



Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.

江蘇國富氫能技術裝備股份有限公司

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

Stock Code : 2582

ANNUAL REPORT 2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WU Pinfang (*Chairman*)
Mr. WANG Kai (*General Manager*)
Mr. SHI Jian (*resigned on July 31, 2025*)

Non-executive Directors

Mr. GU Yanjun
Mr. ZHOU Lin (*resigned on December 9, 2025*)
Ms. LIU Yilin
Ms. ZHAO Jing (*appointed on December 29, 2025*)

Independent Non-executive Directors

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

SUPERVISORS

Mr. HE Guangliang (*ceased on December 29, 2025*)
Ms. ZHAO Jing (*ceased on December 29, 2025*)
Mr. YUAN Ruichen (*ceased on December 29, 2025*)
Mr. KUANG Kaifeng (*resigned on November 21, 2025*)

JOINT COMPANY SECRETARIES

Mr. SHI Jian (*resigned on July 31, 2025*)
Ms. WONG Hoi Ting (*resigned on January 9, 2026*)
Ms. ZHAO Jing (*appointed on January 9, 2026*)
Ms. CHUNG Man Nar Mona (*appointed on January 9, 2026*)

AUDIT COMMITTEE

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

REMUNERATION AND REVIEW COMMITTEE

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

NOMINATION COMMITTEE

Mr. ZHANG Yongjun (*Chairman*)
Mr. WU Pinfang (*appointed on July 31, 2025*)
Mr. SHI Jian (*ceased on July 31, 2025*)
Ms. TONG Sze Wan (*appointed on March 27, 2025*)
Dr. ZOU Jiasheng (*ceased on March 27, 2025*)

STRATEGY COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. WANG Kai (*appointed on July 31, 2025*)
Mr. SHI Jian (*ceased on July 31, 2025*)
Ms. WONG Hoi Ting (*ceased on January 9, 2026*)
Ms. CHUNG Man Nar Mona (*appointed on January 9, 2026*)

AUDITORS

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

HONG KONG LEGAL ADVISOR

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

PRC LEGAL ADVISOR

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

COMPLIANCE ADVISER

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

STOCK CODE

2582

COMPANY'S WEBSITE

www.guofuhe.com

REGISTERED OFFICE AND HEAD OFFICE IN THE PRC

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Zhangjiagang City
Jiangsu Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL BANKS

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

HONG KONG H SHARE REGISTRAR

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

Chairman's Statement

Dear investors,

On behalf of the Board, I am pleased to present the annual report of the Group for FY2025.

2025 is a year that marked a pivotal and challenging turning point in Guofu Hydrogen's development. Despite the volatility and adjustments of the hydrogen energy industry associated with the industry's transition from policy-driven to market-driven growth, the Company, through the collective efforts of all employees, continued to make solid progress in achieving breakthroughs in core technologies and expanding emerging business:

During the year, the Company actively promoted and successfully established a closed-loop liquid hydrogen industry ecosystem. The first 10-ton-per-day commercial liquid hydrogen plant in China which we participated, has successfully completed commissioning and production; the core equipment for liquid hydrogen storage and transportation—liquid hydrogen tank containers and tanks—have obtained international and domestic factory approvals and product certifications, respectively. Application scenarios for liquid hydrogen refueling stations are steadily being implemented, and the vehicle-mounted liquid hydrogen system has also successfully completed bench testing under liquid hydrogen conditions. With this, the large-scale application of the full onshore industrial chain for liquid hydrogen—covering “production, storage, transportation, refueling, and consumption” has formed a verifiable industrial closed-loop system.

At the same time, the water electrolysis hydrogen production business is rapidly emerging as the Company's second growth. Based on reinforcing the leading position in the hydrogen transportation sector, the Company achieved a series of breakthroughs in 2025 across diverse hydrogen production scenarios, including green hydrogen for chemical applications and green metallurgy. Notably, we successfully won the bid for a project involving 22 sets of electrolyzer and supporting equipment for Hami Tonghuide Green Casting Co., Ltd.—this marks the Company's first large-scale integrated green electricity hydrogen production and metallurgy project and a crucial step forward in the green hydrogen industrial application.

Looking ahead to 2026, we believe the hydrogen energy industry is poised to experience accelerated industrialization during the 15th Five-Year Plan period. Guofu Hydrogen will continue to uphold “integrated equipment across the entire industry chain” as its core competitive advantage, and leveraging its strengths to accelerate innovation. We will establish a comprehensive presence across diverse sectors, including hydrogen-powered transportation, water electrolysis hydrogen production, entire liquid hydrogen industrial chain, data center power supply, the low-altitude economy, and new energy vessels, striving to build a three-dimensional, integrated application ecosystem spanning “water, land and air.” At the same time, we will rapidly replicate and promote the R&D and demonstration achievements of cutting-edge domestic technologies to our established overseas markets, achieving dual-engine growth driven by both domestic and international markets.

I firmly believe that the hydrogen industry is far from reaching its full potential, and today's investments and perseverance will translate into sustainable value in the future. Guofu Hydrogen will continue to adopt a pragmatic, professional, and long-term approach, working alongside our Shareholders to navigate market cycles and achieve a shared future.

Thank you for your patience and trust.

Mr. Wu Pinfang

Chairman and Executive Director

Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.

Jiangsu, the PRC

March 30, 2026

Financial Highlights

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Operating Results	For the year ended December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	346,374	458,609	522,442	359,492	329,278
Gross profit	3,871	45,937	93,365	39,022	31,772
Loss before tax	(294,621)	(252,629)	(88,809)	(116,090)	(89,549)
Loss for the year	(381,684)	(208,628)	(75,043)	(96,218)	(75,249)
Loss per share – Basic (RMB)	(3.57)	(2.12)	(0.81)	(1.04)	(0.87)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Operating Results	At December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	3,024,029	2,564,529	2,097,535	1,665,321	1,109,297
Total liabilities	1,789,398	1,571,621	1,531,913	1,053,483	416,407
Equity attributable to owners of the Company	1,216,649	991,025	565,391	611,867	694,533

Management Discussion and Analysis

BUSINESS OVERVIEW OF FY2025

In 2025, as a pivotal year bridging the 14th and 15th Five-Year Plans, the hydrogen energy industry entered a new phase of policy support, with its strategic role as a key carrier for achieving the “dual carbon” goals and advancing the energy structure transition further solidified.

During FY2025, the Group continued to provide customers with three major categories of hydrogen energy equipment products, including: (i) vehicle-mounted high-pressure hydrogen supply systems and related products; (ii) equipment for hydrogen refueling stations and related products; and (iii) water electrolysis hydrogen production equipment and related products.

In traditional areas of strength, such as vehicle-mounted high-pressure hydrogen supply systems and equipment for hydrogen refueling stations, the Group continued to maintain its industry-leading position, with sales growth consistently ranking among the top in the industry. Notably, the contribution of the water electrolysis hydrogen production business to the Group’s operating revenue increased from 6.9% in FY2024 to 28.6% in FY2025. The product mix continued to improve, and the strategic emerging business had significantly strengthened their supporting role in overall performance.

The Group’s operating loss for FY2025 was primarily attributable to a combination of factors: a slowdown in overall market demand within the industry, intensified market competition, and an increase in credit impairment losses. As the hydrogen energy industry gradually matures, the Company would continue to advance its strategic adjustments and, through initiatives such as technological breakthroughs, market expansion, and cost optimization, progressively improve its operating performance while enhancing its profitability and risk resilience.

In response to the performance pressures resulting from the industry’s phased adjustments in FY2025, the Company has taken proactive strategic measures and implemented a series of initiatives: (i) continuing to increase research and development investment in emerging products, with a focus on non-transportation sectors such as water electrolysis hydrogen production equipment and equipment for the liquid hydrogen industrial chain, to consolidate its technological leadership; and (ii) advancing the implementation of benchmark projects to actively cultivate new business growth drivers. The Group’s specific initiatives include the successful commissioning of liquid hydrogen production of the Qilu 10-ton-scale liquid hydrogen project (the fourth batch of first-of-a-kind major technical equipment in the energy sector approved by the National Energy Administration) in November 2025; the full-scale operation of the Hohhot Wusu wind-photovoltaic green electricity hydrogen production and refueling integrated demonstration station in Inner Mongolia and the Xihai Comprehensive Energy Station in Manas County, Xinjiang; the smooth implementation of the Xinjiang Tonghuide hydrogen metallurgy project, which has expanded new application scenarios of green hydrogen beyond the chemical and transportation sectors. In addition, the Company has delivered multi-scenario water electrolysis hydrogen production equipment and project solutions to countries such as Malaysia, India, Morocco and Germany.

FUTURE OUTLOOK AND STRATEGIC DEPLOYMENT

Looking ahead to 2026, the hydrogen energy sector is expected to remain in a phase of structural divergence and a shift in the focus of applications. The Company believes that future growth opportunities will primarily stem from the industrial, energy and international markets, whilst the transportation sector will transition from widespread expansion to a more rational phase of development, with greater emphasis on the economic viability of specific scenarios, alignment with regional policies and operational quality. Leveraging its integrated capabilities across “production, storage, transportation, refuelling and utilization”, the Company will focus on green hydrogen production, liquid hydrogen storage and transportation, green fuels, cryogenic equipment and overseas localisation to further optimise its business structure.

In face of the new year, the Company will focus on advancing the following strategic initiatives in line with the following priorities: enhancing the quality of transportation operations, achieving breakthroughs in liquid hydrogen and cryogenic technology, expanding green hydrogen and diversified applications, deepening localisation overseas, and improving operational quality:

- 1. Optimising the business structure in the transportation sector:** Continue to expand hydrogen transportation operations, focusing on specific scenarios that offer operation’s economic viability, demonstrate leadership potential and provide guaranteed revenue streams; prioritise high-quality projects such as heavy-duty trucks, ports, mining sites, public transport and specialised vehicles; and consolidate our competitive advantage in vehicle-mounted hydrogen supply systems and hydrogen refuelling station equipment within key regions and among core customers;
- 2. Driving commercial breakthroughs in liquid hydrogen and cryogenic equipment:** Building on the engineering experience and equipment validation results gained from the 10-tonne-per-day liquid hydrogen demonstration project, we will accelerate the market commercialisation of equipment across the entire liquid hydrogen value chain—from production, storage, transportation, refuelling and utilisation—and enhance our capabilities in providing integrated solutions. Meanwhile, we will leverage our strengths in cryogenic engineering and core equipment manufacturing to actively expand into cutting-edge fields such as cryogenic equipment for nuclear fusion and marine cryogenic storage and transportation equipment. We will also follow up on and participate in supporting projects for cryogenic systems, such as nuclear fusion cold boxes, to cultivate medium- to long-term business growth opportunities;
- 3. Strengthening green hydrogen equipment and diverse application scenarios:** Focusing on system integration capabilities for water electrolysis hydrogen production, we will expand into application scenarios such as chemicals, metallurgy, green fuels and integrated energy stations, thereby driving the large-scale implementation of green hydrogen in industrial decarbonisation and energy substitution. Strengthen the deployment of core equipment for hydrogen, ammonia, alcohols and related technologies; prioritise the promotion of demonstration applications such as marine clean energy equipment, core equipment for green fuel projects, hydrogen-powered data centres and hydrogen-powered drones; and enhance the project-driving capacity and revenue contribution of non-transportation applications;
- 4. Deepening our global footprint and localising operations:** Focusing on key markets such as the Middle East, Southeast Asia, Europe and South America, driving the expansion of our overseas business from pilot projects and product exports towards localised manufacturing, local delivery and the development of sustainable service capabilities. This will improve the quality of overseas orders and increase their contribution to revenue, thereby enhancing the Company’s resilience to fluctuations in any single regional market; and

Management Discussion and Analysis

5. **Strengthening the synergy between operational quality and technology:** We will continue to drive cost reduction and efficiency improvements, supply chain coordination and financial risk management, thereby enhancing project delivery efficiency and the quality of asset operations. Focusing on liquid hydrogen, green hydrogen, cryogenic equipment and diverse application scenarios, we will strengthen the development of technology platforms, promote the transformation of R&D outcomes into standardised products and replicable solutions, and support subsequent large-scale growth.

The Company will continue to focus on technological capabilities, engineering-driven delivery and global expansion, optimising its business structure and operational quality, enhancing its long-term intrinsic value, and generating robust and sustainable returns for Shareholders.

FINANCIAL REVIEW

Revenue

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

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

	For the year ended December 31,		Year-on-year change
	2025 RMB'000	2024 RMB'000	
Vehicle-mounted high-pressure hydrogen supply systems and related products	158,487	279,089	(43.2)%
Equipment for hydrogen refueling stations and related products	88,823	147,945	(40.0)%
Water electrolysis hydrogen production equipment and related products	99,064	31,575	213.7%
Total	346,374	458,609	(24.5)%

For FY2025, the Group's revenue amounted to approximately RMB346.4 million, as compared to approximately RMB458.6 million for FY2024, representing a decrease of approximately 24.5%, which was mainly attributable to the decrease in sales revenue from the vehicle-mounted high-pressure hydrogen supply systems and related products, and equipment for hydrogen refueling stations and related products by approximately 43.2% and 40.0%, respectively, due to slowing demand in the traditional hydrogen transportation sector and delays in policy implementation. However, it was worth noting that the emerging water electrolysis hydrogen production business achieved significant growth of 213.7%, effectively alleviating the pressure caused by the decline in traditional businesses and demonstrating the strategic success of the Group's diversified hydrogen application strategy.

Cost of Sales

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

Cost of sales of the Group decreased by approximately 17.0% from approximately RMB412.7 million for FY2024 to approximately RMB342.5 million for FY2025, which was in line with the decrease in the revenue of the Group.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by approximately 91.5% from approximately RMB45.9 million for FY2024 to approximately RMB3.9 million for FY2025. Gross profit margin decreased from approximately 10.0% for FY2024 to approximately 1.0% for FY2025. The decrease in gross profit margin was primarily attributable to (i) a decline in revenue that directly undermined the ability to generate gross profits; and (ii) an increase in fixed costs, such as equipment depreciation and amortization of intangible assets, led to higher fixed costs allocated to product per unit, further squeezing gross profit margins.

Other Income

Other income of the Group increased by approximately 153.5% from approximately RMB15.9 million for FY2024 to approximately RMB40.3 million for FY2025. Such increase was primarily due to the increases in government grants, the income from electricity generation and interest on bank deposits.

Other Gains and Losses

Other gains of the Group decreased from approximately RMB0.4 million for FY2024 to other losses of approximately RMB13.3 million for FY2025. Such decrease was primarily due to (i) the increase in exchange gains and losses of financial expenses and the appreciation of Renminbi, which resulted in large exchange gains and losses of Hong Kong dollars; and (ii) the loss in investment in an associate.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Impairment losses under expected credit loss model, net of reversal of the Group increased by approximately 232.3% from approximately RMB22.0 million for FY2024 to approximately RMB73.1 million for FY2025. Such increase was primarily due to the impairment losses under expected credit loss for trade receivables from new customers in 2025 and additional provisions made for long-aged receivables due from existing customers.

Selling Expenses

Selling expenses of the Group increased by approximately 0.9% from approximately RMB46.9 million for FY2024 to approximately RMB47.3 million for FY2025. The selling expenses remained at same level for FY2024 and FY2025 with slight increase for FY2025 due to an increase in staff salaries for sales and marketing staff and market development service fees.

Management Discussion and Analysis

Research and Development Expenses

Research and development expenses of the Group decreased by approximately 18.0% from approximately RMB43.8 million for FY2024 to approximately RMB35.9 million for FY2025. Such decrease was primarily due to the decrease in staff salaries for research and development staff and share-based payment.

Administrative Expenses

Administrative expenses of the Group decreased by approximately 9.2% from approximately RMB140.6 million for FY2024 to approximately RMB127.6 million for FY2025. Such decrease was primarily due to the decrease in share-based payment.

Share of Results of Associates

Share of results of associates of the Group decreased by approximately 129.6% from approximately negative RMB2.7 million for FY2024 to approximately negative RMB6.2 million for FY2025 due to the increase in investment losses of associated companies.

Finance Costs

Finance costs of the Group increased by approximately 6.7% from approximately RMB32.8 million for FY2024 to approximately RMB35.0 million for FY2025. Such increase was primarily due to the increase in interest on bank loans.

Income Tax (Expense) Credit

Income tax (expense) credit of the Group decreased by approximately 298.0% from approximately RMB44.0 million for FY2024 to approximately negative RMB87.1 million for FY2025. Such decrease was primarily due to the deferred income tax assets accrued from previous years' losses which were transferred back based on the principle of prudence.

Loss for the Year

As the result of the foregoing, the loss for the year of the Group increased by approximately 83.0% from approximately RMB208.6 million for FY2024 to approximately RMB381.7 million for FY2025.

Liquidity, Financial and Capital Resources

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

As of December 31, 2025, the Group had restricted bank deposits and cash and cash equivalents of approximately RMB477.2 million, representing an increase of approximately 40.2% as compared to approximately RMB340.3 million as of December 31, 2024. As of December 31, 2025, the Group had net current assets of approximately RMB318.3 million as compared to approximately RMB134.8 million as of December 31, 2024. The current ratio of the Group was approximately 1.2 as of December 31, 2025 as compared to approximately 1.1 as of December 31, 2024.

Borrowings and Charges on Group Assets

As of December 31, 2025, the Group's borrowings primarily consisted of bank loans and the transfer proceeds received from sale leaseback transactions amounted to approximately RMB985.8 million and RMB28.3 million, respectively. As of December 31, 2025, the Group has secured borrowings of approximately RMB520.7 million; the range of effective interest rates per annum of the borrowings for fixed-rate borrowings and variable-rate borrowings are 3.0%-7.8% and 3.1%-5.1%, respectively.

As of December 31, 2025, the Group pledged (i) the buildings and construction in progress with carrying amounts of approximately RMB556.5 million and equipment with carrying amounts of approximately RMB52.0 million; and (ii) the leasehold lands with carrying amounts of approximately RMB96.2 million, to secure general banking facilities.

Gearing Ratio

The gearing ratio (calculated as total liabilities divided by total assets) as of December 31, 2025 was approximately 59.2% (December 31, 2024: approximately 61.3%). Such decrease was primarily due to the increase in owner's rights and interests led by allotment and issue of new H Shares by the Company.

Capital Commitments

The Group's capital expenditure during FY2025 was mainly related to purchase of property, plant and equipment. As of December 31, 2025, the Group had capital commitments of approximately RMB117.1 million (December 31, 2024: approximately RMB52.6 million).

Capital Expenditures

The Group's capital expenditures during FY2025 mainly consisted of property, plant and equipment and right-of-use assets. For FY2025, the Group's capital expenditures amounted to approximately RMB165.4 million (FY2024: approximately RMB229.0 million).

Contingent Liabilities

The Group had no material contingent liabilities as of December 31, 2025 and December 31, 2024.

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rates between Renminbi and other currencies as certain financial liabilities are denominated in foreign currency. The Group currently does not have a foreign exchange hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment and events which could have material impact on its operating and financial performance for FY2025. The Company did not have specific plans for significant investments or acquisitions of capital assets as of December 31, 2025.

MATERIAL ACQUISITION AND DISPOSAL

During FY2025, the Group did not have any material acquisition or disposal of subsidiaries, associates, or assets.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2025, the Group had a total of 587 employees (December 31, 2024: 543). The total staff cost for FY2025 was approximately RMB120.7 million, as compared to approximately RMB163.3 million for FY2024. The remuneration packages of the Group's employees are determined with reference to individual qualification, experience, performance, contribution to the Group and prevailing market rate, which include salaries, bonuses, benefits and share-based payments. The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The Company has adopted the Pre-IPO Share Incentive Plans to motivate and reward its Directors and eligible employees. Details of the plans are set out in the section headed "Report of the Board of Directors – Pre-IPO Share Incentive Plans" below in this annual report.

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

DIVIDEND

No dividends were declared for FY2025, nor have any dividend been proposed subsequent to December 31, 2025.

Biographies of Directors and Senior Management

Set forth below are the profiles of the Directors and senior management of the Company as of the date of this annual report.

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Pinfang (鄔品芳), aged 70, was appointed as the chairman of the Board and a Director in March 2020 and was re-designated as an executive Director on March 8, 2024. Mr. Wu currently serves as the executive director and general manager of Shanghai Qingping, Shanghai Guofu and Shanghai Qingmai, the chairman of Hydrogen Cloud Research Institute and Inner Mongolia Guofu and a director of Guofuhee Holdings PTE. Ltd. Mr. Wu is responsible for presiding over our overall strategic planning and operation arrangement.

Mr. Wu has more than 45 years of experience in the chemical machinery industry and corporate management. From 1980 to 2004, Mr. Wu has served as plant manager, chairman and/or general manager of several chemical machinery factories and companies, responsible for the overall management, daily operation and strategic planning. Mr. Wu served as the chairman of the board of directors of Zhangjiagang City Furui Boiler Container Manufacturing Co., Ltd.* (張家港市富瑞鍋爐容器製造有限公司, now known as Furui Special Equipment* 張家港富瑞特種裝備股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300228), from January 2005 to June 2019, mainly responsible for the overall management and strategic planning. Furui Special Equipment is mainly engaged in natural gas liquefaction, LNG storage, transportation, terminal application, operation and maintenance services and heavy equipment manufacturing. From June 2016 to December 2018, Mr. Wu served as a Director, the chairman of the Board and the general manager of the Company. In 2020, Mr. Wu returned to the Company to hold directorship to support the Company's growth, leveraging his extensive experience, industry knowledge and influence. Mr. Wu did not hold any directorship in any listed companies during the last three years.

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

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

Biographies of Directors and Senior Management

Mr. Wang Kai (王凱), aged 51, was appointed as a Director in October 2017 and the general manager of the Company in December 2018 and was re-designated as an executive Director on March 8, 2024. Mr. Wang is responsible for presiding over our daily operation and management.

Mr. Wang has more than 24 years of experience in chemical machinery industry and corporate management. Mr. Wang has served as port supervisor of Port Supervision and Administration of Zhangjiagang City* (張家港市港航監督管理處, a subordinate public institution of Zhangjiagang Transport Bureau* 張家港市交通運輸局) from August 1998 to May 2001, mainly responsible for port scheduling; and a deputy general manager of Zhangjiagang Shenghui Chemical Machinery Co., Ltd.* (張家港市聖匯化工機械有限公司, which underwent name changes to Zhangjiagang Shenghui Gas Chemical Equipment Co., Ltd.* 張家港聖匯氣體化工裝備有限公司 and China Ship Shenghui Equipment Co., Ltd.* 中船聖匯裝備有限公司, and now known as Suzhou Shenghui Equipment Co., Ltd.* 蘇州聖匯裝備有限公司) from May 2001 to February 2017, mainly responsible for production, sales and day-to-day management of the business unit. Mr. Wang joined our Group as standing vice general manager in February 2017. From December 2018 to March 2020, Mr. Wang served as the chairman of the Board. From December 2022 to March 2024, Mr. Wang was appointed by Energy Research Association of Jiangsu Province* (江蘇省能源研究會) to serve as a director. Mr. Wang did not hold any directorship in any listed companies during the last three years.

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

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

Biographies of Directors and Senior Management

Non-executive Directors

Mr. Gu Yanjun (顧彥君), aged 35, was appointed as a Director in October 2017 and was re-designated as a non-executive Director on March 8, 2024. Mr. Gu is responsible for participating in the formulation of business and strategic plans of our Group.

Mr. Gu has more than 10 years of experience in project investments. Mr. Gu has served as the investment manager of Yongjin Industry (Group) Co., Ltd.* (涌金實業(集團)有限公司) from August 2015 to September 2020, mainly responsible for project investments; and the investment manager of Shanghai Nano Venture Capital Co., Ltd.* (上海納米創業投資有限公司) from September 2020 to December 2023, mainly responsible for project investments. Mr. Gu has been serving as the deputy general manager of Shanghai Yonghua Investment Management Co., Ltd. (上海涌鐸投資管理有限公司) since December 2023, mainly responsible for project investments. Mr. Gu did not hold any directorship in any listed companies during the last three years.

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

Ms. Liu Yilin (劉伊琳), aged 43, was appointed as a Director in January 2024 and was re-designated as a non-executive Director on March 8, 2024. Ms. Liu is responsible for participating in the formulation of business and strategic plans of our Group.

Ms. Liu has more than 12 years of experience in corporate management. Since November 2013, Ms. Liu has been serving as the executive director of Sanya Shangcheng Industrial Development Co., Ltd.* (三亞尚誠實業發展有限公司), mainly responsible for formulating the operational plans, finalizing proposals, and developing annual financial budget plans and final accounts plans. Sanya Shangcheng Industrial Development Co., Ltd. is mainly engaged in interior and exterior decoration, large-scale cultural event exhibition, planning and design consulting. Since September 2020, Ms. Liu has been serving as the executive director of Shanghai Jinglin Industrial Co., Ltd.* (上海靜琳實業有限公司), mainly responsible for formulating the operational plans, finalizing proposals, and developing annual financial budget plans and final accounts plans. Shanghai Jinglin Industrial Co., Ltd. is mainly engaged in engineering construction activities. From February 2024 to August 2024, Ms. Liu served as the board secretary of Mengfa Group Holding Group Co., Ltd.* (蒙發能源控股集團有限責任公司), mainly responsible for preparing board and shareholders' meetings, ensuring standardized company operations, managing information disclosure, handling investor relations, overseeing equity affairs, and dealing with equity investments and other related matters. Ms. Liu did not hold any directorship in any listed companies during the last three years.

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

Biographies of Directors and Senior Management

Ms. Zhao Jing (趙靜), aged 37, served as a supervisor of the Company from February 2023 to December 2025 and was appointed as a non-executive Director on December 29, 2025. She currently serves as the supervisor of Beijing Guofu Wanjia Hydrogen Energy Technology Co., Ltd.* (北京國富萬家氫能科技有限公司) and Sichuan Guofu Hydrogen Energy Technology Co., Ltd.* (四川國富氫能科技有限公司), the legal representative and a director of Hydrogen Cloud Research Institute and financial manager of Shanghai Qingmai.

Prior to joining the Group, Ms. Zhao served as the securities affairs representative and assistant to the chairman of the board of directors of Zhangjiagang Xinxin High Fiber Co., Ltd.* (張家港欣欣高纖股份有限公司) from February 2012 to March 2018, and as the secretary to the chairman of the board of directors of Jiangsu Newamstar Packaging Machinery Co., Ltd. (江蘇新美星包裝機械股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300509), from April 2018 to September 2020.

Since October 2020, Ms. Zhao has been serving as the securities affairs representative and director's office manager of the Company, mainly responsible for assisting the secretary of the Board on the securities affairs and administrative management. Ms. Zhao did not hold any directorship in any listed companies during the last three years.

Ms. Zhao is a limited partner of Hydrogen Ying New Energy. Ms. Zhao obtained the board secretary qualification certificate from the SSE STAR MARKET in January 2022. Ms. Zhao graduated from the College of Humanities and Sciences of Northeast Normal University (東北師範大學人文學院) in Changchun City, Jilin Province, the PRC with a bachelor's degree in economics in June 2011.

Independent Non-executive Directors

Ms. Tong Sze Wan (唐詩韻), aged 53, was appointed as an independent non-executive Director in February 2024 and is responsible for providing independent opinion and judgment to our Board.

Ms. Tong has more than 27 years of experience in auditing and accounting. Ms. Tong has successively served as assistant accounting manager and internal audit manager of Dong-Jun Holdings Limited (東峻集團有限公司, now known as Shandong Hi-Speed Holdings Group Limited 山高控股集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 412) from September 1998 to April 2000, mainly responsible for financing securing, financial reporting and accounting oversight; the company secretary of Jiangsu Nandasoft Technology Company Limited, a H-share company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8045) from November 2002 to March 2014, mainly responsible for legal and regulatory compliance, board support and risk management; the director of finance and administration department of DAO LAB Limited (立道研究所有限公司) from November 2006 to May 2018, mainly responsible for overall financial and administrative management; and an independent non-executive director of Yat Sing Holdings Limited (日成控股有限公司, now known as China Supply Chain Holdings Limited 中國供應鏈產業集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3708) from December 2014 to January 2017, mainly responsible for providing independent judgement and opinion. Ms. Tong has been serving as a consultant of Gurung & Shum Business Solutions Limited (日盛商務方案有限公司) since May 2018, mainly responsible for finance and secretarial services to Hong Kong listed companies. Ms. Tong did not hold any directorship in any listed companies during the last three years.

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

Biographies of Directors and Senior Management

Mr. Zhang Yongjun (張擁軍), aged 58, was appointed as an independent non-executive Director in August 2021 and is responsible for providing independent opinion and judgment to our Board.

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

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

Dr. Zou Jiasheng (鄒家生), aged 60, was appointed as an independent non-executive Director in August 2021 and is responsible for providing independent opinion and judgment to our Board.

Dr. Zou has more than 38 years of experience in material science and manufacturing. Since July 1986, Dr. Zou has been serving as a teacher in the School of Materials Science and Engineering of Jiangsu University of Science and Technology (江蘇科技大學), mainly responsible for teaching and research. Since April 2011, Dr. Zou has been serving as the general manager and the chairman of the board of directors of Jiangsu Yangming Shipbuilding Equipment Manufacturing Technology Co., Ltd.* (江蘇陽明船舶裝備製造技術有限公司), mainly responsible for strategic decision-making and daily operation. Jiangsu Yangming Shipbuilding Equipment Manufacturing Technology Co., Ltd. is mainly engaged in the manufacturing of shipbuilding equipments. Dr. Zou did not hold any directorship in any listed companies during the last three years.

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

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Cai Xubin (蔡徐斌), aged 44, was appointed as the chief financial officer of the Company in July 2017. Mr. Cai currently serves as the general manager of Inner Mongolia Guofu and the supervisor of Xinjiang Guofu Hydrogen Energy Technology Service Co., Ltd.* (新疆國富氫能科技服務有限公司). Mr. Cai is responsible for the overall finance management of the Company.

Mr. Cai has more than 15 years of experience in financial management. From June 2010 to June 2016, Mr. Cai served as the financial manager of Furui Special Equipment and mainly responsible for finance-related work. Since June 2016, Mr. Cai has been serving as the chief financial officer of the Company. Mr. Cai did not hold any directorship in any listed companies during the last three years.

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

JOINT COMPANY SECRETARIES

Ms. Zhao Jing (趙靜), aged 37, was appointed as our Joint Company Secretary with effect from January 9, 2026. For biography of Ms. Zhao Jing, please refer to “— Board of Directors — Non-executive Directors” above.

Ms. Chung Man Nar Mona (鍾曼娜) was appointed as our Joint Company Secretary with effect from January 9, 2026. Ms. Chung is the director of company secretarial services department of TMF Hong Kong Limited, responsible for providing company secretarial and compliance services to clients. Ms. Chung has over 25 years of experience in company secretarial field and possesses extensive knowledge and experience in corporate governance and compliance matters. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Report of the Board of Directors

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2025 (the “**Consolidated Financial Statements**”).

CORPORATE INFORMATION

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

A review of the Group’s business for FY2025 and a discussion on the Group’s future business development are set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” on page 4 and pages 6 to 12 of this annual report. Discussion and information therein form part of this Report of the Board of Directors. The results of the Group for FY2025 are set out in the Consolidated Financial Statements.

RESULTS AND FINAL DIVIDEND

The results of the Group for FY2025 are set out in the Consolidated Financial Statements on pages 122 to 129 of this annual report.

The Board has resolved not to recommend the distribution of any final dividend for FY2025.

DIVIDEND POLICY

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

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

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

Report of the Board of Directors

SUBSIDIARIES OF THE COMPANY

The details of the subsidiaries of the Company are set out in note 44 to the Consolidated Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- (i) updates of the PRC government policies and regulatory framework supporting hydrogen energy industry, hydrogen energy core equipment industry and new energy industry could have a material impact on our industry and our business operation.
- (ii) we depend on our customers' demand for our products. A reduction of customer demand could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.
- (iii) we face intense market competition and the industry may undergo unforeseen changes under rapid development. If we fail to compete successfully, our business and results of operations may be materially and adversely affected.
- (iv) we recorded net losses and had net cash used in operating activities during FY2024 and FY2025, all of which may continue in the future.
- (v) we are exposed to the credit risk of our customers and failure to collect our trade and other receivables in a timely manner may adversely affect our financial condition and results of operations.
- (vi) fluctuations in the market prices for our key raw materials, such as carbon fiber and aluminum tubes, may materially and adversely affect our business, financial condition and results of operations.
- (vii) we may not be able to increase our production capacity and implement other expansions as planned.
- (viii) the industry we operate in is characterized by rapid technological changes and advancements, which requires us to invest substantial resources in the R&D, sustain technological innovation and keep up with the technological upgrades and iterations in a timely manner. Our failure to do so could result in the delay or failure by us in bringing new and competitive products to the market and adversely affect our financial performance.
- (ix) we rely on our major customers and suppliers. The loss of any of these customers or suppliers could adversely affect our business, financial condition, results of operations and cash flows.
- (x) if we are unable to manage our inventory risks efficiently or the proportions and amount of our provision for inventories further increase, our financial condition and results of operations may be adversely affected. We may not be successful in expanding our operations in a timely or cost-effective manner.

- (xi) our business is subject to the geopolitical risks associated with conducting operations in various foreign jurisdictions.
- (xii) our business is capital-intensive, we may require additional financing to support our developments or adapt to changes in business conditions, but we may not be able to obtain additional financing on favorable terms or at all.

We also face financial risks including market risk, credit risk and liquidity risk. Details of these financial risks are set out in note 42 to the Consolidated Financial Statements.

GLOBAL OFFERING

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

USE OF PROCEEDS

GLOBAL OFFERING

The net proceeds received from the Global Offering, after deducting the underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$339.7 million, equivalent to approximately RMB314.5 million. Details of the use of net proceeds from the Global Offering are set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the announcements of the Company dated May 26, 2025 and June 12, 2025 in relation to the reallocation of use of the net proceeds from the Global Offering (the “**Announcements**”). The net proceeds received by the Company from the Global Offering have been and will be utilized in accordance with the purposes set out in Prospectus and the Announcements.

Report of the Board of Directors

As of December 31, 2025, the net proceeds from the Global Offering were used as follows:

Use of Proceeds	Approximate percentage of the total net proceeds Approximate %	Net proceeds from the Global Offering RMB million	Net proceeds utilized as of December 31, 2025 RMB million	Unutilized net proceeds as of December 31, 2025 RMB million	Expected timeline to utilize the unutilized net proceeds in full ⁽¹⁾
Expand the production capacity for certain products	56	176.5	146.2	30.3	By the end of the year ending December 31, 2026
– Establish the production lines for water electrolysis hydrogen production equipment in Zhangjiagang Factory Phase III	15	47.2	47.2	–	By the end of the year ending December 31, 2026
– Establish the production lines of Type-III cylinders in Zhangjiagang Factory Phase III	10	31.5	31.5	–	By the end of the year ending December 31, 2026
– Purchase the relevant production equipment for a new production facility of Type-IV cylinders in Qingpu District, Shanghai	8	25.5	13.1	12.4	By the end of the year ending December 31, 2026
– Promote the construction of integrated hydrogen production and refueling stations through investment and cooperation in certain areas in China	–	N/A	N/A	N/A	N/A
– Collaborate on investment and cooperation of hydrogen projects in China and overseas, including but not limited to hydrogen production plants, hydrogen refueling stations, and hydrogen liquefaction plants	23	72.3	54.4	17.9	By the end of the year ending December 31, 2026
Enhance the R&D capabilities and pursue continuous technology upgrades and product iterations	34	106.6	46.2	60.4	By the end of the year ending December 31, 2026
Working capital and general corporate purposes to support the Group's business operation and growth	10	31.5	31.5	–	N/A
Total	100	314.5	223.9	90.7	

Notes:

- (1) The expected timeline for using the unutilized net proceeds is based on the best estimation of the present and future business market situations made by the Board, and it will be subject to changes based on the future development of market conditions.
- (2) All figures in the above table are approximations and rounded to the nearest 1 decimal place. Totals may not add up due to such rounding.

The unutilized net proceeds were deposited into licensed commercial banks in Hong Kong.

ISSUANCE OF UNLISTED WARRANTS

On July 29, 2025, the Company entered into a subscription agreement with Macquarie Bank Limited (“**Macquarie Bank**”), pursuant to which the Company has conditionally agreed to issue and Macquarie Bank has conditionally agreed to subscribe for 6,000,000 warrants conferring the rights to subscribe for up to 6,000,000 new H Shares with an aggregate nominal value of RMB6,000,000 to be allotted and issued upon exercise of the subscription rights attaching to the warrants subject to any adjustment on the entitlement (the “**Warrants Issuance**”). The warrants issued has a term of 18 months from the issue date.

The Company believed that the issuance of warrants provides the Company with financial flexibility to support its ongoing investments and expansion efforts both in China and internationally. This initiative will reinforce the Company’s long-term growth strategy, strengthen its position in the hydrogen energy storage market, and enhance Shareholder value. Importantly, the Warrants Issuance will not impose additional interest burden or liquidity pressures on the Company.

The net proceeds of the scenario for the Minimum Committed Amount (as defined in the circular of the Company dated July 29, 2025 (the “**Warrant Circular**”)) and the Highest Closing Price Scenario (as defined in the Warrant Circular) after deducting all relevant costs and expenses of the Warrants Issuance will be approximately HK\$127.5 million and HK\$868.0 million, respectively. The Company intended to use the net proceeds from the Warrants Issuance to finance the investments and cooperation of hydrogen projects in China and overseas, including but not limited to hydrogen production plants, hydrogen refuelling stations, and hydrogen liquefaction plants.

As of December 31, 2025, under the Warrants Issuance, (i) a total of 4,333,000 warrants were exercised; and (ii) the Company had issued a total of 4,377,229 H Shares and received a total net proceeds from issuance of warrants and H Shares of approximately HK\$174.7 million, which had not been utilized. The Company intends to fully utilize the net proceeds in accordance with the intentions previously disclosed by the Company by December 31, 2027.

As of the date of this annual report, all 6,000,000 warrants had been exercised, and there was no warrant remained outstanding.

For details of the Warrants Issuance, please refer to the announcement of the Company dated July 29, 2025 and the Warrants Circular.

PLACING OF NEW H SHARES ON SEPTEMBER 8, 2025

On September 8, 2025, the Company completed a placing of an aggregate of 1,730,000 placing shares by BOCI Asia Limited (as the sole overall coordinator and the sole placing agent) to not less than six placees at a price of HK\$54.03 per placing share pursuant to the terms and conditions of the placing agreement dated August 29, 2025 (the “**First September Placing**”). The aggregate nominal value of the placing shares allotted and issued under the First September Placing was RMB1,730,000.

Report of the Board of Directors

The placees are professional, institutional and/or other investors and, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are independent persons and non-connected persons of the Company. None of the placees became substantial Shareholders upon completion of the First September Placing.

The Directors considered that the First September Placing would be in the interests of the Company to raise additional equity funding to broaden its Shareholder base, strengthen the Group's capital base and enhance its financial position and net assets base for long-term development and growth.

The Company received net proceeds from the First September Placing, after deducting all fees, costs and expenses incurred by the Company in connection therewith, including the commission and levies, of approximately HK\$90.98 million. The net price after deducting such fees, costs and expenses was approximately HK\$52.60 per placing share.

The Company intends to use the net proceeds from the First September Placing to finance the investments and cooperation of hydrogen projects in China and overseas, including but not limited to hydrogen production plants, hydrogen refuelling stations, and hydrogen liquefaction plants. As of December 31, 2025, approximately HK\$74.82 million of such net proceeds have been utilized and the Company intends to utilize the remainder of such net proceeds (i.e. approximately HK\$16.16 million) in accordance with the intended use of proceeds by December 31, 2027.

For further details of the First September Placing, please refer to the announcements of the Company dated August 29, 2025 and September 8, 2025.

PLACING OF NEW H SHARES ON SEPTEMBER 29, 2025

On September 29, 2025, the Company completed a placing of an aggregate of 1,994,800 placing shares by Great Bay Securities Limited (as the sole overall coordinator and the sole placing agent) to not less than six placees at a price of HK\$50.13 per placing share pursuant to the terms and conditions of the placing agreement dated September 17, 2025 (the "**Second September Placing**"). The aggregate nominal value of the placing shares allotted and issued under the Second September Placing was RMB1,994,800.

The placees are professional, institutional and/or other investors and, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are independent persons and non-connected persons of the Company. None of the placees became substantial Shareholders upon completion of the Second September Placing.

The Directors considered that the Second September Placing would be in the interests of the Company to raise additional equity funding to broaden its Shareholder base, strengthen the Group's capital base and enhance its financial position and net assets base for long-term development and growth.

The Company received net proceeds from the Second September Placing, after deducting all fees, costs and expenses incurred by the Company in connection therewith, including the commission and levies, of approximately HK\$98.49 million. The net price after deducting such fees, costs and expenses was approximately HK\$49.37 per placing share.

As of the date of this annual report, there was no change in the intended use of the net proceeds from the Second September Placing and the expected timeline as previously disclosed in the announcements of the Company dated September 17, 2025 and September 29, 2025 (the “**Second September Placing Announcements**”). The following table sets forth a summary of the utilization of the net proceeds from the Second September Placing as of December 31, 2025:

Intended use of proceeds	% of the net proceeds	Amount available for utilization (HK\$ million)	Utilized amount for FY2025 (HK\$ million)	Unutilized amount as of December 31, 2025 (HK\$ million)	Expected timeline for utilizing the remaining proceeds
For working capital and general corporate purposes to support the Group’s business operation and growth, including but not limited to (a) payment of salaries, social insurance contributions, housing provident fund and other employee-related expenses, (b) payments to suppliers and service providers, and (c) other operating expenses	72%	70.91	54.47	16.44	By December 31, 2027
To repay amounts outstanding under existing credit facilities	20%	19.70	19.70	–	–
To finance investments and cooperation in hydrogen projects in the PRC and overseas	8%	7.88	–	7.88	By December 31, 2027
	100%	98.49	74.17	24.32	

The net proceeds received by the Company from the Second September Placing have been and will be utilized in accordance with the intended purposes set out in the Second September Placing Announcements.

For further details of the Second September Placing, please refer to the Second September Placing Announcements.

PLACING OF NEW H SHARES ON OCTOBER 23, 2025

On October 23, 2025, the Company completed a placing of an aggregate of 2,405,400 placing shares by Macquarie Capital Limited (as the sole overall coordinator and the sole placing agent) to not less than six placees at a price of HK\$48.47 per placing share pursuant to the terms and conditions of the placing agreement dated October 16, 2025 (the “**October Placing**”). The aggregate nominal value of the placing shares allotted and issued under the October Placing was RMB2,405,400.

The placees are professional, institutional and/or other investors and, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are independent persons and non-connected persons of the Company. None of the placees became substantial Shareholders upon completion of the October Placing.

The Directors considered that the October Placing would be in the interests of the Company to raise additional equity funding to broaden its Shareholder base, strengthen the Group’s capital base and enhance its financial position and net assets base for long-term development and growth.

Report of the Board of Directors

The Company received net proceeds from the October Placing, after deducting all fees, costs and expenses incurred by the Company in connection therewith, including the commission and levies, of approximately HK\$113.7 million. The net price after deducting such fees, costs and expenses was approximately HK\$47.12 per placing share.

As of the date of this annual report, there was no change in the intended use of the net proceeds from the October Placing and the expected timeline as previously disclosed in the announcements of the Company dated October 16, 2025 and October 23, 2025 (the “**October Placing Announcements**”). The following table sets forth a summary of the utilization of the net proceeds from the October Placing as of December 31, 2025:

Intended use of proceeds	% of the net proceeds	Amount available for utilization (HK\$ million)	Utilized amount for FY2025 (HK\$ million)	Unutilized amount as of December 31, 2025 (HK\$ million)	Expected timeline for utilizing the remaining proceeds
To finance investments and cooperation in hydrogen projects in the PRC and overseas	50%	56.87	–	56.87	By December 31, 2027
For working capital and general corporate purposes to support the Group’s business operation and growth, including but not limited to (a) payment of salaries, social insurance contributions, housing provident fund and other employee-related expenses, (b) payments to suppliers and service providers, and (c) other operating expenses	40%	45.49	–	45.49	By December 31, 2027
To repay amounts outstanding under existing credit facilities	10%	11.37	11.37	–	–
	100%	113.73	11.37	102.36	

The net proceeds received by the Company from the October Placing have been and will be utilized in accordance with the intended purposes set out in the October Placing Announcements.

For further details of the October Placing, please refer to the October Placing Announcements.

PLACING OF NEW H SHARES ON DECEMBER 2, 2025

On December 2, 2025, the Company completed a placing of an aggregate of 4,858,350 placing shares by Great Bay Securities Limited (as the placing agent) to not less than six placees at a price of HK\$ 41.166 per placing share pursuant to the terms and conditions of the placing agreement dated November 25, 2025 (the “**December Placing**”). The aggregate nominal value of the placing shares allotted and issued under the December Placing was RMB4,858,350.

The placees are professional, institutional and/or other investors and, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are independent persons and non-connected persons of the Company. None of the placees became substantial Shareholders upon completion of the December Placing.

The Directors considered that the December Placing would be in the interests of the Company to raise additional equity funding to broaden its Shareholder base, strengthen the Group's capital base and enhance its financial position and net assets base for long-term development and growth.

The Company received net proceeds from the December Placing, after deducting all fees, costs and expenses incurred by the Company in connection therewith, including the commission and levies, of approximately HK\$196.98 million. The net price after deducting such fees, costs and expenses was approximately HK\$40.54 per placing share.

As of the date of this annual report, there was no change in the intended use of the net proceeds from the December Placing and the expected timeline as previously disclosed in the announcements of the Company dated November 25, 2025 and December 2, 2025 (the “**December Placing Announcements**”). The following table sets forth a summary of the utilization of the net proceeds from the December Placing as of December 31, 2025:

Intended use of proceeds	% of the net proceeds	Amount available for utilization (HK\$ million)	Utilized amount for FY2025 (HK\$ million)	Unutilized amount as of December 31, 2025 (HK\$ million)	Expected timeline for utilizing the remaining proceeds
To finance investments and cooperation in hydrogen projects in the PRC and overseas	60%	118.19	–	118.19	By December 31, 2027
To supplement working capital and general corporate purposes to support the Group's business operation and growth	40%	78.79	–	78.79	By December 31, 2027
	100%	196.98	–	196.98	

The net proceeds received by the Company from the December Placing have been and will be utilized in accordance with the intended purposes set out in the December Placing Announcements.

For further details of the December Placing, please refer to the December Placing Announcements.

Save for the above, during FY2025, the Group made no significant financing.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group seeks to be a responsible corporate in fulfilling environmental, social and governance responsibilities by advancing the use of clean energy, promoting “Carbon Peaking and Carbon Neutrality” goal, supporting social causes and exploring ways to protect the environment. With a focus on environmental consciousness, we strive to conserve our environment by using resources responsibly, reducing waste, and maintaining a neutral carbon footprint. We develop and produce hydrogen energy core equipment with a goal to serve global and China's hydrogen energy industry and contribute to the development of green hydrogen, which are considered an important way to reduce carbon emissions. During FY2025, the Company had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental laws or regulations.

For further details of the Company's environmental performance and policies, please refer to the Environmental, Social and Governance Report contained on pages 65 to 116 of this annual report. The Environmental, Social and Governance Report of the Company for 2025 will be published at the same time as the publication of this annual report on the websites of the Company and the Stock Exchange.

Report of the Board of Directors

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended December 31, 2025, to the best knowledge of the Directors, there was no material breach of or non-compliance with applicable laws and regulations that have a significant impact on the business and operations of the Group.

KEY RELATIONSHIP WITH STAKEHOLDERS

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

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

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

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

MAJOR CUSTOMERS AND SUPPLIERS

The Group's customers primarily consist of fuel cell system integration providers, vehicle manufacturers, domestic energy companies, and city bus operating companies. The aggregate revenue attributable to the Group's five largest customers for the year ended December 31, 2025 amounted to RMB211.0 million (2024: RMB237.2 million), accounting for approximately 60.9% (2024: 51.7%) of the Group's total revenue. The revenue from the Group's largest customer for the year ended December 31, 2025 amounted to RMB86.0 million (2024: RMB105.6 million), accounting for approximately 24.8% (2024: 23.0%) of the Group's total revenue.

The Group's suppliers primarily consist of the providers of carbon fiber, aluminum tubes, tube and valve fittings, bottle sets, compressors, among others. The aggregate purchases attributable to the Group's five largest suppliers for the year ended December 31, 2025 amounted to RMB99.1 million (2024: RMB129.5 million), accounting for approximately 31.5% (2024: 44.0%) of the Group's total purchases. The purchase attributable to the Group's largest supplier for the year ended December 31, 2025 amounted to RMB41.3 million (2024: RMB57.1 million), accounting for approximately 13.2% (2024: 19.4%) of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors, Supervisors or their associates or any Shareholders who owned more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended December 31, 2025.

FINANCIAL SUMMARY

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

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

PROPERTY, PLANT AND EQUIPMENT

Details of the property, plant and equipment of the Group and their movements during the year ended December 31, 2025 are set out in note 15 to the Consolidated Financial Statements.

DONATION

The Group made the following donations during the year ended December 31, 2025:

- RMB50,000 to Zhangjiagang Economic and Technological Development Zone (Yang Shezhen) Charity (張家港經濟技術開發區(楊捨鎮)慈善會);
- RMB200,000 to Hami Yizhou District Red Cross Society (哈密市伊州區紅十字會); and
- HKD100,000 to Tai Po Hongfuyuan Assistance Fund (大埔宏福苑援助基金).

EQUITY-LINKED AGREEMENTS

To the best knowledge of the Directors, save for the Pre-IPO Share Incentive Plans, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during FY2025.

PERMITTED INDEMNITY PROVISION

The Company has taken out Directors’ liability insurance to protect the Directors against any loss they may incur as a result of their factual or alleged misconduct. As of December 31, 2025, such Directors’ liability insurance has been in force.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 126 of this annual report and note 46 to the Consolidated Financial Statements. As of December 31, 2025, the Company did not have any distributable reserves (as of December 31, 2024: nil).

Report of the Board of Directors

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans of the Group as of December 31, 2025 are set out in the section headed “Management Discussion and Analysis” in this annual report and note 30 to the Consolidated Financial Statements.

Save as disclosed in this annual report, during the year ended December 31, 2025, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, or their respective connected persons.

SHARE CAPITAL

Details of movements in share capital of the Company during the year ended December 31, 2025 are set out in note 35 to the Consolidated Financial Statements.

DEBENTURE AND CONVERTIBLE BOND ISSUED

The Group did not issue any debenture or any convertible bond for the year ended December 31, 2025.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of its Shareholders and to enhance its corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the year ended December 31, 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Details of the Group’s corporate governance practices can be found in the corporate governance report contained on pages 44 to 64 of this annual report.

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

During the year ended December 31, 2025, there was no purchase, sale or redemption of any listed securities (including sale of treasury shares, if any) of the Company by the Company or any of its subsidiaries. The Company did not hold any treasury shares as of December 31, 2025.

BOARD OF DIRECTORS

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

During the year ended December 31, 2025 and as of the date of this annual report, the Directors were:

Executive Directors

Mr. WU Pinfang (*Chairman*)

Mr. WANG Kai (*General Manager*)

Mr. SHI Jian (*resigned on July 31, 2025*)

Non-executive Directors

Mr. GU Yanjun

Mr. ZHOU Lin (*resigned on December 9, 2025*)

Ms. LIU Yilin

Ms. ZHAO Jing (*appointed on December 29, 2025*)

Independent Non-executive Directors

Ms. TONG Sze Wan

Mr. ZHANG Yongjun

Dr. ZOU Jiasheng

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct for the trading of securities by the Directors and Supervisors. Having made specific reasonable inquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code throughout FY2025 (or, in respect of the Supervisors, for the period from January 1, 2025 until the abolition of the Supervisory Committee on December 29, 2025).

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

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

Report of the Board of Directors

Each executive Director has entered into a service contract with the Company for a term from September 20, 2024 to the date of expiry of the term of office of the second session of the Board unless terminated by not less than three months' notice in writing served by either party on the other. Each non-executive Director and independent non-executive Director (except for Ms. Zhao Jing) has entered into a letter of appointment with the Company for a term of three years from September 20, 2024 and unless terminated by not less than three months' notice in writing served by Director or written notice served by the Company at any time. Ms. Zhao Jing was appointed a non-executive Director on December 29, 2025 and has entered into a letter of appointment with the Company for a term of three years from December 29, 2025 and unless terminated by not less than three months' notice in writing served by her or written notice served by the Company at any time. Each Supervisor has entered into a service contract with the Company for a term from the date on which the appointment is approved by the Shareholders' meeting to the date of expiry of the term of office of the second session of the Supervisory Committee. The Supervisory Committee was abolished with effect from the conclusion of the fourth extraordinary general meeting of 2025 of the Company held on December 29, 2025. Accordingly, Mr. He Guangliang, Ms. Zhao Jing and Mr. Yuan Ruichen ceased to hold supervisory positions of the Company from the same date.

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

Details of Directors' and Supervisors' remuneration for the year ended December 31, 2025 are set out in note 12 to the Consolidated Financial Statements.

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

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or a Supervisor or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year ended December 31, 2025 or at any time during the year ended December 31, 2025.

INTERESTS IN COMPETING BUSINESS

As at December 31, 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

COMPETITION AND CONFLICT OF INTERESTS

During the year ended December 31, 2025, none of the Directors or Supervisors or any of their respective associates has any interests in any business that competes or may compete, directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

MANAGEMENT CONTRACTS

Other than the Directors' and Supervisors' service contracts and letters of appointment, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year or subsisted at the end of the year ended December 31, 2025.

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

Pursuant to 13.51B(1) of the Listing Rules, the changes of Directors' and Supervisors' information since the 2025 interim report of the Company are as follows:

- Mr. Zhou Lin resigned as a non-executive Director on December 9, 2025;
- Ms. Zhao Jing was appointed as a non-executive Director on December 29, 2025 and as a Joint Company Secretary on January 9, 2026;
- Mr. Kuang Kaifeng resigned as the Supervisor on November 21, 2025;
- Mr. He Guangliang, Ms. Zhao Jing and Mr. Yuan Ruichen ceased to act as the Supervisors upon the abolition of the Supervisory Committee effective on December 29, 2025; and
- Ms. Wong Hoi Ting resigned as a company secretary of the Company and an authorised representative of the Company under Rule 3.05 of the Listing Rules (the "**Authorised Representative**") on January 9, 2026 and Ms. Chung Man Nar Mona was appointed as a Joint Company Secretary and the Authorised Representative on January 9, 2026.

Save for the above, the Company is not aware of any other changes in the information of Directors, Supervisors and senior management which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's last interim report.

Report of the Board of Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Name	Nature of Interest	Class of Shares	Number of Shares	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Issued Share Capital
Mr. Wu ⁽¹⁾	Interest in controlled corporation	Domestic Unlisted Shares	2,142,440	8.49%	1.78%
		H Shares	20,970,357	22.11%	17.46%
	Beneficial owner	Domestic Unlisted Shares	1,712,993	6.79%	1.43%
H Shares		1,712,994	1.81%	1.43%	
Mr. Wang ⁽²⁾	Interest in controlled corporation	H Shares	18,827,916	19.85%	15.68%
		Domestic Unlisted Shares	3,855,433	15.29%	3.21%
	Interest held jointly with another person	H Shares	3,855,435	4.06%	3.21%

Notes:

- (1) Mr. Wu is the beneficial owner of 1,712,993 Domestic Unlisted Shares and 1,712,994 H Shares. In addition, pursuant to the SFO, Mr. Wu is deemed to be interested in (i) the 18,827,916 H Shares held by New Cloud Technology in the Company due to his role as a general partner in New Cloud Technology and the acting in concert agreement between him and Mr. Wang; (ii) the 933,335 H Shares and 933,334 Domestic Unlisted Shares held by Hydrogen Ying New Energy and 459,106 H Shares and 459,106 Domestic Unlisted Shares held by Hydrogen Win New Energy in the Company due to his role as a general partner in Hydrogen Ying New Energy and Hydrogen Win New Energy, respectively; and (iii) the 750,000 H Shares and 750,000 Domestic Unlisted Shares held by Qingjie New Energy in the Company, whose voting rights have been entrusted to him pursuant to the relevant voting rights proxy agreement.
- (2) Mr. Wang is deemed to be interested in the Shares held by New Cloud Technology, Qingjie New Energy, Hydrogen Ying New Energy and Hydrogen Win New Energy in the Company due to his role as a general partner and/or the acting in concert agreement between him and Mr. Wu, as the case may be, under the SFO.

Save as disclosed above, as at December 31, 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at December 31, 2025, to the best knowledge of the Directors, the following persons/entities (other than the Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Issued Share Capital
New Cloud Technology	Beneficial owner	H Shares	18,827,916	19.85%	15.68%
Chen Jinxia ⁽¹⁾	Interest in controlled corporation	Domestic Unlisted Shares	3,636,721	14.42%	3.03%

Note:

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

Save as disclosed above, as at December 31, 2025, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Report of the Board of Directors

RETIREMENT BENEFIT PLAN

The Group participates in defined contribution retirement benefit plan managed by the PRC local government authorities for the Group's eligible employees in the PRC. The eligible employees in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme. Particulars of these retirement plans are set out in note 43 to the Consolidated Financial Statements.

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

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

For the year ended December 31, 2025, except for wages and salaries payable for employment within the Group, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors or the Supervisors has waived any emoluments for the year ended December 31, 2025.

Except as disclosed above, no other payments have been made or were payable, for the year ended December 31, 2025, by the Group to or on behalf of any of the Directors or the Supervisors.

PRE-IPO SHARE INCENTIVE PLANS

The following is a summary of the principal terms of the Pre-IPO Share Incentive Plans approved and adopted by the Company on January 13, 2019 (the "**2019 Plan**"), October 10, 2020 (the "**2020 Plan**") and November 24, 2023 (the "**2023 Plan**") for the purpose of attracting and retaining talents for the Group. Under the Pre-IPO Share Incentive Plans, eligible incentive recipients as approved by the Company may subscribe for the Shares pursuant to the 2020 Plan and subscribe for the limited partnership interests (the "**Incentive Awards**") in Qingjie New Energy, Hydrogen Ying New Energy and Hydrogen Win New Energy (collectively as the "**Employee Shareholding Platforms**") pursuant to the 2019 Plan (as to Qingjie New Energy) and the 2023 Plan (as to Hydrogen Ying New Energy and Hydrogen Win New Energy), respectively. As of the date of this annual report, the Employee Shareholding Platforms held an aggregate of 4,284,881 Shares, representing approximately 3.38% of total issued Shares. The Incentive Awards under the Pre-IPO Share Incentive Plans do not involve the grant of options by the Company to subscribe for new Shares and are not subject to the provisions of Chapter 17 of the Listing Rules.

1. The 2019 Plan

(a) Purpose

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

(b) Eligible incentive recipients

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

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

The incentive recipients shall be interested in a total of 1,500,000 Shares through holding the Incentive Awards in Qingjie New Energy, the underlying Shares of which were corresponding to the share capital of the Company of RMB1,500,000 and representing approximately 1.18% of the total issued share capital of the Company as at the date of this annual report.

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

(d) Rights and restrictions

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

(e) Repurchase of the Incentive Awards

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

2. The 2020 Plan

(a) Purpose

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

(b) Eligible incentive recipients

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

Report of the Board of Directors

(c) Administration

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

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

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

(e) Rights and restrictions

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

3. The 2023 Plan

(a) Purpose

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

(b) Eligible incentive recipients

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

(c) Administration

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

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

The incentive recipients shall be interested in a total of 2,784,881 Shares through holding the Incentive Awards in Hydrogen Ying New Energy and Hydrogen Win New Energy, the underlying Shares of which were corresponding to the share capital of our Company of RMB2.78 million and representing approximately 2.20% of the total issued share capital of our Company immediately prior to the Global Offering. As of the date of this annual report, all Shares subject to the 2023 Plan have been issued to Hydrogen Ying New Energy and Hydrogen Win New Energy and all the Incentive Awards subject to the 2023 Plan have been granted to and subscribed by 80 incentive recipients, and no further Shares or Incentive Awards have been granted under such plan following the Listing.

(e) Assessment requirements and unlocking arrangement

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

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

Report of the Board of Directors

(f) Rights and restrictions attached to the restricted Shares

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

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

(g) Repurchase of the Incentive Awards

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

4. Details of the Incentive Awards granted

During FY2025, no Incentive Awards have been granted to any incentive recipients under the Pre-IPO Share Incentive Plans. Below is the list of the incentive recipients under the Pre-IPO Share Incentive Plans that are granted with Incentive Awards as of the date of this annual report:

Name	Position	Relevant Employee Shareholding Platforms	Approximate Number of Shares Corresponding to the Incentive Awards Held by the Recipients ⁽¹⁾	Approximate Shareholding Percentage Corresponding to the Incentive Awards Held by the Participant in the Total Number of Shares in Issue
Directors, Supervisors and Senior Management				
Mr. Wu	Chairman of the Board and executive Director	Hydrogen Win New Energy	240,000	0.19%
		Hydrogen Ying New Energy	235,000	0.19%
He Guangliang (何光亮) ⁽²⁾	Chairman of the Supervisory Committee	Hydrogen Ying New Energy	249,999	0.20%
		Qingjie New Energy	234,825	0.19%
Zhao Jing (趙靜) ⁽²⁾	Non-executive Director and Supervisor	Hydrogen Ying New Energy	100,000	0.08%
Cai Xubin (蔡徐斌)	Chief financial officer	Hydrogen Ying New Energy	25,000	0.02%
Shi Jian (施劍) ⁽³⁾	Secretary of the Board and executive Director	Hydrogen Ying New Energy	10,000	0.01%
		Qingjie New Energy	25,000	0.02%
Kuang Kaifeng (況開鋒) ⁽²⁾	Supervisor	Hydrogen Ying New Energy	10,000	0.01%
		Qingjie New Energy	18,650	0.01%
Subtotal			1,148,474	0.91%
Other Recipients				
86 Recipients	Employees	Qingjie New Energy, Hydrogen Ying New Energy and Hydrogen Win New Energy	3,086,408	2.44%
One Recipient	External consultant	Qingjie New Energy	50,000	0.04%

Report of the Board of Directors

Notes:

- (1) For illustrating the indirect interests of incentive recipients in the Company, the number of Shares are presented and calculated by multiplying their respective percentage of limited partnership interests in each by the total number of Shares held by the Employee Shareholding Platforms.
- (2) Mr. Kuang Kaifeng resigned as the Supervisor on November 21, 2025. Mr. He Guangliang and Ms. Zhao Jing ceased to act as the Supervisors upon the abolition of the Supervisory Committee effective on December 29, 2025.
- (3) Mr. Shi Jian resigned from his positions as the secretary of the Board and the executive Director on July 31, 2025.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended December 31, 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, Supervisors or any of their spouse or children under the age of 18 has been granted any right to subscribe for shares in, or debentures of, the Company or any other body corporate or had exercised any such right.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The Company has not entered into any connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules during the year ended December 31, 2025.

Details of material related party transactions entered into by the Company during the year ended December 31, 2025 are set out in note 37 to the Consolidated Financial Statements. The related party transactions set out in the above note do not fall within the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the year ended December 31, 2025, the Company had no controlling Shareholder.

MATERIAL LITIGATION

The Group was not involved in any material legal proceeding during the year ended December 31, 2025.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the year ended December 31, 2025 and up to the date of this annual report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

AUDITOR

The Consolidated Financial Statements have been audited by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, who will be nominated for re-appointment as the auditor of the Company at the upcoming AGM. The Company engaged Messrs. Deloitte Touche Tohmatsu in May 2025 and authorized the Board to fix its remuneration, and there has been no change in auditor since its appointment.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 47 to the Consolidated Financial Statements, we are not aware of any material subsequent events from the end of FY2025 to the date of this annual report.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The AGM will be held on Wednesday, May 20, 2026. A notice convening the AGM will be published and despatched to the Shareholders in due course in the manner prescribed by the Listing Rules. To determine the eligibility of the Shareholders to attend and vote at the AGM, the register of members of H Shares will be closed from Friday, May 15, 2026 to Wednesday, May 20, 2026, both days inclusive, during which period no transfer of H Shares will be effected. The record date for determining the eligibility to attend and vote at the AGM will be Wednesday, May 20, 2026. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, May 14, 2026.

On behalf of the Board

Mr. Wu Pinfang

Chairman and Executive Director

Jiangsu, the PRC

March 30, 2026

Corporate Governance Report

The Board is pleased to report to the Shareholders the corporate governance of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE CULTURE AND VALUE

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

- satisfactory and sustainable returns to the Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in the CG Code during the year ended December 31, 2025.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for the trading of securities by the Directors and Supervisors. Having made specific reasonable inquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code throughout FY2025 (or, in respect of the Supervisors, for the period from January 1, 2025 until the abolition of the Supervisory Committee on December 29, 2025).

BOARD OF DIRECTORS

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

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

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Mr. WU Pinfang (*Chairman*)

Mr. WANG Kai (*General Manager*)

Non-executive Directors

Mr. GU Yanjun

Ms. LIU Yilin

Ms. ZHAO Jing

Independent Non-executive Directors

Ms. TONG Sze Wan

Mr. ZHANG Yongjun

Dr. ZOU Jiasheng

Each of our Directors (except for Ms. Zhao Jing) has confirmed that he/she obtained the legal advice referred to in Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on March 12, 2024, and he/she has confirmed he/she understood his/her obligations as a director of a listed issuer. Ms. Zhao Jing has confirmed that she obtained the aforementioned legal advice on December 26, 2025.

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

Corporate Governance Report

Board Meetings and Directors' Attendance Records

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

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

During FY2025, the Board held 18 meetings and the attendance of the individual Directors at Board meetings and the general meetings of the Company during the year ended December 31, 2025 is set out below:

Name of Directors	Number of attendance/meetings held during the term of office of the Director	
	Board Meetings	General Meetings
Executive Directors		
Mr. WU Pinfang (<i>Chairman</i>)	18/18	5/5
Mr. WANG Kai (<i>General Manager</i>)	18/18	5/5
Mr. SHI Jian (<i>resigned on July 31, 2025</i>)	9/9	3/3
Non-executive Directors		
Mr. GU Yanjun	18/18	5/5
Mr. ZHOU Lin (<i>resigned on December 9, 2025</i>)	17/17	3/4
Ms. LIU Yilin	18/18	5/5
Ms. ZHAO Jing (<i>appointed on December 29, 2025</i>)	N/A	N/A
Independent Non-executive Directors		
Ms. TONG Sze Wan	18/18	5/5
Mr. ZHANG Yongjun	18/18	5/5
Dr. ZOU Jiasheng	18/18	5/5

During FY2025, the chairman of the Board also held a meeting with the independent non-executive Directors without the presence of other Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

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

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

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

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

Chairman of the Board and General Manager

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual to reinforce their respective independence and accountability. During FY2025, Mr. Wu Pinfang, our executive Director, has been the chairman of the Board and responsible for presiding over our overall strategic planning and production and operation management of the Board, while Mr. Wang Kai, our executive Director, has been the general manager of the Company and responsible for managing the daily business operations of the Group. Therefore, the division of responsibilities between the chairman of the Board and the general manager has been clearly established.

Independent Non-executive Directors

During the year ended December 31, 2025 and up to the date of this annual report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing no less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Corporate Governance Report

Board Independence Evaluation

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

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

Currently, the independent non-executive Directors account for one-third of the total number of Board members, and the Audit Committee consists of two independent non-executive Directors and one non-executive Director.

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

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

Pursuant to the Board independence evaluation mechanism, the Board will conduct an annual review of its independence. During the year ended December 31, 2025, the Board reviewed the implementation and effectiveness of the mechanism and found the results satisfactory.

Appointment and Re-election of Directors

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

According to Article 104 of the Articles of Association, Directors are subject to election or replacement at a general meeting, and may be removed from his/her position by the general meeting before expiry of their terms of office (without prejudice to any claim for damages by such director under any contract). Directors serve for a term of three years and are eligible for re-election at the expiry of their term of office.

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

Continuous Professional Development of Directors

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

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. During the year ended December 31, 2025, all Directors have participated in continuous professional development by attending training course or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board. Furthermore, reading materials covering Directors' duties and responsibilities have been provided to the Directors for their reference.

The training records of the Directors during FY2025 are summarized as follows:

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

Corporate Governance Report

BOARD COMMITTEES

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

Audit Committee

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

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

The Audit Committee held three meetings during the year ended December 31, 2025 to review the audited consolidated financial statements and annual results of the Group for the year ended December 31, 2024, the interim results of the Group for the six months ended June 30, 2025 and the Company's appointment of external auditor for the year ended December 31, 2025. The individual record of each member of the Audit Committee at the meetings of the Audit Committee is set out below:

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

Remuneration and Review Committee

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

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

The Remuneration and Review Committee held three meetings during the year ended December 31, 2025 to review the remuneration policy and annual performance-based remuneration for Directors, Supervisors and senior management of the Company. The individual record of each member of the Remuneration and Review Committee at the meetings of the Remuneration and Review Committee is set out below:

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

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

Details of the emoluments of the Directors, Supervisors and five highest paid individuals of the Group are set out in note 12 to the Consolidated Financial Statements. The remuneration payable to members of senior management (other than Directors) by band for the year ended December 31, 2025 is set out below:

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

Nomination Committee

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

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

Corporate Governance Report

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

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

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

During the year ended December 31, 2025, the Nomination Committee has assessed the independence of the independent non-executive Directors, considered the re-election of Directors and reviewed the structure, size and composition of the Board, and has conducted an annual review of the Board Diversity Policy and concluded the current Board composition is sufficiently diverse.

The Nomination Committee held three meetings during the year ended December 31, 2025 to review the composition of the Board and senior management. The individual record of each member of the Nomination Committee at the meetings of the Nomination Committee is set out below:

Name of Director	Attendance/ Number of Committee Meeting(s)
Mr. Zhang Yongjun	3/3
Mr. Shi Jian (<i>ceased on July 31, 2025</i>)	2/2
Mr. Wu Pinfang (<i>appointed on July 31, 2025</i>)	1/1
Dr. Zou Jiasheng (<i>ceased on March 27, 2025</i>)	1/1
Ms. Tong Sze Wan (<i>appointed on March 27, 2025</i>)	2/2

Strategy Committee

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

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

The Strategy Committee held two meetings during the year ended December 31, 2025 to review the annual work report of the Strategy Committee for the year ended December 31, 2025. The individual record of each member of the Strategy Committee at the meeting of the Strategy Committee is set out below:

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

CORPORATE GOVERNANCE FUNCTION

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

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the CG Code, the Company's code of conduct applicable to its employees, Directors and Supervisors, and disclosure in its Corporate Governance Report during FY2025.

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

BOARD DIVERSITY POLICY

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

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

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

Corporate Governance Report

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

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

Gender

- Male: 5 Directors
- Female: 3 Directors

Age group

- 31–40: 2 Directors
- 41–50: 1 Director
- 51–60: 4 Directors
- 61–70: 1 Director

Position

- Executive Directors: 2 Directors
- Non-executive Directors: 3 Directors
- Independent non-executive Directors: 3 Directors

Educational background

- Business administration: 3 Directors
- Accounting and finance: 2 Directors
- Other: 3 Directors

Nationality

- PRC: 7 Directors
- HK: 1 Director

Business experience

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

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

The Nomination Committee will review at least on a yearly basis the Board Diversity Policy and measurable objectives to ensure the sustained function and effectiveness of the Board. The Nomination Committee has reviewed the implementation and effectiveness of the Board Diversity Policy for FY2025 and has confirmed that the Board possesses an appropriate mix of skills and experience to execute the Company's strategy.

DIRECTOR NOMINATION POLICY

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

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

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

- a. Character and integrity;
- b. Qualifications including professional qualifications, skills, knowledge and experience;
- c. Diversity in all aspects as set out in the Board Diversity Policy;
- d. Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- e. Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

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

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

- (i) to assess such candidate's qualifications, skills, knowledge, ability and experience and also potential time commitment and attention to perform the Director's duties;
- (ii) to assess such candidate's personal ethics, integrity and reputation (including without limitation to conduct appropriate background checks and other verification processes against such candidate);

Corporate Governance Report

- (iii) with reference to the Board Diversity Policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition of the Board and the Company's corporate strategy, with due regard for the benefits of the appropriate diversity of the Board and also such candidate's potential contributions thereto;
- (iv) in case of a candidate for an independent non-executive Director, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive Directors set out in the CG Code and Corporate Governance Guide for Boards and Directors; and
- (v) to consider any other factors and matters as the Nomination Committee may consider appropriate.

The Nomination Committee will review the director nomination policy, as appropriate, to ensure its effectiveness. As of the date of this annual report, the Nomination Committee has reviewed the director nomination policy and consider it effective.

GENDER DIVERSITY

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

The Company values gender diversity at all levels of the Group. Currently, the Board consists of three female Directors and five male Directors, and the Group's general manager is male. Among the 587 employees of our Group as of December 31, 2025, 482 are males (82.1%) and 105 are females (17.9%).

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

Corporate Governance Report

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

- The Company has established the Audit Committee which shall (i) make recommendations to our Directors on the appointment and removal of external auditors; (ii) review our financial statements and oversee our financial reporting and internal audit; and (iii) oversee our risk management and internal control procedures.
- The Company has adopted various policies to ensure that the Company complies with the Listing Rules, including but not limited to disclosure of information, connected transactions and securities trading.
- The Company has developed and adopted various internal control procedures and guidelines with defined authority for implementation by key business processes and office functions, including but not limited to R&D, procurement management, financial reporting, human resources and information technology.
- The Company has arranged Directors and senior management to attend training sessions on Listing Rules requirements and the responsibilities as directors of a Hong Kong-listed company.
- The Company has whistleblowing policy in place for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.
- The Company has developed its disclosure policy which provides a general guide to the Directors, senior management, and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.
- The Company has engaged legal advisors to periodically review the Company's compliance status with all relevant laws and regulations.
- The Company had appointed an internal control consultant to review the effectiveness of internal control measures relating to major business processes, identify deficiencies for improvement, advise on the rectification measures and review the implementation of such measures. The Company has adopted the recommendations made by the internal control consultant and has taken corresponding measures to improve such internal control deficiencies.

The Board of Directors, with the support of the Audit Committee as well as the management, conducted an annual review of the effectiveness of the risk management and internal control systems during FY2025 and considered the systems to be effective and adequate.

SANCTION RISKS

During the year ended December 31, 2025 and as of the date of this annual report, the Company did not engage in any new activities (i) in any country or territory subject either to a general and comprehensive embargo or a more limited set of export, import, financial or investment restrictions under sanctions related laws or regulation of any jurisdictions relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assess or certain countries, governments, person or entities targeted by such law or regulation ("**Countries subject to International Sanctions**") or (ii) with person(s) and identity(ies) ("**Sanctioned Persons**") listed on the U.S. Department of Treasury's Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., the European Union ("**EU**"), the United Nations ("**UN**"), the United Kingdom ("**UK**") or Australia. The Company has no plan for any new activities in Countries subject to International Sanctions or with Sanctioned Persons.

In particular, the Company has established risk management and internal control systems to monitor the Company's exposure to sanctions law risks and its implementation of the related internal control procedures, with particular emphasis on the Company's risk management policies and standards and supervise and monitor the Company's exposure to sanctions law risks. The management of the Company has constantly monitored the implementation of those measures and procedures through the Company's internal control personnel for each stage of the production process. The Board also periodically reviews the Company's internal control policies and procedures with respect to sanctions law matters.

The Company's management reviews all relevant potential business transactions between the Group and its customers/suppliers or potential customers/suppliers from Countries subject to International Sanctions and with Sanctioned Persons and identify if any trade restrictions are imposed by any countries against any customers/suppliers or potential customers/suppliers. Additionally, the management or its designated staff check counterparties against restricted parties and countries lists maintained by the U.S., the EU, the UN, the UK and Australia.

The Company also monitors new applicable international sanctions laws and regulations and trade restrictions or any change to existing international sanctions law and regulations and trade restrictions and seek advice from international sanctions consultant or international sanctions legal advisers on the Group's compliance with applicable sanctions laws and regulations where necessary.

Corporate Governance Report

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's financial statements have been prepared on a going concern basis, and the Directors believe that the financial statements give a true and fair view of the financial condition, results and cash flows of the Group for the year ended December 31, 2025, and that the disclosure and reporting of other financial information have complied with relevant laws.

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

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

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Messrs. Deloitte Touche Tohmatsu as the external auditor for the year ended December 31, 2025. A statement by Messrs. Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the "Independent Auditor's Report" of this annual report.

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services for the year ended December 31, 2025 are set forth below.

Type of services	Remuneration paid/payable RMB'000
Audit Services	
– annual audit services	3,560
Non-audit services (<i>Note</i>)	380
Total	3,940

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

JOINT COMPANY SECRETARIES

Mr. Shi Jian and Ms. Wong Hoi Ting have been appointed as the Joint Company Secretaries with effect from February 28, 2024. On July 31, 2025, Mr. Shi Jian has resigned as the executive Director and the Joint Company Secretary. Since the resignation of Mr. Shi Jian as the other Joint Company Secretary, Ms. Wong Hoi Ting has been acting as the sole company secretary of the Company from July 31, 2025 until her resignation on January 9, 2026. On January 9, 2026, Ms. Zhao Jing, the non-executive Director, and Ms. Chung Man Nar Mona of TMF Hong Kong Limited, an external service provider, has been appointed as the Joint Company Secretaries. Ms. Wong Hoi Ting's primary contact at the Company was Mr. Shi Jian during her tenure of service. Ms. Chung Man Nar Mona's primary contact at the Company is Ms. Zhao Jing.

For the year ended December 31, 2025, each of Ms. Wong Hoi Ting and Ms. Chung Man Nar Mona has received no less than 15 hours of relevant professional training annually pursuant to the requirements of Rule 3.29 of the Listing Rules. All Directors may have access to the advice and services of the Joint Company Secretaries on corporate governance and routine Board matters.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

In accordance with Article 60 of the Articles of Association, Shareholder(s) who individually or collectively hold 10% or more of the Shares shall have the right to request the Board to convene an extraordinary general meeting and shall submit the request in writing to the Board. The Board shall provide feedback in writing on its consent or refusal to convene an extraordinary general meeting within 10 days upon receiving the request pursuant to laws, administrative regulations, the listing rules of the place where shares of the Company are listed and the Articles of Association.

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

Putting Forward Proposal at General Meetings

Pursuant to Article 65 of the Articles of Association, Shareholders separately or aggregately holding more than 1% of the Shares, may submit ad hoc proposals to the convener in writing 10 days before the convening of such general meeting. The convener shall issue a supplementary notice of the general meeting to announce the content of such ad hoc proposals within 2 days after receiving the proposals, and submit the ad hoc proposal to the general meeting for consideration, except where the ad hoc proposal is in violation of provisions under laws, administrative regulations, the listing rules of the places on which the Shares are listed or the Articles of Association, or does not fall into the terms of reference of the general meeting.

Corporate Governance Report

Putting Forward Enquiries to the Board

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

Contact Details

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

Address: No. 236, Guotai North Road, Zhangjiagang City, Jiangsu Province, the PRC (For the attention of Ms. Zhao Jing)

Email: bod@guofuhee.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

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

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

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

(a) Shareholders' Enquiries

- Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.
- Shareholders may have access to the contact persons, email addresses and enquiry lines designated by the Company in order to enable them to make any query in respect of the Company.

(b) Corporate Communications

- “Corporate communications” refers to any documents issued or to be issued by the Company for information or action of Shareholders, which includes but are not limited to copies of the report of Directors and annual accounts and the auditor’s report, interim reports, meeting notices, circulars and proxy forms. Corporate communications will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders’ understanding. Shareholders are entitled to choose the language (either English or Chinese).
- Shareholders are encouraged to provide, among others, their email addresses to the Company to facilitate timely and effective communication.

(c) Company Website

- The Company has set a special column headed “Investor Relations” on our website (www.guofuhe.com). Information on the Company’s website will be updated regularly.
- Information posted on the Stock Exchange by the Company will also be immediately published on the website of the Company. Such information includes, among others, financial statements, results announcements, circulars, notices of general meetings and relevant statements.
- All presentation materials provided together with the annual general meeting and results announcement of the Company for each year will be available on the website of the Company.
- All press releases and Shareholders’ communications will be available on the website of the Company.

(d) Shareholders’ Meetings

- Shareholders are encouraged to attend general meetings, or to appoint proxies to attend and vote at the meetings on their behalf.
- Appropriate arrangements will be made to the annual general meetings to encourage Shareholders’ participation in such meetings.
- Procedures of the general meetings of the Company will be monitored and reviewed on a regular basis, and amended if necessary to ensure Shareholders’ needs are satisfied to the maximum extent.
- Board members, in particular chairperson of each committee under the Board/chairman or its proxy, appropriate senior management and external auditor will attend annual general meetings to answer Shareholders’ questions.

Corporate Governance Report

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

The Company keeps on promoting good investor relations and enhancing communication with the Shareholders and potential investors in order for them to better understand the Group's business performance and strategies. The Board has reviewed the Shareholders' communication policy of the Company as described above for FY2025 and is satisfied that there are effective channels by which the Shareholders can communicate and raise concern with the Company.

AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS

The Articles of Association were adopted with effect from the Listing Date, and special resolutions were passed by the Shareholders approving certain amendments to the Articles of Association at the annual general meeting held by May 20, 2025 and the extraordinary general meetings held on February 28, 2025 and December 29, 2025, respectively. The amended Articles of Association is available on the websites of the Company (www.guofuhee.com) and the Stock Exchange (www.hkexnews.hk).

DIVIDEND POLICY

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

For further details of the relevant PRC laws and regulations, please refer to the section headed "Report of the Board of Directors – Dividend Policy" on page 19.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

At its Board meeting held on March 30, 2026, the Board has reviewed the Company's risk management and internal control measures which covered the anti-corruption and whistleblowing policies and considered that the current risk management and internal control measures being adequate and effective.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report is the 2025 Environmental, Social and Governance report (the “Report”) prepared by Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (“Guofu Hydrogen”, “we”, “us”, “our” or the “Company”), so as to provide a systemic review on the practices and developments of the Company in the areas of environment, social and governance (“ESG”).

BASIS OF PREPARATION

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

REPORTING PRINCIPLES

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

1. Materiality

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

2. Quantitative

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

3. Balance

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

4. Consistency

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

Environmental, Social and Governance Report

SCOPE OF THE REPORT

The policies and data disclosed in this report cover the Company and its principal subsidiaries, which include Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd.* (張家港氫雲新能源研究院有限公司) (“Hydrogen Cloud Research Institute”) and Shanghai Qingmai Engineering Technology Co., Ltd.* (上海氫邁工程技術有限公司) (“Shanghai Qingmai”). The Report covers the period from January 1, 2025 to December 31, 2025 (the “Reporting Period”). Some of the contents may precede or post-date this period due to the continuity or the significant impact of the project.

DATA DESCRIPTION

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

REPORT ACQUISITION

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

Address: No. 236, Guotai North Road, Zhangjiagang City, Jiangsu Province, the PRC

Telephone: 0512-58982691-82691

Email: gfyx@guofuhee.com

ABOUT US

Company Description

Guofu Hydrogen is a leading provider of integrated solutions of hydrogen energy equipment in China, which always focuses on the R&D and manufacturing of core equipment for the entire industry chain of “production, storage, transportation, refueling and use” of hydrogen energy. Located in the heart of the Yangtze River Delta, the Company benefits from a strategic location, a mature industrial ecosystem, convenient logistics and transport links, and proximity to international ports, whilst possessing a comprehensive supply chain system and large-scale manufacturing capabilities. We adhere to a long-term vision, making sustained and substantial investments in R&D, innovation, smart manufacturing and industrial implementation. We continuously enhance the level of autonomy and control over our core technologies, driving the localisation, scaling and commercialisation of hydrogen energy equipment, thereby providing critical support for the high-quality development of the hydrogen energy industry in China and globally.

We will continue to increase our investment in R&D, innovation and industrial applications in the hydrogen sector, promote the localisation of the hydrogen industry, and provide integrated solutions for the R&D, production, sales and servicing of core hydrogen equipment. Our product portfolio primarily comprises various core equipment for the entire hydrogen energy value chain. Currently, we have achieved the localisation, large-scale production and commercialisation of vehicle-mounted high-pressure hydrogen supply systems and hydrogen refuelling station equipment. We have also made numerous key breakthroughs in the production, storage and transport of liquid hydrogen, maintaining a leading position in the domestic civil liquid hydrogen sector. At the same time, we are continuing to deepen our expertise in water electrolysis hydrogen production, establishing a first-mover advantage for the hydrogen industry’s comprehensive transition towards green hydrogen.

The Company’s core competitive strengths lie in its full-industry-chain presence, in-house R&D of core technologies, a comprehensive product portfolio and global operations. Its business spans key sectors including green hydrogen production, hydrogen liquefaction, liquid hydrogen storage and transport, hydrogen refuelling station integration, vehicle-mounted hydrogen supply systems and the promotion of end-user hydrogen applications, enabling it to provide integrated solutions ranging from equipment R&D and manufacturing through to system integration, project delivery and operation and maintenance services. Its products and services are widely applied across diverse scenarios, including hydrogen-powered transport, industrial green hydrogen, hydrogen energy storage, distributed energy supply, and large-scale liquid hydrogen hubs.

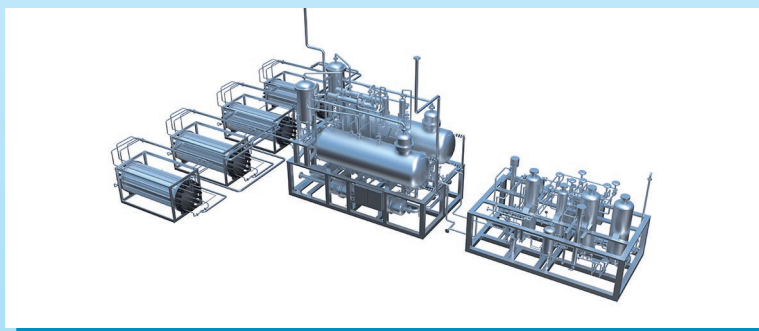
Environmental, Social and Governance Report

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

➤ Water Electrolysis Hydrogen Production Equipment

Hydrogen production via water electrolysis using renewable energy is set to become one of the mainstream methods for hydrogen production in the future. As the core process equipment for the conversion of green electricity into green hydrogen, our water electrolysis hydrogen production equipment primarily comprises electrical equipment, electrolyzer, gas-liquid separation systems, hydrogen purification systems and other auxiliary equipment. We primarily provide customers green hydrogen solution with water electrolysis hydrogen production equipment, including ALK electrolyzer, PEM electrolyzer, system integration and distributed hydrogen production. In June 2024, two production lines at Phase III of the Company's equipment industrial base officially commenced operations. These production lines represent the most comprehensive automated and highly digitised smart workshops for hydrogen production currently available in China. By the end of 2025, the Company's annual production capacity for water electrolysis hydrogen production equipment will increase to 500 units, supporting the rapid implementation of large-scale green hydrogen projects.

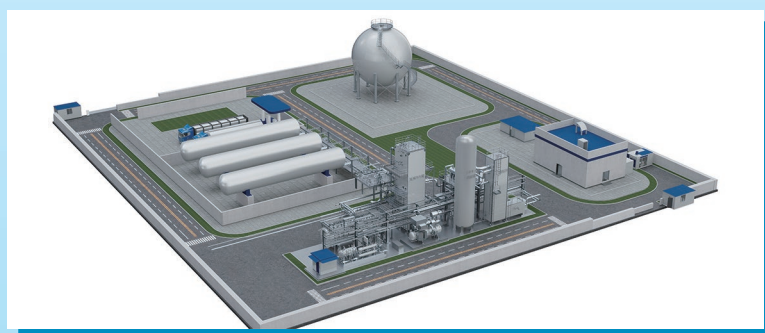
In 2025, the Company continued to expand the application scenarios for green hydrogen, successfully entering sectors such as green hydrogen-based chemicals, hydrogen energy storage, backup power for data centres, and green shipping. It also achieved bulk exports of hydrogen production equipment to overseas markets including India, Malaysia, Morocco and Chile, providing stable and reliable equipment support for global renewable energy-based hydrogen production.



► Complete Hydrogen Refuelling Station Equipment and Related Products

Our hydrogen refuelling stations comprise a range of equipment components, including skid-mounted compressors, unloading columns, hydrogen dispensers, sequence control panels and station control systems. In terms of station configuration, we can provide customers with comprehensive solutions for both fixed and integrated hydrogen refuelling stations.

The Company provides end-to-end, one-stop solutions for the construction of hydrogen transport infrastructure, with services covering hydrogen refuelling station application scenario analysis, preliminary planning, technical solutions, equipment selection, EPC project general contracting, maintenance and operation services, and intelligent operation and maintenance. Leveraging its mature capabilities in core equipment and system integration for 35MPa/70MPa hydrogen refuelling stations, the Company's products have achieved large-scale commercial deployment. During the 2022 Beijing Winter Olympics, the Company supplied two 70MPa hydrogen refuelling stations to the competition venues, marking the first large-scale demonstration of 70MPa hydrogen refuelling stations in China and providing critical support for the event's hydrogen energy supply. By 2025, the Company's hydrogen refuelling station equipment and services have covered key domestic hydrogen energy urban clusters, including the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Greater Bay Area, the Chengdu-Chongqing Economic Circle, Inner Mongolia and Xinjiang, whilst also successfully implementing overseas hydrogen refuelling station projects in Singapore and elsewhere. This will establish an integrated demonstration system encompassing 'green electricity – hydrogen production – refuelling – vehicle use', thereby continuously driving the commercialisation and widespread adoption of hydrogen-powered transport.



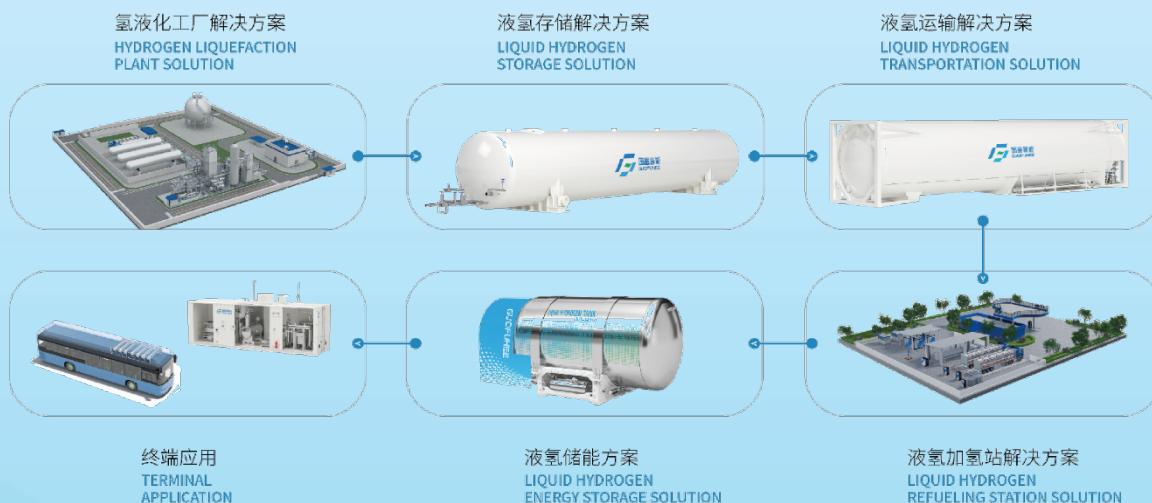
Environmental, Social and Governance Report

▶ Liquid Hydrogen Plant Solutions and Storage and Transport Vessels

Hydrogen liquefaction technology involves the process of converting hydrogen from a gaseous state into a liquid state. We are the first company in China to apply the hydrogen expansion Claude process for civilian use; this method utilises a compressor to compress hydrogen into a high-pressure gas under adiabatic conditions, which is then liquefied through a process of cooling and expansion. Leveraging our R&D team’s deep expertise in core liquid hydrogen technologies, we have successfully delivered China’s first large-scale commercial hydrogen liquefaction plant, installed at the Qilu Liquid Hydrogen Project in Zibo, Shandong, achieving a production capacity of 10 tonnes of liquid hydrogen per day and filling a gap in the domestic market for large-scale commercial liquid hydrogen equipment.

In 2025, the Company successfully developed, manufactured and delivered China’s first 200-cubic-metre large-scale commercial liquid hydrogen storage tank, and completed the development of a prototype commercial liquid hydrogen tanker. Through cutting-edge liquid hydrogen technology, project commissioning, the enhancement of our qualifications and advanced equipment, we have established a verifiable closed-loop industrial ecosystem for liquid hydrogen:

Production capability (engineering-scale liquid production) — Storage capacity (tanks/containers) — Transportability (tank containers/standards) — Refuelling capability (terminal equipment) — Reliable usage (vehicle and scenario-based integration).



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

The vehicle-mounted high-pressure hydrogen supply system is one of the key subsystems of a hydrogen fuel cell system and serves as the energy storage unit for hydrogen fuel cell vehicles. Such systems are generally used to store and supply hydrogen for the electrochemical reactions within the fuel cell stack. The vehicle-mounted high-pressure hydrogen supply system primarily consists of hydrogen storage tanks, piping and valves, pressure/temperature sensors, and a control system. It provides a safe, efficient and stable fuel supply for hydrogen fuel cell vehicles, with products catering to a wide range of applications including fuel cell buses, heavy-duty trucks, light commercial vehicles, rail transport and special-purpose vehicles.

The system integrates core components such as carbon fibre-wrapped aluminium inner-tank hydrogen storage cylinders, modular cylinder valves, relief valves, pressure-reducing valves, pressure and temperature sensors, piping and control systems, thereby achieving the localisation, standardisation and mass production of key components. The Company's products have passed rigorous safety certification and durability testing, and are at the forefront of the industry in terms of safety, lightweight design, integration and reliability.

By 2025, we had delivered a total of 424 vehicle-mounted high-pressure hydrogen supply systems to our customers. These systems will be installed on fuel cell buses in Guangzhou, Guangdong Province, China, as part of a green, low-carbon public transport demonstration project being promoted by the city in its capacity as a member of the National Hydrogen Energy Demonstration City Cluster. This delivery will provide an efficient hydrogen supply for Guangzhou's large-scale commercial operation of hydrogen fuel cell buses (which constitutes China's largest hydrogen bus project).



Environmental, Social and Governance Report

CORPORATE CULTURE

Guided by core values of innovation-driven development, quality-first, safety and reliability, green and low-carbon practices, and openness and mutual benefit, the Company is committed to technological self-reliance and industrial self-strengthening. Through world-class hydrogen energy equipment and integrated solutions, we aim to reduce the cost of hydrogen use, enhance the efficiency of hydrogen energy adoption, reduce carbon emissions and optimise the global energy structure, thereby creating sustainable value for shareholders, customers, employees and society. We are dedicated to becoming a world-leading provider of hydrogen energy equipment and integrated green energy solutions.

COMPANY HONORS

Leveraging on the insights in the hydrogen energy industry and the technical advantages on China's hydrogen energy core equipment industry, we are one of the few national-level specialized and innovative "little giant" enterprises in China. The Company has led or participated in more than 20 scientific and technological projects, including various national key research and development programmes and Jiangsu Provincial key research and development programmes. The Company has contributed to the drafting of 14 national and industry standards relating to the hydrogen energy sector or related industries, and has led the development of over 30 local and group standards. It has received numerous provincial and ministerial-level awards, including the First Prize for Scientific and Technological Progress from Anhui Province, the Second Prize for Scientific and Technological Progress from Shanghai, the First Prize for Scientific and Technological Progress from the China Occupational Health Association, the Third Prize for Outstanding Achievements in Scientific Research from the Ministry of Education of China, the First and Second Prizes for Scientific and Technological Progress from the China Machinery Industry Federation, and the Second Prize for Scientific and Technological Progress from the Jiangsu of Automotive Engineers.

In 2025, the Company was awarded the Second Prize for Outstanding Achievements in Scientific Research by the Ministry of Education.



BOARD STATEMENT

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

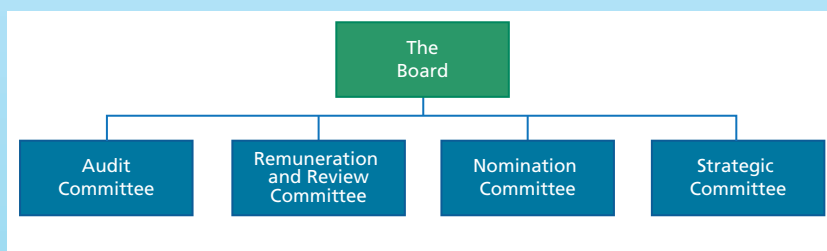
The Board pays attention to the identification and management of ESG risks and opportunities, strengthens its supervision and involvement in the Group's ESG management. The Board actively facilitates the incorporation of ESG concepts into the Group's strategies, major decisions and business practices,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

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

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

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



Environmental, Social and Governance Report

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

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

ESG MANAGEMENT

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

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

SUSTAINABLE DEVELOPMENT GOALS

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

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

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

Environmental, Social and Governance Report

Goals	Our Actions	Corresponding UN SDGs
<p>Environmental Protection</p>	<p>The Company adheres to the implementation of policies in relation to energy saving, emission reduction as well as green and low-carbon development, and work with upstream and downstream partners to jointly address climate change challenges. Promote the culture of green office and enhance the environmental protection awareness of employees.</p>	     
<p>Caring for Employees</p>	<p>We are dedicated to create an equal, inclusive, healthy and safe working environment for employees, build a fair and comprehensive talent development system, create a first-class training platform, attach importance to employee growth, and join hands with employees to create a better future.</p>	   
<p>Giving Back to Society</p>	<p>The Company actively cooperates in overall national situation, undertake corporate social responsibility, proactively integrate into community development, and contribute to the development of a harmonious society through diversified community activities.</p>	 

STAKEHOLDER COMMUNICATION

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

Stakeholders	Demands and expectations	Communication channels
Shareholders and investors	<ul style="list-style-type: none"> • Protecting investors' rights • Corporate compliant operation • Accurate disclosure of information 	<ul style="list-style-type: none"> • General meetings • Annual and interim reports • Company website/email • Investor conference
Employees	<ul style="list-style-type: none"> • Protecting the legitimate rights and interests of employees • Well-established compensation and benefits mechanism • Occupational health and safety • Equal employment and development opportunities 	<ul style="list-style-type: none"> • Documents on systems of the Company • Daily communication • Staff feedback mailbox • Performance evaluation and assessment • Staff training
Suppliers	<ul style="list-style-type: none"> • Supplier management • Equal opportunity for competition • Win-win cooperation • Anti-corruption 	<ul style="list-style-type: none"> • Supplier admission • Site research and investigation • Supplier assessment • Communication with suppliers
Customers	<ul style="list-style-type: none"> • Product safety and quality • Product R&D and innovation • Customer services • Customers' rights 	<ul style="list-style-type: none"> • Daily communication • Management of customers' complaints • Portals • Products R&D and management
Government and regulatory authorities	<ul style="list-style-type: none"> • Legal and compliant operation • Pay taxes according to law • Safe operation • Social contribution • Anti-corruption 	<ul style="list-style-type: none"> • Policy execution • Timely information disclosure • Participation in government meetings • Regular seminars and exchanges • Presentation of materials
Community	<ul style="list-style-type: none"> • Caring of community • Public welfare investments • Environmental protection 	<ul style="list-style-type: none"> • Public welfare donations • ESG reports • Community and volunteer services and activities

MATERIALITY ASSESSMENT

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

Step 1

Identifying issues

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

Step 2

Conducting research

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

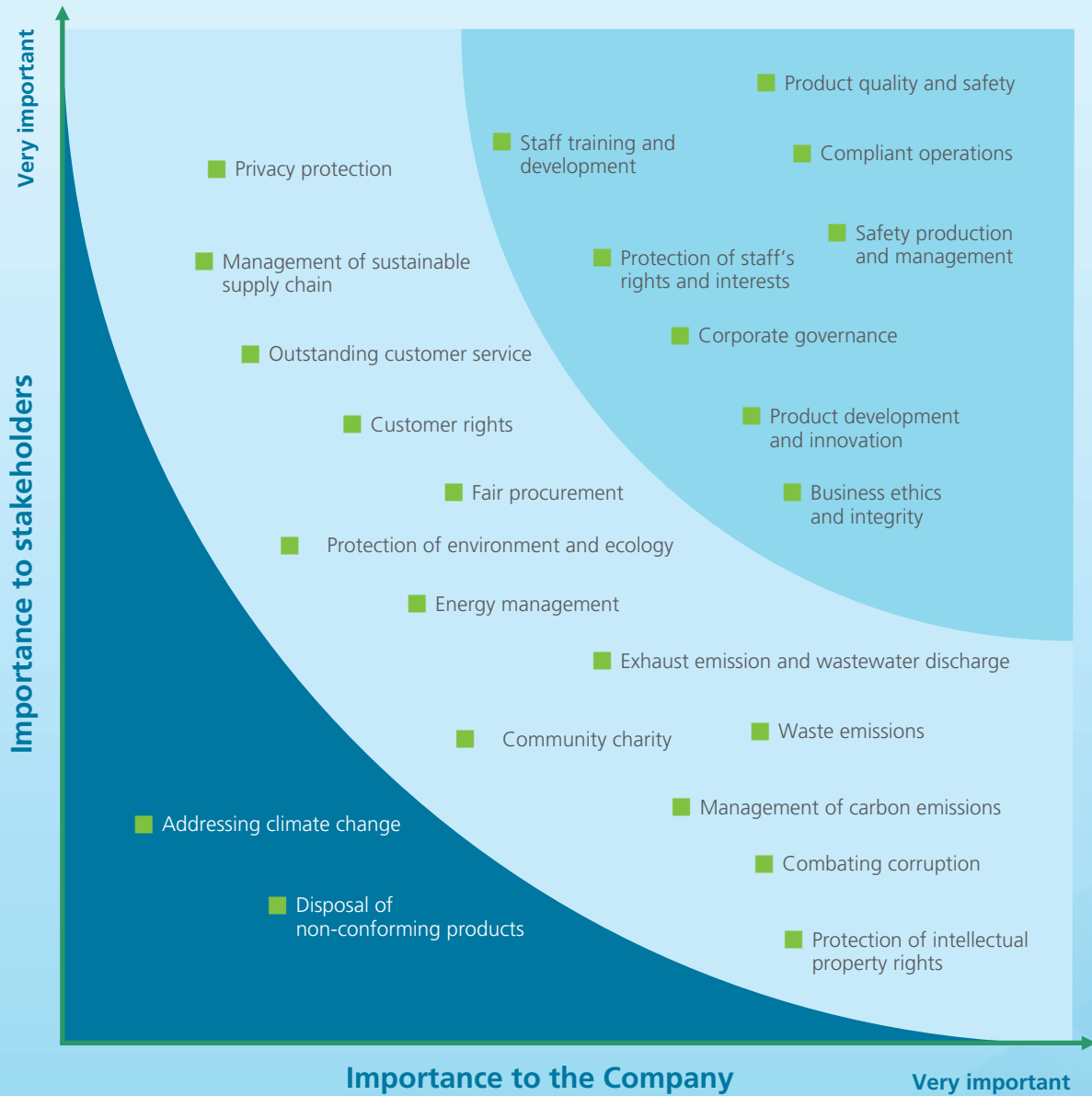
Step 3

Analysing results

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

MATERIALITY ASSESSMENT RESULTS

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



SUSTAINABLE DEVELOPMENT GOALS

In September 2020, the Chinese government promulgated the development objective of “Carbon Peaking by 2030 and Carbon Neutrality by 2060 (2030碳達峰和2060碳中和)”, opening a new era for energy transformation and addressing climate changes. China’s energy structure and system will continue to undergo deep transformation towards cleanliness, low-carbonization and safety. In March 2022, the National Development and Reform Commission and the National Energy Administration jointly issued the “Medium- and Long-term Plan for the Development of the Hydrogen Energy Industry (2021-2035)” (《氫能產業發展中長期規劃(2021-2035)》), which further clarified the role and position of hydrogen energy in China’s energy system and emphasized hydrogen production with renewable energy and clean hydrogen as the focus of hydrogen energy development direction. In 2026, the 15th Five-Year Plan of China further designated hydrogen energy as a key development direction for future industries and a core component of the new energy system. It explicitly called for advancing hydrogen energy from demonstration projects towards large-scale, industrialised development, focusing on breakthroughs in key technologies such as green electricity-based hydrogen production and ammonia-methanol production, and establishing a framework for coordinated development across the entire value chain to provide strategic support for the energy transition and the “dual carbon” goals. Based on the Zhangjiagang industry base, the Company will regard liquid hydrogen, type IV cylinders, electrolytic cells, intelligent manufacturing and end-user applications of hydrogen as its future strategies and connect the entire industry chain of hydrogen energy from water electrolysis hydrogen production to liquefaction, storage and transport and delivery as well as end-user utilisation, so as to provide full industry chain solutions for equipment of large-scale production, storage, transportation, refueling and use of hydrogen production with renewable energy and green hydrogen, and make our due contribution for achieving the country’s “dual carbon” development objective.

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

R&D AND INNOVATION

Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. has established the Jiangsu Provincial Enterprise Technology Centre – Enterprise Technology Centre of Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.; the Jiangsu Provincial Engineering Research Centre – Jiangsu Provincial Engineering Research Centre for Hydrogen Production and Storage Equipment; and the Jiangsu Provincial Engineering Technology Research Centre – Jiangsu Provincial Engineering Technology Research Centre for Hydrogen Production and Storage Equipment. Relying on these technology centres, the Company has established a comprehensive mechanism covering investment, management, evaluation and incentives. Regarding the investment guarantee mechanism, the Company strictly enforces the R&D budget management system to ensure that funds are allocated in full and in a timely manner, whilst maintaining independent accounting. In terms of project management, guided by normative documents such as the “R&D Project Management System”, the company has achieved standardised management throughout the entire process, from project initiation and feasibility studies, through process monitoring and milestone reviews, to final acceptance. Regarding talent incentive and evaluation mechanisms, a diversified system has been established that combines material and non-material incentives and links short-term with long-term development: a special innovation incentive fund has been set up to provide immediate rewards for significant technological breakthroughs and achievements; the effectiveness of technological innovation has been incorporated as a core evaluation indicator for staff promotion, professional technical grading and external training; and through a shareholding scheme for key personnel, the long-term interests of individuals and the Company are aligned.

In terms of industry-academia-research collaboration, the Company has established a tiered and categorised partnership management system. Based on the degree of strategic synergy, partner organisations are classified into strategic, core and project tiers for differentiated management and resource allocation. Through measures such as the signing of long-term agreements, the Company has forged robust strategic partnerships and established mechanisms for the sharing of intellectual property and the exchange of personnel. The Company maintains long-term, close technical collaborations with Tsinghua University, Southeast University, Shanghai Jiao Tong University, the Hefei General Machinery Research Institute, and the China Special Equipment Supervision and Inspection Institute. The Company has undertaken and participated in numerous national key research and development projects, including hydrogen energy equipment testing and evaluation, high-pressure hydrogen storage cylinders with plastic liners, liquid hydrogen storage, transport and refuelling, fuel cell vehicle safety, and multi-energy integration systems for ports; It has undertaken and participated in numerous provincial-level scientific research projects, including the development of liquid hydrogen storage and transport equipment, hydrogen liquefaction technology, 70 MPa on-board hydrogen systems and key components for fuel cell vehicles, 70 MPa high-pressure hydrogen dispensers and key components, and the research, development and application of IoT systems for hydrogen energy equipment.

The Company has led or participated in over 20 scientific and technological projects, including various national key research and development programmes and Jiangsu Provincial key research and development programmes. Guofu Hydrogen and its subsidiaries have filed over 470 patent applications and been granted 319 patents, including 120 invention patents; we have also registered 39 software copyrights. Guofu Hydrogen holds 175 registered trademarks in mainland China, three in Hong Kong and two in the European Union.

ENVIRONMENT MANAGEMENT

Environmental Protection Policies

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

We are committed to exploring ways to protect the environment as we continue to increase the revenue and expand production capacity. By developing and integrating environmentally sustainable practices into our operations, we minimize our environmental impacts. The Company has set up a regular inspection system and stringent environmental management measures which involve controlling of pollutant emission, waste treatment, third-party testing and monitoring, reducing the fossil fuel consumption and increasing staff awareness to mitigate environmental impact from our operation in the near, medium and long term. We strictly follow the requirements of national laws and regulations to reduce and manage the waste generated and encourage employees to use resources responsibly. The Company has established waste sorting stations that require employees to engage in waste classification. In addition, we carry out routine monitoring of wastewater, exhaust emissions and noise levels in our day-to-day operations, as well as of workstations involving toxic, hazardous and high-risk activities, and conduct annual inspections and reviews. At the same time, the Company generates and prioritises the use of clean energy through the installation of solar panels, and has implemented comprehensive water and electricity-saving measures across production facilities and office areas to continuously improve resource efficiency. Set out below are some of the key procedures in respect of environmental protection policies which have been adopted by us:

- **Regular Inspections.** The Company has set up a regular inspection system and stringent environmental management measures. Specifically, we control the emission by way of reduction management of waste water and gas through process optimization to reduce the cleaning time and winding time, thus reducing the generation of wastewater and waste gas. In addition, the Company also engages qualified third parties to monitor the toxicity and harmfulness of relevant production positions, waste water, noise, exhaust gas and radiation.
- **Resource Consumption.** The Company has improved the layout of workshop equipment and reduced the number of heat-generating equipment to reduce the air conditioning load and in turn reduce energy consumption. In addition, we have placed the production equipment with special requirements for temperature and humidity separately to cancel the original heating and dehumidification requirements of the entire workshop, which in turn reduce the energy consumption of air conditioners.

- **Handling of Hydrogen and Other Chemicals.** The Company's safety management department is responsible for the comprehensive management and to ensure safety precautions and supervision are in place in the use of hydrogen and the storage and handling of other chemicals. Personnel engaged in work related to the storage and use of hydrogen and chemicals must receive regular training in safety knowledge, professional skills, occupational safety and health protection and emergency rescue knowledge. For the handling of hydrogen and chemicals, our internal policy puts in place strict management protocols including providing appropriate safety equipment, implementing isolation measures, conducting regular inspections of storage facilities, and requiring safety precautions when handling and disposing waste in designated containers.
- **Waste Management.** The Company has completed online filing to discharge waste water and we have obtained necessary approvals of the pollution discharge from competent authorities. We have set up an air emission process system in our plants and implement relevant internal protocols to ensure proper operations. For other hazardous waste, we collect them and send to qualified units for specialized treatment. Wastewater from the Company is processed by the wastewater treatment station operated by us to reach national safety standards for disposal, other waste are collected and disposed by qualified industrial waste processing and environmental protection entities. We also contract with qualified environmental impact assessment agency to conduct regular inspections regarding our compliance with the emission of wastewater, waste gas and noise standard according to various environmental protection laws and regulations.

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION

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



Certificate

Quality Assurance Notification



Directive 2014/34/EU

Certificate Registr. No. 01 220 2209028

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

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

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

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

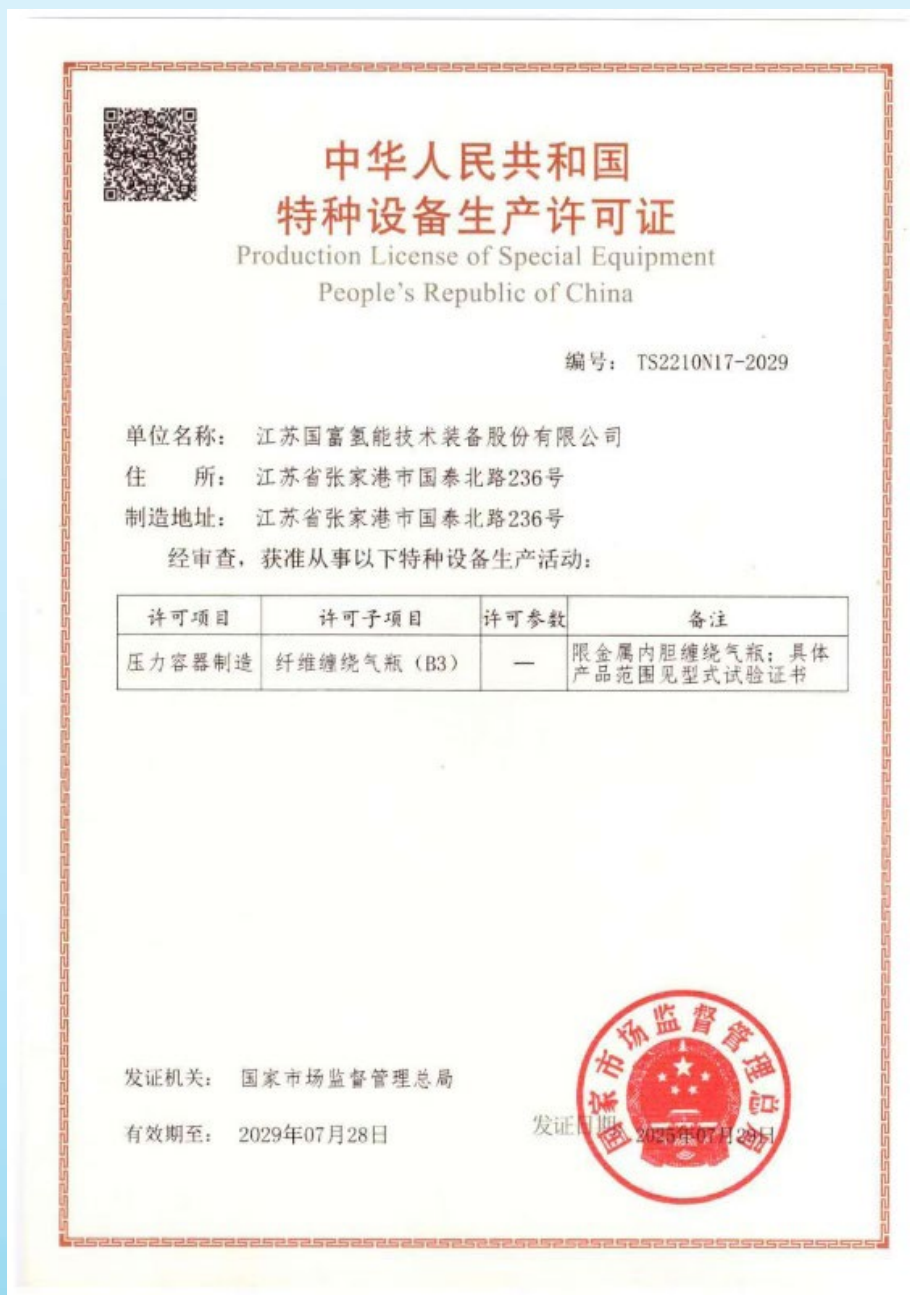
The due date for all future audits is 16th February

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



Wuppertal, 2023-03-01

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



中华人民共和国
特种设备生产许可证
Production License of Special Equipment
People's Republic of China

编号：TS2232108-2029

单位名称：江苏国富氢能技术装备股份有限公司

住 所：张家港市国泰北路 236 号

制造地址：苏州市张家港市国泰北路 236 号

经审查，获准从事以下特种设备生产活动：

许可项目	许可子项目	许可参数	备注
压力容器制造	罐式集装箱 (C2)	—	含真空绝热罐体 具备所制造产品 设计能力
压力容器制造	低温绝热气瓶 (B4)	—	具体产品范围见 型式试验证书

发证机关：江苏省市场监督管理局



有效期至：2029 年 09 月 02 日

发证日期：2025 年 09 月 03 日

江苏省市场监督管理局制

Environmental, Social and Governance Report

RESOURCE MANAGEMENT

Energy Management

Energy Consumption Targets

Baseline and Background: In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set consumption reduction targets based on the usage of energy in 2025. We set consumption reduction targets in terms of consumption/revenue ratio

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

Expected Results: The electricity consumed per ton of product produced in 2026 will decrease to below 90% than that in FY2025

We maintain and advocate the concept of “energy efficiency”, encourage our staff to conserve resources, optimize the structure of resource utilization and strengthen the management of resource utilization, so as to reduce resource consumption at source. At the same time, we continue to explore ways to recycle resources and strive to improve the efficiency of resource utilization. In 2023, 2024 and 2025, our total energy consumption was 6,719 thousand kWh, 9,954 thousand kWh and 6,027 thousand kWh, respectively. Our intensity of total energy consumption was 12.92 thousand kWh/revenue in RMB million, 21.73 thousand kWh/revenue in RMB million and 17.67 thousand kWh/revenue in RMB million, respectively. Of which, our direct energy consumption was 2,522 thousand kWh, 4,153 thousand kWh and 3,643 thousand kWh, respectively, which mainly includes natural gas consumed during our production and gasoline consumed by our vehicles. Our indirect energy consumption was 4,197 thousand kWh, 5,801 thousand kWh and 2,384 thousand kWh, respectively, which mainly includes purchased electricity. In 2025, the Company’s total energy consumption intensity fell to 81.3% of the 2024 level, thereby achieving the target set at the beginning of the year to reduce total energy consumption intensity to within 90% of the previous year’s level.

To achieve the energy consumption targets, we are actively promoting the use of renewable energy and plan to replace some of our purchased electricity with photovoltaic power generation for our production works in this year. Photovoltaic is a high-quality clean energy. By increasing the operational effectiveness of equipment by using standardised point inspections, regular maintenance of equipment and other management methods, we aim to decrease the useless power consumption of equipment, avoid idling of equipment and reduce energy consumption. In addition, we carried out LED lamps renovation for the lighting systems of the Company’s offices and various workshops. Compared with ordinary lighting equipment, LED lights have significant advantages, such as eco-friendly, energy saving and a longer life, which are the representative of “green lighting”.

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



WATER RESOURCE MANAGEMENT

Water Consumption Targets

- Baseline and Background:** In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set consumption reduction targets based on the usage of energy in 2025. We set consumption reduction targets in terms of consumption/revenue ratio
- Entity Scope:** Cover the Company and its principal subsidiaries including Guofu Hydrogen, Hydrogen Cloud Research Institute and Shanghai Qingmai, which are mainly located at Jiangsu Province and Shanghai
- Expected Results:** The water consumed per ton of product produced in 2026 will decrease to below 95% than that in FY2025

In 2023, 2024 and 2025, our water consumption was 55,800 tons, 46,088 tons and 44,516 tons, respectively. All of our water consumption comes from the use of tap water and we did not encounter any problems and challenges in searching for appropriate water source. Total water consumption in 2025 was lower than in both 2023 and 2024.

Environmental, Social and Governance Report

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

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



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

Packaging Management

In 2023, 2024 and 2025, our packaging consumption were 4.41 tons, 11.32 tons and 6.58 tons, respectively. The intensity of hazardous waste were 0.008 ton/revenue in RMB million, 0.025 ton/revenue in RMB million and 0.019 ton/revenue in RMB million. Our packaging materials are mainly paper boxes, packaging bags, pearl cotton, wrapping films and plastic storage crates. In recent years, whilst ensuring the safe transport of our products, we have continued to prioritise reducing plastic use, minimising weight and promoting recyclability in our packaging. We strive to use biodegradable and reusable materials wherever possible, and our packaging consumption per unit has continued to decline. We have drawn up the “Equipment Packaging and Transport Plan” (《設備包裝運輸方案》) and the “Packaging (Transport) Work Instructions” (《包裝(運輸)作業指導書》) to clarify standards for finished product packaging and avoid waste caused by excessive packaging.

Environmental, Social and Governance Report

Category		Units	2023	2024	2025
Energy Consumption	Direct Energy Consumption ¹				
	Gasoline	Liters	23,700	15,900	19,900
	Diesel	Liters	–	–	–
	Liquefied Petroleum Gas	Kilograms	–	–	–
	Natural Gas	Cubic meters	219,166	382,322	329,839
	Indirect Energy Consumption ²				
	Purchased Electricity	'000 kWh	4,197	5,801	2,384
	Direct Energy Consumption	'000 kWh	2,522	4,153	3,643
	Indirect Energy Consumption	'000 kWh	4,197	5,801	2,384
	Energy Consumption ³	'000 kWh	6,719	9,954	6,027
Energy Consumption Intensity	'000 kWh/RMB million in revenue	12.92	21.73	17.67	
Water Consumption	Total Water Consumption	ton	55,800	46,088	44,516
	Total Water Consumption Intensity	ton/RMB million in revenue	107.31	100.63	130.55
Packaging materials	Total Packaging Material Consumption ⁴	ton	4.41	11.32	6.58
	Total Packaging Material Consumption Intensity ⁵	ton/RMB million in revenue	0.008	0.025	0.019

Notes:

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

EMISSIONS MANAGEMENT

EMISSIONS TARGETS

- Baseline and Background:** In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set emissions reduction targets based on the emissions of air pollutants and greenhouse gases in 2025. We set emissions reduction targets in terms of emissions/revenue ratio.
- Entity Scope:** Cover the Company and its principal subsidiaries including Guofu Hydrogen, Hydrogen Cloud Research Institute and Shanghai Qingmai, which are mainly located at Jiangsu Province and Shanghai.
- Expected Results:** In 2026, the Company will focus on optimizing energy efficiency in production processes. Using the energy consumption per unit of product from FY2025 as a benchmark, the Company will implement a range of measures, including process improvements, equipment upgrades, refined energy management to steadily reduce electricity and natural gas consumption per ton of product, continuously improve energy utilization efficiency.

We pay great attention to the relevant laws and regulations of the country, strictly comply with applicable laws and regulations where the Group operates during our production and operation. We emphasize the treatment of emissions, wastewater, solid waste and other emissions to ensure the emissions of the Company can meet local emissions standards, thereby reducing the adverse effects caused to the environment. We continue to improve our emissions management system and have established the “Management System for Exhaust Dust” (《廢氣、粉塵管理制度》), “Wastewater Management System” (《污水管理制度》), “Solid Waste Management System” (《固體廢棄物管理制度》), “Noise Management System” (《噪聲管理制度》) and other systems, which specified the management requirements and emission standards for various types of emissions. The health, safety and environment (HSE) specialist carries out regular compliance checks on emissions according to the “HSE Monitoring and Measurement Control Procedures” (《HSE監視、測量控制程序》). In addition, the Company invites qualified third-party organizations to conduct tests on various indicators of waste gas and wastewater, including but not limited to sulfur oxides, nitrogen oxides and particulate matter, PH value, suspended solids, so as to ensure compliance with national emission standards.

Gas Pollution Prevention and Control

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

In 2023, 2024 and 2025, our total nitrogen oxide (NOx) emissions were 59.3 kilograms, 90.4 kilograms and 79.5 kilograms, respectively, our total sulfur oxide (SOx) emissions were 0.6 kilograms, 0.6 kilograms and 0.6 kilograms, respectively and our emissions of suspended particles were 1.3 kilograms, 1.2 kilograms and 1.2 kilograms, respectively. Emissions of NOx and SOx mainly come from the combustion of natural gases such as heated evacuation ovens and solidification furnaces and vehicle emissions. Emissions in 2025 were significantly lower than the data in 2024.

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

GREENHOUSE GAS MANAGEMENT

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

In 2023, 2024 and 2025, our emissions of greenhouse gases within Scope 1 were 622 tons, 1,018 tons and 894 tons, respectively, and the main source of emissions of greenhouse gases within Scope 1 are from the vehicle emissions used in our operation. Our emissions of greenhouse gases within Scope 2 were 2,690 tons, 3,766 tons and 1,650 tons, and the main source of emissions of greenhouse gases within Scope 2 are from the electricity and natural gas required in our operation. Our emissions of greenhouse gases within Scope 3 were 32 tons, 48 tons and 55 tons, and the main sources of greenhouse gases in Scope 3 are CO₂ emissions from the use of paper and the travel of employees on airplanes and business trips. In recent years, the Company has accelerated its expansion efforts, partnering with overseas enterprises to establish joint ventures, deeply participating in the localization and large-scale development of the hydrogen energy industry, operational activities and employee air travel have had a corresponding increase, leading to a rise in the Company's Scope 3 greenhouse gas emissions in 2025. However, both Scope 1 and Scope 2 greenhouse gas emissions saw significant declines in the year, resulting in an overall reduction in greenhouse gas emissions compared to 2024.

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

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

Category		Unit	2023	2024	2025
Emissions ¹	Nitrogen Oxides (NOx)	ton	0.0593	0.0904	0.0795
	Sulfur Oxides (SOx)	ton	0.0006	0.0006	0.0006
	Particulate Matters (PM)	ton	0.0013	0.0013	0.0012
Total greenhouse gas emissions and intensity ²	Scope 1 – Direct emission	ton	622	1,018	894
	Scope 2 – Indirect emission from energy	ton	2,690	3,766	1,650
	Scope 3 – Other indirect emission	ton	32	48	55
	Total emission ³	ton	3,344	4,832	2,599
	Total emission intensity	ton/revenue in RMB million	6.43	10.55	7.63

Notes:

- Emissions of the Company are mainly from gas fuel consumption and vehicle emissions. The emission factors for gas fuel refer to the Clean Air Charter — A Business Guidebook (《清新空氣約章—商界指南》) published by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment, as well as the Towngas’s Sustainable Development Report 2018 (《可持續發展報告2018》). The emission factors for vehicles refer to the Vehicle Emission Calculation Model of the Hong Kong Environmental Protection Department.
- To comprehensively present GHG emissions of the Company, we divided them into three scopes according to Appendix C2 of the Main Board Listing Rules:
 - Scope 1 — covers GHG emissions directly generated by the owned or controlled operations of the Company
 - Scope 2 — covers electricity consumed (purchased or acquired) internally by the Company
 - Scope 3 — covers all other indirect GHG emissions occurring outside the Company, such as wastepaper disposed of in landfills by the Company and our staff traveling by airplane for business purposes
- GHG emission data are presented in terms of carbon dioxide equivalents and refer to:
 - Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) (2014)
 - The “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” (《香港建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引》) by Hong Kong Environmental Protection Department
 - Ecological Environment Bureau of the People’s Republic of China (2019)

WASTE MANAGEMENT

Waste Discharge Targets

Baseline and Background: In response to the vision of achieving carbon peak in 2030 and carbon neutrality in 2060 and the call of various regulatory agencies including the HKEX, the Company voluntarily set emissions reduction targets based on the discharge of waste in 2025. We set emissions reduction targets in terms of emissions/revenue ratio.

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

Expected Results: The waste discharge intensity per ton of product produced in 2026 will decrease by 5%.

Hazardous Waste

In 2023, 2024 and 2025, our total discharge of hazardous waste were 61 tons, 47 tons and 107 tons, respectively. The intensity of hazardous waste were 0.12 ton/revenue in RMB million, 0.10 ton/revenue in RMB million and 0.31 ton/revenue in RMB million. Waste acetone solvent, waste cutting fluid, waste packaging, waste emulsion, and waste activated carbon generated during production processes are the Group's major hazardous waste. To achieve the discharge targets, in order to guarantee clean production and sustainable development, we will remain firm in regulating our management, integrated utilisation and harmless disposal of solid waste, with an aim to reduce waste discharge.

Non-hazardous Waste

In 2023, 2024 and 2025, our total discharge of hazardous waste were 121 tons, 171 tons and 171 tons, respectively. The intensity of hazardous waste were 0.23 ton/revenue in RMB million, 0.37 ton/revenue in RMB million and 0.50 ton/revenue in RMB million. Non-hazardous waste are mainly office and household waste, kitchen waste and non-hazardous waste during our production and operation.

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

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

Category		Unit	2023	2024	2025
Waste	Hazardous waste ¹	ton	61	47	107
	Density of hazardous waste	ton/total revenue in RMB million	0.12	0.10	0.31
	Non-hazardous waste ²	ton	121	171	171
	Density of non-hazardous waste	ton/total revenue in RMB million	0.23	0.37	0.50

Notes:

1. The hazardous waste of the Company mainly includes waste acetone solvent, waste cutting fluid, waste packaging, waste emulsion, and waste activated carbon.
2. The non-hazardous waste of the Company can be categorized into office and general household waste, kitchen waste, construction waste and other non-hazardous waste. Other non-hazardous waste primarily includes waste boxes and scrap metal.

Impacts of Climate Change

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

Type of risks	Potential impacts	Responses
Physical risk		
Acute risk	<p>Climate-related issues may bring about the risk of increasingly severe extreme weather events. The Company mainly locates at Zhangjiagang City, Jiangsu Province, which is located at the Yangtze River Delta region and belongs to the southern humid climate zone of the North Asian Tropics. Due to the combined effects of climate changes and geographical conditions, Zhangjiagang City is vulnerable to natural disasters, such as floods and draughts, typhoons, rainstorms and high temperatures. Natural disasters and extreme weather conditions may cause power outages, gas and water shortages as well as damages to production and processing facilities and warehouses, which may cause significant disruptions to our operations and economic losses to the Company.</p>	<p>With reference to relevant laws and regulations, we have formulated the “Emergency Rescue Plan” (《應急救援預案》), set up an emergency rescue team and purchase emergency supplies and equipment in advance. Also, we conduct emergency drills and training from time to time to enhance our staff’s awareness of precautionary measures and their ability to avoid risks. At the same time, the Company optimizes the protective design of the production and warehousing facilities, carrying out flood and typhoon-proof reinforcement and upgrades to key facilities such as workshops and warehouses. It has also installed emergency power, water, and gas supply equipment to ensure the basic operation of core facilities during extreme weather conditions and minimize the risk of business disruption.</p>
Chronic risk	<p>The major suppliers of the Company are located in various provinces and cities across the country, including Jiangsu Province, Zhejiang Province, Anhui Province, Hebei Province and other provinces. Of which, the supplier of carbon fiber, the principal raw material of hydrogen cylinders is located at Xi’ning, Qinghai Province. Subject to weather changes, the frequency of extreme weather events will cause disruption to our transportation services, which in turn will affect the stability of the supply chains of the Company, and may in turn lead to delays in the delivery of raw materials and products.</p>	<p>We have strengthened our efforts in researching the raw material market and studying the trend of the raw material market, so as to ensure the stability of the raw material supply. We continue to identify and cultivate multiple alternative suppliers for core raw materials, particularly for critical materials such as carbon fiber, and have established a pool of alternative suppliers to mitigate the transportation risks with reliance on a single supplier or region. In addition, the Company has appropriately increased safety stock levels for core raw materials and key components, maintaining emergency inventory buffers to prevent production disruptions caused by shipping delays.</p>

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Type of risks	Potential impacts	Responses
Transition risk		
Policy and legal risk	<p>Hydrogen energy is one of the important forms of energy and transportation to achieve “carbon neutrality and carbon neutrality”.</p> <p>National and local governments have launched numerous favorable policies in the field of hydrogen energy, national top-level planning, guidance from relevant ministries and commissions and the execution policies of local governments are implemented successively. The rapid development of the Company in the hydrogen energy sector has benefited from the support of national policies. As the hydrogen energy industry is still in a fast-growing stage, any unfavorable changes in the national policies and industrial policies, or if the Company’s application in the demonstration city clusters is not as expected, the Company’s business development may be adversely affected.</p>	<p>The Company has assigned dedicated personnel to continuously monitor national and local policies, top-level planning, policy directions and demonstration city clusters related to hydrogen energy sector industry, timely interpret policy changes, early adjust our business layout and development strategies, and actively align with policy requirements; we are continuously increasing our R&D investment, focusing on core technological innovation and product upgrades and iterations to diversify our product portfolio, enhance products’ core competitiveness, and reduce reliance on individual policies and demonstration projects; simultaneously, we actively participate in the development of hydrogen energy demonstration city clusters, strengthen cooperation with local governments, industry associations, and downstream customers, promote the large-scale application of our products in demonstration scenarios, and enhance the effectiveness of these demonstration projects.</p>
Legal risk	<p>Our business operations are subject to environmental protection laws and regulations issued by the PRC government. The transition to a low-carbon economy will inevitably lead to changes in climate-related regulations and policies and maintain compliance with applicable environmental regulations and laws, which may change from time to time and may increase our compliance costs. Failure to comply with such laws and regulations may result in serious consequences for us, including administrative, civil and criminal penalties and liability for damages and negative publicity. In the event of a serious violation, the PRC government may suspend or close any business.</p>	<p>We have established an environmental regulatory monitoring mechanism to stay abreast of changes in domestic and international climate-related environmental laws, regulations, and policies and organized environmental compliance training for all employees to enhance their awareness of compliance requirements; we have increased our investment in environmental protection, optimized production processes, and constructed supporting environmental treatment facilities to ensure that production and business operations comply with environmental regulations and reduce the risk of non-compliance. At the same time, we have established an environmental compliance self-inspection mechanism, conducting regular environmental compliance reviews to promptly identify and rectify potential compliance risks, thereby ensuring compliant operations.</p>

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Type of risks	Potential impacts	Responses
Technological risks	<p>The vehicle-mounted high-pressure hydrogen supply systems and hydrogen refueling stations (as a package of equipment) of the Company are technology-intensive products. The vehicle-mounted high-pressure hydrogen supply systems have the technical requirements of high safety, high stability, and light weight, while the hydrogen refueling stations (as a package of equipment) focus on the safety and accuracy of filling, and the two products are applied to fuel cell vehicles, transportation infrastructure and hydrogen filling stations, respectively. Currently, Japan and the United States have an absolute technological lead in the global hydrogen industry, monopolizing a large number of core technology patents. In addition, in the low-carbon context, as large energy companies and some of the relevant listed companies strengthen their investment in research and development resources in the hydrogen energy sector, if there are breakthrough technologies or brand new technological routes in the industry in the future, it may result in the Company's products not being able to adapt to the market demand.</p>	<p>The Company adheres to a technology development strategy of "independent R&D + win-win cooperation," strengthening technological innovation and patent portfolio. The Company enhance patent portfolio and management, establish a comprehensive intellectual property protection system, promptly apply patent for R&D achievements, while conduct patent monitoring to prevent infringement risks and take legal action against malicious infringement to safeguard the Company's interests. We closely monitor industry technology development trends and track domestic and international technological iteration advancements, early plan for the research and development of new technologies and pathways, drive product upgrades, and ensure our products aligned with market's changing demands.</p>

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Type of risks	Potential impacts	Responses
Market risk	<p>Against the backdrop of global emissions reduction, developed countries and regions, such as the United States, Japan and Europe, want to capitalize on their economic and trade strengths as well as their technological advantages in the field of low-carbon energy, and enhance their competitive advantages through low-carbon trade barriers such as carbon tariffs, especially in the energy industry to expand their global markets. The fierce competition of allocating carbon allowances between developed countries and emerging economies will continue in the future. With the launch and operation of the national carbon market, China is expected to become the largest carbon market in the world. The common feature of China Certified Emission Reduction (CCER) projects is the reduction of carbon emissions. Blue and green hydrogen as well as new low- or zero-emission hydrogen projects in the future, are the only ones that meet the emission reduction criteria for inclusion in the CCER project pipeline. In addition, with the market's deepening understanding of the concepts of low-carbon economy and carbon trading, market choices will be more inclined to low-carbon products. If the Company fails to provide more environmentally friendly products or services, it may result in the loss of some customers and lead to market risk.</p>	<p>The Company has participated in the compilation of the "Accounting method on Carbon Emission from Industrial co-product Hydrogen" (《工業副產氫碳排放核算方法》) which is led by the China Petroleum and Chemical Industry Federation and the Shanghai Environmental and Energy Exchange. The methodology starts from clarifying the formal emissions of hydrogen by-products. Through a more scientific and objective calculation method, it clarifies the carbon emission accounting and proportion allocation method of hydrogen by-products under various processes, so as to promote the application of industrial hydrogen by-products in the market. The Company's planned projects for water electrolysis hydrogen production using renewable energy meet the development and filing requirements of the national CCER methodology and possess the potential development for certified emission reductions. We continuously monitor global carbon tariff policies and carbon trading market trends, early preparing for compliance in overseas markets, optimizing overseas market expansion strategies, and mitigating the impact of carbon tariffs. The Company strengthens market research and customer needs analysis to accurately identify market demand for low-carbon products, launch eco-friendly products and services that meet customer needs, consolidate customer resources, and reduce the risk of losing customers.</p>
Reputation risk	<p>Failure to conduct preliminary surveys on intellectual property rights in the market during product development and design may result in the risk of patent infringement of the product. Failure to apply for patents or intellectual property protection for the Company's design and R&D results in a timely manner, or failure to monitor and respond to malicious infringement in the market after the application is completed. This may result in a failure to protect the results of the design and development effectively, which may result in damage to the reputation of the Company.</p>	<p>The Company has established a comprehensive intellectual property management system to promptly apply for patents and related intellectual property protection for its R&D achievements and design proposals, clearly define ownership of intellectual property, and ensure that R&D achievements are effectively protected. At the same time, we strictly comply with all national laws and regulations, and endeavor to protect all patents of the Company from infringement while eliminating infringement itself.</p>

CLIMATE CHANGE RESPONSE

Carbon Management, Carbon Footprint, and Green Products

In order to actively respond to national and international policies regarding the “dual carbon” and sustainable development, and to address global climate change and the evolving green trade regulations. We place a high priority on low-carbon management throughout the entire product lifecycle. In June 2025, the Ministry of Industry and Information Technology issued the “Implementation Plan on Further Promoting Green and Low-carbon Standardization Work in Industry and Information Technology,” (《關於深入推進工業和信息化綠色低碳準化工作的實施方案》) explicitly designating low-carbon fuels such as green hydrogen, green ammonia, and green methanol as priority products for the development of carbon footprint calculation standards. International regulations, such as the EU’s Carbon Border Adjustment Mechanism, have also imposed stricter requirements for the low-carbon market access of hydrogen products.

Against this backdrop, we have selected electrolytic cells, a key piece of equipment for hydrogen production, to conduct carbon footprint certification. In collaboration with professional certification institutes, we are comprehensively calculating greenhouse gas emissions across all stages of the product lifecycle, from raw material procurement, component manufacturing, to assembly and integration, in accordance with internationally recognized standards such as ISO14067 and PAS2050, scientifically defining the carbon footprint boundaries for electrolytic cell products, identifying high-emission stages, and developing targeted carbon reduction measures accordingly. Through this certification, we have further understood the products’ carbon emission characteristics, laying the foundation for formulating precise carbon reduction measures and enhancing the green competitiveness of the products.

Furthermore, we plan to incorporate the carbon footprint certification results into product labeling, transparently disclosing the carbon emissions levels of the products to consumers and partners, with the aim of guiding the market toward selecting low-carbon, environmentally friendly hydrogen energy products and jointly promoting the green development of the hydrogen energy industry.



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Practical Experience in Developing a Carbon Inclusive Methodology for hydrogen fueled vehicles

In 2025, the Company's subsidiary, Hydrogen Cloud Research Institute, took the lead in collaborating with professional organizations within the industry to complete the preparation of the "Suzhou Industrial Park Carbon Inclusive Methodology for Hydrogen Fueled Vehicles" (《蘇州工業園區氫燃料汽車行駛碳普惠方法學》)(No. SZYQ-2025006), which has become a crucial technical foundation for carbon emission accounting in the hydrogen fueled vehicles sector of Suzhou Industrial Park. During the preparation process, the team brought experts from multiple fields, including energy, transportation, environmental science, and carbon accounting together to systematically reviewed domestic and international policies, technical achievements, and practical experience related to hydrogen fueled vehicles carbon emissions accounting, conducted in-depth field research at hydrogen fueled vehicles operation and hydrogen refueling station operation companies, such as Lingniu New Energy Technology (Shanghai) Co., Ltd. and Jiangsu Jiahua hydrogen Technology Co., Ltd., to comprehensively understand the industry's actual operational data and monitoring status; Based on the research findings to establish an overall methodological framework, defining the accounting boundaries, methods, and core parameters. After validation and optimization through an expert forum, the methodology's feasibility and accuracy were verified via case studies, and following multiple rounds of refinement and improvement, a scientific, standardized, and operational carbon emission reduction accounting system for hydrogen fueled vehicles operations was ultimately established.

The prepared carbon inclusive methodology clarifies the accounting processes, methods, and technical requirements for carbon emission reductions from non-residential passenger transport and freight transport scenarios within Suzhou Industrial Park and related partner regions. It defines project boundaries, emission sources, the crediting period, and the accounting period, establishes an emission reduction calculation model centered on the baseline method, standardizes requirements for the entire process of data monitoring, collection, management, and verification and clarifies the mechanisms for distributing emission reduction benefits, the criteria for verifying additionality and public benefit, fills a technical gap in the accounting of carbon inclusive for hydrogen fueled vehicles operations within the region. This methodology refer to international standards such as ISO14067, PAS2050 and integrates advanced practices such as the CDM methodology for small-scale hydrogen fuel cell vehicles, the Beijing hydrogen fuel cell vehicle carbon emission reduction methodology, tailored to the actual development of Suzhou's hydrogen energy industry to provide a unified standard for the quantification, reporting, and verification of carbon emission reductions resulting from the replacement of traditional fuel vehicles with hydrogen fueled vehicles. It also lays the technical foundation for the monetization of carbon emission reductions in the regional hydrogen transportation sector and participation in carbon market transactions.

Based on the outcomes of this preparation, we plan to launch the development of local hydrogen fueled vehicles carbon assets in Suzhou in 2026 using this Carbon Inclusive Methodology, utilize blockchain technology to complete carbon emission reduction calculations and manage the entire process, including project development, verification, and trading, to promote the standardized verification and market-based application of hydrogen fueled vehicles emission reductions. By promoting the verification and market-based application of hydrogen fueled vehicles emission reductions can support deep decarbonization in the regional transportation sector and the green, low-carbon development of the hydrogen energy industry, fulfill the corporate responsibility for low-carbon development and provide practical support in the hydrogen transportation sector to help achieve the nation's "dual carbon" goals through technological R&D and standard-setting practices.

OPTIMISING EMPLOYMENT ENVIRONMENT

Employee Overview

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

We have established a healthy employment system and standardize the employment criteria of the Company, so as to provide timely and continuous human resources support for the development of the enterprise through standardized and professional recruitment activities. We have formulated the “Recruitment Management System” (《招聘管理制度》) to specify the recruitment policies and processes. Recruitment of the Company is based on the principles of equal opportunity, fair competition, comprehensive investigation and job matching. In 2025, the Group had a total of 529 employees, of which, there were 444 male employees and 85 female employees. 111 employees are under 30 years old, 337 employees are 30-45 years old and 81 employees over 45 years old.

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

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

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

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

PROTECTION OF HEALTH AND SAFETY

Occupational Health System

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



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

PRODUCTION SAFETY SYSTEM

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

We have continuously improved our Emergency Response Plan (《應急預案》), specifying the response measures and procedures for possible accidents or emergencies and arranging drills on a regular basis. To continuously strengthen safety awareness among all employees, the Company has designated May of each year as Work Safety Awareness Month, regularly conducts a series of activities, including safety training, themed awareness campaigns, and on-site emergency drills, comprehensively enhance emergency response capabilities and risk prevention and control level. During the reporting period, the Company carried out specialized initiatives focused on key risk areas in production and operations, organized and implemented multiple practical drills, including emergency drills for accidents involving special equipment and pressure vessels, poisoning and asphyxiation, hazardous chemicals, electric shock, heatstroke, and dust explosion hazards. These efforts effectively prevent and mitigate various safety hazards while continuously promoting standardized and regulated safety management operations. We also conduct regular inspections and checks on various safety aspects (e.g. fire-fighting, water and electricity usage and wearing of protective gears) to ensure that all safety nodes in the production process are monitored in real time.

Environmental, Social and Governance Report

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



SUPPORTING EMPLOYEES DEVELOPMENT

In terms of talent recruitment and development, the Company has launched the “Hydrogen Energy Leadership Talent Program,” (氢能領軍人才計劃) focusing on attracting top technical talent with over eight years of experience in fields such as liquid hydrogen, water electrolysis hydrogen production, and off-grid hydrogen production, as well as global management professionals with expertise in international markets, establishing a talent recruitment fund to provide competitive compensation packages and research condition for high-level talent; at the same time, the Company is building a multi-tiered employee development system. It plans to establish the “Guofu Hydrogen Scholarship” (國富氢能獎學金) in collaboration with top domestic and international universities to cultivate specialized hydrogen energy professionals, and to establish an internal training academy to enhance the skills of existing employees. Over the next five years, plans to recruit 50 specialized professionals and internally develop 100 core technical personnel to meet the expansion needs of various business areas.

Regarding the development of employee platforms and ecosystems, the Company is committed to building a hydrogen energy industry talent ecosystem. Through initiatives such as hosting the Hydrogen Technology World Expo and launching the Hydrogen Energy Industry Talent Alliance, providing employees with platforms for industry exchange and professional growth; leveraging our presence in Shanghai, Zhangjiagang, and eight global assembly bases across Europe and South America, and establishing a cross-regional R&D network to broaden employees’ career development opportunities. In 2025, the Company will prioritize foundational work in talent development, finalize the “Third Five Talent Development Plan,” (《三五人才規劃方案》) conduct a talent inventory, and create a “Tiered and Departmental 9-Box Talent Matrix” (《分級及部門人才盤點九格圖》) to accurately identify employee development needs and talent gaps; concurrently, the Company establish preliminary partnerships with executive search firms, initiate discussions on industry-university collaborations with multiple top-tier universities, and advance the preliminary planning for the “Hydrogen Energy Leadership Position Talent Matching Program” (《氢能領軍崗位人才匹配計劃》) and the “100 Key Personnel Development Plan,” (《百名骨幹培養計劃》) laying a solid foundation for further employee development initiatives.

We have established a sound talent cultivation mechanism and career advancement channels, thus our staff can enjoy a variety of benefits and extensive career development opportunities. Trainings of the Company adopt the mode of combining internal and external training. At the beginning of each year, the human resources department of the Company prepares the Annual Training Plan (《年度培訓計劃》) according to the needs of each business module and tracks the completion of trainings on a monthly basis. During the year, we achieved significant results in our talent development plan, with a 100% staff training rate and an average training hours of 8.2 hours per person.

PROTECTING EMPLOYEE'S RIGHTS

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

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

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

1. Equal employment: Ensure that there is no discrimination in the recruitment process and that fair assessments are made on the basis of ability, experience and job requirements, and prohibit prejudice on the basis of race, gender, age and other factors.
2. Labor contracts: We sign legal and compliant labor contracts with our staff to clarify the rights and obligations of both parties and to protect the legitimate rights and interests of our staff.
3. Compensation and benefits: Provide competitive salaries and benefits, such as social security, provident fund, paid vacation, etc., to ensure that employees receive reasonable compensation.
4. Working environment: Provide a safe and healthy working environment, regularly inspect equipment to prevent occupational injuries, and equip necessary safety facilities.
5. Training and development: Provide vocational training and promotion opportunities to help employees improve their skills and promote career growth.
6. Complaint mechanism: establish a smooth complaint channel, employees can anonymously report misconduct, the company will promptly investigate and deal with.
7. Privacy protection: Respect employees' privacy, handle personal information appropriately, and do not disclose it without consent.
8. Support from labor union: Support employees to join labor unions and protect their rights and interests through labor unions.

Environmental, Social and Governance Report

Measurement Indicators (Social Responsibility)

We have always adhered to the principles of diversity and inclusiveness, and are committed to developing an equal and diverse employment environment while continuously optimizing our staffing structure in order to maintain our internal and external competitiveness. The following table sets out quantitative data on the social performance of the Group in 2025.

Social responsibility Category	Unit	Data in 2025
Employee data¹		
Employees	Total number	529
Gender	Male	444
	Female	85
Age	Below 30	111
	30-45	337
	Over 45	81
Education	Doctor	1
	Master	33
	Bachelor	179
	Tertiary	138
	Senior high school and below	178
Employment type	Full-time employees	528
	Interns	–
	Dispatched labour	1
	Part-time employees	–
Position	Senior management	6
	Middle management	56
	General management	467

Environmental, Social and Governance Report

Social responsibility		
Category	Unit	Data in 2025
Region	Guofu Hydrogen	482
	Hydrogen Cloud Research Institute	24
	Shanghai Qingmai	23
Monthly average employee turnover rate		
Monthly average employee turnover	Total number	6.83
	Turnover rate	1.27%
Turnover rate by gender	Male	1.29%
	Female	1.27%
Turnover rate by age	Below 30	2.41%
	30-45	1.11%
	Over 45	0.51%
Region	Guofu Hydrogen	1.15%
	Hydrogen Cloud Research Institute	3.46%
	Shanghai Qingmai	1.50%
Staff training data		
Staff training	Number of trained employees	529
	Percentage of trained employees	100.00%
Gender	Male	444
	Female	85
Position	Senior management	6
	Middle management	56
	General management	467

Environmental, Social and Governance Report

Social responsibility Category	Unit	Data in 2025
Average training hours for staff		
Average training hours	Hours	8.2
Gender	Male	8.2
	Female	8.2
Position	Senior management	8.2
	Middle management	8.2
	General management	8.2
Employee health and safety data		
Work-related mortality	2022	0
	2023	0
	2024	0
Number of lost days due to work injury	Days	0

Note:

- Employee data are calculated based on the monthly average in 2025.

Supplier Management

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

Over the years, we have insisted on cooperating with suppliers from different regions, nationalities, cultures and backgrounds to realize a diversified supply chain. At the same time, we place great emphasis on supply chain security and sustainable development, and regard the localization of the supply chain as a key priority for ensuring stable supply and enhancing the industry's autonomy and control. The hydrogen energy equipment industry has traditionally relied heavily on overseas sources for key components and core materials. In response to shifts in the industry's supply chain, the Company is accelerating the pace of domestic substitution, proactively collaborating with high-quality domestic suppliers on joint R&D, process optimization, and technological synergy. While ensuring a stable supply of core materials, mitigating supply chain risks, driving technological upgrades and capacity growth among local suppliers, building a secure, resilient, and sustainable localized supply chain system, thereby promoting high-quality coordinated development across the entire hydrogen energy industry chain.

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

PRODUCT RESPONSIBILITY

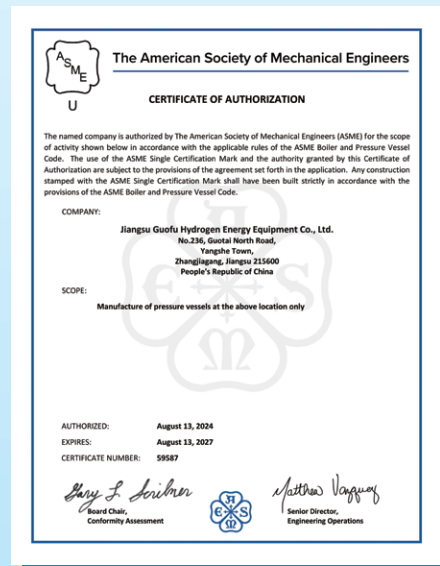
Product Services and Complaints

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

The Company places great emphasis on establishing and refining its quality management system. Taking into account the unique nature of hydrogen energy technology equipment, it has established a differentiated, comprehensive quality management system tailored to the technical characteristics, application scenarios, and compliance requirements of different products, thereby achieving the management objectives of coordinated operation across multiple systems and continuous optimization. Regarding quality management throughout the product lifecycle, the Company strictly adheres to the requirements of the ISO9001:2015 quality management system standard and integrating specific customer needs, developed documented management procedures to standardize and control the entire process, including product design and development, raw material procurement, manufacturing, inspection and testing, warehousing and logistics, installation and commissioning, and after-sales service, to ensure the conformity, suitability, and effectiveness of the quality management system, continuously enhances product quality stability and reliability, and consistently meets customers' core expectations regarding product quality.

Environmental, Social and Governance Report

To further strengthen quality management capabilities and enhance product compliance and market recognition, the Company actively pursues certification under internationally expert recognized standards. To date, it has successfully obtained ASME (American Society of Mechanical Engineers) certification and IATF16949 automotive quality management system certification. In particular, the attainment of ASME certification signifies that the Company’s design, manufacturing, and inspection processes for core products, such as pressure-bearing equipment, meet international advanced standards, laying a solid foundation for product entry into global markets; the attainment of IATF16949 certification ensures that the Company’s quality management in the automotive supply sector meets industry-specific requirements, further enhancing the competitiveness of its products in this niche market.



The company has consistently adhered to the quality management philosophy of “continuous improvement,” regularly audit and evaluate the operation of the quality management system, promptly optimizing and refining it in response to issues identified during operation to continuously enhance the system’s efficiency; at the same time, we closely monitor changes in industry standards, international regulations, and customer needs, and promptly adjust the quality management strategies and processes to ensure that product quality consistently meets market demands and compliance requirements. Moving forward, the Company will continue to deepen its commitment to product quality management and strengthen the development of the system, promote the refinement, standardization, and internationalization of quality management practices. By upholding higher standards of product quality, fulfill our responsibilities to our customers and society, thereby contributing to the Company’s sustainable development.

Products, Services, and Complaints

Since our establishment, we did not have any major product quality issues or recalls due to safety and health reasons. During the Reporting Period, we have not received any complaints related to our product quality.

We have established a standardized customer satisfaction survey mechanism. Each year, we distribute the “External Customer Satisfaction Survey” (《外部顧客滿意度調查表》) to conduct a comprehensive assessment of customer needs, product quality, and service responsiveness across five core dimensions, which are products, delivery, technical support, sales representative support, and customer service. During the survey process, we prioritize key customers and new customers for targeted surveys to accurately identify the needs and feedback, continuously optimize product design, manufacturing processes and service procedures to enhance the customer experience and satisfaction.

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

Protection of Intellectual Property Rights

We place a high priority on intellectual property protection, viewing it as a critical strategic asset for safeguarding the outcomes of technological innovation, maintaining core competitive advantages, and supporting sustainable development. The Company has established the "Intellectual Property Management Manual" (《知识产权管理手册》) and related procedural documents, which clearly define the end-to-end management requirements for the creation, application, maintenance, utilization, and protection of intellectual property. These policies cover various forms of intellectual property, including patents, trademarks, software copyrights, and trade secrets, and establish a management framework with clearly defined responsibilities. The Technology Center and all R&D departments must strictly adhere to these regulations to ensure that innovative achievements receive timely and standardized legal protection. For the research and development, production and sales of the hydrogen energy equipment of the Company, the above processes in relation to the purchase of intellectual property management activities in 2022 obtained the GB/T 29490-2013 intellectual property management system certification, in order to eliminate the occurrence of infringement at the same time, and strive to protect all of the Company's patents are not infringed upon.



Environmental, Social and Governance Report

We have established a dedicated intellectual property management department staffed by personnel with expertise in intellectual property. This department is responsible for coordinating the formulation and implementation of the Company's intellectual property strategy, guiding R&D staff in conducting patent searches, identifying, and developing, and centrally managing intellectual property applications, maintenance, licensing, and dispute resolution. R&D project teams also have an intellectual property liaison who is responsible for cataloging and filing intellectual property outcomes for specific projects.

We have deeply integrated intellectual property management into every stage of the technological innovation process. Prior to project initiation, we conduct systematic patent and technical intelligence searches and analyses to mitigate infringement risks and clarify technical roadmaps and innovation opportunities. During R&D, we encourage and promptly document technical breakthroughs and inventions, establish a technical disclosure system, and have the IP team conduct patentability assessments while guiding the drafting of high-quality application documents. Upon project completion and the delivery of results, we conduct systematic intellectual property evaluations and planning for the resulting technical achievements. We not only file foundational patents but also focus on building a network of peripheral patents around core technologies to establish effective protective barriers. For core technical know-how that should not be disclosed through patents, we incorporate it into the Company's technology secret management system and protect it through measures such as confidentiality agreements and graded access controls.

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

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

Guofu Hydrogen places great emphasis on intellectual property protection and talent development, and comprehensively enhances employees' intellectual property literacy through systematic and diversified training campaigns. In January 2025, a team of experts from the Zhangjiagang Market Supervision Administration visited our company to provide "one-on-one" specialized guidance, offered an in-depth interpretation of the annual intellectual property project application policies and operational guidelines, and held discussions on the cultivation of high-value patents and the transfer of research outcomes. This high-level guidance has provided critical support for our company's intellectual property strategic planning. Building on this foundation, we have established a long-term internal training mechanism, incorporating intellectual property training into the mandatory curriculum for R&D staff and regularly conducting specialized seminars on topics such as patent portfolio strategy and business secret protection. In 2025, we did not face any intellectual property infringement claims that had a material adverse effect on the Group. Moving forward, we will continue to refine our training system, fostering a deep-rooted awareness of intellectual property in the daily work of every employee to safeguard the Company's technological innovation and enhance core competitiveness.

CONSUMER PRIVACY PROTECTION

The Company established a Confidentiality Management System (《保密管理制度》), which categorizes company secrets into Top Secret/Level 1, Confidential/Level 2, and Secret/Level 3. The specific scope of corporate secrets is determined by the Board of Directors' Office, as the Company's administrative department responsible for classifying all departments materials. The Confidentiality Management System stipulates the scope and standards for each classification level. Confidentiality measures for the Company confidential materials are generally categorized into document and archive confidentiality, system confidentiality, and technical confidentiality. Document and archive confidentiality management is carried out in accordance with the Company's Archives Management Measures. System confidentiality involves managing confidential materials in accordance with the relevant provisions of the System, any violations will be handled in accordance with the Confidentiality Management System.

The Company deploys Leagsoft security management software on office terminals to implement data encryption controls for sensitive information and core materials, such as personal information, product design drawings, and financial data, thereby achieving full lifecycle security protection for sensitive data. All sensitive data to be sent externally must undergo a decryption request through the system and may only be decrypted and sent after approval by authorized personnel, ensuring that data usage and transmission remain compliant and controllable.

ANTI-CORRUPTION MANAGEMENT

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

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

We enter into an Integrity Agreement (《廉潔協議》) with suppliers, requiring the shareholders, directors, legal representatives, and all employees of suppliers to commit to refraining from engaging in commercial bribery, firmly opposes all forms of commercial bribery and corruption in its procurement and sales activities. If any personnel of the supplier, by taking advantage of their official position, provide any benefits or gifts to the Company and its personnel that constitute commercial bribery, we reserve the right to terminate all cooperation with the supplier and revoke their supplier status.

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

Environmental, Social and Governance Report

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

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

SOCIAL RESPONSIBILITY

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

We have always regarded driving local employment and improving people's livelihoods as key aspects of social responsibility. In 2024, Zhangjiagang formulated and issued the Three-Year Action Plan for the High-Quality Development of the Hydrogen Energy Industry Cluster (2024–2026) (《氫能產業集群高質量發展2024至2026年三年行動計劃》) which outlines a comprehensive strategic layout across the entire hydrogen energy industry chain—including hydrogen production, hydrogen storage, hydrogen transportation, hydrogen refueling, hydrogen energy equipment, and hydrogen fuel cells, with a focus on building a leading hub for the hydrogen energy industry. As the Company's core production and R&D hub, the Guofu Hydrogen Zhangjiagang headquarters fully leverages its role as a leading enterprise. We actively attract high-quality supply chain partners to Zhangjiagang, facilitating the coordinated establishment of upstream material, core component, system integration, and supporting service, to build a localized, integrated, and highly synergistic hydrogen energy equipment industrial cluster. Through continuous investment in and operation of large-scale, smart manufacturing bases, we are constantly refining our integrated supply chain system, encompassing production, storage, transportation, refueling, and consumption, to enhance our self-reliance and control over key materials and core components, and strengthen our global supply security capabilities. As the industry develops, we actively drive the upgrading of regional industrial chains and local economic growth, create a large number of high-quality jobs, support talent development and skills enhancement, and earnestly fulfill our social responsibilities. At the same time, we adhere to the principles of green and low-carbon development, driving technological innovation and efficient production in hydrogen energy equipment. By leveraging sustainable supply chain management to support the energy transition, we contribute to the sustainable development of society, the environment, and the economy.

We have been actively responding to the government's call to fulfill its social responsibility by attaching great importance to various social welfare activities. We attach great importance to our corporate role in establishing social values and leading the public in the awareness of civic responsibility. In response to the initiative of the Zhangjiagang Charity Federation, we have consistently made annual donations to the "Love Hong Kong City" Charity Fund over the years, establishing a regular donation mechanism. In 2025, we once again donated RMB 50,000 to the fund, demonstrating our commitment to corporate social responsibility through concrete actions and giving back to the local community.

Independent Auditor's Report

TO THE SHAREHOLDERS OF JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.

(江蘇國富氫能技術裝備股份有限公司)

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (江蘇國富氫能技術裝備股份有限公司) (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 122 to 129, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTER

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

Independent Auditor's Report

KEY AUDIT MATTER (continued)

Key audit matter

Impairment assessment of trade receivables and contract assets

As set out in Note 24 and Note 25 of the consolidated financial statements, as at December 31, 2025, the gross value of trade receivables and contract assets were RMB806,159,000 and RMB28,994,000, net of allowance for credit losses of RMB159,540,000 and RMB5,677,000 respectively.

The expected credit losses (“ECL”) on trade receivables and contract assets with credit-impaired are assessed individually, which are measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The remaining is collectively assessed using a provision matrix through grouping trade receivables and contract assets based on shared credit risk characteristics by reference to past due exposure and nature, size and industry for the customers, and the expected loss rates are estimated on the basis of the payment profiles of customers and the corresponding historical credit losses, which were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

We identified impairment assessment of trade receivables and contract assets as a key audit matter due to the significance of the balance of trade receivables and contract assets and the complexity of management’s estimates and judgements in assessing ECL mentioned above.

How our audit addressed the key audit matter

Our procedures in relation to management’s assessment on impairment of trade receivables and contract assets included:

- Obtaining an understanding and testing the design and implementation of the relevant key controls on how management determine the allowance for ECL;
- Challenging management’s basis and judgement in determining credit loss allowance on trade receivables and contract assets, including their identification of credit-impaired trade receivables and contracts assets, the reasonableness of grouping of the remaining trade debtors in the provision matrix, and the basis of estimated loss rates applied;
- Evaluating the appropriateness of management’s assessment on customer grouping based on our understanding of the Group’s business and operations and the credit risk characteristics of the relevant customers;
- Evaluating the competence, capabilities and objectivity of independent external valuer engaged by the management for impairment assessment of trade receivables and contract assets;
- Testing, on a sample basis, the historical data used in the calculation of the historical credit losses, including the settlement records and the accuracy of the ageing analysis of trade receivables and contract assets;
- Involving internal valuation specialists to evaluate the ECL model, methodology and key assumptions adopted by management.

OTHER INFORMATION

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Shun Yu (practising certificate number: P06543).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 30, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	Notes	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	5	346,374	458,609
Cost of sales		(342,503)	(412,672)
Gross profit		3,871	45,937
Other income	6	40,349	15,949
Other gains and losses	7	(13,305)	371
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	(73,087)	(21,999)
Selling expenses		(47,273)	(46,894)
Research and development expenses		(35,923)	(43,760)
Administrative expenses		(127,589)	(140,600)
Listing expenses		–	(26,164)
Share of results of associates	19	(6,211)	(2,662)
Share of result of a joint venture		(469)	–
Finance costs	9	(34,984)	(32,807)
Loss before tax	10	(294,621)	(252,629)
Income tax (expense) credit	11	(87,063)	44,001
Loss for the year		(381,684)	(208,628)
Other comprehensive income (expense)			
Item that will not be reclassified subsequently to profit or loss:			
Fair value gain on investments in equity instrument at fair value through other comprehensive income ("FVTOCI")		2,932	2,233
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(634)	(200)
Fair value gain on debt instruments at FVTOCI, net of income tax		128	67
		(506)	(133)
Other comprehensive income for the year, net of income tax		2,426	2,100
Total comprehensive expense for the year		(379,258)	(206,528)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	<i>Notes</i>	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
(Loss) profit for the year attributable to			
– Owners of the Company		(382,974)	(210,280)
– Non-controlling interests		<u>1,290</u>	<u>1,652</u>
		<u>(381,684)</u>	<u>(208,628)</u>
Total comprehensive (expense) income for the year attributable to:			
– Owners of the Company		(380,548)	(208,180)
– Non-controlling interests		<u>1,290</u>	<u>1,652</u>
		<u>(379,258)</u>	<u>(206,528)</u>
Loss per share			
– Basic (RMB)	14	<u>(3.57)</u>	<u>(2.12)</u>

Consolidated Statement of Financial Position

At December 31, 2025

	Notes	31/12/2025 RMB'000	31/12/2024 RMB'000
Non-current assets			
Property, plant and equipment	15	923,840	816,144
Right-of-use assets	16	141,702	78,533
Intangible assets	17	9,126	11,024
Investments in associates	19	131,985	155,390
Investment in a joint venture		–	469
Equity instrument at FVTOCI	20	101,101	36,566
Contract assets	25	9,818	16,428
Deferred tax assets	21	25,982	112,959
Prepayment for acquisition of property, plant and equipment		7,042	4,335
Loan receivables	23	3,880	1,320
Trade and other receivables	24	70,712	65,081
		1,425,188	1,298,249
Current assets			
Inventories	22	186,812	128,753
Loan receivables	23	1,910	1,430
Trade and other receivables	24	626,709	623,962
Contract assets	25	13,499	10,370
Debt instruments at FVTOCI	26	10,222	28,697
Amounts due from associates	33	144,466	85,487
Other financial asset		–	18,502
Financial assets at fair value through profit or loss (“FVTPL”)	27	138,022	28,803
Restricted bank deposits	28	49,826	4,413
Cash and cash equivalents	28	427,375	335,863
		1,598,841	1,266,280
Current liabilities			
Trade and other payables	29	670,521	547,694
Borrowings	30	532,108	520,977
Lease liabilities		2,357	495
Provisions	32	1,291	3,735
Financial liability at FVTPL		2,051	–
Contract liabilities	31	17,051	6,230
Amount due to an associate	33	–	118
Amounts due to related parties	33	1,079	2,395
Deferred income	34	54,068	49,882
		1,280,526	1,131,526
Net current assets		318,315	134,754
Total assets less current liabilities		1,743,503	1,433,003

Consolidated Statement of Financial Position

At December 31, 2025

	Notes	31/12/2025 RMB'000	31/12/2024 RMB'000
Capital and reserves			
Share capital	35	120,076	104,710
Reserves		1,096,573	886,315
		<u>1,216,649</u>	<u>991,025</u>
Equity attributable to owners of the Company			
		<u>1,216,649</u>	<u>991,025</u>
Non-controlling interests		17,982	1,883
Total equity		<u>1,234,631</u>	<u>992,908</u>
Non-current liabilities			
Borrowings	30	481,983	405,602
Lease liabilities		1,290	519
Provisions	32	11,758	7,771
Deferred income	34	13,841	26,203
		<u>508,872</u>	<u>440,095</u>
		<u>1,743,503</u>	<u>1,433,003</u>

The consolidated financial statements on pages 122 to 129 were approved and authorised for issue by the board of directors on March 30, 2026 and are signed on its behalf by:

Wu Pinfang
Director

Wang Kai
Director

Consolidated Statement Of Changes In Equity

For The Year Ended December 31, 2025

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	FVTOCI reserve	Translation reserve	Share-based payment reserve	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At January 1, 2024	92,829	751,109	(5,258)	16,078	(495)	4,804	(293,676)	565,391	231	565,622
(Loss) profit for the year	-	-	-	-	-	-	(210,280)	(210,280)	1,652	(208,628)
Other comprehensive income (expense) for the year	-	-	-	2,300	(200)	-	-	2,100	-	2,100
Total comprehensive income (expense) for the year	-	-	-	2,300	(200)	-	(210,280)	(208,180)	1,652	(206,528)
Issue of shares (Note 35)	5,881	219,480	-	-	-	-	-	225,361	-	225,361
Issue of shares upon the initial public offering ("IPO") (Note 35)	6,000	354,734	-	-	-	-	-	360,734	-	360,734
Transaction costs attribute to issue of new shares	-	(12,764)	-	-	-	-	-	(12,764)	-	(12,764)
Recognition of equity-settled share-based payments (Note 36)	-	-	-	-	-	60,483	-	60,483	-	60,483
At December 31, 2024	104,710	1,312,559	(5,258)	18,378	(695)	65,287	(503,956)	991,025	1,883	992,908
(Loss) profit for the year	-	-	-	-	-	-	(382,974)	(382,974)	1,290	(381,684)
Other comprehensive income (expense) for the year	-	-	-	3,060	(634)	-	-	2,426	-	2,426
Total comprehensive income (expense) for the year	-	-	-	3,060	(634)	-	(382,974)	(380,548)	1,290	(379,258)
Issue of shares (Note 35)	10,989	453,699	-	-	-	-	-	464,688	-	464,688
Exercise of warrants (Note 35)	4,377	156,439	-	-	-	-	-	160,816	-	160,816
Transaction costs attribute to issue of new shares (Note 35)	-	(32,033)	-	-	-	-	-	(32,033)	-	(32,033)
Acquisition of additional interests in subsidiaries (Note 19)	-	-	(3,089)	-	-	-	-	(3,089)	(2,753)	(5,842)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	450	450
Acquisition of subsidiaries (Note 19)	-	-	-	-	-	-	-	-	17,112	17,112
Recognition of equity-settled share-based payments (Note 36)	-	-	-	-	-	15,790	-	15,790	-	15,790
At December 31, 2025	120,076	1,890,664	(8,347)	21,438	(1,329)	81,077	(886,930)	1,216,649	17,982	1,234,631

Consolidated Statement Of Changes In Equity

For The Year Ended December 31, 2025

Notes:

- (i) On 31 March 2025, Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd. (張家港氫雲新能源研究院有限公司) (“**Hydrogen Cloud Research Institute**”), a subsidiary of the Group, entered into share transfer agreements with two individual shareholders of Shanghai Qingmai Engineering Technology Co., Ltd. (上海氫邁工程技術有限公司) (“**Shanghai Qingmai**”) to acquire the remaining 10% equity interests in Shanghai Qingmai at cash consideration of RMB3,842,000. The Group’s ownership interest in Shanghai Qingmai increased from 90% to 100% accordingly. As control over Shanghai Qingmai was not changed, the transaction was accounted for as an equity transaction. The excess of the consideration over the carrying amount of the non-controlling interests, approximately RMB2,688,000, was recorded in capital reserve.
- (ii) On September 17, 2025, the Company entered into a share transfer agreement with Urumqi Longshengda Environmental Protection Technology Co., Ltd. (烏魯木齊市隆盛達環保科技有限公司) to acquire the remaining 5.71% equity interest in Xinjiang Guofu Hydrogen Energy Technology Service Co., Ltd. (新疆國富氫能科技服務有限公司) (“**Xinjiang Guofu**”), a subsidiary of the Group, a cash consideration of RMB2,000,000. The Group’s ownership interest in Xinjiang Guofu increased from 94.29% to 100% accordingly. As control over Xinjiang Guofu was not changed, the transaction was accounted for as an equity transaction. The excess of the consideration over the carrying amount of the non-controlling interests, approximately RMB401,000, was recorded in capital reserve.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(294,621)	(252,629)
Adjustments for:		
Interest income on bank deposits	(1,959)	(1,695)
Interest income on loan receivables	(156)	(574)
Interest income on amounts due from associates	(294)	–
Finance costs	34,984	32,807
Gain from changes in fair value of financial assets at FVTPL	(1,208)	–
Loss from changes in fair value of financial liability at FVTPL	1,284	–
Gain on disposal of property, plant and equipment	(75)	(73)
Gain on termination of lease contracts	–	(37)
Depreciation of property, plant and equipment	60,335	51,914
Depreciation of right-of-use assets	4,971	3,696
Impairment loss on investments in associates	5,964	–
Write-down of inventories	1,034	1,791
Amortisation of intangible assets	1,898	1,763
Release of assets-related government subsidies	(1,578)	(2,062)
Impairment losses under ECL model, net of reversal	73,087	21,999
Share of results of associates	6,211	2,662
Share of result of a joint venture	469	–
Unrealised gains relating to transactions with associates, net of reversal	1,232	1,018
Equity-settled share-based payment expenses	15,790	60,483
Operating cash flow before movements in working capital	(92,632)	(78,937)
(Increase) decrease in inventories	(59,093)	47,843
Decrease in debt instruments at FVTOCI	18,636	4,912
Increase in trade and other receivables	(67,864)	(213,065)
(Increase) decrease in contract assets	(1,245)	11,282
Increase in amounts due from associates	(47,560)	(22,556)
Increase in provisions	1,543	978
Increase in trade and other payables	92,466	164,549
(Decrease) increase in amounts due to related parties	(1,316)	618
(Decrease) increase in amount due to an associate	(118)	118
Increase (decrease) in contract liabilities	10,821	(7,620)
(Decrease) increase in deferred income	(9,398)	28,533
Cash used in operations	(155,760)	(63,345)
Income tax paid	(119)	–
Net cash used in operating activities	(155,879)	(63,345)

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
INVESTING ACTIVITIES		
Interest received from banks	1,959	1,695
Assets-related government subsidies received	2,800	8,639
Proceeds on disposal of associates	–	384
Disposal of financial assets at FVTPL	114,484	–
Purchases of financial assets at FVTPL	(222,495)	(28,803)
Purchase of other financial asset	–	(18,502)
Disposal of other financial asset	18,502	–
Purchase of property, plant and equipment	(133,218)	(203,086)
Payments for right-of-use assets	(32,224)	(25,925)
Proceeds from disposal of property, plant and equipment	400	425
Investments in associates	(7,447)	(123,177)
Investment in a joint venture	–	(469)
Purchase of equity instrument at FVTOCI	(61,603)	–
Placement of restricted bank deposits	(72,115)	(24,504)
Withdraw of restricted bank deposits	26,702	41,310
Net cash outflow on acquisition of interest in subsidiaries	(3,424)	–
Loan to a third party	–	(452)
Loan to staffs	(3,000)	–
Loan to associates	(21,173)	–
Repayments of loan from a third party	48	10,000
Advance payment of investment in an associate	–	(1,438)
Withdraw of investment in an associate	1,438	–
Interest received from a staff	–	76
Net cash used in investing activities	(390,366)	(363,827)
FINANCING ACTIVITIES		
Interest paid	(38,382)	(32,297)
Contribution from non-controlling shareholders	450	–
Acquisition of additional interests in subsidiaries	(5,842)	–
Proceeds from issue of new ordinary shares	623,437	28,600
Payments for transaction costs for the issue of new ordinary shares	(32,033)	(3,239)
Proceeds from issue of warrants	2,834	–
Proceeds from issue of shares upon the IPO	–	360,734
Payment of transaction costs attributable to issue of shares	(280)	(11,784)
New borrowing raised	706,037	528,650
Repayment of borrowings	(617,516)	(440,014)
Payments of lease liabilities	(1,582)	(1,158)
Net cash from financing activities	637,123	429,492
Net increase in cash and cash equivalents	90,878	2,320
Cash and cash equivalents at beginning of the year	335,863	333,298
Effect of foreign exchange rate changes	634	245
Cash and cash equivalents at the end of the year	427,375	335,863

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

1. GENERAL INFORMATION

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

The principal activities of the Company and its subsidiaries (the “**Group**”) are production and sale of hydrogen equipment. Particulars and principal activities of the subsidiaries are disclosed in Note 44.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

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

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

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

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

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

3.1 Basis of preparation of consolidated financial statements

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

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

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

3.2 Material accounting policy information

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

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

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Changes in the Group's interests in existing subsidiaries

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

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

Investments in subsidiaries

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

Investments in associates

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

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

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

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

3.2 Material accounting policy information (continued)

Investments in associates (continued)

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

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

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

Changes in the Group's interests in associates

Acquisition of additional interests in associates

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Notes 5, 25 and 31.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Property, plant and equipment

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Inventories

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

Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

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

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

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

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

Refundable rental deposits

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

Lease liabilities

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

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

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

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

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

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

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

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

Lease modifications

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

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

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

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

Sale and leaseback transactions

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

The Group as a seller-lessee

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Intangible assets

Intangible assets acquired separately

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

Research and development expenditures

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

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

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

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

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

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

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

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Government grants

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

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

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

Cash and cash equivalents

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Employee benefits

Retirement benefit costs

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

Short-term employee benefits

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

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

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

3.2 Material accounting policy information (continued)

Share-based payments

Equity-settled share-based payment transactions

Restricted shares granted to employees

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

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

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

Taxation

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

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

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Taxation (continued)

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

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

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Provisions

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

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

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

Financial instruments

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

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

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

A financial asset is held for trading if:

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

(i) Amortised cost and interest income

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

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

(iii) Equity instruments designated as at FVTOCI

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

(iv) Financial assets at FVTPL

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

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

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

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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

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

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

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

(i) Significant increase in credit risk

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

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

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(i) Significant increase in credit risk (continued)

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

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

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (Note 7) as part of the net foreign exchange gains.

Derecognition of financial assets

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

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

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, borrowings, amount due to an associate and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 7) as part of net foreign exchange gains for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

3.2 Material accounting policy information (continued)

Borrowing costs (continued)

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Detail of the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 15, 16 and 17 respectively, and no impairment loss was recognised by the management of the Group during the year ended December 31, 2025 (2024: nil).

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables and contract assets, which are not assessed individually using a provision matrix. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 24, Note 25 and Note 42 respectively.

Deferred tax assets

As at December 31, 2025, deferred tax assets of RMB25,982,000 (2024: RMB112,959,000) in relation to deductible temporary differences have been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB758,871,000 (2024: RMB73,199,000) and deductible temporary differences of RMB214,598,000 (2024: nil), for certain subsidiaries due to the unpredictability of future profit streams as at December 31, 2025. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
At a point in time recognition:		
– vehicle-mounted high-pressure hydrogen supply systems and related products	158,487	279,089
– equipment for hydrogen refueling stations and related products	88,823	147,945
– water electrolysis hydrogen production equipment and related products	99,064	31,575
	<u>346,374</u>	<u>458,609</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about the Group's performance obligations is summarised below:

The Group sells vehicle-mounted high-pressure hydrogen supply systems and related products, equipment for hydrogen refueling stations and related products, water electrolysis hydrogen production equipment and related products directly to customers.

Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to customers and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the customer acceptance, the customer has ability to direct the use of the products and bears the risks of obsolescence and loss in relation to the products. The normal credit term is within one year upon acceptance.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from 1 to 8 years related to vehicle-mounted high-pressure hydrogen supply systems and related products and 1 to 2 years related to the remaining products from the date of the acceptance of the products. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers a contract asset to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the products comply with agreed-upon specifications and such assurance cannot be purchased separately.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

5. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (continued)

Sales-related warranties can not be purchased separately and they serve as an assurance type of warranty that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37. Please refer to Note 32 for details.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer.

(iii) Transaction price allocated to the remaining performance obligation for contract with customers

Contracts with customers were for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

Information is reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment focuses on revenue analysis of all products as a whole. The accounting policies are the same as the Group's accounting policies described in Note 3. No other discrete financial information is provided to the CODM for review other than the Group's results and financial position as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

Geographical information

The Group primarily operates in the PRC. The Group's non-current assets are all located in the PRC.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Customer A	85,973	N/A ¹
Customer B	46,398	N/A ¹
Customer C	41,346	N/A ¹
Customer D	N/A ¹	105,930
Customer E	N/A ¹	45,864

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

6. OTHER INCOME

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Government grants (<i>Note</i>)	35,237	12,643
Interest income on bank deposits	1,959	1,695
Electricity income	2,123	–
Sales of scrap materials	580	1,037
Interest income on amount due from associates	294	–
Interest income on loan receivables	156	574
	40,349	15,949

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's research and development activities and acquisition of property, plant and equipment. Some subsidies had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition.

7. OTHER GAINS AND LOSSES

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Gain on disposal of property, plant and equipment	75	73
Net foreign exchange (losses) gains	(6,664)	200
Gain from changes in fair value of financial assets at FVTPL	1,208	–
Loss from changes in fair value of financial liabilities at FVTPL	(1,284)	–
Impairment loss on investments in associates	(5,964)	–
Gain on termination of lease contracts	–	37
Others	(676)	61
	(13,305)	371

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Impairment losses, net of reversal, recognised on:		
trade receivables	58,716	23,135
contract assets	4,726	(2,126)
other receivables	(471)	253
loan receivables	68	–
amounts due from associates	10,048	885
amount due from a related party	–	(148)
	<u>73,087</u>	<u>21,999</u>

Details of impairment assessment are set out in Note 42.

9. FINANCE COSTS

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Interest on borrowings	37,373	33,091
Interest on lease liabilities	119	73
	<u>37,492</u>	<u>33,164</u>
Less: amounts capitalised in the cost of construction in progress	(2,508)	(357)
	<u>34,984</u>	<u>32,807</u>

Borrowing costs capitalised during the year arose on the specific borrowings and are calculated by applying a capitalisation rate ranging from 3.50% to 5.05% (2024: 3.95%) per annum to expenditure on qualifying assets.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

10. LOSS BEFORE TAX

Loss before tax for the year has been arrived at after charging:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Directors' and supervisors' emoluments (<i>Note 12</i>)	9,120	21,887
Other staff costs:		
– salaries and other benefits	81,597	79,699
– discretionary bonuses	1,146	1,382
– retirement benefit scheme contributions	18,721	17,668
– equity-settled share-based payments	10,085	42,640
Total staff costs	120,669	163,276
Capitalised in inventories	(25,743)	(28,768)
	94,926	134,508
Depreciation of property, plant and equipment	60,335	51,914
Depreciation of right-of-use assets	4,971	3,696
Amortisation of intangible assets	1,898	1,763
Total depreciation and amortization	67,204	57,373
Capitalised in inventories	(41,858)	(25,529)
	25,346	31,844
Auditors' remuneration	3,560	2,300
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB1,034,000 (2024: RMB1,791,000))	342,503	412,672

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

11. INCOME TAX EXPENSE (CREDIT)

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Current tax	119	–
Deferred tax (Note 21)	86,944	(44,001)
	<u>87,063</u>	<u>(44,001)</u>

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the statutory tax rate of the Company and the PRC subsidiaries is 25% for both years.

The Company was accredited as a “High and New Technical Enterprise” (“**HNTE**”) in November 2021 and November 2024, respectively. Hydrogen Cloud Research Institute was accredited as a HNTE in November 2023. Therefore, the Company and Hydrogen Cloud Research Institute were both entitled to a preferential income tax rate of 15% for both years.

Beijing Guofu Wanjia Hydrogen Energy Technology Co., Ltd. (北京國富萬家氫能科技有限公司) (“**Beijing Guofu**”), Sichuan Guofu Hydrogen Energy Technology Co., Ltd. (四川國富氫能科技有限公司) (“**Sichuan Guofu**”), Shanghai Guofu Hydrogen Energy Technology Equipment Co., Ltd. (上海國富氫能技術裝備有限公司) (“**Shanghai Guofu**”), Shanghai Qingping Technology Equipment Co., Ltd. (上海氫平技術裝備有限公司) (“**Shanghai Qingping**”), Jiaxing Guofu Hydrogen Energy Special Equipment Co., Ltd. (嘉興國富氫能特種設備有限公司) (“**Jiaxing Guofu**”), Manas Longshengda Yudu Hydrogen Technology Co., Ltd. (瑪納斯隆盛達玉都氫能科技有限公司) (“**Yudu Hydrogen**”), Urumqi Outejie Environmental Protection Technology Co., Ltd. (烏魯木齊市歐特捷環保科技有限公司) (“**Urumqi Outejie**”), Inner Mongolia Guofu Hydrogen Energy Technology Co., Ltd. (內蒙古國富氫能科技有限公司) (“**Inner Mongolia Guofu**”) and Shanghai Qingmai Engineering Technology Co., Ltd. (上海氫邁工程技術有限公司) (“**Shanghai Qingmai**”), subsidiaries of the Group, were subject to “small and thin-profit enterprises”. These entities enjoyed the preferential policy of calculating the taxable income at a reduced rate of 25% and levying corporate income tax at a rate of 20% during the two years ended December 31, 2024 and 2025.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

11. INCOME TAX EXPENSE (CREDIT) (continued)

The tax expense (credit) for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Loss before tax	(294,621)	(252,629)
Income tax credit calculated at 25%	(73,655)	(63,157)
Tax effect of expenses that are not deductible for tax purpose	1,605	1,435
Tax effect of additional deduction of research and development expenses (<i>note</i>)	(10,231)	(11,770)
Tax effect of deductible temporary differences not recognised	33,077	(74)
Tax effect of tax losses not recognised	132,572	2,836
Utilisation of tax losses previously not recognised	(4,046)	(3,026)
Income tax at concessionary rates	7,741	29,755
	87,063	(44,001)

Note: Pursuant to Caishui 2023 circular No. 7, the Group are entitled to claim 200% qualified research and development expenses incurred as tax deductible expenses when determining their assessable profit for both years.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Executive and non-executive directors and supervisors

Name	Position	Date of appointment
Mr. Wu Pinfang	Chief executive officer	March 23, 2020
	Executive Director	
Mr. Wang Kai	Executive Director	October 13, 2017
Mr. Shi Jian	Executive director	April 10, 2021 (Resigned on July 31, 2025)
Mr. Zhou Lin	Non-executive director	September 18, 2019 (Resigned on December 9, 2025)
Mr. Gu Yanjun	Non-executive director	October 13, 2017
Ms. Liu Yilin	Non-executive director	January 2, 2024
Ms. Zhao Jing	Supervisor	February 21, 2023
	Non-executive Director	December 29, 2025
Mr. He Guangliang	Supervisor	August 12, 2020
Mr. Kuang Kaifeng	Supervisor	February 21, 2023 (Resigned on November 21, 2025)
Mr. Yuan Ruichen	Supervisor	November 21, 2025
Mr. Zhang Yongjun	Independent non-executive director	August 20, 2021
Mr. Zou Jiasheng	Independent non-executive director	August 20, 2021
Mr. Chen Heping	Independent non-executive director	April 20, 2021 (Resigned on February 18, 2024)
Ms. Tong Sze Wan	Independent non-executive director	February 18, 2024

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Executive and non-executive directors and supervisors (continued)

Details of the emoluments paid or payable to the directors and supervisors of the Company for the service provided to the Group during both years are as follows:

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended					
December 31, 2025					
<i>Executive directors:</i>					
Mr. Wu Pinfang	673	–	3,320	–	3,993
Mr. Wang Kai	624	74	–	–	698
Mr. Shi Jian	241	43	64	–	348
<i>Non-executive directors:</i>					
Mr. Zhou Lin	70	–	–	–	70
Mr. Gu Yanjun	70	–	–	–	70
Ms. Liu Yilin	70	–	–	–	70
Ms. Zhao Jing	–	–	–	–	–
<i>Independent non-executive directors:</i>					
Ms. Tong Sze Wan	162	–	–	–	162
Mr. Zou Jiasheng	80	–	–	–	80
Mr. Zhang Yongjun	80	–	–	–	80
<i>Supervisors:</i>					
Mr. He Guangliang	302	45	1,612	–	1,959
Mr. Yuan Ruichen	11	3	–	–	14
Ms. Zhao Jing	303	63	645	–	1,011
Mr. Kuang Kaifeng	427	74	64	–	565
	3,113	302	5,705	–	9,120

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Executive and non-executive directors and supervisors (continued)

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended					
December 31, 2024					
<i>Executive directors:</i>					
Mr. Wu Pinfang	672	–	9,830	200	10,702
Mr. Wang Kai	624	74	–	100	798
Mr. Shi Jian	422	74	207	43	746
<i>Non-executive directors:</i>					
Mr. Zhou Lin	70	–	–	–	70
Mr. Gu Yanjun	70	–	–	–	70
Ms. Liu Yilin	70	–	–	–	70
<i>Independent non-executive directors:</i>					
Ms. Tong Sze Wan	143	–	–	–	143
Mr. Zhang Yongjun	80	–	–	–	80
Mr. Zou Jiasheng	80	–	–	–	80
Mr. Chen Heping	33	–	–	–	33
<i>Supervisors:</i>					
Mr. He Guangliang	254	45	5,458	43	5,800
Ms. Zhao Jing	302	63	2,070	66	2,501
Mr. Kuang Kaifeng	432	74	278	10	794
	<u>3,252</u>	<u>330</u>	<u>17,843</u>	<u>462</u>	<u>21,887</u>

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

None of the directors of the Company waived or agreed to waive any emoluments during the years ended December 31, 2025 and 2024.

During the year ended December 31, 2025, no directors and supervisors were granted restricted shares, in respect of their services to the Group. Details are set out in Note 36 to the consolidated financial statements.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Executive and non-executive directors and supervisors (continued)

Five highest paid employees

The five highest paid individuals of the Group during the year included one (2024: one) director of the Company. Details of whose remuneration are set out above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Salaries and other benefits	1,408	1,779
Discretionary bonuses	–	141
Retirement benefit scheme contributions	220	268
Share-based payments	5,928	19,312
	7,556	21,500

The emoluments of the five highest paid individuals are within the following bands:

	Year ended 31/12/2025 No. of Individuals	Year ended 31/12/2024 No. of individuals
Hong Kong dollars (“HK\$”) 1,000,001 to HK\$1,500,000	2	–
HK\$2,000,001 to HK\$2,500,000	1	1
HK\$2,500,001 to HK\$3,000,000	–	1
HK\$3,500,001 to HK\$4,000,000	1	–
HK\$4,000,001 to HK\$4,500,000	1	–
HK\$6,000,001 to HK\$6,500,000	–	1
HK\$11,500,001 to HK\$12,000,000	–	1
HK\$12,000,001 to HK\$12,500,000	–	1
	5	5

During both years, no emoluments were paid by the Group to any of the executive director, non-executive directors, independent non-executive directors, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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For the year ended December 31, 2025

13. DIVIDENDS

No dividend was paid or declared by the Company during 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

14. LOSS PER SHARE

	Year ended 31/12/2025	Year ended 31/12/2024
Loss (RMB'000):		
Loss for the purpose of calculating basic loss per share	<u>(382,974)</u>	<u>(210,280)</u>
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	<u>107,228</u>	<u>99,406</u>
Loss per share (RMB)		
– Basic	<u>(3.57)</u>	<u>(2.12)</u>

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15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RMB'000	Machinery and equipment RMB'000	Furniture and fixture RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At January 1, 2024	542,242	97,426	23,098	3,921	90,342	757,029
Additions	2,035	7,737	2,796	1,373	164,446	178,387
Transfers	17,885	135,356	–	–	(153,241)	–
Disposals	–	–	(162)	(752)	–	(914)
At December 31, 2024	562,162	240,519	25,732	4,542	101,547	934,502
Additions	16,680	8,494	1,528	324	135,609	162,635
Acquired on acquisition of subsidiaries	–	–	30	226	5,465	5,721
Transfers	58,903	55,418	–	–	(114,321)	–
Disposals	–	(360)	(70)	(389)	–	(819)
At December 31, 2025	637,745	304,071	27,220	4,703	128,300	1,102,039
DEPRECIATION						
At January 1, 2024	30,705	23,352	10,982	1,967	–	67,006
Provided for the year	28,812	16,813	5,599	690	–	51,914
Disposals	–	–	(78)	(484)	–	(562)
At December 31, 2024	59,517	40,165	16,503	2,173	–	118,358
Provided for the year	29,319	26,170	4,033	813	–	60,335
Disposals	–	(112)	(13)	(369)	–	(494)
At December 31, 2025	88,836	66,223	20,523	2,617	–	178,199
CARRYING AMOUNTS						
At December 31, 2025	548,909	237,848	6,697	2,086	128,300	923,840
At December 31, 2024	502,645	200,354	9,229	2,369	101,547	816,144

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Buildings and structures	10 – 20 years
Machinery and equipment	8 – 10 years
Motor vehicles	5 years
Furniture and fixture	3 – 5 years

The Group has pledged buildings and construction in progress with carrying amounts of RMB 556,508,000 (2024: RMB503,988,000) and equipment with carrying amounts of RMB51,978,000 (2024: RMB22,367,000) to secure general banking facilities granted to the Group.

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
At January 1, 2024	54,178	1,132	55,310
Addition for the year	25,925	1,498	27,423
Termination of lease contract	–	(504)	(504)
Depreciation charge for the year	(2,694)	(1,002)	(3,696)
At December 31, 2024	77,409	1,124	78,533
Addition for the year	32,224	4,096	36,320
Acquired on acquisition of subsidiaries	31,820	–	31,820
Depreciation charge for the year	(3,464)	(1,507)	(4,971)
At December 31, 2025	137,989	3,713	141,702

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Expenses relating to short-term leases	580	563
Total cash outflow for leases	34,386	27,646

During the years ended December 31, 2025 and 2024, the leasehold lands of the Group represented the prepaid lease payment for lands located in the PRC with the fixed period of 30 years to 50 years. The remaining lease term is 24 years to 46 years as at December 31, 2025 (2024: 25 years to 47 years).

16. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leased various properties for its operating activities. Lease contracts were entered into for fixed terms of 2 years to 3 years (2024: 2 years to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has pledged leasehold lands with carrying amounts of RMB96,193,000 (2024: RMB77,409,000) to secure general banking facilities granted to the Group.

The Group's lease liabilities of RMB3,647,000 are recognised with related right-of-use assets of RMB3,713,000 as at December 31, 2025 (2024: lease liabilities of RMB1,014,000 and related right-of-use assets of RMB1,124,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Except for the leasehold lands, leased assets may not be used as security for borrowing purposes.

The Group regularly entered into short-term leases for various properties. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the year ended December 31, 2025, the Group has raised borrowings of RMB17,274,000 (2024: RMB44,711,000) in respect of such sale and leaseback arrangements. Details of the borrowings are set out in Note 30.

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17. INTANGIBLE ASSETS

	Non-patented technologies RMB'000	Patent RMB'000	Total RMB'000
COST			
At January 1, 2024 and December 31, 2024 and 2025	16,324	1,941	18,265
AMORTISATION			
At January 1, 2024	(4,897)	(581)	(5,478)
Charge for the year	(1,634)	(129)	(1,763)
At December 31, 2024	(6,531)	(710)	(7,241)
Charge for the year	(1,769)	(129)	(1,898)
At December 31, 2025	(8,300)	(839)	(9,139)
CARRYING AMOUNTS			
At December 31, 2025	8,024	1,102	9,126
At December 31, 2024	9,793	1,231	11,024

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Non-patented technologies	10 years
Patent	15 years

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18. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the year ended 31 December 2025, the slow recovery of market demand in the hydrogen energy industry leading to recurring operating losses of the Group, the management of the Group concluded there was indication of impairment loss and conducted impairment assessment on machinery and equipment, furniture and fixture, motor vehicles, leased properties and intangible assets with carrying amounts of RMB259,470,000 as at December 31, 2025.

The recoverable amount of these machinery and equipment, furniture and fixture, motor vehicles, leased properties and intangible assets has been determined based on a value in use calculation, which uses cash flow projections based on financial budgets approved by the management of the Group. The financial budgets covered a four-year period (the "Period") since the management anticipated a longer time for the Group to reach a stable growth state, especially taking into account the fact that the hydrogen energy industry is in its early developing stage with fast growth and the Group is going to develop rapidly in the coming years. The key assumptions of the financial budgets included annual growth rates within the Period, growth rate to extrapolate cash flows beyond the Period and pre-tax discount rate. The values to the assigned key assumptions were determined based on the Group's past performance and management expectations for the market development. During the Period, the annual growth rates ranged from 12.81% to 27.38% as at December 31, 2025. The cash flows beyond the Period are extrapolated using 2% growth rate, which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Pre-tax discount rate of 12.81% was used to reflect market assessment of time value and the specific risks relating to the above mentioned assets for the impairment review as at December 31, 2025.

Management of the Group determined that there was no impairment on the property, plant and equipment, right-of-use assets and intangible assets for the year ended 31 December 2025.

19. INVESTMENTS IN ASSOCIATES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Cost of investments in associates	149,299	169,909
Share of loss and total comprehensive expenses	(7,463)	(5,900)
Unrealised gains relating to transactions with associates, net of reversal	(9,851)	(8,619)
	<u>131,985</u>	<u>155,390</u>

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For the year ended December 31, 2025

19. INVESTMENTS IN ASSOCIATES (continued)

Details of each of the Group's principal associates at the end of the reporting period are as follows:

Name of associates	Country of incorporation	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			31/12/2025	31/12/2024	
Jiangsu Jiahua hydrogen Technology Co., Ltd. (江蘇嘉化氫能科技有限公司) ("Jiahua Hydrogen") (Note i)	China	Jiangsu	10%	10%	Sales of hydrogen-related equipment
Qilu Hydrogen Energy (Shandong) Development Co., Ltd. (齊魯氫能(山東)發展有限公司) ("Qilu Hydrogen")	China	Shandong	22.5%	22.5%	Sales of hydrogen-related equipment
Huajiu Hydrogen Energy (Henan) Co., Ltd. (華久氫能源(河南)有限公司) ("Huajiu Hydrogen") (Note ii)	China	Henan	13.02%	13.02%	Sales of chemical products
Manas Longshengda Yudu Hydrogen Technology Co., Ltd. (瑪納斯隆盛達玉都氫能科技有限公司) ("Yudu Hydrogen") (Note 44)	China	Xinjiang	70.09%	40%	Sales of hydrogen-related equipment
Inner Mongolia Mengfa Guofu Hydrogen Energy Technology Co., Ltd. (內蒙古蒙發國富氫能科技有限公司) ("Mengfa Guofu") (Note iii)	China	Inner Mongolia	40%	40%	Sales of hydrogen refueling stations equipment and related products
Broaden Energy Hydrogen Solutions-L.L.C ("Broaden Energy") (Note iv)	United Arab Emirates	Abu Dhabi	20%	20%	Sales of hydrogen-related equipment
Urumqi Outejie Environmental Protection Technology Co., Ltd. (烏魯木齊市歐特捷環保科技有限公司) ("Urumqi Outejie") (Note 44)	China	Xinjiang	69.32%	45%	Sales of hydrogen refueling stations equipment and related products
Hutubi Longshengda Jinhua Hydrogen Technology Service Co., Ltd. (呼圖壁隆盛達錦華氫能科技服務有限公司) ("Longshengda Jinhua") (Note v)	China	Xinjiang	40%	40%	Sales of hydrogen refueling stations equipment and related products
Guangdong Funiuniu Hydrogen Technology Co., Ltd. (廣東富牛氫能科技有限公司) ("Funiuniu") (Note vi)	China	Guangdong	20%	–	Sales of hydrogen-related equipment

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19. INVESTMENTS IN ASSOCIATES (continued)

Notes:

- i. The Group is able to exercise significant influence over Jiahua Hydrogen because it has the power to appoint one out of the five directors of Jiahua Hydrogen under the articles of association of Jiahua Hydrogen.
- ii. The Group is able to exercise significant influence over Huajiu Hydrogen because it has the power to appoint two out of the five directors of Huajiu Hydrogen under the articles of association of Huajiu Hydrogen.
- iii. In February 2024, the Group contributed cash of RMB100,000,000 as capital injection in Mengfa Guofu and held 40% of its voting rights as at December 31, 2025 and 2024.
- iv. In May and December 2024, Guofuhee Holdings Pte. Ltd., a subsidiary of the Group, contributed cash of United States dollars (“USD”) 800,000 (equivalent to RMB5,751,000) as capital injection in Broaden Energy. In January 2025, Singapore Guofu contributed additional cash of United States dollars (“USD”) 300,000 (equivalent to RMB2,109,000) as capital injection in Broaden Energy and held 20% of its voting rights as at December 31, 2025 and 2024. The Group is able to exercise significant influence over Broaden Energy.
- v. In June and August 2024, Xinjiang Guofu Hydrogen Energy Technology Service Co., Ltd. (新疆國富氫能科技服務有限公司) (“Xinjiang Guofu”), a subsidiary of the Group, contributed cash of RMB1,800,000 as capital injection in Longshengda Jinhua and held 40% of its voting rights as at December 31, 2024. In January 2025, Xinjiang Guofu contributed cash of RMB1,000,000 as additional capital injection in Longshengda Jinhua and maintained 40% of its voting rights as at December 31, 2025. The Group is able to exercise significant influence over Longshengda Jinhua because it has the power to appoint one out of the three directors of Longshengda Jinhua under the articles of association of Longshengda Jinhua.
- vi. In September 2025, Shanghai Qingping, a subsidiary of the Group, contributed cash of RMB1,000,000 as capital injection in Funiuniu. Shanghai Qingping holds 20% of its voting rights and has appointed one supervisor to oversee the company’s financial and operational matters.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information of a material associate

Mengfa Guofu

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Current assets	<u>140,137</u>	196,725
Non-current assets	<u>136,512</u>	70,090
Current liabilities	<u>34,251</u>	19,324

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19. INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information of a material associate (continued)

Mengfa Guofu (continued)

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	347	92
Loss and total comprehensive expense for the year	(5,093)	(2,509)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

	31/12/2025 RMB'000	31/12/2024 RMB'000
Net assets of Mengfa Guofu	242,398	247,491
Proportion of the Group's ownership interest in Mengfa Guofu	40%	40%
The Group's share of net assets of Mengfa Guofu	96,959	98,996
Adjustment of unrealised gains relating to transactions with Mengfa Guofu	(1,525)	(701)
Carrying amount of the Group's interest in Mengfa Guofu	95,434	98,295

Aggregate information of associates that are not individually material

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
The Group's share of loss and total comprehensive expenses	(4,174)	(1,658)
Aggregate carrying amount of the Group's interests in these associates	36,551	57,095

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20. EQUITY INSTRUMENT AT FVTOCI

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Unlisted equity investment, at fair value		
– Lingniu New Energy Technology (Shanghai) Co., Ltd. (羚牛新能源科技(上海)有限公司) (“Lingniu”) (Note i)	39,498	36,566
– Hylum Industries, Inc. (“Hylum”) (Note ii)	61,603	–
	101,101	36,566

Notes:

- i The unlisted equity investment represents the Group’s equity interest of 14.31% in Lingniu, a private entity established in the PRC. As at December 31, 2025, the Group’s equity interest in Lingniu was diluted to 13.83% due to additional capital contribution from its investors.

The directors of the Company have elected to designate the investment in equity instrument at FVTOCI as they believed that recognizing short-term fluctuations in this investment’s fair value in profit or loss would not be consistent with the Group’s strategy of holding this investment for long-term purposes and realizing its performance potential in the long run.

The fair value of the unlisted equity instrument as at December 31, 2025 and 2024 was determined by directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited (“艾華迪評估諮詢有限公司”).

- ii On October 21, 2025, the Company entered into an agreement with the existing third party shareholders, for the injection of new capital to Hylum. Upon the completion of capital contribution of South Korean Won (“KRW”) 12,400,000,000 (approximately RMB61,603,000), the Group held 8.88% of equity interest of Hylum as at December 31, 2025.

The directors of the Company have elected to designate the investment in equity instrument at FVTOCI as they believed that recognizing short-term fluctuations in this investment’s fair value in profit or loss would not be consistent with the Group’s strategy of holding this investment for long-term purposes and realizing its performance potential in the long run.

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21. DEFERRED TAX ASSETS

The followings are the major deferred tax assets recognised and movements thereon during the current and prior years:

	Fair value change of debt instruments RMB'000	ECL provision RMB'000	Tax losses RMB'000	Accrued expenses RMB'000	Deferred income RMB'000	Share- based payment RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024	45	12,808	37,708	6,028	5,542	6,609	230	68,970
Credit (charge) to profit or loss	-	3,315	26,629	(596)	5,312	9,072	269	44,001
Charge to the other comprehensive income	(12)	-	-	-	-	-	-	(12)
At December 31, 2024	33	16,123	64,337	5,432	10,854	15,681	499	112,959
Credit (charge) to profit or loss	-	9,859	(64,337)	(5,432)	(10,854)	(15,681)	(499)	(86,944)
Charge to the other comprehensive income	(33)	-	-	-	-	-	-	(33)
At December 31, 2025	-	25,982	-	-	-	-	-	25,982

At the end of the reporting period, the Group had unused tax losses of approximately RMB 758,871,000 (2024: RMB502,116,000), available for offsetting against future profits. No deferred tax asset has been recognised in respect of tax losses of RMB 758,871,000 (2024: RMB73,199,000) due to the unpredictability of future profit streams.

The unrecognised tax losses of the Group will be carried forward and expire in years as follows:

	31/12/2025 RMB'000	31/12/2024 RMB'000
2026	16	1,845
2027	9,471	17,855
2028	18,877	19,440
2029	15,256	11,400
2030	23,061	4,144
2031	80,398	13,729
2032	107,258	4,594
2033	77,133	192
2034	177,524	-
2035	249,877	-
	758,871	73,199

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22. INVENTORIES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Raw materials and consumables	58,677	56,775
Work in progress	48,470	59,223
Finished goods	79,665	12,755
	<u>186,812</u>	<u>128,753</u>

The write down of inventories of the Group recognised as cost of sales amounted to RMB1,034,000 during the year ended December 31, 2025 (2024: RMB1,791,000).

23. LOAN RECEIVABLES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Fixed-rate loan receivables	<u>5,790</u>	<u>2,750</u>
Analysed as		
current	1,910	1,430
non-current	<u>3,880</u>	<u>1,320</u>
	<u>5,790</u>	<u>2,750</u>

In May 2023, the Group entered into a loan agreement with a staff. Pursuant to the loan agreement, the staff borrowed RMB2,200,000 from the Group with fixed interest rate of 4.75% per annum. A supplementary loan agreement was entered into between the Group and the employee in 2025, pursuant to which the interest rate was adjusted from 4.75% to 3.1% since January 1, 2025. The amount would be repaid in a series of five successive equal yearly installments starting from the borrowing date. The installments of RMB880,000 that would be due after one year as at December 31, 2025 were recorded as non-current asset (2024: RMB1,320,000).

In February and April 2025, the Group entered into loan agreements with two senior staffs, respectively. Pursuant to the loan agreements, each staff borrowed RMB1,500,000 from the Group with a fixed interest rate of 3.10% per annum for a term of three years. The loan was guaranteed by the staffs' incentive shares.

Included in the carrying amount of loan receivables as at 31 December 2025 is accumulated impairment losses of RMB68,000 (2024: nil). Details of impairment assessment of loan receivables are set out in Note 42.

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24. TRADE AND OTHER RECEIVABLES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Current		
Trade receivables – contract with customers	729,495	679,433
Less: Allowance for credit losses	<u>(153,588)</u>	<u>(88,208)</u>
	575,907	591,225
Prepayment to suppliers	25,283	15,104
Value added tax recoverable	18,495	11,369
Deposits for bidding	4,126	4,112
Receivables for disposal of an associate	500	500
Others	2,492	2,217
Less: Allowance for credit losses	<u>(94)</u>	<u>(565)</u>
	<u>626,709</u>	<u>623,962</u>

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Non-current		
Trade receivables – contract with customers (<i>Note</i>)	76,664	79,435
Less: Allowance for credit losses	<u>(5,952)</u>	<u>(15,792)</u>
	<u>70,712</u>	63,643
Advance payment of investment in an associate	<u>–</u>	<u>1,438</u>
	<u>70,712</u>	<u>65,081</u>

Note: According to the payment terms in the sales contracts with certain customers, certain part of the sales consideration will be collected after one year.

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24. TRADE AND OTHER RECEIVABLES (continued)

As at 1 January 2024, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB 461,604,000.

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on revenue recognition dates:

	31/12/2025 RMB'000	31/12/2024 RMB'000
Within 90 days	215,858	287,012
91 to 180 days	3,390	37,347
181 to 365 days	20,831	34,171
1 to 2 years	263,106	185,011
2 to 3 years	80,617	55,219
More than 3 years	62,817	56,108
	646,619	654,868

The normal credit term to the customers is within one year. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 42.

25. CONTRACT ASSETS

	31/12/2025 RMB'000	31/12/2024 RMB'000
Retention receivables	28,994	27,749
Less: allowance for credit losses	(5,677)	(951)
	23,317	26,798
Analysed as		
Current	13,499	10,370
Non-current	9,818	16,428
	23,317	26,798

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25. CONTRACT ASSETS (continued)

As at January 1, 2024, contract assets of the Group amounted to RMB35,954,000.

Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as non-current asset based on expected settlement dates.

Details of impairment assessment of contract assets of the Group are set out in Note 42.

26. DEBT INSTRUMENTS AT FVTOCI

	31/12/2025 RMB'000	31/12/2024 RMB'000
Bills receivables	<u>10,222</u>	<u>28,697</u>

As at December 31, 2025 and 2024, certain bills which were held by the Group for the practice of endorsing to suppliers or discounting to banks before the bills due for payment were classified as "debt instruments at FVTOCI". All the bills receivables are with a maturity period of less than one year.

The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

Details of impairment assessment are set out in Note 42.

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27. FINANCIAL ASSET AT FVTPL

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Investments in unlisted funds (Note i)	138,022	–
Structure note (Note ii)	–	28,803
	<u>138,022</u>	<u>28,803</u>

Notes:

- (i) During the year ended 31 December 2025, the Group subscribed two wealth management products issued by Great Bay Securities Limited and one wealth management product issued by Star Light Blessing Limited, both being independent third parties (collectively referred to as the “**Fund Issuers**”). The wealth management products under Great Bay Securities Limited were subscribed on September 11, 2025 and October 2, 2025 for amounts of HKD50,000,000 and HKD70,000,000 (equivalent to RMB45,161,000 and RMB63,225,000), respectively. The wealth management product under Star Light Blessing Limited was subscribed on November 7, 2025 for an amount of HKD30,000,000 (equivalent to RMB27,097,000). The investment portfolios of wealth management products mainly include listed shares in Hong Kong and the United States of America as well as cash or cash equivalents.

According to the subscription contracts, these wealth management products are principal-guaranteed with anticipated annual return rates about 6%-8%. The Group is entitled to the voluntary redemption right after the twelve-month lock-up period. As at December 31, 2025, the Group has not pledged the wealth management products.

- (ii) On December 11, 2024, the Group subscribed a USD denominated note issued by Huatai International Financial Products Limited through an independent security agent in Hong Kong, with the aggregate amount of USD4,000,000 (approximately equivalent to RMB28,803,000) and maturity of six months. The redemption amount of the USD Note is determined by reference to the market foreign exchange rate on the maturity date, therefore it is recognised as a financial asset at FVTPL. Both principal and respective interest were settled on October 31, 2025.

Details of the fair value measurement of the financial asset at FVTPL are set out in Note 42(c).

28. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Restricted bank deposits and cash and cash equivalents carry interest at prevailing market interest rates ranging from 0.01% to 0.15% per annum as at the end of the reporting period (2024: 0.05% to 0.10%). As at December 31, 2025, the Group holds time deposits amounting to RMB17,372,000 (2024: RMB146,502,000) with an original maturity of three months or less and carry interests at prevailing market rate which was from 3.26% to 3.27% per annum (2024: 3.50% to 3.70%), included in the cash and cash equivalents.

As at December 31, 2025, restricted bank deposits of the Group comprise RMB9,510,000 pledged to banks for issuing bills and RMB40,316,000 in a bank account subject to certain administrative restrictions by the bank. In the opinion of the management of the Group, this bank account is expected to be re-active before the end of May 2026.

Details of impairment assessment of bank balances are set out in Note 42.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

29. TRADE AND OTHER PAYABLES

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Trade payables	330,780	241,250
Trade payables under supplier finance arrangements (Note)	158,288	105,822
Bills payables	23,810	9,398
	<u>512,878</u>	<u>356,470</u>
Payables for property, plant and equipment	118,205	147,821
Accrued staff costs and benefits	14,584	13,432
Other tax payables	6,781	2,658
Accrued service fee	9,602	10,428
Deposits from vendors	2,244	2,035
Payables to staff	2,378	2,304
Accrued listing expenses	–	6,697
Accrued issue costs	–	280
Others	3,849	5,569
	<u>157,643</u>	<u>191,224</u>
	<u>670,521</u>	<u>547,694</u>

Note: In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Group has entered into reverse factoring arrangements. The contractual arrangements in place permit the suppliers to obtain the amounts billed less 3.40% discount with the amounts paid by the relevant bank. The Group will repay bank the full invoice amounts on the scheduled payment dates as required by the invoices. As the arrangements do not permit the group to extend finance from bank by paying bank later than the group would have paid its supplier, the Group considers amounts payable to the bank should be classified as trade payables. The reverse factoring arrangements permit the bank to early settle invoices equal to RMB159,400,000 per month during the year ended December 31, 2025 (2024: RMB120,000,000), and the maximum amount used in a month were RMB40,232,000 during the year ended December 31, 2025 (2024: RMB36,414,000). As at December 31, 2025, 32.51% of trade payables were amounts owed under these arrangements (2024: 30.49%).

The normal credit term to the Group is ranged within one year.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

29. TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables/trade payables under supplier finance arrangements of the Group based on the invoice dates:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Within 90 days	204,527	156,057
91 – 180 days	82,534	66,266
181 – 365 days	119,456	75,379
1 to 2 years	64,285	39,465
2 to 3 years	14,426	6,759
More than 3 years	3,840	3,146
	<u>489,068</u>	<u>347,072</u>

The following is an aging analysis of bills payables based on the bill issuance dates:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
0 – 180 days	<u>23,810</u>	<u>9,398</u>

The Group's bills payables were issued by banks and were secured by the Group's restricted bank deposits and debt instruments at FVTOCI for both years.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

30. BORROWINGS

	31/12/2025 RMB'000	31/12/2024 RMB'000
Bank borrowings	985,759	884,042
Other borrowings (Note)	28,332	42,537
	1,014,091	926,579
Secured	520,686	454,037
Unsecured	493,405	472,542
	1,014,091	926,579
Fixed-rate borrowings	542,637	556,119
Variable-rate borrowings	471,454	370,460
	1,014,091	926,579
Carrying amount repayable: (based on scheduled payment terms)		
Within one year	532,108	520,977
More than one year, but not exceeding two years	62,946	126,798
More than two years, but not exceeding five years	40,195	88,253
More than five years	378,842	190,551
	1,014,091	926,579
Less: Amount due for settlement within 12 months shown under current liabilities	532,108	520,977
Amount due for settlement after 12 months shown under non-current liabilities	481,983	405,602

Note: As at December 31, 2025, other borrowings of the Group represented the transfer proceeds received from sale leaseback transactions in 2024 and 2025. The effective interest rate of other borrowing ranged from 6.36% to 7.78% per annum.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

30. BORROWINGS (continued)

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

	31/12/2025	31/12/2024
Effective interest rate per annum:		
Fixed-rate borrowings	3.00%-7.78%	3.05%-7.78%
Variable-rate borrowings	3.10%-5.05%	3.90%-5.00%

31. CONTRACT LIABILITIES

	31/12/2025 RMB'000	31/12/2024 RMB'000
Vehicle-mounted high-pressure hydrogen supply systems and related products	9,311	2,461
Equipment for hydrogen refueling stations and related products	6,676	202
Water electrolysis hydrogen Production equipment and related products	1,064	3,567
	17,051	6,230

Contract liabilities are expected to be settled within the Group's normal operating cycle and are classified as current liability based on the Group's earliest obligation to transfer goods to the customers.

The contract liabilities of the Group as at January 1, 2025 and 2024, amounted of RMB6,230,000 and RMB13,850,000 were recognised as revenue during the years ended December 31, 2025 and 2024, respectively.

The Group usually receives 20% to 30% of the contract value as deposits from customers for majority of the contracts related to vehicle-mounted high-pressure hydrogen supply systems and related products, equipment for hydrogen refueling stations and related products and water electrolysis hydrogen production equipment and related products when they sign the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of those products.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

32. PROVISIONS

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Warranty provision		
At beginning of the year	11,506	10,528
Additional provision	7,861	9,700
Utilization	(6,318)	(8,722)
At end of the year	<u>13,049</u>	<u>11,506</u>
Analyzed as		
current	1,291	3,735
non-current	<u>11,758</u>	<u>7,771</u>
	<u>13,049</u>	<u>11,506</u>

The warranty provision represents management's best estimate of the Group's liability under assurance-type warranty granted on products sold which were still under warranty at the end of the reporting period, based on prior experience for defective products.

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For the year ended December 31, 2025

33. AMOUNT(S) DUE FROM ASSOCIATES/AMOUNT(S) DUE TO AN ASSOCIATE/RELATED PARTIES

Amounts due from associates

	31/12/2025	31/12/2024
	RMB'000	RMB'000
<i>Trade related</i>		
Huajiu Hydrogen	–	100
Jiahua Hydrogen	1,144	1,026
Qilu Hydrogen	48,735	49,127
Suzhou Changjia Hydrogen Energy Technology Co., Ltd. (蘇州常嘉氫能源科技有限公司) (“Suzhou Changjia”) (Note i)	1,495	1,511
Huajiu New Energy (Luoyang) Co., Ltd. (華久新能源(洛陽)有限公司) (“Huajiu New Energy”) (Note ii)	700	2,880
Urumqi Outejie	–	12,260
Mengfa Guofu	36,058	20,612
Hycee Pte. Ltd.	2,247	–
Funiuniu	44,991	–
<i>Non-trade related</i>		
Qilu Hydrogen	13,084	–
Broaden Energy	4,071	–
Guofuhee Brazil LTDA	705	–
RCT GH GmbH	3,313	–
	156,543	87,516
Less: Allowance for credit losses	(12,077)	(2,029)
	144,466	85,487

Notes:

- (i) The entity is a wholly-owned subsidiary of Jiahua Hydrogen.
- (ii) The entity is a wholly-owned subsidiary of Huajiu Hydrogen.

As at January 1, 2024, the carrying amount of amounts due from associates net of allowance for ECL from contracts with customers amounted to RMB63,816,000.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

33. AMOUNT(S) DUE FROM ASSOCIATES/AMOUNT(S) DUE TO AN ASSOCIATE/ RELATED PARTIES (continued)

Amounts due from associates (continued)

The amounts due from associates are trade in nature and from contract with customers. The following is an aged analysis of amounts due from associates of the Group, presented based on invoice dates:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Within 90 days	62,800	32,257
91 – 180 days	11,387	10
181 – 365 days	7,532	–
1 to 2 years	16,511	51,376
2 to 3 years	44,840	97
More than 3 years	1,396	1,747
	<u>144,466</u>	<u>85,487</u>

Amount due to an associate

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Trade related		
Hycee Pte. Ltd	<u>–</u>	<u>118</u>

The amount represented contract liability recognised for sales in which revenue has yet been recognised. The contract liabilities of the Group as at January 1, 2025 and 2024, amounted of RMB118,000 and nil were recognised as revenue during the years ended December 31, 2025 and 2024, respectively. The Group usually receives 20% to 30% of the contract value as deposits from associates when they sign the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of those products.

The amount was trade in nature, unsecured, interest-free and repayable on demand.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

33. AMOUNT(S) DUE FROM ASSOCIATES/AMOUNT(S) DUE TO AN ASSOCIATE/ RELATED PARTIES (continued)

Amount due to an associate (continued)

The following is an aged analysis of trade related balances presented based on the invoice dates:

	31/12/2025 RMB'000	31/12/2024 RMB'000
181 – 365 days	–	118

Amounts due to related parties

	31/12/2025 RMB'000	31/12/2024 RMB'000
Trade related		
Jiangsu Huade Hydrogen Energy Technology Co.,Ltd. (江蘇鐸德氫能源科技有限公司) (“ Jiangsu Huade ”) (Note)	1,079	2,395

Note: The entity is significantly influenced by Zhangjiagang Yongyuan Share Equity Investment Partnership (Limited partnership) (張家港涌源鐸能股權投資合夥企業(有限合夥)), a shareholder of the Company, which holds a 24.27% equity interest in Jiangsu Huade.

The amount was trade in nature, unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade related balances presented based on the invoice dates:

	31/12/2025 RMB'000	31/12/2024 RMB'000
Within 90 days	127	2,050
91 – 180 days	336	–
1 – 2 years	616	345
	1,079	2,395

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

34. DEFERRED INCOME

	31/12/2025 RMB'000	31/12/2024 RMB'000
Subsidies related to assets (Note i)	15,495	14,273
Subsidies related to research and development activities (Note ii)	52,414	61,812
	67,909	76,085
Less: current portion	(54,068)	(49,882)
Non-current portion	13,841	26,203

Notes:

- (i) The Group recorded government subsidies related to acquisition of property, plant and equipment as deferred income and amortised it on a systematic basis over the useful lives of the relevant assets.
- (ii) During the year ended December 31, 2025, the Group received RMB9,697,000 (2024: RMB33,747,000) in relation to its research and development activities. The amounts were recorded as deferred income and released to profit or loss upon certain conditions are fulfilled. During the year ended December 31, 2025, subsidy income of approximately RMB 19,095,000 (2024: RMB5,214,000) was released to profit or loss.

As at December 31, 2025, subsidy income of approximately RMB54,068,000 (2024: RMB49,882,000) was categorized as current liabilities because the fulfilment date are reasonably estimated within one year.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

35. SHARE CAPITAL

	Number of shares	Nominal value of shares RMB'000
Authorized and issued		
As at January 1, 2024	92,829,369	92,829
Issue of restricted shares (Note i)	5,881,191	5,881
Issue of ordinary shares by way of global offering (Note ii)	6,000,000	6,000
	<hr/>	<hr/>
As at December 31, 2024	104,710,560	104,710
Private placement of ordinary shares (Note iii)	10,988,550	10,989
Exercise of warrants (Note iv)	4,377,229	4,377
	<hr/>	<hr/>
As at December 31, 2025	120,076,339	120,076
	<hr/>	<hr/>

Notes:

- (i) In January 2024, the Company issued a total of 5,881,191 ordinary shares at the consideration of RMB228,600,000 to several independent investors. RMB5,881,000 were credited to the Company's share capital and the remaining balance, after deducting issue cost of RMB3,239,000, was credited as share premium. The Company had received all financing proceeds by February 2024.
- (ii) On November 15, 2024, the Company has completed a global offering of 6,000,000 H shares of par value of RMB1.00 each at the price of HK\$65.00 per ordinary share (approximately equivalent to RMB60.12 per ordinary share). On the same day, the Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited. The proceeds of HK\$6,487,000 (approximately equivalent to RMB6,000,000) were credited to the Company's share capital. The remaining proceeds of approximately HK\$383,513,000 (approximately equivalent to RMB354,734,000), before share issuance cost, were credited to share premium.
- (iii) On August 29, 2025, the Company and BOCI Asia Limited, the placing agent, entered into a placing agreement. Pursuant to the agreement, the Company has agreed to appoint the placing agent to procure placees to subscribe for an aggregate of up to 1,730,000 shares at the placing price of HK\$54.03 per share. The placing was completed on September 8, 2025.

On September 17, 2025, the Company and Great Bay Securities Limited, the placing agent, entered into a placing agreement. Pursuant to the agreement, the Company has agreed to appoint the placing agent to procure placees to subscribe for an aggregate of up to 1,994,800 shares at the placing price of HK\$50.13 per share. The placing was completed on September 29, 2025.

On October 16, 2025, the Company and Macquarie Capital Limited, the placing agent, entered into a placing agreement. Pursuant to the agreement, the Company has agreed to appoint the placing agent to procure placees to subscribe for an aggregate of up to 2,405,400 shares at the placing price of HK\$48.47 per share. The placing was completed on October 23, 2025.

On November 25, 2025, the Company and Great Bay Securities Limited, the placing agent, entered into a placing agreement. Pursuant to the agreement, the Company has agreed to appoint the placing agent to procure placees to subscribe for an aggregate of up to 4,858,350 shares at the placing price of HK\$41.166 per share. The placing was completed on December 2, 2025.

During the year, the aggregate cash consideration, before expenses, amounted to HK\$510,060,000 (equivalent to RMB464,688,000). The related transaction costs of HK\$21,620,000 (equivalent to RMB19,709,000) were netted off against the cash proceeds.

On March 10, 2026, the Company and Macquarie Capital Limited, the placing agent, entered into a placing agreement. Pursuant to the agreement, the Company has agreed to appoint the placing agent to procure placees to subscribe for an aggregate of up to 4,908,950 shares at the placing price of HK\$31.07 per share. The placing was completed on March 18, 2026.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

35. SHARE CAPITAL (continued)

Notes: (continued)

- (iv) On 20 August 2025, the Company issued 6,000,000 warrants to an independent third party at a subscription price of HK\$0.5164 per warrant pursuant to the terms and conditions of the subscription agreement. During August to November 2025, a total of 4,377,000 warrants were exercised at exercise prices ranging from HK\$32.88 to HK\$68.38, generating gross cash proceeds before expenses of HK\$174,230,000 (approximately RMB158,749,000). Transaction costs amounting to HK\$13,687,000 (approximately RMB12,324,000) were deducted from the cash proceeds. The net proceeds were intended to be used for the business development of the Group. Details have been set out in the announcements of the Company dated August 20, 2025.

As at 31 December 2025, 1,623,000 warrants remained unexercised, which were classified as financial liabilities at FVTPL, with changes in their fair value recognised in profit or loss.

36. SHARE-BASED PAYMENT TRANSACTIONS

Restricted Shares Scheme in 2023

To provide incentives to eligible employees and directors of the Group, an employee share incentive plan (the “**2023 RS Scheme**”) was adopted in December 2023. Two employee stock ownership platforms, namely Zhangjiagang Hydrogen Win New Energy Industry Partnership (Limited Partnership) (張家港氫贏新能源產業合夥企業(有限合夥)) (“**Hydrogen Win**”) and Zhangjiagang Hydrogen Ying New Energy Industry Partnership (Limited Partnership) (張家港氫盈新能源產業合夥企業(有限合夥)) (“**Hydrogen Ying**”) were established on December 14, 2023 and directly held 2,784,881 ordinary shares of the Company. Eligible employees and directors subscribed for partnership interest of the Hydrogen Win and Hydrogen Ying at a consideration price of RMB1 for RMB1 partnership interest and RMB8 partnership interest of Hydrogen Jie represented 1 ordinary share of the Company.

Details of the restricted shares issued under the 2023 RS Scheme are as follows:

Grant date	Quantity of restricted shares	Grantee	Vesting schedule defined in contract term	Sell back/ repurchase right
December 1, 2023	992,639	Directors and employees	50% 13 months after grant date; 30% 25 months after grant date; 20% 37 months after grant date with the achievement of the Group's performance conditions	Note
December 1, 2023	1,792,242	Directors and employees	50% 13 months after grant date; 30% 25 months after grant date; 20% 37 months after grant date with the achievement of certain individual and the Group's performance conditions	Note

Note: If the grantees voluntarily terminate the labor relationship with the Company, the ultimate controlling shareholders of the Company has the right to repurchase the unvested shares from the grantees at original consideration plus interest at loan prime rate (“LPR”) of similar period.

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For the year ended December 31, 2025

36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Restricted Shares Scheme in 2023 (continued)

The following table summarized the movement of the Group's unvested restricted shares:

	Unvested registered capital '000	Weighted average grant date fair value per registered capital RMB
As at January 1, 2024	2,785	38.87
Forfeited	(108)	38.87
Granted	108	38.87
Vested	<u>(1,392)</u>	<u>38.87</u>
As at December 31, 2024	1,393	38.87
Forfeited	(40)	38.87
Granted	40	38.87
Vested	<u>(835)</u>	<u>38.87</u>
As at December 31, 2025	<u>558</u>	<u>38.87</u>

Included in the 2023 RS Scheme, 475,000 RSs were granted to Mr. Wu Pinfang, 10,000 RSs were granted to Mr. Shi Jian, and 250,000 RSs were granted to Mr. He Guangliang.

The total fair value of restricted shares granted under 2023 RS Scheme was RMB108,247,000 at the grant date which were determined with reference to the issue price set out in the Company's investment agreements with independent investors in January 2024. Share-based payment expenses of RMB15,790,000 were recognised during the year ended December 31, 2025 (2024: RMB60,483,000).

Notes to Consolidated Financial Statements

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37. RELATED PARTY TRANSACTIONS

The Group has the following transactions and balances with the related parties:

(a) Related party transactions

Sales of products to associates

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Funiuniu	51,682	–
Mengfa Guofu	16,504	23,912
Hycee Pte. Ltd.	4,653	–
Huajiu New Energy	1,005	57
Broaden Energy	602	–
Jiahua Hydrogen	154	123
Huajiu Hydrogen	–	212
Urumqi Outejie	–	10,850
Others	102	114
	<u>74,702</u>	<u>35,268</u>

Purchase of materials from a related party

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Jiangsu Huade	<u>1,079</u>	<u>1,814</u>

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

37. RELATED PARTY TRANSACTIONS (continued)

(b) Related party balances

Details of the outstanding balances with related parties are set out in Note 33.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Salaries and other benefits	4,088	4,085
Discretionary bonuses	–	537
Retirement benefit scheme contributions	472	479
Share-based payments	6,963	19,808
	<u>11,523</u>	<u>24,909</u>

38. CAPITAL COMMITMENTS

	31/12/2025 RMB'000	31/12/2024 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements:		
– Property, plant and equipment	<u>117,127</u>	<u>52,649</u>

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

39. PLEDGE OF OR RESTRICTIONS ON ASSETS

The Group had pledged the following assets to banks as securities against general banking facilities, including banks borrowings and bills payables granted to the Group:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Property, plant and equipment	608,486	526,355
Right-of-use assets	96,193	77,409
Restricted bank deposits	9,510	4,413
Debt instruments at FVTOCI	500	5,000
	<u>714,689</u>	<u>613,177</u>

40. TRANSFER OF FINANCIAL ASSETS

(i) Transferred financial assets that were derecognised in their entirety

The bills accepted by banks with high credit quality were derecognised when they were transferred to banks by discounting or endorsed to certain suppliers for settlement of trade payables. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated statement of financial position. As at December 31, 2025, the Group had derecognised bills discounted or endorsed to certain suppliers amounting to RMB5,975,000 (2024: RMB55,154,000).

(ii) Transferred financial assets that were not derecognised in their entirety

At December 31, 2025, bills receivable with a total carrying amount of RMB12,174,000 (2024: RMB2,166,000) were transferred to banks by discounting or endorsed to certain suppliers for settlement of trade payables. If the bills are not paid on maturity, the banks or suppliers have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the bills receivables to its banks or suppliers upon endorsement, it continues to recognise the full carrying amount of bills receivables and has recognised the payables from the endorsement of the bills with full recourse.

Notes to Consolidated Financial Statements

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41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt.

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Financial assets		
Amortised cost (including cash and cash equivalents)	1,281,100	1,108,147
Equity instrument at FVTOCI	101,101	36,566
Debt instruments at FVTOCI	10,222	28,697
Financial assets at FVTPL	138,022	28,803
	<u>1,530,445</u>	<u>1,202,213</u>
Financial liabilities		
Amortised cost	1,664,326	1,460,578
Financial liability at FVTPL	2,051	–
	<u>1,666,377</u>	<u>1,460,578</u>

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, debt instruments at FVTOCI, equity instrument at FVTOCI, other financial asset, financial assets at FVTPL, amounts due from associates, restricted bank deposits, cash and cash equivalents, trade and other payables, borrowings, amount due to an associate, amounts due to related parties and financial liability at FVTPL. Details of the financial instruments are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign exchange hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of each reporting period are mainly as follows:

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Assets		
HK\$	464,104	267,402
USD	32,237	64,707
Liabilities		
USD	991	978

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against the relevant foreign currencies, the foreign currency with which the Group may have a material exposure. 5% (2024: 5%) represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. A negative number below indicates an increase in loss where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on loss for the year.

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Impact on profit or loss		
HK\$	(19,724)	(11,365)
USD	(1,328)	(2,708)

(ii) Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to debt instruments at FVTOCI, other financial asset, fixed-rate borrowings (Note 30), lease liabilities and cash flow interest rate risk in relation to the fluctuation of interest rates on cash and cash equivalents, pledged bank deposits and variable-rate borrowings (Note 30). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) *Interest rate risk (Continued)*

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2024: 50 basis points) increase or decrease in variable-rate bank borrowings are used represents management's assessment of the reasonably possible change in interest rates. Cash and cash equivalents and pledged bank deposits are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate cash and cash equivalents and pledged bank deposits is insignificant.

If the interest rate on variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2025 would increase/decrease by RMB2,004,000 (2024: increase/decrease by RMB1,574,000).

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to loan receivables, trade and other receivables, contract assets, restricted bank deposits, amounts due from associates, debt instruments at FVTOCI and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables and contract assets (including amounts due from associates)

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 99.71% of all trade receivables and contract assets as at December 31, 2025 (2024: 99.83%). The Group has concentration of credit risk as 8.98% (2024: 27.32%) and 41.00% (2024: 54.54%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group performs impairment assessment under ECL model on all trade receivables and contract assets with credit-impaired individually, and the remaining trade receivables and contract assets are grouped based on shared credit risk characteristics by reference to past due exposure and nature, size and industry for the customers.

The table below detail the credit loss allowance provided by the Group based on collective assessment as at December 31, 2025 and 2024:

	31/12/2025 RMB'000	31/12/2024 RMB'000
Trade receivables	22,575	9,197
Contract assets	777	538
Amounts due from associates	6,950	2,029

The table below detail the credit loss allowance provided by the Group based on individual assessment as at December 31, 2025 and 2024:

	31/12/2025 RMB'000	31/12/2024 RMB'000
Trade receivables	136,965	94,803
Contract assets	4,900	413
Amounts due from associates	5,127	–

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables and contract assets (including amounts due from associates and amount due from a related party) (continued)

As at December 31, 2025, the Group individually assessed trade receivables with gross carrying amount of RMB381,022,000 (2024: RMB308,590,000), contract assets with gross carrying amount of RMB10,496,000 (2024: RMB2,187,000), and amounts due from associates with gross carrying amount of RMB2,639,000 (2024: nil).

Other receivables and loan receivables

For other receivables and loan receivables, the management makes periodic individual assessment on the recoverability of other receivables and loan receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Debt instruments at FVTOCI

Debt instruments at FVTOCI were all bank-issued notes. Since the issuers were reputable banks of good credit quality, the management of the Group considered the credit risk of these bank issued bills is insignificant and no impairment was provided on them at the year end.

Restricted bank deposits and cash and cash equivalents

The credit risk on restricted bank deposits and cash and cash equivalents are limited because the counterparties are reputable banks with high credit ratings assigned by credit-rating agencies.

The Group assessed 12m ECL for restricted bank deposits and cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits and cash and cash equivalents is considered to be insignificant and therefore no loss allowance was recognised.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets/ trade-related amount due from associates/ a related party	Other financial assets/other items
Low risk	The counterparty has a low risk of default	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				31/12/2025 RMB'000	31/12/2024 RMB'000
Financial assets at amortised cost					
Cash and cash equivalents	28	N/A	12m ECL	<u>427,375</u>	<u>335,863</u>
Restricted bank deposits	28	N/A	12m ECL	<u>49,826</u>	<u>4,413</u>
Amounts due from associates	33	Note	Lifetime ECL (collective assessment)	<u>149,833</u>	<u>87,516</u>
			Credit impaired	<u>6,710</u>	<u>–</u>
				<u>156,543</u>	<u>87,516</u>
Trade receivables	24	Note	Lifetime ECL (collective assessment)	<u>425,137</u>	<u>450,278</u>
			Credit impaired	<u>381,022</u>	<u>308,590</u>
				<u>806,159</u>	<u>758,868</u>
Other receivables	24	Low risk	12m ECL	<u>7,118</u>	<u>6,829</u>
Loan receivables	23	Low risk	12m ECL	<u>5,858</u>	<u>2,750</u>
Financial asset at FVTOCI					
Debt instruments at FVTOCI	26	N/A	12m ECL	<u>10,222</u>	<u>28,697</u>
Other Item					
Contract assets	25	Note	Lifetime ECL (collective assessment)	<u>18,498</u>	<u>25,562</u>
			Credit impaired	<u>10,496</u>	<u>2,187</u>
				<u>28,994</u>	<u>27,749</u>

Note: For trade receivables, contract assets, and amounts due from associates, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by internal credit rating.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its business operation. The following table provides information about the exposure to credit risk for all trade receivables, contract assets, and amounts due from associates, which are assessed on a collective basis within lifetime ECL (not credit-impaired) as at December 31, 2025 and 2024. Debtors with credit-impaired with gross carrying amounts of RMB398,228,000 as at December 31, 2025 were assessed individually (2024: RMB310,777,000).

	Gross carrying amount			
	31/12/2025		31/12/2024	
	Average loss rate %	Trade receivables, contract assets, amounts due from associates RMB'000	Average loss rate %	Trade receivables, contract assets, amounts due from associates RMB'000
Internal credit rating				
Low risk	1.61	81,965	1.53	137,642
Doubtful	5.67	511,503	2.70	425,714
		593,468		563,356

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts.

In the opinion of the directors of the Company, all trade receivables, contract assets and amounts due from associates within Group low risk and doubtful at the end of the reporting period which have been past due over 90 days are not considered as in default by considering the historical and expected subsequent repayment from the trade debtors.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Internal credit rating (continued)

The following table shows the movement in lifetime ECL that has been recognized for trade receivables, contract assets and amounts due from associates under the simplified approach.

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1, 2024	8,595	76,639	85,234
Transfer to credit-impaired	(992)	992	–
Impairment loss recognised	9,223	19,942	29,165
Impairment loss reversed	(3,211)	(4,208)	(7,419)
As at December 31, 2024	13,615	93,365	106,980
Transfer to credit-impaired	(9,402)	9,402	–
Impairment loss recognised	28,666	83,344	112,010
Impairment loss reversed	(2,463)	(36,057)	(38,520)
Write-offs	(114)	(3,062)	(3,176)
As at December 31, 2025	30,302	146,992	177,294

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the utilizations of bank borrowings and relies on issuance of ordinary shares and bank borrowings as significant sources of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At December 31, 2025							
Trade and other payables	-	649,156	-	-	-	649,156	649,156
Amounts due to related parties	-	1,079	-	-	-	1,079	1,079
Borrowings – fixed rate	3.45	494,316	50,257	-	-	544,573	542,637
Borrowings – variable rate	3.64	98,424	69,721	144,166	240,381	552,692	471,454
Lease liabilities	4.42	2,452	1,010	308	-	3,770	3,647
		<u>1,245,427</u>	<u>120,988</u>	<u>144,474</u>	<u>240,381</u>	<u>1,751,270</u>	<u>1,667,973</u>

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For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At December 31, 2024							
Trade and other payables	-	531,604	-	-	-	531,604	531,604
Amounts due to related parties	-	2,395	-	-	-	2,395	2,395
Borrowings – fixed rate	3.68	492,051	77,473	-	-	569,524	556,119
Borrowings – variable rate	4.22	56,172	63,728	121,950	211,372	453,222	370,460
Lease liabilities	4.83	531	531	-	-	1,062	1,014
		<u>1,082,753</u>	<u>141,732</u>	<u>121,950</u>	<u>211,372</u>	<u>1,557,807</u>	<u>1,461,592</u>

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group use market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engage third party qualified valuers to perform the valuation and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at December 31, 2025 RMB'000	Fair value as at December 31, 2024 RMB'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Debt instruments at FVTOCI	10,222	28,697	Level 2	Discounted cash flow Method, estimated based on discount rate observed in the available market	N/A	N/A
Equity instrument at FVTOCI						
– Lingniu	39,498	36,566	Level 3	Market approach	DLOM	The higher the DLOM, the lower the fair value (Note)
– Hyllium	61,603	–	Level 2	Recent transaction price	N/A	N/A
Financial assets at FVTPL						
– Structure note	–	28,803	Level 3	Discounted cash flows method, estimated based on expected return and market foreign exchange rate	Expected return and market foreign exchange rate	The higher the expected return and market foreign exchange rate, the higher the fair value
– Investments in unlisted funds	138,022	–	Level 3	Discounted cash flows method, estimated based on expected return	Expected return	The higher the expected return, the higher the fair value
Financial liability at FVTPL	2,051	–	Level 3	Option Pricing Model	expected volatility	The higher the volatility, the higher the fair value

Note: A 1% increase or decrease in DLOM holding all other variables keep constant would decrease or increase the carrying amount of the equity instrument at FVTOCI as at December 31, 2025 by RMB564,000.

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For the year ended December 31, 2025

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

There were no transfers between level 1 and level 2 during the years ended December 31, 2025 and 2024.

The Group owns 13.83% and 14.31% equity interest in Lingniu as at December 31, 2025 and 2024 respectively that is classified as investment at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at December 31, 2025 and 2024 amounted to RMB39,498,000 and RMB36,566,000 respectively.

The Group owns 8.88% equity interest in Hylum as at December 31, 2025 that is classified as investment at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at December 31, 2025 was measured using recent transaction price and hence were classified as Level 2 of the fair value hierarchy.

(ii) Reconciliation of Level 3 fair value measurements

	Equity instrument at FVTOCI RMB'000	Financial assets at FVTPL RMB'000	Financial liability at FVTPL RMB'000
At January 1, 2024	–	–	–
Total gains			
– in other comprehensive income	2,233	–	–
Purchased	–	28,803	–
Transfers into level 3 due to change of valuation technique	34,333	–	–
At December 31, 2024	36,566	28,803	–
Total gains			
– in profit or loss	–	1,208	(1,284)
– in other comprehensive income	2,932	–	–
Purchased	–	222,495	–
Issued	–	–	(2,834)
Exercised	–	–	2,067
Disposal	–	(114,484)	–
At December 31, 2025	39,498	138,022	(2,051)

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

(ii) Reconciliation of Level 3 fair value measurements (continued)

Included in other comprehensive income is an amount of RMB2,932,000 gain relating to unlisted equity investment classified as equity instrument at FVTOCI held as at December 31, 2025 and is reported as changes of FVTOCI reserve.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

43. RETIREMENT BENEFIT PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB19,023,000 (2024: RMB17,998,000) for the year ended December 31, 2025.

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For the year ended December 31, 2025

44. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place and date of establishment/ incorporation	Issued and fully paid-in/ registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities
			31/12/2025 %	31/12/2024 %	
<i>Directly held</i>					
Hydrogen Cloud Research Institute	PRC August 10, 2017	Registered capital RMB20,341,100	90.46	90.46	Research and development activities
Beijing Guofu	PRC April 25, 2021	Registered capital RMB30,000,000	100	100	Special equipment manufacturing
Shanghai Qingping	PRC January 14, 2021	Registered capital RMB80,000,000	100	100	Special equipment manufacturing
Sichuan Guofu	PRC August 13, 2021	Registered capital RMB30,000,000	100	100	Science and technology application services
Inner Mongolia Guofu Hydrogen Energy Technology Co., Ltd. (內蒙古國富氫能科技有限公司)	PRC November 29, 2022	Registered capital RMB50,000,000	100	100	Sales of hydrogen equipment
Shanghai Guofu	PRC January 25, 2022	Registered capital RMB100,000,000	100	100	Special equipment manufacturing
Xinjiang Guofu (Note i)	PRC January 25, 2022	Registered capital RMB53,500,000	100	92.02	Sales of hydrogen equipment services
GF Hydrogen Europe GmbH (Note iv)	Germany July 11, 2022	USD99,999 and EUR200,000	100	100	International wholesale and retail trade, including import and export of hydrogen energy products and equipment, e-commerce and commercial agency services
Jiaxing Guofu (Note v)	PRC October 10, 2024	Registered capital RMB100,000,000	100	100	Special equipment manufacturing
Guangzhou Yunfu Hydrogen Energy Technology Co., Ltd. (廣州雲富氫能科技有限公司) ("Guangzhou Yunfu") (Note vi)	PRC June 20, 2025	Registered capital RMB10,000,000	80	Nil	Sales of hydrogen equipment

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For the year ended December 31, 2025

44. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiaries	Place and date of establishment/ incorporation	Issued and fully paid-in/ registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities
			31/12/2025 %	31/12/2024 %	
<i>Indirectly held</i>					
Shanghai Qingmai (Note ii)	PRC January 4, 2021	Registered capital RMB30,000,000	100	90	Science and technology application services
Guofuhee Holdings Pte. Ltd. (Note iii)	Singapore December 4, 2023	USD5,000,000	100	100	Research and experimental development in environmental and clean technologies (excluding biotechnology)
GFH2 Dubai (Note iii)	United Arab Emirates October 10, 2023	USD600,000	Nil	100	Renewable energy consultancy
Zhangjiagang Heda Photovoltaic New Energy Co., Ltd. (Note vii)	PRC May 6, 2021	Registered capital RMB3,000,000	100	Nil	Sales of electricity
Yudu Hydrogen (Note viii)	PRC July 3, 2023	Registered capital RMB40,120,000	70.09	40	Sales of hydrogen-related equipment
Urumqi Outejie (Note vx)	PRC August 28, 2014	Registered capital RMB27,000,000	69.32	45	Sales of hydrogen refueling stations equipment and related products

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

44. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Notes:

- i. In September 2023, the Group acquired 70% equity interest of Xinjiang Guofu from an independent third party, Urumqi Longshengda Environmental Protection Technology Co., Ltd., with a total consideration of RMB400,000. Upon the completion of this acquisition, Company held 90% equity interest of Xinjiang Guofu. In October and December 2023, the Group contributed cash of RMB6,100,000 as additional capital injection in Xinjiang Guofu. In April, June, July and August 2024, the Group contributed cash of RMB16,550,000 as additional capital injection in Xinjiang Guofu and held 92.02% equity interest as at December 31, 2024. During January to September 2025, the Group contributed aggregate cash of RMB12,705,000 as additional capital injection in Xinjiang Guofu. As at September 16, 2025, the Group held a 94.2857% equity interest in Xinjiang Guofu. On September 17, 2025, the Group acquired the remaining 5.7143% equity interest of Xinjiang Guofu from Urumqi Longshengda Environmental Protection Technology Co., Ltd., with a consideration of RMB2,000,000, corresponding to RMB2,000,000 of registered capital. Upon the completion of this acquisition, the Group held 100% equity interest of Xinjiang Guofu, corresponding to RMB35,000,000 of registered capital. During October to December 2025, the Group contributed aggregate cash of RMB15,675,000 as additional capital injection in Xinjiang Guofu. As of December 31, 2025, the Group's actual capital contribution to Xinjiang Guofu amounted to RMB53,430,000.
- ii. Shanghai Qingmai is a subsidiary of Hydrogen Cloud Research Institute. In March 2025, the Group acquired 5% equity interest of Shanghai Qingmai from each of two independent individual shareholders, for consideration of RMB1,870,000 and RMB1,971,890 respectively. Upon the completion of these acquisitions, the Group held 100% equity interest of Shanghai Qingmai.
- iii. Guofuhee Holdings Pte. Ltd. and GFH2 Dubai are subsidiaries of Shanghai Guofu. GFH2 Dubai was deregistered in September, 2025.
- iv. GF Hydrogen Europe GmbH was a subsidiary of Shanghai Guofu for the year ended December 31, 2023. On March 21, 2024, Shanghai Guofu entered into an agreement with the Company to transfer 100% equity interest of GF Hydrogen Europe GmbH to the Company with a consideration of nil. Upon the completion of the equity transfer, GF Hydrogen Europe GmbH became a wholly-owned subsidiary of the Company.
- v. Jiaxing Guofu was incorporated on October 10, 2024. In January and December 2025, the Group made a total cash contribution of RMB59,000,000 to Jiaxing Guofu.
- vi. Guangzhou Yunfu was incorporated on June 20, 2025. In October 2025, the Group made a capital contribution of RMB400,000, acquired 80% equity interest of Guangzhou Yunfu.
- vii. Hydrogen Cloud Research Institute entered into an equity transfer agreement with an independent individual shareholder on April 1, 2025, and acquired 100% of equity interest in Zhangjiagang Heda Photovoltaic New Energy Co., Ltd. at a consideration of RMB3,950,000.
- viii. In September 2023, Xinjiang Guofu, entered into an agreement with an independent third party to acquire 40% subscription interest in Yudu Hydrogen with a consideration of nil. The net assets of Yudu Hydrogen were nil on the acquisition date as it had no operation since incorporation. Upon completion of the acquisition, Xinjiang Guofu contributed cash of RMB4,240,000 as capital injection in Yudu Hydrogen by December 2023. In January and April 2024, Xinjiang Guofu contributed cash of RMB7,760,000 in total as additional capital injection in Yudu Hydrogen.

On May 28, 2025, Xinjiang Guofu entered into a share transfer agreement to with an independent third party to acquire additional 20% equity interest in Yudu Hydrogen with a consideration of RMB3,496,000 to obtain the control of Yudu Hydrogen. Accordingly, Yudu Hydrogen became a subsidiary of the Group from the acquisition date. From June to December 2025, Xinjiang Guofu contributed cash of RMB16,120,000 as additional capital injections in Yudu Hydrogen and held 70.09% of its voting rights as at December 31, 2025.
- ix. In October 2023, Xinjiang Guofu, a subsidiary of the Group, contributed cash of RMB945,000 as capital injection in Urumqi Outejie. In March, June and July 2024, Xinjiang Guofu contributed cash of RMB6,525,000 as additional capital injections in Urumqi Outejie and held 45% of its voting rights as at December 31, 2024. On October 13, 2025, Xinjiang Guofu entered into a share transfer agreement to acquire an additional 14.9% subscription interest in Outejie with a consideration of nil to obtain control over Urumqi Outejie. From March to November 2025, Xinjiang Guofu contributed cash of RMB11,160,000 to Urumqi Outejie as additional capital injections in Urumqi Outejie and held 69.32% of its voting rights as at December 31, 2025.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

45. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	Lease liabilities	Accrued/ Prepaid issue costs	Advanced receipt of investment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	837,149	1,142	743	200,000	1,039,034
Financing cash flows	56,339	(1,158)	(11,784)	–	43,397
Issue costs incurred	–	–	11,321	–	11,321
New leases entered	–	1,498	–	–	1,498
Lease terminated	–	(541)	–	–	(541)
Issue of shares	–	–	–	(200,000)	(200,000)
Finance costs	33,091	73	–	–	33,164
	<u>926,579</u>	<u>1,014</u>	<u>280</u>	<u>–</u>	<u>927,873</u>
At December 31, 2024	926,579	1,014	280	–	927,873
Financing cash flows	50,139	(1,582)	(280)	–	48,277
Issue costs incurred	–	–	–	–	–
New leases entered	–	4,096	–	–	4,096
Finance costs	37,373	119	–	–	37,492
	<u>1,014,091</u>	<u>3,647</u>	<u>–</u>	<u>–</u>	<u>1,017,738</u>
At December 31, 2025	1,014,091	3,647	–	–	1,017,738

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Non-current assets		
Property, plant and equipment	662,940	701,360
Right-of-use assets	50,231	52,205
Intangible assets	8,026	9,795
Investments in associates	128,025	130,710
Investments in subsidiaries	289,351	157,591
Equity instruments at fair value through other comprehensive income	61,603	–
Contract assets	9,818	16,428
Deferred tax assets	25,982	112,959
Prepayment for acquisition of property, plant and equipment	7,042	4,335
Loan receivables	3,880	1,320
Trade receivables	70,712	63,643
	<u>1,317,610</u>	<u>1,250,346</u>
Current assets		
Inventories	187,443	129,470
Loan receivables	1,497	978
Trade and other receivables	539,217	609,733
Contract assets	13,499	10,370
Debt instruments at FVTOCI	8,456	27,469
Amounts due from associates	140,516	85,487
Amounts due from subsidiaries	74,715	52,553
Financial assets at FVTPL	138,022	28,803
Restricted bank deposits	49,826	4,413
Cash and cash equivalents	380,693	316,326
	<u>1,533,884</u>	<u>1,265,602</u>

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Current liabilities		
Trade and other payables	574,890	546,277
Borrowings	487,828	485,197
FVTPL liabilities	2,051	–
Lease liabilities	–	–
Provisions	1,291	3,735
Contract liabilities	10,038	5,782
Amounts due to related parties	1,079	2,395
Amounts due to subsidiaries	58,636	28,348
Deferred income	48,968	49,882
	<u>1,184,781</u>	<u>1,121,616</u>
Net current assets	<u>349,103</u>	<u>143,986</u>
Total assets less current liabilities	<u>1,666,713</u>	<u>1,394,332</u>
Capital and reserves		
Share capital	120,076	104,710
Reserves	1,131,843	907,487
Total equity	<u>1,251,919</u>	<u>1,012,197</u>
Non-current liabilities		
Borrowings	389,195	351,893
Lease liabilities	–	–
Provisions	11,758	7,771
Deferred income	13,841	22,471
	<u>414,794</u>	<u>382,135</u>
	<u>1,666,713</u>	<u>1,394,332</u>

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium RMB'000	FVTOCI reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2024	751,109	(255)	4,804	(261,016)	494,642
Loss for the year	–	–	–	(209,155)	(209,155)
Other comprehensive income for the year	–	67	–	–	67
Total comprehensive income (expense) for the year	–	67	–	(209,155)	(209,088)
Issue of shares (Note 35)	219,480	–	–	–	219,480
Issue of shares upon the IPO (Note 35)	354,734	–	–	–	354,734
Transaction costs attribute to issue of new shares	(12,764)	–	–	–	(12,764)
Recognition of equity-settled share-based payments (Note 36)	–	–	60,483	–	60,483
At December 31, 2024	1,312,559	(188)	65,287	(470,171)	907,487
Loss for the year	–	–	–	(369,667)	(369,667)
Other comprehensive income for the year	–	128	–	–	128
Total comprehensive income (expense) for the year	–	128	–	(369,667)	(369,539)
Issue of shares (Note 35)	610,138	–	–	–	610,138
Transaction costs attribute to issue of new shares	(32,033)	–	–	–	(32,033)
Recognition of equity-settled share-based payments (Note 36)	–	–	15,790	–	15,790
At December 31, 2025	1,890,664	(60)	81,077	(839,838)	1,131,843

47. EVENTS AFTER THE REPORTING PERIOD

On March 10, 2026, the Company and Macquarie Capital Limited, the placing agent, entered into a placing agreement. Pursuant to the agreement, the Company has agreed to appoint the placing agent to procure places to subscribe for an aggregate of up to 4,908,950 H shares at the placing price of HK\$31.07 per placing share. The placing was completed on March 18, 2026.

Definitions

“AGM”	the annual general meeting of the Company to be held on Wednesday, May 20, 2026
“Articles of Association”	the articles of association of our Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Company” or “our Company”	Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (江蘇國富氫能技術裝備股份有限公司), a limited liability company established in the PRC on June 13, 2016 and converted into a joint stock limited company on August 31, 2020, whose H Shares have been listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of our Company
“Domestic Unlisted Share(s)”	ordinary Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“FY2024”	the year ended December 31, 2024
“FY2025”	the year ended December 31, 2025
“Global Offering”	an offering of 6,000,000 H Shares, comprising a final Hong Kong public offering of 600,000 H Shares and a final international offering of 5,400,000 H Shares
“Group”, “Guofu Hydrogen”, “we”, “us” or “our”	the Company and its subsidiaries from time to time
“Inner Mongolia Guofu”	Inner Mongolia Guofu Hydrogen Energy Technology Co., Ltd.* (內蒙古國富氫能科技有限公 司), a limited liability company incorporated in the PRC on November 29, 2022 and a wholly-owned subsidiary of the Company
“H Share(s)”	overseas-listed, foreign-invested, ordinary Shares issued by the Company with a nominal value of RMB1.00 each in the share capital of the Company, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

Definitions

“Hydrogen Cloud Research Institute”	Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd.* (張家港氫雲新能源研究院有限公司), a limited liability company incorporated in the PRC on August 10, 2017, held by the Company as to 90.46% and Jiangsu Southeast University Asset Management Co., Ltd.* (江蘇東南大學資產經營有限公司) as to 9.54%, and a non-wholly owned subsidiary of the Company
“Hydrogen Win New Energy”	Zhangjiagang Hydrogen Win New Energy Industry Partnership (Limited Partnership)* (張家港氫贏新能源產業合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2023 as an employee incentive platform and was owned by 38 limited partners, with the general partner being Mr. Wu
“Hydrogen Ying New Energy”	Zhangjiagang Hydrogen Ying New Energy Industry Partnership (Limited Partnership)* (張家港氫盈新能源產業合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2023 as an employee incentive platform and was owned by 39 limited partners, with the general partner being Mr. Wu
“Joint Company Secretary(ies)”	the joint company secretary of the Company
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange on November 15, 2024
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Wang”	Mr. Wang Kai (王凱), the general manager of the Company and an executive Director
“Mr. Wu”	Mr. Wu Pinfang (鄔品芳), the chairman of the Board and an executive Director
“New Cloud Technology”	Zhangjiagang New Cloud Technology Industry Consulting Enterprise (Limited Partnership)* (張家港新雲科技產業諮詢企業(有限合夥)), a limited partnership incorporated in the PRC on April 11, 2016, with two general partners, being Mr. Wu and Mr. Wang, and 24 limited partners
“Nomination Committee”	the nomination committee of the Board
“PRC” or “China”	The People’s Republic of China

“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Pre-IPO Share Incentive Plan(s)”	the pre-IPO employee share incentive plans adopted by the Company on January 13, 2019, October 10, 2020 and November 24, 2023, the principal terms of which are summarized under the section headed “Report of the Board of Directors – Pre-IPO Share Incentive Plans” in this annual report
“Prospectus”	the prospectus issued by the Company in connection with the Global Offering dated November 7, 2024
“Qingjie New Energy”	Zhangjiagang Qingjie New Energy Technology Partnership (Limited Partnership)* (張家港氫捷新能源科技合夥企業(有限合夥)), a limited partnership established in the PRC on January 17, 2019 as an employee incentive platform and was owned by 37 limited partners, with the general partner being Mr. He Guangliang (何光亮), a Supervisor
“R&D”	research and development
“Remuneration and Review Committee”	the remuneration and review committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Guofu”	Shanghai Guofu Hydrogen Energy Technology Equipment Co., Ltd.* (上海國富氫能技術裝備有限公司), a limited liability company incorporated in the PRC on January 25, 2022 and a wholly-owned subsidiary of the Company
“Shanghai Qingmai”	Shanghai Qingmai Engineering Technology Co., Ltd.* (上海氫邁工程技術有限公司), a limited liability company incorporated in the PRC on January 4, 2021, held by Hydrogen Cloud Research Institute, Li Huaqiang (李華強) and Wang Xiaohong (王曉虹) as to 90.00%, 5.00% and 5.00%, respectively, and a non-wholly owned subsidiary of the Company
“Shanghai Qingping”	Shanghai Qingping Technology Equipment Co., Ltd.* (上海氫平技術裝備有限公司), a limited liability company incorporated in the PRC on January 14, 2021 and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, comprising the Domestic Unlisted Shares and our H Shares

Definitions

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“Supervisor(s)”	supervisor(s) of the Company prior to the abolition of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company, which has been abolished on December 29, 2025
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“%”	per cent

If there is any inconsistency between the names of any of the entities, laws and regulations mentioned in this annual report which are not in the English language and their English translations, the names in their respective original languages shall prevail. The English translations are marked with “” for identification purpose only.*