Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd.
國鴻氫能科技(嘉興)股份有限公司

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

(Stock Code: 9663)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Total revenue for the Reporting Period was approximately RMB57.6 million, representing a decrease of 2.2% from the Previous Period;
- Gross profit for the Reporting Period was approximately RMB3.7 million, while gross profit of the Group for the Previous Period was approximately RMB3.1 million;
- Loss attributable to owners of the Company for the Reporting Period was approximately RMB142.9 million, while loss attributable to owners of the Company for the Previous Period was approximately RMB184.2 million;
- Basic loss per share for the Reporting Period was approximately RMB0.28, while basic loss per share for the Previous Period was approximately RMB0.36; and
- The Board has resolved not to declare any payment of interim dividend for the Reporting Period (Previous Period: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries (the "**Group**", "**we**" or "**us**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with the comparative figures for the corresponding period of last year (the "**Previous Period**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Six months ended 30 June	
		2026	2025
		Unaudited	Unaudited
		RMB'000	*RMB'000*
Revenue	*4*	**57,613**	58,883
Cost of sales		**(53,914)**	(55,788)
– Cost of sales of goods and services		**(48,574)**	(49,879)
– Impairment loss of inventories		**(5,340)**	(5,909)
Gross profit		**3,699**	3,095
Selling expenses		**(10,196)**	(14,113)
Research and development expenses		**(46,515)**	(67,785)
Administrative expenses		**(58,251)**	(96,667)
Net impairment losses on financial assets and contract assets		**(11,683)**	(22,566)
Other income		**8,893**	6,173
Other (losses)/gains – net		**(9,683)**	8,800
Operating loss	*5*	**(123,736)**	(183,063)
Finance income	*6*	**324**	1,355
Finance costs	*6*	**(9,096)**	(12,231)
Finance costs – net		**(8,772)**	(10,876)
Share of (losses)/gains of associates and joint ventures accounted for using the equity method		**(415)**	11,908
Loss before income tax		**(132,923)**	(182,031)
Income tax expense	*7*	**(15,140)**	(2,396)
Loss for the period		**(148,063)**	(184,427)
Loss for the year attributable to:			
– Owners of the Company		**(142,866)**	(184,248)
– Non-controlling interests		**(5,197)**	(179)
		(148,063)	(184,427)
Basic and diluted loss per share for loss attributable to shareholders of the Company (expressed in RMB per share)	*8*	**(0.28)**	(0.36)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Loss for the period	**(148,063)**	(184,427)
Other comprehensive income		
Item that may be subsequently reclassified to profit or loss		
– Currency translation differences	**(302)**	(73)
Total comprehensive loss for the period	**(148,365)**	(184,500)
Total comprehensive loss for the period attributable to:		
– Owners of the Company	**(143,168)**	(184,321)
– Non-controlling interests	**(5,197)**	(179)
	(148,365)	(184,500)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Assets			
Non-current assets			
Property, plant and equipment		**665,048**	638,269
Right-of-use assets		**193,554**	200,092
Intangible assets		**23,457**	21,291
Contract assets		**46,339**	64,733
Deferred income tax assets		**40,305**	55,444
Investments accounted for using the equity method		**36,410**	36,825
Financial assets at fair value through other comprehensive income	*11*	**88,967**	98,967
Trade and bills receivables	*9*	**335**	335
Other non-current assets		**41,242**	22,819
Total non-current assets		**1,135,657**	1,138,775
Current assets			
Inventories		**112,819**	138,482
Trade and bills receivables		**1,203,533**	1,531,517
Other receivables and prepayments		**62,551**	64,036
Contract assets		**17,344**	4,789
Financial assets at fair value through profit or loss	*10*	**1,097,875**	1,117,971
Restricted cash		**23,364**	26,466
Cash and cash equivalents		**132,288**	81,840
Total current assets		**2,649,774**	2,965,101
Total assets		**3,785,431**	4,103,876
Equity			
Equity attributable to owners of the Company			
Share capital	*13*	**518,042**	518,042
Share premium	*13*	**3,657,827**	3,657,827
Other reserves		**57,072**	57,374
Treasury shares reserve		**(41,225)**	(34,734)
Accumulated losses		**(1,889,442)**	(1,746,576)
		2,302,274	2,451,933
Non-controlling interests		**85,017**	59,714
Total Equity		**2,387,291**	2,511,647

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 30 JUNE 2026

	Note	**As at 30 June 2026 Unaudited** ***RMB'000***	As at 31 December 2025 Audited *RMB'000*
Liabilities			
Non-current liabilities			
Borrowings		**137,632**	116,105
Lease liabilities		**20,723**	18,006
Deferred income		**64,879**	70,148
Provisions		**3,933**	3,832
Total non-current liabilities		**227,167**	208,091
Current liabilities			
Trade and bills payables	*12*	**656,687**	763,872
Other payables and accruals		**215,522**	221,713
Contract liabilities		**1,179**	5,868
Borrowings		**254,760**	335,690
Lease liabilities		**32,489**	37,660
Deferred income		**7,594**	10,589
Provisions		**2,742**	8,746
Total current liabilities		**1,170,973**	1,384,138
Total liabilities		**1,398,140**	1,592,229
Total equity and liabilities		**3,785,431**	4,103,876

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

1 GENERAL INFORMATION

Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd., formerly known as Guangdong Sino-Synergy Hydrogen Energy Technology Co., Ltd. ("the **Company**"), was incorporated as a limited liability company on 30 June 2015 in Yunfu City, Guangdong Province, the People's Republic of China (the "**PRC**"). The registered office of the Company is Room 501-2, Block No. 37, Hangzhou Bay New Economic Park, Port District, Jiaxing City, Zhejiang Province, the PRC. On 22 March 2022, the Company was converted into a joint stock company with limited liability.

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the research and development, production and sale of hydrogen fuel cell stacks and systems in the PRC. The single largest shareholder of the Company is Guangdong Hongyun Hydrogen Energy Technology Co., Ltd. ("**Hongyun Hydrogen Energy**") which is controlled by Mr. Chen Xiaomin ("**Mr. Chen**") through Foshan Huahui Technology Investment Partnership (Limited Partnership) ("**Huahui Technology**") holding 99.99% equity interest in Hongyun Hydrogen Energy.

The Company's H shares (the "**H Shares**") have been listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") since 5 December 2023.

This condensed consolidated interim financial information is presented in thousands of Renminbi ("**RMB'000**") unless otherwise stated and was approved for issue by the Board of Directors on 27 August 2026.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standards ("**IAS**") 34 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**").

Except as described below, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2025, as described in those consolidated financial statements.

(a) New and amended standards adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

New standards and amendments		Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volumes 11	1 January 2026

(b) New and amended standards and interpretations not yet adopted

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2027 and have not been early adopted by the Group:

New standards and amendments		Effective for annual periods beginning on or after
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
IAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

3 SEGMENT INFORMATION

Description of segments and principal activities

Management has determined the operating segments based on the information reviewed by the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. The chief operating decision maker has been identified as the executive directors of the Company.

Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regard that there is only one segment which is used to make strategic decisions. Revenue and profit/(loss) before income tax are the measures reported to the executive directors for the purpose of resources allocation and performance assessment.

All the non-current assets of the Group are physically located in the PRC. The geographical location of customers is based on the location at which the customers operate, and the revenue of the Group is almost all derived from operations in the PRC during the six months ended 30 June 2026 and 2025.

4 REVENUE

Revenue mainly comprises proceeds from sales of hydrogen fuel cell systems, hydrogen fuel cell system components, hydrogen fuel cell stacks and others. An analysis of the Group's revenue by category for the six months ended 30 June 2026 and 2025 are as below:

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Sales of goods		
– Hydrogen fuel cell systems	**49,600**	36,651
– Hydrogen fuel cell system components	**5,033**	1,035
– Hydrogen fuel cell stacks	**2,340**	2,017
Maintenance service	**56**	18,651
Others	**584**	529
	57,613	58,883

"Others" mainly include the related system technology integrated services to the Group's downstream customers on an as-needed basis and rental income.

5 OPERATING LOSS

An analysis of the amounts presented as operating items in the financial information is given below.

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Cost of inventories	**39,767**	60,210
Employee benefit expense, including Directors' emoluments	**37,294**	54,163
Depreciation of property, plant and equipment (note 13)	**35,534**	43,643
Depreciation of right-of-use assets (note 13)	**5,696**	6,267
Amortization of intangible assets (note 13)	**5,799**	3,059
Provision for decline in value of inventories	**5,340**	5,909
After-sales service fees	**11,684**	1,833
Losses/(Gains) on disposal of financial assets at FVPL	**(129)**	(7,246)
Net fair value losses/(gains) on financial assets at FVPL	**14,959**	(2,704)
Net foreign exchange losses/(gains)	**52**	(3,264)
Government grants	**(8,797)**	(6,022)
Net impairment losses on financial assets and contract assets	**11,683**	22,566

6 FINANCE COSTS – NET

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Finance income		
– Bank interest income	**324**	1,355
Finance costs		
– Interest expenses on borrowings	**(8,804)**	(9,720)
– Interest expenses on lease liabilities	**(852)**	(2,511)
– Amounts capitalised in construction in progress of property *(a)*	**560**	–
	(9,096)	(12,231)
Finance costs – net	**(8,772)**	(10,876)

(a) The capitalisation rate used to determine the amount of borrowing costs capitalised, which is the weighted average interest rate applicable to the Group's borrowings for the six months ended 30 June 2026, was 3.82% per annum (for the six months ended 30 June 2025: 0.00%).

7 INCOME TAX EXPENSE

The amounts of income tax expense charged to profit or loss in the condensed consolidated statement of profit or loss represent:

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Current income tax	**–**	7
Deferred income tax	**15,140**	2,389
Income tax expense	**15,140**	2,396

(a) PRC enterprise income tax

The enterprise income tax rate applicable to the Company's entities located in Chinese Mainland is 25% according to the Enterprise Income Tax Law of the PRC effective on 1 January 2008 unless these subject to preferential tax rate set out below.

The Company, Beijing Guohong Hydrogen Technology Co., Ltd. and Guangzhou Guohong Hydrogen Technology Co., Ltd., the subsidiaries of the Group, were approved as "High and New Technology Enterprises", and they were subject to a preferential corporate income tax rate of 15% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: the Company and Beijing Guohong Hydrogen Technology Co., Ltd.). The certificate of "High and New Technology Enterprise" is subject to renewal at three-year intervals.

For the six months ended 30 June 2026, seventeen subsidiaries of Group (for the six months ended 30 June 2025: fifteen) were qualified as small and micro enterprises under the PRC corporate income tax regime, which enjoyed a corporate income tax rate of 20%.

For the six months ended 30 June 2026, two subsidiaries of Group (for the six months ended 30 June 2025: two) are subject to a preferential income tax rate of 15% as it was located in western development areas in the PRC.

(b) Hong Kong profits tax

Hong Kong Nation-Synergy Hydrogen Power Technology Co., Limited and Hong Kong Nation-Synergy International Hydrogen Power Technology Co., Limited, both incorporated in Hong Kong, are subject to Hong Kong profits tax at a rate of 16.5% for the six months ended 30 June 2026 and 2025.

8 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
Loss attributable to shareholders of the Company (RMB'000)	**(142,866)**	(184,248)
Weighted average number of ordinary shares in issue ('000)	**510,784**	517,595
Basic loss per share (expressed in RMB per share)	**(0.28)**	(0.36)

(b) Diluted loss per share

For the six months ended 30 June 2026 and 2025, the Group had potential dilutive shares throughout the six months ended 30 June 2026 and 2025 related to the share-based payments. Due to the Group's losses during the six months ended 30 June 2026 and 2025, share-based payments had anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

9 TRADE AND BILLS RECEIVABLES

	As at 30 June 2026 Unaudited *RMB'000*	As at 31 December 2025 Audited *RMB'000*
Current		
Trade receivables		
– due from third parties	**1,871,780**	2,191,903
Less: Allowance for expected credit losses	**(668,421)**	(660,386)
	1,203,359	1,531,517
Bills receivables	**174**	–
	1,203,533	1,531,517
Non-current		
Trade receivables		
– due from third parties	**500**	788
Less: allowance for expected credit losses	**(165)**	(453)
	335	335
	1,203,868	1,531,852

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade receivables based on the invoice date is as follows:

	As at 30 June 2026 Unaudited *RMB'000*	As at 31 December 2025 Audited *RMB'000*
Up to 1 year	**395,112**	448,929
1 to 2 years	**395,943**	405,034
2 to 3 years	**315,401**	535,941
Over 3 years	**765,998**	802,787
	1,872,454	2,192,691

The carrying values of trade and bills receivables approximated their fair values as at the balance sheet dates and were denominated in RMB.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 Unaudited *RMB'000*	As at 31 December 2025 Audited *RMB'000*
Current		
Investment in wealth management products *(i)*	**1,097,875**	1,117,971

(i) As at 30 June 2026, these investments represented seven (31 December 2025: seven) private investment funds managed by four (31 December 2025: four) experienced investment administrators. The investment objectives were fixed income portfolios such as cash or cash equivalents, national debts, and other monetary market instruments. These investments are principle guaranteed and could be redeemed on demand.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2026 Unaudited *RMB'000*	As at 31 December 2025 Audited *RMB'000*
Non-current		
Equity investments		
– Unlisted equity investments *(a)*	**88,967**	98,967

(a) As at 30 June 2026 and 31 December 2025, the equity investments included investment Chongqing Yuhong and United Hydrogen Global Inc., with equity interest of 19.09% and 3.21% respectively. The Company had no significant influence on those two companies. Both companies were still under early development stage with no significant changes in fair value during the six months ended 30 June 2026.

As at 30 June 2026, the remaining equity investments included investment in Fanxian Honghua New Energy Co., Ltd., an equity interest of 0.64% (as at 31 December 2025, the remaining equity investments included investment in Fanxian Honghua New Energy Co., Ltd., an equity interest of 0.64%, and the investment in Tianjin Rongcheng New Energy Technology Group Co., Ltd., an equity interest of 1.02%). The Company had no significant influence on these two companies.

12 TRADE AND BILLS PAYABLES

	As at 30 June 2026 Unaudited *RMB'000*	As at 31 December 2025 Audited *RMB'000*
Trade payables		
– due to third parties	**602,137**	709,292
Bills payables *(a)*	**54,550**	54,580
	656,687	763,872

The carrying amounts of trade and bills payables approximated their fair values as at the balance sheet dates and were denominated in RMB.

As at 30 June 2026 and 31 December 2025, the ageing analysis of trade and bills payables of the Group based on invoice date was as follows:

	As at 30 June 2026 Unaudited ***RMB'000***	As at 31 December 2025 Audited *RMB'000*
Within 1 year	**226,430**	308,189
1-2 years	**153,072**	240,658
2-3 years	**146,119**	150,674
Over 3 years	**131,066**	64,351
	656,687	763,872

(a) As at 30 June 2026, no bank deposit is placed to the bills payables (31 December 2025: RMB11,335,000).

13 SHARE CAPITAL

Share capital represented founders' and investors' capital injection. The excess of total consideration received by the Company over share capital was credited to the Company's share premium.

	Number of ordinary shares of RMB1.00 each	**Share capital** *RMB'000*	**Share premium** *RMB'000*
As at 1 January 2025 and 30 June 2025 (Unaudited)	**518,041,669**	518,042	3,657,827
As at 1 January 2026 and 30 June 2026 (Unaudited)	**518,041,669**	518,042	3,657,827

14 DIVIDEND

No dividends have been paid or declared by the Company or the companies now comprising the Group during the six months ended 30 June 2026 and 2025.

15 SUBSEQUENT EVENTS

Other than disclosed elsewhere in this announcement, there was no significant subsequent event after 30 June 2026 and up to the date of this announcement.

BUSINESS REVIEW AND OUTLOOK

BUSINESS REVIEW

The Company focuses on research, production and sales of hydrogen energy core equipment, including fuel cell stacks, fuel cell systems, power generation equipment and hydrogen production equipment. It is committed to opening up the "production-storage-transportation-application" hydrogen energy ecological chain and enabling industrial decarbonisation and green energy transformation. The Company adheres to the core principles of "tenacity, innovation, openness and mutual benefit", comprehensively deploys the entire chain of hydrogen energy core equipment, transforms hydrogen energy technology into the core engine to drive the green economy and promotes the large-scale hydrogen energy application and commercial progress in transportation, energy storage, power generation, industry, low-altitude economy and other fields through continuous technological innovation to deeply integrate into the national dual-carbon strategic development blueprint and jointly create a bright future of clean and sustainable development.

The year 2026 is the third full financial year since our listing on the HKSE. We firmly implement the long-term development strategy and put our strategic focus on "commercialisation of technological innovation", "integration of hydrogen energy ecosystem", "expansion of business diversification" and "lean operation and management". During the Reporting Period, the Company optimised the allocation of resources for the research and development ("**R&D**") of cutting-edge technologies, strengthened the strategic layout of key technologies, accelerated the iteration and upgrading and technological breakthroughs of various product series, and promoted the marketisation of technological achievements; at the same time, we actively explored new development modes for hydrogen energy industry, and spared no effort to expand the full-domain application ecology of hydrogen fuel cell technology. Through the triple drive of technological cost reduction, model innovation and ecological synergy, we promoted the transformation of hydrogen energy application scenarios from the demonstration application stage to large-scale economy; in addition, we will impel the comprehensive upgrade of the governance structure, optimise the organisational structure and talent team building, and deepen the reform of the operation and management mechanism to lay a solid foundation for the sustainable business growth. The specific operations are as follows:

1. Product Upgrade

As the core breakthrough point of energy structure reform, hydrogen energy is ushering in historic development opportunities. Technological innovation and product iteration are the continuous forces driving our high-quality business growth. Leveraging the deep accumulation of industrialised R&D, we are accelerating the R&D reserves of new-generation technologies and upgraded products while deepening the application of existing technologies. During the Reporting Period, we achieved continuous breakthroughs in the fuel cell stack product technology. In the field of water-cooled stack R&D, the rated point performance of the new version of the high-power Hongxin GIII (鴻芯 GIII) stack was further improved in the laboratory environment. At the same time, we upgraded the high-power and high-efficiency power generation dedicated stack – Hongxin GIV (鴻芯 GIV) stack in response to the diverse needs of mobile and fixed power generation scenarios. In the R&D of air-cooled stacks, we completed the upgrades of two air-cooled stacks based on the needs of drones and hydrogen energy two-wheeled vehicles.

At present, our fuel cell system has seen its product performance and reliability steadily improve through continuous optimisation of design concepts. Meanwhile, the layout of the 0-300 kilowatts ("**kW**") power segment was completed for our fuel cell system products, and the products can be adapted to a variety of application scenarios such as smart mining trucks, long-distance trunk logistics heavy trucks, hydrogen locomotives, high-speed trains, ships, and fixed power generation. In addition, we developed hydrogen production equipment products along two technical routes: alkaline electrolyser and proton exchange membrane ("**PEM**") electrolyser. We focused on independently developing megawatt-scale electrolyser technology to realise the localisation of advanced hydrogen production equipment.

2. Application Expansion

During the Reporting Period, we actively explored new scenarios of product application and new modes of application and operation. While expanding in the traditionally advantageous fields of transportation, rail transit and power generation, the Company has also expanded new scenarios such as hydrogen energy ships, hydrogen production equipment, hydrogen energy drones and hydrogen energy two-wheeled vehicles, which further expands the commercial scenario application of hydrogen energy. Examples include:

(i) In terms of our domestic hydrogen transportation applications: in the Northern China region, 40 hydrogen energy heavy trucks equipped with our fuel cell system operate efficiently in the Zibo cement mining area in Shandong Province, undertaking the trunk transportation tasks of bulk materials such as mineral powder, cement powder and coal ash.

(ii) In the southwest region, Chongqing's first international green road-sea intermodal transport demonstration route was officially opened. In this demonstration route, the trunk land transportation section from Chongqing to Qinzhou Port in Guangxi was entirely undertaken by heavy trucks equipped with our fuel cell system; for the same period, 20 hydrogen energy heavy trucks equipped with our fuel cell system were officially put into operation in Qujing City, Yunnan Province. This is the first batch of hydrogen energy vehicles put into operation by Yunnan Province Energy Investment Group Limited* (雲南省能源投資集團有限公司), marking a substantial breakthrough in the strategic layout of this provincial key energy enterprise in the field of hydrogen transportation. It also added new industrial application scenarios for Qujing City as a hydrogen energy application demonstration city in the southwest region, marking the official seamless connection and coordinated integration of the Hydrogen Corridor of the New Western Land-Sea Corridor (西部陸海新通道"氫走廊") and the Chengdu-Chongqing Hydrogen Corridor (成渝氫走廊).

In the northwest region, a batch of heavy trucks equipped with our fuel cell system officially commenced commercial operation in Xinjiang. The first batch of vehicles, fully loaded with coke, departed from Fukang Yongxin Coal Chemical Plant and traveled 130 kilometers one-way to reach Urumqi Bayi Iron and Steel Plant, marking the successful injection of zero-carbon kinetic energy into this logistics artery connecting the coal chemical and steel industries.

* *For identification purposes only*

(iii) In terms of domestic hydrogen rail transit applications, we completed the development of the A150 system based on the GIII stack for application in trams, and comprehensively upgraded it in dimensions such as power output, system efficiency, component reliability, and system cost, which was successfully delivered to CRRC Changchun Railway Vehicles Co., Ltd.; in addition, our R&D team improved the reliability of the A110 products for the Kuching project in Malaysia, and completed the trial production and product delivery of multiple sets of systems.

(iv) In terms of hydrogen-powered marine applications in the PRC, the first inland 64TEU hydrogen fuel cell-powered container vessel in the PRC, "Dongfang Hydrogen Port" (東方氫港), equipped with the Honghan C240 (鴻瀚 C240) fuel cell system, successfully completed its first long-distance voyage test and was officially put into operation. This marks a "breakthrough from zero" in the application of hydrogen fuel cell-powered ships in inland waterways in China, injecting brand-new kinetic energy into the green and low-carbon transition of the shipping industry; we, as a partner and exclusive fuel cell supplier of Instituto Superior Técnico (里斯本高等理工學院) in Lisbon, Portugal, made an appearance at the Monaco Energy Boat Challenge, providing it with core power components.

Looking ahead, the Company will continue to advance technological innovation and industrial application of hydrogen energy, deepen its domestic market foundation and accelerate global expansion, with a view to contributing to the development of a clean and low-carbon energy system for China and the world.

3. R&D Innovation

We adhered to the principle of ensuring our core technologies are independently controllable, optimise the allocation of R&D resources and the strategic layout of key technologies. During the Reporting Period, the R&D expenditure recorded over RMB46.5 million, striving to continuously improve the economical efficiency, reliability and durability of our products.

(i) In respect of fuel cell stack R&D, based on market demand across various application scenarios, the Company continued to enhance the performance of its water-cooled fuel cell stack products and expand its air-cooled fuel cell stack product portfolio for new application scenarios.

For water-cooled stacks, the rated performance of the new high-power Hongxin GIII (鴻芯 GIII) stack was further improved under laboratory conditions. The new high-power Hongxin GIII (鴻芯 GIII) stack adopts control strategies including low-temperature operation at low load, high-temperature operation at high load, optimal stoichiometric ratio and optimal temperature differential, effectively addressing water management issues during operation and significantly enhancing stack lifespan. In addition, upgrades were made to bipolar plates and sealing materials, with the operating temperature increased to 95°C, thereby reducing liquid water content within the stack, lowering system heat dissipation requirements and improving overall system efficiency. The new high-power Hongxin GIII (鴻芯 GIII) stack also introduces a single-cell assembly process, significantly improving stack consistency and assembly efficiency.

The new-generation Hongxin GIV (鴻芯 GIV) stack adopts a new flow field forming process, with significantly improved rib forming and reduced internal resistance of bipolar plates. Through optimisation of thickness and flow field design, the new-generation Hongxin GIV (鴻芯 GIV) stack enhances power generation efficiency while maintaining component compatibility and reducing mass production costs. The new-generation of Hongxin GIV (鴻芯 GIV) stacks performs stably, meeting the product requirements for high efficiency, long life, low loss, and strong adaptability through the optimisation of plate resistance, innovative high-uniformity flow field design, air flow cross-section optimisation design, and long-life membrane electrode technology.

In terms of air-cooled stack R&D, we have developed and upgraded 3-6kW air-cooled stacks for drone scenarios and 300-500 watts air-cooled stacks for two-wheeled vehicle scenarios.

(ii) In respect of fuel cell system R&D, the Company continued to improve product performance, environmental adaptability, reliability and durability, and made progress in R&D of key technologies including adaptive Fuel Cell Control Unit (FCU) control algorithms, Electrochemical Impedance Spectroscopy (EIS) impedance detection and Prognostics and Health Management (PHM).

The application of such technologies has continuously reduced system failure rates and improved system durability by over 30%, thereby effectively enhancing the economic viability of system products in market operations. In the automotive sector, the H150 and H240 platform systems were further upgraded, and a 49-ton hydrogen-powered heavy-duty truck equipped with a 280 kW system was successfully rolled out and commissioned. Approximately 500 commercial vehicles were deployed during the Year, with continuous efforts made in the hydrogen mobility sector.

In the rail transit sector, the Company has achieved major breakthroughs in both the R&D and the market of its hydrogen-powered high-speed trains products. The Company upgraded the structural strength, electrical architecture, and system safety of its D240 high-power rail transit system, which is tailored for hydrogen-powered multiple units with a speed of 250 km/h, and completed the system product delivery to CRRC Qingdao Sifang Co., Ltd. in late June. Meanwhile, the Company completed the development of the A150 system based on GIII fuel cell stacks for tram applications; compared to its predecessor, the A110 system, the A150 system features comprehensive enhancements across multiple dimensions, including power output, system efficiency, component reliability, and system cost, and was successfully delivered to CRRC Changchun Railway Vehicles Co., Ltd. In addition, the R&D team enhanced the reliability of the A110 products for the Kuching project in Malaysia, focusing on upgrading the protection ratings of electrical boxes and interfaces as well as software safety levels, and completed the pilot production and product delivery of multiple systems.

In small-scale applications, the Company successfully developed a 5 kW air-cooled system, laying the foundation for applications in hydrogen-powered unmanned aerial vehicles ("**UAVs**") and two-wheeled vehicles.

(iii) In respect of hydrogen power generation system R&D, we have upgraded our fuel cell power generation units from relatively simple fuel cell engines to unit electrical cabinets integrating optional heat exchange, centralised control, and alternating current/direct current (AC/DC) output capabilities. Furthermore, we have expanded our product matrix, with unit module power now spanning from 10 kW to 300 kW. Our megawatt-level ("**MW**") stationary cell power generation systems are integrated using these upgraded modules, and the new system achieves a maximum power output of >2.6 MW per single container, doubling its previous power. Simultaneously, we have further optimised the technical reliability and economic efficiency of various subsystems, including thermal management systems, power transformation systems, power distribution systems, safety systems, exhaust systems, energy storage systems and control systems. Customers can not only customise options such as waste heat utilisation, energy storage, and power transformation, but can also select front-end and back-end equipment, such as charging piles, metal solid hydrogen storage/high-pressure gas cylinders to enable rapid, integrated deployment and application.

(iv) In respect of marine application R&D, based on vessel operation experience as well as vessel and onboard environments, the Company has upgraded safety designs, including ventilation, control power uninterruptible power supply (UPS) and dual power switching, and insulation isolation beyond the technical standards required by classification societies. Furthermore, leveraging the specific characteristics of suspended particles in river water, the Company improved the filter structure and optimised the heat exchanger's internal configuration to accommodate large suspended impurities. Recognising the compact spatial layout of vessels, the Company also enhanced maintenance accessibility through further refinements in mechanical structural design.

(v) In terms of innovative technology reserve, our R&D team is developing groundbreaking megawatt-level PEM electrolyser technology and a new-generation alkaline electrolyser technology with a capacity of 1,000 normal cubic meter per hour ("**Nm^3/h**"), tailored to meet the needs of various end application scenarios. Related technologies can greatly improve the efficiency, purity and stability of hydrogen production, addressing the demand for high-quality hydrogen across different industries. In addition, we are also developing a megawatt-level PEM and alkaline electrolyser water hydrogen production system with a capacity of 1,000 Nm^3/h equipped with Safety Instrumented System (SIS), which integrates advanced safety control technology to ensure the safety and reliability of the whole hydrogen production process. At present, our alkaline electrolyser hydrogen production system has successfully passed the evaluation and certification of internationally renowned institutions, and its safety and reliability are benchmarked against international standards. Focusing on the demand of end application scenarios, our technical reserves will help the Company to forge a complete industrial chain from hydrogen production to hydrogen usage.

The Company's R&D team is actively commercialisation its technologies, developing and manufacturing three units (sets) of PEM hydrogen production equipment with capacities of 5 Nm³/h, 200 Nm³/h, and 250 Nm³/h, respectively. During the Reporting Period, the manufacturing and commissioning of the 5 Nm³/h PEM hydrogen production equipment were completed, which has been utilised for the performance verification of the Company's next-generation PEM electrolyser technology. Meanwhile, the Company has partially completed the assembly and electrolyser performance testing of the 200 Nm³/h PEM hydrogen production system, as well as the partial assembly of the 250 Nm³/h PEM hydrogen production system. As scheduled, the 200 Nm³/h and 250 Nm³/h hydrogen production equipment will be delivered to customers within 2026.

4. Governance Optimisation

The Company advanced internal management transformation and upgraded its operational system, focusing on four key areas, namely "upgrading corporate governance, optimising organisational structure, revitalising talent and improving cost efficiency", with a view to strengthening the foundation for its sustainable development. In the context of emerging markets aligned with national strategic priorities, the Company improved resource utilisation efficiency and organisational effectiveness through structural adjustments and the establishment of innovative mechanisms, thereby further enhancing its core competitiveness.

Looking ahead, the Company will further enhance its governance system, with a focus on improving decision-making efficiency and risk control, optimise its governance structure, refine its rights and responsibilities framework and internal control mechanisms, and improve its strategic execution capabilities and compliance standards. Through optimising its organisational structure, breaking down departmental silos and establishing a flatter structure, the Company aims to strengthen its market responsiveness and cross-functional collaboration capabilities. At the same time, the Company will implement a value-driven talent strategy, focusing on talent pipeline development, targeted incentive mechanisms and the optimisation of empowerment systems, so as to stimulate innovation and professional capabilities. In addition, the Company will focus on improving cost efficiency across the entire value chain by rationalising authorisation, streamlining processes, refining resource allocation and enhancing the application of business digitalisation, thereby improving operational efficiency and cost effectiveness.

During the Reporting Period, the Company achieved substantial breakthroughs in internal management improvement, with an optimised cost structure, enhanced governance resilience, improved organisational agility and collaboration efficiency, as well as strengthened core talent retention and performance indicators.

As at the end of the Reporting Period, the proportion of the Group's R&D personnel has reached about 29% of the total headcount. Looking ahead, the Company will continue to deepen management innovation and the integration of informatisation technologies, promote the development of efficient and intelligent operating models, and support its high-quality development.

BUSINESS OUTLOOK

I. Market Environment and Industry Trends

The hydrogen energy industry as a whole remains in a transitional adjustment period, shifting from being "policy and demonstration-driven" to "scenario and commercialization-driven". National and local policies are gradually transitioning from early-stage upfront subsidies at the vehicle purchasing end to forms such as "rewards in lieu of subsidies", operational mileage rewards, and quota support for hydrogen production and refueling facilities. The overall intensity of subsidies exhibits a trend of marginal phase-out, while the focus of customer procurement decisions is shifting from the initial purchase price difference to the full life-cycle energy costs.

Affected by insufficient infrastructure density, generally high overall hydrogen costs, and intensified price competition among peers, domestic automotive fuel cell systems exhibited a trend of "increasing volume and declining prices". Leading enterprises in the industry generally recorded a decline in revenue, and a viable profit model has yet to be established. According to data from the China Association of Automobile Manufacturers (中國汽車工業協會), from January to June 2026, the sales volume of hydrogen fuel cell vehicles decreased by 50.1% year-on-year, and the interim revenue of the Company for 2026 also experienced a year-on-year decline. The industry is currently at a critical stage characterised by concurrent market consolidation and the transition of application scenarios.

II. Current Advantages and Resource Foundation of the Company

In terms of market position, the Company has ranked among the top domestic suppliers in terms of shipments of automotive fuel cell systems (including stacks) in the PRC for several consecutive years. The current strategic focus has shifted from the external sale of stacks to the internal integration of systems equipped with self-produced stacks. While consolidating its leading position in the automotive hydrogen fuel cell sector, the Company is actively expanding into non-automotive application markets.

In terms of technological autonomy, the Hongxin GIII (鴻芯 GIII) series stacks and the Hongtu (鴻途) series systems have established platform-based iterative capabilities, and domestic substitution has been achieved for core materials such as PEM and bipolar plates. The Company possesses the foundation for vertical integration from materials to systems, and the self-development rate of its core components ranks at the forefront of the industry.

In terms of scenario validation, the non-automotive sectors (marine vessels, rail transit and distributed power generation) contributed revenue of approximately RMB39.6 million in the first half of 2026, accounting for approximately 68.8% of the total revenue for the first half of the year, among which rail transit, inland hydrogen-powered vessels and hydrogen power generation projects have formed replicable model cases.

In terms of the customer ecosystem, the Company has established strategic partnerships with several leading commercial vehicle enterprises, energy groups, and port and mine operators, which act as a certain buffer for the collection of subsidy-related receivables from downstream customers, thereby supporting the continuity of orders.

III. Major Challenges and Response Strategies

The Company will systematically identify and proactively address the key risks in the development of the hydrogen energy business.

In response to the challenges that the cost of hydrogen fuel cell systems remains higher than that of diesel engines and lithium batteries, end-market promotion and application heavily rely on subsidy policies and carbon constraint mechanisms, and short-term demand is affected by the pace of local fiscal spending, the Company will closely track the policy windows of the national government and the demonstration city clusters, and embed product verification into the application processes for customer operating subsidies. Driven by a design orientation focused on total life-cycle costs, the Company will adopt a model of "replacing diesel with hydrogen energy + carbon asset offsets" in closed scenarios such as mining areas, ports, and industrial parks, thereby reducing the reliance on per-vehicle subsidies. Concurrently, by enhancing the power density of the systems and extending the service life of the fuel cell stacks, the Company will retain the cost-reduction dividends at the gross profit margin level.

To address the issue that the inadequate infrastructure for hydrogen refueling stations and green power hydrogen production restricts the scalable volume expansion in high-value application scenarios, the Company will implement a strategy of "driving infrastructure development through application scenarios". In non-automotive fields such as marine vessels, rail transit, and distributed power generation, the Company will prioritise securing resource providers possessing existing energy or port resources. Under this arrangement, the application scenario partners will undertake the construction of localised hydrogen production and refueling nodes, while the Company will deliver integrated packages covering stacks, systems and electronic control. Furthermore, by leveraging pilot facilities for water electrolysis hydrogen production and projects for power generation and backup power, the Company will advance the transformation from "selling equipment" to "selling hydrogen-electric solutions", thereby circumventing the promotion bottleneck caused by the inadequate supporting facilities of the public hydrogen refueling network.

In response to issues including the increasing impairment pressure on trade receivables and contract assets resulting from the prolonged collection cycle of the industry, and the phased expansion of operating loss caused by continuous increases in investments for the independent R&D of core technologies, the Company will take following measures. In terms of customer structure, the Company will give priority to focusing on central state-owned energy groups, port operators and core enterprises in the logistics chain with stable transportation volumes, and lessen business exposure in relation to private automobile enterprises with long credit periods; at the order level, the Company will increase the proportion of prepayments and progress payments, and establish cash flow thresholds for project initiation regarding non-standard customised projects with low gross profit margins; at the R&D level, the Company will coordinate the pooling of expenses based on the principle of platform sharing, and prioritise directions with high commercialisation rates such as Hongxin stacks (鴻芯電堆), rail transit and power generation systems, as well as strictly control horizontal expansion that demonstrates weak synergy with the principal business; and at the capital level, the Company will supplement operating cash flow through three channels, namely government grants, collection of downstream subsidies and strategic credit facilities, thereby ensuring that R&D and the maintenance of production capacity are least dependent on short-term debt financing, so as to comprehensively enhance the risk-resistant capability and operating resilience of the Company.

IV. Strategic Thread and Action Logic

Since its establishment, the Company has experienced multiple stages of development in hydrogen energy technologies, including industrialisation breakthroughs, technological self-reliance and control, commercial ecosystem development and financial capitalisation. Looking ahead to the new development cycle, the Company adheres to its core strategies of "commercialisation of technological innovation, integrated hydrogen energy ecosystem, business diversification and lean management", accelerates advancements in core technologies and upgrades of its product portfolio, promotes the development of an integrated hydrogen energy ecosystem and value chain, and focuses on expanding into emerging applications of hydrogen energy, with a view to strengthening its foundation for sustainable development, improving cost efficiency and enhancing its overall competitiveness and sustainable development capabilities.

1. Commercialisation of Technological Innovation

In terms of the commercialisation of technological innovation, the subsidy phase-out has driven down average system prices, but downstream customers' demand for products with high reliability and low life-cycle costs has conversely become more concentrated. The industry shake-out period serves precisely as the window of opportunity for technological leaders to expand their market share. Leveraging the foundations in power density and lifespan already established by the Hongxin GIII (鴻芯 GIII) and GIV stack (GIV 電堆) platforms, together with the extensive cost advantages derived from the localisation of core materials, the Company regards technology-driven cost reduction as the core initiative to maintain its gross profit margin under the subsidy phase-out cycle. The Company will increase its R&D investments in core products. The Company will focus on enhancing the power density and extreme environmental tolerance of fuel cell stacks, strengthening the modular integration and multi-scenario adaptability of fuel cell systems, overcoming key technological challenges and cost reduction bottlenecks in hydrogen production equipment, and continuously improving product performance in terms of adaptability, durability, reliability, power density, energy conversion efficiency, safety and cost-effectiveness, thereby accelerating technological systematic iteration and providing efficient and reliable products and services to support the commercial application of hydrogen energy technologies.

2. Integrated Hydrogen Energy Ecosystem

In terms of the integration of the hydrogen energy ecosystem, the cycle of "shortages of hydrogen refueling stations, hydrogen vehicles, and demand for fuel cell stacks" restricts the scaling up of the industry, making it difficult for a single-equipment sales model to overcome infrastructure bottlenecks. The Company has possessed full-chain technical capabilities covering fuel cell stacks, systems, hydrogen production, and power generation, and has accumulated model cases in non-automotive scenarios, which lays a foundation for its transformation from an equipment supplier to a solution provider. The Company will focus on advancing an integrated "equipment + scenario + finance" development model. By leveraging high-end manufacturing, diversified applications and financial capital, the Company aims to promote the development of the hydrogen energy industry from demonstration stage to large-scale commercialisation, build an integrated ecosystem across the hydrogen energy value chain. By deeply binding with scenario partners through water electrolysis for hydrogen production and distributed power generation projects, the Company will accelerate its comprehensive transformation from a "single-product supplier" to an "ancillary service provider in the hydrogen and electric energy sectors", thereby expediting the commercial implementation process of hydrogen fuel cells in multi-scenario applications.

3. Business Diversification

In terms of business diversification, the decelerating growth of the vehicle market and the reduction in subsidies have elevated the risk of over-reliance on a single application scenario. However, demand from emerging sectors such as rail transit, shipping, distributed power generation, and the low-altitude economy is gradually being unleashed. In the first half of 2026, the proportion of the Company's revenue derived from non-vehicle sectors increased to 68.8%. Model cases have been established in the rail transit, shipping, and power generation sectors, providing a proven foundation for replication and promotion across multiple scenarios. The Company implemented a "hydrogen energy+" diversification strategy. While consolidating its position in vehicle equipment, the Company expanded into applications in transport such as rail transit, shipping and two-wheeled motorcycles. In addition, the Company focused on energy supply sectors such as hydrogen production through water electrolysis and distributed power generation, and explored emerging application scenarios such as UAVs in line with the development of the low-altitude economy. Such initiatives proactively diversify its reliance on the single commercial vehicle scenario, enabling non-vehicle revenue to serve as an effective complement and risk buffer to the vehicle system business.

4. Lean Management

In terms of lean management, the Company implements internal management optimisation centering on talent efficiency enhancement and management system upgrades. It continuously recruits technical talent, deepens industry-academia-research cooperation to cultivate interdisciplinary talents, optimises its talent structure, and improves its training system. Concurrently, through refined management and process optimisation, the Company enhances the construction of its management system, improves operational efficiency, strengthens cross-departmental collaboration, and perfects its business risk management mechanism. Specific measures include scaling back low gross profit margin customised projects, controlling period expenses, and focusing on internal stack integration. Adhering to the principle of prioritising cash flow security over scale expansion, the Company systematically addresses the financial pressure arising from the phase-out of subsidies and the slowdown in the collection of receivables through three pathways: controlling the expense growth rate, optimising the customer structure, and recovering the gross profit margin.

V. Roadmap and Key Milestones

In terms of the technological iteration roadmap, the fuel cell stack platform adopts the mass-produced Hongxin GIII (鴻芯 GIII) series as the benchmark platform. It aims to complete, in 2026, the operating condition calibration of the next-generation high-power water-cooled fuel cell stack (namely, the Hongxin GIV (鴻芯 GIV) dedicated power generation platform) and its adaptation to commercial vehicle, rail transit, classification society, and power generation scenarios. By 2027, it will promote the step-by-step improvement of three core indicators, namely the rated power density, cold start-up temperature, and design life, on the basis of the GIII series. The specific figures shall be subject to the specification sheets published for the new products in the respective years. The system platform maintains coverage of the 0 to 360 kW power range. In 2026, focus will be placed on developing three types of non-automotive models, namely the C240 marine system, the dedicated rail transit system, and the megawatt-scale power generation system, into standardised product packages, thereby transitioning from automotive condition-based customisation to multi-scenario standardised output. In terms of hydrogen production equipment, hydrogen production through water electrolysis adopts a technological route primarily based on PEM and complemented by alkaline technologies. At present, the development of the megawatt-scale PEM electrolyser and the engineering of complementary facilities for the 1,000 Nm^3/h alkaline electrolyser (including the SIS safety instrumented system) have been initiated. The target for 2026 is to launch a prototype of the megawatt-scale PEM electrolyser and complete in-house testing, followed by a transition into customised production in 2027 subject to the progress of the demonstration projects.

In terms of the milestones of non-automotive applications, in the marine sector, the C240 system has completed safety designs, including explosion-proof, ventilation, and multi-point hydrogen concentration monitoring, in accordance with China Classification Society (CCS) standards. Targeting inland waterway and harbour workboats as the preferred application scenarios in 2026, and building upon the existing operation sample of the "Dongfang Hydrogen Port" (東方氫港) vessel, we will promote the subsequent machinery outfitting for one to two vessels of the same type. Revenue recognition will be based on the milestones of shipowner acceptance and the navigation log. In the rail transit sector, continuing on the foundation of the 2025 cooperative prototypes of hydrogen-powered cultural and tourism trams and hydrogen-powered locomotives, we will participate in the commissioning of two to three industrial park lines in 2026 under a system and electronic control subcontracting model. In terms of distributed power generation and backup power, following the transition of the Hong Kong power generation demonstration project into normalised billing, we will replicate one to two pilot projects for backup power in downstream industrial parks, port areas, and mining areas in Chinese Mainland in 2026. As for low-altitude and light transportation, the air-cooled fuel cell stacks adapted for UAVs and hydrogen-powered two-wheelers are currently at the small-batch verification stage. For 2026, our positioning for this segment is focused on technological reserves and securing a strategic position within the ecosystem.

In terms of ecological integration and hydrogen production layout, hydrogen production through water electrolysis adopts a parallel model of in-house prototype development and scenario-based collaboration with energy groups. Priority is given to the deployment of pilot facilities within central state-owned energy enterprises, ports, and chemical industrial parks with which existing strategic collaborations are established. The application scenario partners will manage the local hydrogen production and refueling nodes, while the Company delivers the integrated package of "electrolyser – hydrogen storage – power generation – fuel cell stack", thereby avoiding sole reliance on public hydrogen refueling networks, and continuously driving the industry to transition from the demonstration stage towards commercial scaling.

In terms of the lean operation milestones, R&D investments will continue to adopt the principle of platform-based shared allocation. Priority will be given to safeguarding the three main product lines with high conversion rates, namely, fuel cell stacks, rail transit and power generation systems, and electrolyser prototypes. Horizontal expansions with weak synergy with our principal business will be scaled back to control the growth rate of expenses within a range lower than the pace of revenue recovery. The customer mix will be tilted towards central state-owned energy groups, port operators and core enterprises in the logistics chains with stable transportation volumes. We will strive to increase the proportion of advance payments and progress payments for newly signed system orders for the full year of 2026, and the exposure to automobile enterprises with long credit periods will no longer be proactively expanded. Taking the sequential recovery trend of gross profit margin in 2025 as the baseline, the gross profit recovery in 2026 will be sustained through an increase in the integration rate of in-house fuel cell stacks instead of mere product price reductions, so as to ensure a steady improvement in operating quality.

FINANCIAL REVIEW

Revenue

We primarily derived revenue from the sale of the hydrogen fuel cell stacks to fuel cell system manufacturers and hydrogen fuel cell systems to downstream manufacturers.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Hydrogen fuel cell systems	**49,600**	36,651
Hydrogen fuel cell system components	**5,033**	1,035
Hydrogen fuel cell stacks	**2,340**	2,017
Maintenance services	**56**	18,651
Others*Note*	**584**	529
Total revenue	**57,613**	58,883

Note: Others primarily includes related system technology integrated services provided to the Group's downstream customers and rental income.

During the Reporting Period, the Group's revenue amounted to approximately RMB57.6 million, as compared to approximately RMB58.9 million for the Previous Period, representing a decrease of 2.2%. The decrease was primarily attributable to a single large-scale one-off special maintenance service project recorded in the Previous Period, whereas the amounts for similar projects during the Reporting Period were smaller, resulting in a corresponding decrease in revenue from maintenance services.

During the Reporting Period, the revenue from hydrogen fuel cell systems and stacks of the Group increased as compared with that of the Previous Period, which was mainly due to the Company's focus on the expansion of non-automotive application scenarios. Such scenarios mainly included products used in rail transit, ships, power generation scenarios, etc. During the Reporting Period, revenue was approximately RMB39.6 million, representing a year-on-year increase of approximately 3.7 times from approximately RMB8.4 million for the Previous Period.

Cost of Sales

The Group's cost of sales consists primarily of raw materials, production personnel's remuneration, depreciation and amortisation of property, plant and equipment used in the production facilities and the production process, and impairment loss of inventory. During the Reporting Period, our cost of sales was approximately RMB53.9 million, a decrease of 3.4% compared to approximately RMB55.8 million for the Previous Period. This was mainly due to a decline in raw material prices during the Reporting Period, as well as the iteration and update of product production processes leading to an increase in the unit energy density of products, which further reduced the required raw materials and consumables.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by 19.4% from approximately RMB3.1 million for the Previous Period to approximately RMB3.7 million for the Reporting Period, and the gross profit margin of the Group increased from approximately 5.3% for the Previous Period to approximately 6.4% for the Reporting Period, which was mainly due to a shift in the sales mix during the Reporting Period, with a higher revenue contribution from high-margin hydrogen fuel cell systems used in non-automotive applications.

Other Income

Other income of the Group primarily consists of government grants and subsidies. Other income increased by approximately RMB2.7 million or approximately 44.1% from approximately RMB6.2 million for the Previous Period to approximately RMB8.9 million for the Reporting Period, which was mainly due to an increase in government grants received and recognised in relation to R&D investments and equipment purchases during the Reporting Period as compared to the Previous Period.

Other (Loss)/Gains – Net

Other (loss)/gains – net of the Group decreased by approximately RMB18.5 million or approximately 210.0% from net gains of approximately RMB8.8 million for the Previous Period to net loss of approximately RMB9.7 million for the Reporting Period, mainly due to the decrease in fair value gains on financial assets at FVPL. During the Reporting Period, fair value gains decreased by approximately RMB17.4 million, mainly due to the exchange rate fluctuations.

Impairment Losses on Financial Assets and Contract Assets

The Group's impairment losses on financial assets and contract assets decreased from approximately RMB22.6 million for the Previous Period by approximately RMB10.9 million, or approximately 48.2%, to approximately RMB11.7 million for the Reporting Period, primarily due to the decrease in the allowance for expected credit losses on trade receivables as compared with the Previous Period.

Selling Expenses

The Group's selling expenses primarily consist of compensation of sales personnel, travel expenses, entertainment expenses and marketing expenses. The Group's selling expenses decreased from approximately RMB14.1 million for the Previous Period to approximately RMB10.2 million for the Reporting Period, primarily due to a corresponding decrease in the compensation of sales personnel and marketing expenses during the Reporting Period.

Research and Development Expenses

The Group's R&D expenses decreased from approximately RMB67.8 million for the Previous Period to approximately RMB46.5 million for the Reporting Period, mainly due to the Company's lean R&D project management and a more focused R&D investment strategy, resulting in a year-over-year decline in overall R&D investment.

Administrative Expenses

The Group's administrative expenses primarily consist of employee benefit expenses, impairment losses, depreciation of right-of-use assets, and depreciation of property, plant and equipment. The Group's administrative expenses decreased from approximately RMB96.7 million for the Previous Period to approximately RMB58.2 million for the Reporting Period, primarily due to the Company's streamlining of its organisational structure and strict control over administrative expenses.

Finance Costs, Net

Net finance costs represent finance costs net of finance income. The Group's finance costs mainly include interest expenses on borrowings and interest expenses on lease liabilities, while finance income mainly includes bank interest income. For the Reporting Period, net finance costs of the Group amounted to approximately RMB8.8 million (Previous Period: net finance costs approximately RMB10.9 million). The decrease in the net amount was mainly due to a decrease in interest expenses on borrowings resulting from the partial repayment of bank loans, and a corresponding decrease in interest expenses on lease liabilities.

Share of (Loss)/Gains of Associates and Joint Ventures Accounted for Using the Equity Method

During the Reporting Period, the Group recorded a share of loss of associates and joint ventures of approximately RMB0.4 million (Previous Period: gains of approximately RMB11.9 million). The change from a gain for the Previous Period to a loss for the Reporting Period was mainly attributable to (i) the Company's receipt of liquidation proceeds from an associate during the Previous Period, resulting in a one-off gain; and (ii) all associates and joint ventures held by the Group recording book losses during the Reporting Period.

Income Tax Expense

The Group's income tax expense primarily represents the Group's total current income tax and deferred income tax expense under the relevant income tax rules and regulations in the jurisdictions where we operate during the Reporting Period. For the Reporting Period, the Group recorded an income tax expense of approximately RMB15.1 million. For the Previous Period, it recorded an income tax expense of approximately RMB2.4 million, primarily due to the Company's reversal of a deferred income tax expense credit of a subsidiary.

Loss Attributable to Owners of the Company, Return on Equity and Return on Assets

During the Reporting Period, as a result of the foregoing, the loss attributable to owners of the Company amounted to approximately RMB142.9 million, as compared to approximately RMB184.2 million for the Previous Period, representing a year-on-year decrease of 22.4% and a narrowing of the loss. Owing to the collection of trade receivables during the Reporting Period, the Company's total assets decreased from RMB4,103.9 million for the Previous Period to RMB3,785.4 million for the Reporting Period, representing a decrease of 7.8%.

Return on Equity (ROE) is calculated as the loss attributable to owners of the Company for the period divided by the total equity at the end of the period, multiplied by 100%. The Group's ROE increased by 0.6 percentage points from approximately -6.6% for the Previous Period to approximately -6.0% for the Reporting Period. Return on Assets (ROA) is calculated as the loss attributable to owners of the Company for the period divided by the total assets as at the end of the period, multiplied by 100%. The Group's ROA increased by 0.4 percentage points from approximately -4.2% for the Previous Period to approximately -3.8% for the Reporting Period.

Liquidity, Financial Resources and Current Ratio

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 HKSE on 5 December 2023 (the "**Listing**"). The Group's cash and cash equivalents primarily consist of bank balances. The Group's future cash requirements will depend on many factors, including the Group's operating income, capital expenditures on property, plant and equipment and intangible assets, market acceptance of the Group's products or other changing business conditions, and future developments, including any investments or acquisitions we may decide to pursue. We may require additional cash due to changing business conditions or other future developments. If the Group's existing cash is insufficient to meet its requirements, the Group may seek to issue equity and/or debt securities or borrow from lending institutions.

As of 30 June 2026, the Group had cash and cash equivalents of approximately RMB132.3 million, representing an increase of 61.7% compared to approximately RMB81.8 million at the beginning of the Reporting Period. As of 30 June 2026, the Group had net current assets of approximately RMB1,478.8 million, as compared to approximately RMB1,581.0 million as of 31 December 2025. The current ratio of the Group increased from approximately 2.1 as of 31 December 2025 to approximately 2.3 as of 30 June 2026.

Borrowings and Charges on the Group's Assets

As of 30 June 2026, the Group's outstanding current and non-current borrowings amounted to approximately RMB392 million. The maturity groupings of the borrowings are as follows:

	As at 30 June 2026 ***RMB'000***	As at 31 December 2025 *RMB'000*	**Period-on-period change compared to 31 December 2025** *(%)*
Borrowing terms			
Within one year	**254,760**	315,185	(19.2)
Between one and two years	**74,217**	85,400	(13.1)
Between two and five years	**63,415**	51,210	23.8
Total	**392,392**	451,795	(13.2)

As of 30 June 2026, the Group's loans were approximately RMB392.4 million. As at 30 June 2026, the Group had guaranteed borrowings including (i) long-term bank borrowings of approximately RMB12.0 million, secured by the Group's land use rights with a net book value of approximately RMB50.4 million; (ii) long-term bank borrowings of approximately RMB106.9 million, secured by the Group's property, plant and equipment and land use rights with net book values of approximately RMB159.7 million and RMB25.3 million, respectively; (iii) long-term bank borrowings of approximately RMB40.0 million, secured by the Group's construction in progress and land use rights with net book values of approximately RMB40.6 million and RMB8.8 million, respectively; (iv) finance lease borrowings of approximately RMB43.5 million, secured by the Group's production lines with a net book value of approximately RMB78.6 million, with the right to receive receivables with a book value of RMB51.1 million and future receivables with a book value of RMB82.1 million pledged; and (v) third-party borrowings of RMB95.0 million, secured by the Group's land use rights with a net book value of approximately RMB74.0 million. The proportion of the Group's long-term borrowings in the total borrowings was approximately 35.1% as of 30 June 2026, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the Group's debt level and financial structure had laid a solid foundation for the Group to withstand market volatility and diminish financial risks. As of 30 June 2026, the weighted average effective interest rates for the Group's bank borrowings and third-party borrowings were 3.53% and 3.31%, respectively. All bank borrowings or loans are denominated in RMB.

Gearing Ratio

The gearing ratio is calculated by dividing total borrowings by total equity as of the end of the Reporting Period. From the Previous Period to the Reporting Period, the gearing ratio remained relatively stable at 0.2.

Capital Commitments

The Group's capital expenditure during the Reporting Period represented the acquisition of property, plant, and equipment. As of 30 June 2026, the Group's contracted but not provided for capital commitments for the acquisition of property, plant and equipment were approximately RMB256.1 million (as of 31 December 2025: approximately RMB356.3 million).

Capital Expenditures

The Group's capital expenditures primarily relate to payments of property, plant and equipment and land lease. For the Reporting Period, the Group's capital expenditures were approximately RMB65.7 million (Previous Period: approximately RMB21.8 million).

Exchange Rate Fluctuation Risk

The Group's foreign currency risk exposure primarily arises from trade payables, other payables and accruals denominated in foreign currencies including Canadian dollars and HK$, trade receivables and other receivables denominated in foreign currencies including HK$, and cash and cash equivalents denominated in US$ and HK$. Given that the Group primarily operates its business in Chinese Mainland and most of its transactions are settled in RMB, such foreign currency exposure has a minimal impact on the overall financial position of the Group. Therefore, the Group currently has not entered into any derivative contracts to hedge against foreign exchange risk. Nevertheless, the management of the Company will continue to closely monitor changes in foreign currency exchange rates and will consider adopting appropriate hedging strategies to manage any material foreign exchange risk that may arise, when necessary.

CONTINGENT LIABILITIES

As of 30 June 2026, the Company did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not hold any significant investment during the Reporting Period. As of 30 June 2026, the Company had no specific plans for significant investments or acquisitions of capital assets.

MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, the Group did not have any material acquisition or disposal of subsidiaries, associates, or joint ventures.

EMPLOYEES, REMUNERATION POLICY AND TRAINING

As of 30 June 2026, the Group had a total of 259 full-time employees (as of 31 December 2025: 303) and all of them were based in China. Employee benefit expenses (including directors' remuneration) were approximately RMB37.3 million during the Reporting Period (Previous Period: approximately RMB54.2 million).

In terms of remuneration, our employees' remuneration varies according to the functions, and is generally determined with reference to market salary and benefit levels, individual qualifications and capabilities, as well as performance evaluations: (i) our sales personnel's remuneration includes base salary and bonuses based on their total sales amount; (ii) our administration personnel's remuneration includes base salary, subsidies and performance-based bonuses; and (iii) our production personnel's remuneration includes base salary and bonuses. Employee benefit expenses consist of (i) salaries, wages and bonuses; (ii) pension cost – defined contribution plans; (iii) housing fund, medical insurance and other social insurance; and (iv) Incentive Shares (being the Pre-IPO Share Option Incentive Scheme).

We place a strong emphasis on training our employees to develop their skills. Pursuant to our employee training policy, we provide our employees with opportunities to participate in training sessions and seminars on safety production, fire safety and emergency care, as well as team-building activities to cultivate our corporate culture.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued H Shares at HK$19.66 per share and offered 79,520,000 H Shares in Hong Kong, which were listed on the Main Board of the HKSE on 5 December 2023 (the "**Listing Date**"). The net proceeds received by the Company from the global offering of its H Shares (the "**Global Offering**"), after deducting underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$1,456.3 million.

From the Listing Date up to 30 June 2026, the Group has progressively utilised the proceeds from the Global Offering in accordance with the intended purposes set out in the prospectus of the Company dated 27 November 2023 (the "**Prospectus**"). As at 30 June 2026, the cumulative amount of proceeds utilised by the Group was approximately HK$148.7 million, representing approximately 10.2% of the total net proceeds from the Global Offering; the remaining unutilised proceeds amounted to approximately HK$1,020.7 million, and the Group will continue to utilise them in accordance with the purposes and proportions disclosed in the Prospectus. For details, please refer to the table below:

	Approximate percentage of the total net proceeds *(%)*	Net proceeds from the Listing *(HKD million)*	Remaining net proceeds as of 31 December 2025 *(HKD million)*	Net proceeds utilised during the Reporting Period *(HKD million)*	Remaining net proceeds as of 30 June 2026 *(HKD million)*	Expected time to utilise the remaining net proceeds in full *(Note 1)*
Expand the production capabilities of the Group's hydrogen fuel cell stacks and hydrogen fuel cell systems	40.0	582.6	510.2	22.9	487.3	By the end of the year ending 2029
Research and development of hydrogen fuel cell stacks, hydrogen fuel cell systems and hydrogen production equipment	20.0	291.3	210.0	56.1	153.9	By the end of the year ending 2029
Investment in, the potential acquisition of, or the alliance with companies in the Group's upstream industry	10.0	145.6	145.6	0.0	145.6	By the end of the year ending 2029
Development of downstream transit and stationary applications of the Group's product portfolios and development of domestic applications and the increase of local demands for the Group's products by establishing joint ventures with the local governments and companies	10.0	145.6	123.0	(11.1) *(Note 3)*	134.1	By the end of the year ending 2029
Team building, talents recruitment and training, as well as enhanced compensation and incentives to key personnel, and upgrading information technology infrastructure to support our growth and expansion, and to further enhance management and operational efficiency	10.0	145.6	113.5	13.7	99.8	By the end of the year ending 2029
Working capital and other general corporate purposes	10.0	145.6	67.1	67.1	–	N/A (Fully utilised)
Total *(Note 2)*	**100.0**	**1,456.3**	**1,169.4**	**148.7**	**1,020.7**	

Notes:

(1) The expected timeline for using the unutilised 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) Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

(3) During the Reporting Period, the Company reduced its capital and exited its investment in an investee company, recovering previous investment funds of approximately RMB10 million, equivalent to approximately HK$11.1 million.

As at 30 June 2026, the unutilised net proceeds amounted to approximately HK$1,020.7 million, which are expected to be utilised in accordance with the planned uses previously disclosed in the Prospectus. After careful consideration, the Company has decided to extend the expected timeline for utilisation for certain projects. The specific reasons are as follows:

(i) Extending the expected timeline for applying the allocated net proceeds to expand the production capabilities of the Group's hydrogen fuel cell stacks and hydrogen fuel cell systems to on or before 31 December 2029, in order to align with the current expected slowdown in the pace of overall industry growth, and to avoid premature capital commitment before market demand has been fully released. Given that the Company's current production capacity remains sufficient to meet current market demand, the Company has decided to slow down the pace of its capacity expansion, so as to precisely align the pace of capital expenditure with the actual capacity utilisation rate and downstream order growth.

(ii) Extending the expected timeline for applying the allocated net proceeds towards the R&D of hydrogen fuel cell stacks, hydrogen fuel cell systems and hydrogen production equipment to on or before 31 December 2029, in order to prudently manage the pace of R&D investments. Currently, the release of demand in the downstream application market (such as commercial vehicles including heavy-duty trucks) has been steadier than expected. The Company needs to assess and adjust its R&D focus in accordance with the latest market technology roadmaps and the direction of market demand to ensure that R&D resources are concentrated on next-generation products with clear commercialisation prospects, thereby enhancing the utilisation efficiency of R&D funds.

(iii) Extending the expected timeline for applying the allocated net proceeds towards investment in, the potential acquisition of, or the alliance with companies in the Group's upstream industry to on or before 31 December 2029, in order to allow sufficient time to conduct thorough due diligence and identify acquisition targets that align with strategic growth. The Company will focus its efforts on identifying more stable and reliable partners with long-term competitiveness, and strictly select industry leaders for in-depth cooperation. As the industry is currently in a period of reshuffling and consolidation, prudently screening high-quality targets will enable the achievement of cooperation of greater strategic value under more reasonable terms in the future.

(iv) Extending the expected timeline for applying the allocated net proceeds towards development of downstream transit and stationary applications of the Group's product portfolios as well as establishing joint ventures between local governments and the Company to on or before 31 December 2029, in order to prudently assess the maturity of the business models in downstream application scenarios (such as stationary power generation and combined heat and power). Meanwhile, the cooperation will no longer be limited to vehicular application scenarios, and is expected to expand into a closed-loop cooperation across the entire industry chain scenarios of "production, storage, refuelling and utilisation" in the future. Given the uncertainties in the timing of the implementation pace of supporting policies by local governments, the Company will conduct dynamic assessments based on the evolution of actual market demand and advance cooperation projects at an opportune time, to ensure that the investments can genuinely drive the large-scale release of downstream demand.

(v) Extending the expected timeline for applying the allocated net proceeds towards team building, talents recruitment and training, as well as upgrading information technology infrastructure to on or before 31 December 2029, to implement a more selective and rigorous talent recruitment strategy. During the industry consolidation cycle, the Company needs to avoid team redundancy caused by expected business fluctuations, ensure that the skills and expertise of the recruited professionals precisely match the demands of the Company's long-term business strategy, and simultaneously keep the infrastructure upgrades in pace with the development of its business scale.

Although the Board and the management of the Company have made prudent planning for the relevant uses of the net proceeds, the actual implementation of the relevant projects is still subject to numerous factors such as market conditions and the overall progress of the projects. Accordingly, the Board has decided to extend the timeline for the utilisation of the net proceeds for such projects, and considers that the extension will not have any material adverse impact on the operations of the Company and is in the overall best interests of the Company and the shareholder of the Company (the "**Shareholder(s)**") as a whole.

Save as disclosed above, the Board currently has no intention to change the intended use of the net proceeds as disclosed in the Prospectus. The expected timeline for utilising the unutilised net proceeds is based on the best estimation of the business and market conditions made by the Board, and such timeline may be subject to change based on market conditions. The Company will, in accordance with the requirements of the relevant Listing Rules, make further disclosure in due course regarding the changes to the timeline (if any) to update the Shareholders and potential investors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 1,490,000 H Shares on the HKSE for a total consideration of approximately HK$7.17 million (excluding expenses). Details of the repurchase of H Shares are as follows:

Month of repurchase	Number of H Shares repurchased	Price per share		Aggregate consideration
		Highest	Lowest	
		HK$	*HK$*	*HK$'000*
January 2026	1,490,000	4.83	4.76	7,173.61

The above repurchases of the H Shares were effected by the Directors, pursuant to the mandate approved by the Shareholders at the annual general meeting (the "**AGM**") held on 26 June 2025, with a view to demonstrating the Company's confidence in its business outlook and prospects and would, in the long term, benefit the Company and create value for the Shareholders.

All the repurchased H Shares were held by the Company as treasury shares. As at 30 June 2026, the Company had not sold any treasury Shares, and held an aggregate of 8,037,500 treasury shares. To the extent permitted by applicable laws and regulations, such treasury shares will be used for employee incentives, sold or transferred to obtain liquidity, or cancelled, depending on specific circumstances (as determined by the Board).

Save as disclosed above, during the Reporting Period and up to the date of this announcement, there was no purchase, sale (including sale of treasury Shares) or redemption of any listed securities of the Company by the Company or any of its subsidiaries.

SUBSEQUENT EVENTS

Subsequent to 30 June 2026 and up to the date of this announcement, no material subsequent events which may affect the Group have occurred.

INTERIM DIVIDEND

As of 30 June 2026, the Company did not have any distributable reserves. Therefore, the Board has not declared the payment of an interim dividend for the Reporting Period.

CORPORATE GOVERNANCE CODE

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance its corporate value and accountability. The Company has adopted and complied with all mandatory disclosure requirements and all applicable code provisions of the Corporate Governance Code (the "**CG Code")** as set out in Appendix C1 to the Rules Governing the Listing of Securities on the HKSE (the "**Listing Rules**"), except for the following deviations:

Deviation from code provision C.2.1 of the CG Code

Reference is made to the Company's announcement dated 28 February 2025. As Mr. Yang Zeyun had tendered his resignation as the general manager (the "**General Manager**") with effect from 28 February 2025, the Board appointed Mr. Chen Xiaomin ("**Mr. Chen**"), the Chairman, as the General Manager with effect from the same date. Pursuant to the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, the Board believes that, with the support of the management team, having the same individual serve as both the chairman and chief executive officer helps to implement the Company's business strategy and enhance its operational efficiency. In addition, as of the date of this announcement, the Board comprises three executive Directors, three non-executive Directors, and three independent non-executive Directors, who, under the Board's supervision, can fully and fairly represent the interests of the Shareholders. Mr. Chen is well-acquainted with the Company's business operations and possesses exceptional knowledge and experience in the Company's business. His dual roles as the Chairman and the General Manager are beneficial to improving the overall strategic planning efficiency of the Company.

The Board will continue to review and consider splitting the roles of the Chairman and the General Manager at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Deviation from code provision B.3.5 of the CG Code

Code provision B.3.5 of the CG Code provides that issuers should appoint at least one director of a different gender to the nomination committee. Reference is made to the Company's announcement dated 15 May 2026, among other Matters, after the resignation of Ms. Wong Yan Ki, Angel as an independent non-executive Director which resulted in her ceasing as a member of the Company's nomination committee (the "**Nomination Committee**") with effect from 15 May 2026, the Company had failed to comply with the aforesaid code provision. Reference is also made to the Company's announcement dated 29 June 2026, among other matters, upon the appointments of Ms. Lau Man Kei as an independent non-executive Director and a member of the Nomination Committee with effect from the same date, the Company has re-complied with, among others, the Code provision B.3.5 of the CG Code.

AMENDMENTS TO THE RULES OF PROCEDURES FOR EACH OF THE COMMITTEES OF THE BOARD

Reference is made to the announcement of the Company dated 22 May 2026. The Board simultaneously revised the relevant provisions in the Rules of Procedures for each of the committees of the Board (including the Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee) in accordance with the aforementioned laws, regulations and regulatory requirements, to align them with the proposed amendments to the Articles of Association which were later approved by the Shareholder at the AGM held on 29 June 2026 ("**2025 AGM**"). The amended Rules of Procedures have been published on the websites of the HKSE (www.hkexnews.hk) and the Company (www.sinosynergypower.com) on 22 May 2026.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE ABOLITION OF THE SUPERVISORY COMMITTEE OF THE COMPANY

Reference is made to the announcements of the Company dated 22 May 2026 and 29 June 2026 and the circular dated 28 May 2026, in relation to, among other things, the proposed amendments to the Articles of Association and the abolition of the Supervisory Committee by the Board in accordance with the aforementioned laws, regulations and regulatory requirements. The aforementioned matters were approved by the Shareholders at the 2025 AGM. The amended Articles of Association have been published on the websites of the HKSE (www.hkexnews.hk) and the Company (www.sinosynergypower.com) on 29 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific and reasonable enquiries of all Directors, the Company confirms that all Directors have complied with the provisions set out in the Model Code throughout the Reporting Period.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the Reporting Period. In reviewing the interim results, the Audit Committee has, among other matters, considered the accounting principles and practices adopted by the Group, and reviewed the Company's financial reporting system, internal controls and risk management framework together with the management.

PUBLICATION OF 2026 INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT

This announcement is published on the websites of the HKSE (www.hkexnews.hk) and the Company (www.sinosynergypower.com). The interim report of the Company for the six months ended 30 June 2026 will be published on the above websites and despatched and disseminated to the Shareholders in due course.

By order of the Board
Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd.
Mr. Chen Xiaomin
Chairman, executive Director and general manager

Hong Kong, 27 August 2026

As at the date of this announcement, the Board of the Company comprises (i) Mr. Chen Xiaomin, Mr. Ye Jiajie and Dr. Yan Xiqiang as executive Directors; (ii) Mr. Dong Guihu, Mr. Huang Jiao and Mr. Zhang Chen as non-executive Directors; and (iii) Mr. Leung Wai Tai, Mr. Liu Xin and Ms. Lau Man Kei as independent non-executive Directors.