | | | |
| Balance at June 30, 2025 | 14,230,703.69 | | | 14,230,703.69 |

*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:*
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:*
Not Applicable

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

### 2. Other receivables (Continued)

#### (4). Bad debt provision

Unit: RMB

| Category | Opening balance | Changes in the period | | | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Recovery or reversal | Written-back or written-off | Other changes | |
| Provision for bad debt on group basis | 14,737,003.69 | | 506,300.00 | | | 14,230,703.69 |
| Including: | | | | | | |
| aging portfolio | 14,737,003.69 | | 506,300.00 | | | 14,230,703.69 |
| Total | 14,737,003.69 | | 506,300.00 | | | 14,230,703.69 |

*Among them, the important amount of bad debt reserve reversed or recovered during the period:*
Not Applicable

*Other explanation:*
Nil

#### (5). Other receivables actually written off during the period
Not Applicable

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

### 2. Other receivables (Continued)

#### (6). Other receivables of top five debtors by closing balance

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 | 302,337,345.95 | 94.40 | Current accounts with related parties within the scope of consolidation | Within 5 years | 14,230,703.69 |
| Chengdu SinoHytec | 11,990,000.00 | 3.74 | Current accounts with related parties within the scope of consolidation | Within 3 years | |
| Beijing Dongsheng Bozhan Technology Development Co., Ltd. | 2,691,873.93 | 0.84 | Deposit and Security Deposit | 2-5 years | |
| Tangshan Qianchen | 1,898,219.76 | 0.59 | Current accounts with related parties within the scope of consolidation | Within 1 years | |
| Sany Automobile Manufacturing Co., Ltd. | 800,000.00 | 0.25 | Deposit and Security Deposit | 3-4 years | |
| Total | 319,717,439.64 | 99.82 | / | / | 14,230,703.69 |

#### (7). Reported in other receivables due to centralized fund management

Not Applicable

*Other explanation:*
Not Applicable

## XIX. NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

### 3. Long-term equity investment

Unit: RMB

| | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| Item | Book balance | Impairment provision | Book value | Book balance | Impairment provision | Book value |
| Investment in subsidiaries | **722,956,648.00** | | **722,956,648.00** | 690,098,648.00 | | 690,098,648.00 |
| Investment in associated and joint ventures | **237,866,811.82** | **9,218,880.22** | **228,647,931.60** | 278,121,209.87 | 9,218,880.22 | 268,902,329.65 |
| Total | **960,823,459.82** | **9,218,880.22** | **951,604,579.60** | 968,219,857.87 | 9,218,880.22 | 959,000,977.65 |

#### (1). Investment in subsidiaries

Unit: RMB

| | | | Changes during the period | | | | | |
|---|---|---|---|---|---|---|---|---|
| Investee | Opening balance (book value) | Opening balance of impairment provision | Additional investment | Decrease in investment | Provision for impairment | Others | Closing balance (book value) | Closing balance of impairment provision |
| Beijing Future Hydrogen Valley Technology Co., Ltd. | 95,950,000.00 | | 850,000.00 | | | | 96,800,000.00 | |
| Chengdu Guoqinghuatong Technology Co., Ltd. | 22,050,000.00 | | | | | | 22,050,000.00 | |
| Chengdu SinoHytec | 3,000,000.00 | | 100,000.00 | | | | 3,100,000.00 | |
| SinoFuelCell | 67,720,000.00 | | | | | | 67,720,000.00 | |
| SinoHytec Power | 411,704,820.00 | | 12,350,000.00 | | | | 424,054,820.00 | |
| Shandong Huaqing Dongli Technology Co., Ltd. | 4,680,000.00 | | 400,000.00 | | | | 5,080,000.00 | |
| Juxinghuatong | 30,000,000.00 | | | | | | 30,000,000.00 | |
| Tangshan Qianchen | 11,650,000.00 | | 15,000,000.00 | | | | 26,650,000.00 | |
| Zhengzhou SinoHytec | 38,362,000.00 | | 2,378,000.00 | | | | 40,740,000.00 | |
| SinoHytec Hydrogen | 1,350,000.00 | | 1,780,000.00 | | | | 3,130,000.00 | |
| SinoHytec International Limited | 3,631,828.00 | | | | | | 3,631,828.00 | |
| Total | 690,098,648.00 | | 32,858,000.00 | | | | 722,956,648.00 | |

## 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

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 | 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 | Others | | |
| **I. Joint Ventures** | | | | | | | | | | | | |
| Sinohytec Fuel | 71,036,616.44 | | | | -24,375,314.70 | | | | | | 46,661,301.74 | |
| Subtotal | 71,036,616.44 | | | | -24,375,314.70 | | | | | | 46,661,301.74 | |
| **II. Associates** | | | | | | | | | | | | |
| Shaanxi Huasheng Weipu Technology Co., Ltd. | 0.00 | | | | 269,053.85 | | | | | | 269,053.85 | |
| Air Sinohytec Hydrogen Technology Co., Ltd | 10,128,088.67 | 9,218,880.22 | | | -33,538.94 | | | | | | 10,094,549.73 | 9,218,880.22 |
| United Fuel Cell | 14,212,871.33 | | | | -301,577.37 | | | | | | 13,911,293.96 | |
| Shanghai Maximfuelcell Technology Co., Ltd. | 9,920,040.87 | | | | -1,814,419.17 | | | | | | 8,105,621.70 | |
| Beijing Swift New Energy Technology Co., Ltd. | 5,260,810.26 | | | | -1,369,926.69 | | | | | | 3,890,883.57 | |
| Beijing Shuimu Pilot Venture Capital Center (Limited Partnership) | 117,894,728.42 | | | | -58,803.26 | | | 6,400,000.00 | | | 111,435,925.16 | |
| Beijing Caven New Energy Vehicles Co., Ltd. | 29,056,943.09 | | | | -8,097,265.01 | | | | | | 20,959,678.08 | |
| Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd. | 8,279,456.70 | | 2,000,000.00 | | 68,953.72 | | | | | | 10,348,410.42 | |
| Shanghai Kuitong Technology Co., Ltd. | 3,112,773.87 | | | | -141,560.48 | | | | | | 2,971,213.39 | |
| Subtotal | 197,865,713.21 | 9,218,880.22 | 2,000,000.00 | | -11,479,083.35 | | | 6,400,000.00 | | | 181,986,629.86 | 9,218,880.22 |
| Total | 268,902,329.65 | 9,218,880.22 | 2,000,000.00 | | -35,854,398.05 | | | 6,400,000.00 | | | 228,647,931.60 | 9,218,880.22 |

#### (3). Impairment test of long-term equity investments

Not Applicable

*Other explanation:*

Not Applicable

## 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

Unit: RMB

| | Amount incurred during the period | | Amount incurred in previous period | |
|---|---|---|---|---|
| Item | **Income** | **Cost** | Income | Cost |
| Main business | **37,917,316.32** | **51,688,303.79** | 98,480,593.66 | 72,713,157.17 |
| Other business | **121,946.90** | | | |
| Total | **38,039,263.22** | **51,688,303.79** | 98,480,593.66 | 72,713,157.17 |

#### (2). Breakdown of operating income and operating costs

Unit: RMB

| | Fuel cell systems and related services | | Total | |
|---|---|---|---|---|
| **Classification** | **Operating income** | **Operating costs** | **Operating income** | **Operating costs** |
| Type of goods | | | | |
| Fuel cell system | 23,158,397.90 | 38,226,637.09 | 23,158,397.90 | 38,226,637.09 |
| Parts | 338,616.38 | 241,536.73 | 338,616.38 | 241,536.73 |
| Technology development and services | 9,859,291.61 | 8,693,857.22 | 9,859,291.61 | 8,693,857.22 |
| Others | 4,682,957.33 | 4,526,272.75 | 4,682,957.33 | 4,526,272.75 |
| By operating region | | | | |
| Domestic | 38,039,263.22 | 51,688,303.79 | 38,039,263.22 | 51,688,303.79 |
| Overseas | | | | |
| By time of transfer of goods | | | | |
| At a point in time | 38,039,263.22 | 51,688,303.79 | 38,039,263.22 | 51,688,303.79 |
| Over time | | | | |
| Total | 38,039,263.22 | 51,688,303.79 | 38,039,263.22 | 51,688,303.79 |

*Other explanation:*
Not Applicable

## 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

Not Applicable

#### (4). Explanation about allocation to remaining performance obligations

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 RMB15,555,449.66, of which:

RMB15,555,449.66 is expected to be recognized in the second half of 2025

#### (5). Significant contract changes or significant transaction price adjustments

Not Applicable

*Other explanation:*

Nil

### 5. Investment income

Unit: RMB

| Item | **Amount for the current period** | Amount for the last period |
|---|---|---|
| Income from long-term equity investment under equity method ("-" for losses) | **-35,854,398.05** | -17,551,408.43 |
| Investment income from trading financial assets during the holding period ("-" for losses) | **759.97** | 2,606,273.98 |
| Investment income from disposal of trading financial assets ("-" for losses) | **150,392.70** | |
| Gain on debt restructuring ("-" for losses) | **39,840.00** | 15,286.60 |
| Total | **-35,663,405.38** | -14,929,847.85 |

*Other explanation:*

Nil

### 6. Others

Not Applicable

## XX. SUPPLEMENTARY INFORMATION

### 1. Breakdown of non-recurring profit or loss for the period

Unit: RMB

| Item | Amount | Description |
|---|---|---|
| Gain or loss on disposal of non-current assets, including write-off portion of the provision for asset impairment | -37,151.76 | VII. Note 68, Note 71, Note 74, Note 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 | 10,632,490.14 | VII. Note 51, Note 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 | 2,262,192.87 | VII. Note 68, Note 70 |
| Other non-operating income and expenses other than the above items | -406,351.25 | VII. Note 74, Note 75 |
| Less: Effect of income tax | -134,496.89 | |
| Effect of minority interests (after tax) | 1,738,398.75 | |
| Total | 10,847,278.14 | |

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.

Not Applicable

*Other explanations:*
Not Applicable

## XX. SUPPLEMENTARY INFORMATION (Continued)

### 2. Net return on assets and earnings per share

Unit: RMB

| Profit for the Reporting Period | Weighted average return on net assets (%) | Earnings per share | |
|---|---|---|---|
| | | Basic earnings per share (RMB/share) ("-" for losses) | Diluted earnings per share (RMB/share) ("-" for losses) |
| Net profit attributable to ordinary shareholders of the Company ("-" for losses) | -6.59 | -0.71 | -0.71 |
| Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss ("-" for losses) | -7.03 | -0.75 | -0.75 |

### 3. Differences in accounting data under domestic and overseas accounting standards

Not Applicable

### 4. Others

Not Applicable

Chairman of the Board: Zhang Guoqiang
Date of approval and delivery by the Board: August 28, 2025

*Revision information:*
Not Applicable