



亿华通
SinoHytec

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

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

Stock Code: 2402

INTERIM REPORT 2026



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SECTION I

DEFINITIONS

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

DEFINITION OF COMMON TERMS

Board	The board of Directors
Company/SinoHytec	Beijing SinoHytec Co., Ltd.
Group	The Company and its subsidiaries
Director(s)	Director(s) of the Company
SinoFuelCell	Shanghai SinoFuelCell Co., Ltd., a majority-controlled subsidiary of the Company
SinoHytec Power	SinoHytec Power Technology Co., Ltd., a wholly-owned subsidiary of the Company
Chengdu SinoHytec	Chengdu SinoHytec Power Technology Co., Ltd., a wholly-owned subsidiary of the Company
SinoHytec Hydrogen	Beijing SinoHytec Hydrogen Technology Co., Ltd., a majority-controlled subsidiary of the Company
Juxinghuatong	Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zhangjiakou Haiper	Zhangjiakou Haiper New Energy Technology Co., Ltd., an associate of the Company
Toyota Sinohytec	Toyota Sinohytec Fuel Cell Co., Ltd., an associate of the Company
United Fuel Cell	United Fuel Cell System R&D (Beijing) Co., Ltd., an associate of the Company
Shuimu Yuanjing	Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.)
Shuimu Changfeng	Beijing Shuimu Changfeng Equity Investment Center (L.P.)
Beiqi Foton	Beiqi Foton Motor Co., Ltd.
Yutong Bus	Yutong Bus Co., Ltd.
Ministry of Science and Technology	Ministry of Science and Technology of the People's Republic of China



SECTION I DEFINITIONS

MIIT	Ministry of Industry and Information Technology of the People's Republic of China
CSRC	China Securities Regulatory Commission
Beijing Municipal Science and Technology Commission/STCSM	Beijing Municipal Science & Technology Commission/Science and Technology Commission of Shanghai Municipal
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
A Shares	A shares of the Company, with a nominal value of RMB1.00 each, which are listed on the SSE STAR Market and traded in RMB
H Shares	H shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended, supplemented or otherwise modified from time to time)
RMB	Renminbi, the lawful currency of the PRC
Shares	A Shares and H Shares
Shareholders	Holders of Shares
Articles of Association	The Articles of Association of Beijing SinoHytec Co., Ltd., currently in force
Company Law	Company Law of the PRC
Securities Law	Securities Law of the PRC
A-share Prospectus	Prospectus for the Initial Public Offering and Listing of Shares on the SSE STAR Market of Beijing SinoHytec Co., Ltd.
Reporting Period	The six months ended June 30, 2026

SECTION I DEFINITIONS

fuel cell/hydrogen fuel cell	A power generation device that directly converts externally supplied fuel and chemical energy in oxidants into electricity, heat and other reactants through electrochemical reactions. The externally supplied fuel is hydrogen, while the oxidant is oxygen. Unless otherwise specified, the fuel cell system or hydrogen fuel cell or fuel cell mentioned in this report refers to proton-exchange membrane hydrogen fuel cell, a type of hydrogen fuel cell with perfluorosulfonic acid solid polymer as electrolyte
fuel cell vehicles/hydrogen fuel cell vehicles	Vehicles with fuel cell system as the power source or main power source
fuel cell system/engine system/power system	the hydrogen storage and power generation compound system in fuel cell vehicles consists of stacks, air supply system, hydrogen supply system, cooling system, control system, hydrogen storage system, DC/DC and other components
stack	A combination of two or more monomer cells with common pipes and unified power output through a fastener structure
bipolar plates	Stack parts, a conductive partition that collects electric current, separates oxidants and reducers and guides the flow of oxidants and reducers on the electrode surface of the battery
PEM	Membrane with proton as the conductive charge
catalyst	A substance that can produce an electric catalytic effect and does not enter the molecular composition of the final product itself. The catalyst in this report specifically refers to the catalyst in the membrane electrode module. Catalysts are typically tiny particles that are evenly coated on the proton exchange membrane. These tiny particles are typically carbon carriers and platinum particles, allowing hydrogen to be separated into hydrogen ions (hydrogen ions are the protons), so that hydrogen ions can react to the oxygen in the air through the proton exchange membrane
air compressor	Air compressor, a device used to compress gas and increase gas pressure
DC/DC	DC-to-DC converter, in the application scenarios of fuel cell vehicles, is responsible for converting the DC voltage from fuel cell output to the working voltage of the vehicle-driven motor, forming a stable and controllable DC power supply with the fuel cell



SECTION I DEFINITIONS

rated power	The maximum continuous output power of fuel cell system under the normal operating conditions as specified by the state. The measurement unit of the rated power is kilowatt (kW)
freeze-start temperature	Freeze-start temperature, which enables the fuel cell system start up when environmental temperature is lower than 0° C and refers to the start-up of a fuel cell system at a standard environmental temperature after a fully immersive vehicle
durable performance	A period that the fuel cell system can last when it works at a rated work point with power loss of 20%, measured in hours (h)
energy conversion efficiency	Conversion of chemical energy in hydrogen into power output efficiency, the higher energy conversion efficiency, the more effective use of hydrogen
Hong Kong	Hong Kong Special Administrative Region of the PRC
RMB, RMB000, RMB0,000, RMB00 million	Renminbi, Renminbi1,000, Renminbi10,000 and Renminbi100 million

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

SECTION II

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. BASIC INFORMATION OF THE COMPANY

Chinese name of the Company	北京億華通科技股份有限公司
Abbreviation of the Chinese name	億華通
English name of the Company	Beijing SinoHytec Co., Ltd.
Abbreviation of the English name	SINOHYTEC
Legal representative of the Company	Zhang Guoqiang
Registered address of the Company	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, the PRC
Principal place of business of the Company in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Historical change of the registered address of the Company	No change of registered address after the listing of the Company
Office address of the Company	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, the PRC
Postal code of the office address of the Company	100192
Company website	http://www.sinohytec.com
E-mail	sinohytec@autoht.com
Enquiry index for changes during the Reporting Period	Not Applicable

II. CONTACT PERSON AND CONTACT METHOD

	Secretary to the Board (Domestic representative for information disclosure)	Securities Affairs Representative
Name	Kang Zhi	Bao Xingzhu
Address	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing
Telephone	86-10-62796418-821	86-10-62796418-821
Fax	010-62794725	010-62794725
E-mail	sinohytec@autoht.com	sinohytec@autoht.com

III. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Names of the newspaper designated by the Company for information disclosure	Shanghai Securities News and Securities Times
Website address for publishing A shares interim reports	www.sse.com.cn
Website address for publishing H shares interim reports	www.hkexnews.hk
Place for inspection of A shares interim reports	Board Office of the Company
Place for inspection of H shares interim reports	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

IV. PROFILE OF COMPANY STOCK/DEPOSITARY RECEIPTS

(I) Stock Profile of the Company

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

V. FINANCIAL HIGHLIGHTS

Unit: RMB'000

Item	First half of 2026	First half of 2025
Revenue	73,943	71,929
Gross profit	14,254	(30,146)
Loss before income tax	(123,420)	(200,765)
Loss for the period	(123,280)	(200,178)
Loss per share attributable to shareholders of the Company for the period (RMB)	(0.44)	(0.71)

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Total assets	3,472,852	3,677,725
Total liabilities	1,426,703	1,508,144
Equity attributable to owners of the Company	1,876,283	1,978,330
Cash and cash equivalents	344,415	372,983

Total operating income for the six months ended June 30, 2026 was RMB73.9 million, representing a year-on-year increase of 2.8%.

Losses attributable to owners of the Group for the six months ended June 30, 2026 were RMB105.04 million, while losses attributable to owners of the Group for the same period last year were RMB163.35 million.

Basic loss per share for the six months ended June 30, 2026 was RMB0.44, while basic loss per share for the same period last year was RMB0.71.

For the six months ended June 30, 2026, the Board resolved not to declare any interim dividend for the Reporting Period.

SECTION II

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

VI. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

(I) Differences in net profit and net assets attributable to shareholders of the listed company between the financial statements disclosed under the International Accounting Standards and those under the Domestic Accounting Standards

Unit: RMB'000

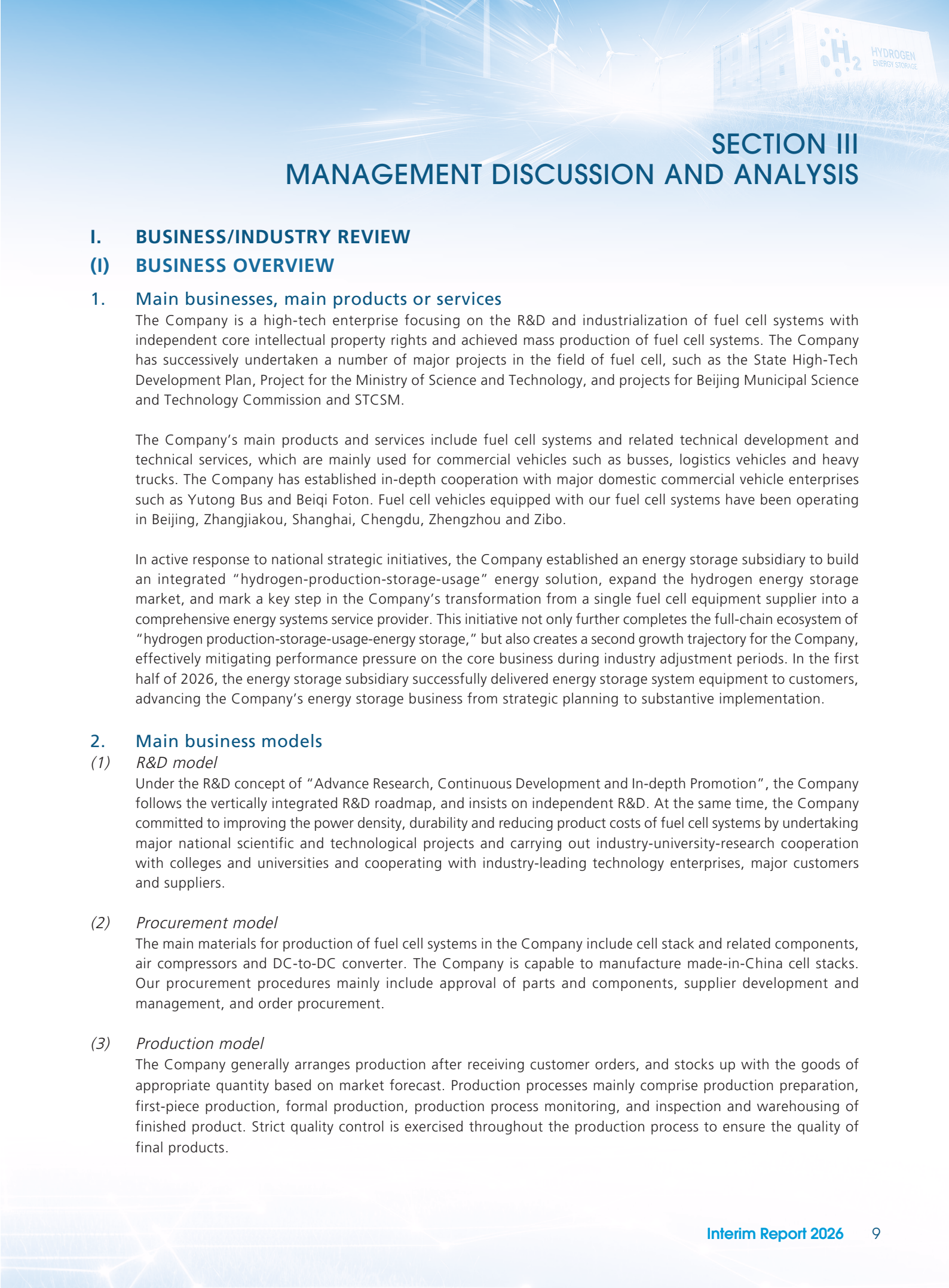
	Net profit attributable to shareholders of the listed company		Net assets attributable to shareholders of the listed company	
	Amount of current period	Amount of last period	Closing balance	Opening balance
Amounts under Domestic Accounting Standards	(104,203)	(163,428)	1,876,283	1,978,330
Accounting Treatment Differences in Recognising Safe Production Fund	(841)	82	—	—
Amounts under International Accounting Standards	(105,044)	(163,346)	1,876,283	1,978,330

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

Special reserve includes safety production fee.

Under the China Accounting Standards for Business Enterprises, safety production fee is included in production costs and as a special reserve within shareholders' equity when charged; expenses of a cost nature are charged directly against the special reserve when incurred; expenses of a capital nature are transferred to fixed assets upon completion, the special reserve is relieved against the cost of such fixed assets, accumulated depreciation is recognised in full, and no further depreciation is charged on such fixed assets in subsequent periods.

Under IFRS, such expenses are recognised only when incurred, and any unutilised special reserve is treated as a provision for undistributed profits.



SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS/INDUSTRY REVIEW

(I) BUSINESS OVERVIEW

1. Main businesses, main products or services

The Company is a high-tech enterprise focusing on the R&D and industrialization of fuel cell systems with independent core intellectual property rights and achieved mass production of fuel cell systems. The Company has successively undertaken a number of major projects in the field of fuel cell, such as the State High-Tech Development Plan, Project for the Ministry of Science and Technology, and projects for Beijing Municipal Science and Technology Commission and STCSM.

The Company's main products and services include fuel cell systems and related technical development and technical services, which are mainly used for commercial vehicles such as busses, logistics vehicles and heavy trucks. The Company has established in-depth cooperation with major domestic commercial vehicle enterprises such as Yutong Bus and Beiqi Foton. Fuel cell vehicles equipped with our fuel cell systems have been operating in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou and Zibo.

In active response to national strategic initiatives, the Company established an energy storage subsidiary to build an integrated "hydrogen-production-storage-usage" energy solution, expand the hydrogen energy storage market, and mark a key step in the Company's transformation from a single fuel cell equipment supplier into a comprehensive energy systems service provider. This initiative not only further completes the full-chain ecosystem of "hydrogen production-storage-usage-energy storage," but also creates a second growth trajectory for the Company, effectively mitigating performance pressure on the core business during industry adjustment periods. In the first half of 2026, the energy storage subsidiary successfully delivered energy storage system equipment to customers, advancing the Company's energy storage business from strategic planning to substantive implementation.

2. Main business models

(1) R&D model

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

(2) Procurement model

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

(3) Production model

The Company generally arranges production after receiving customer orders, and stocks up with the goods of appropriate quantity based on market forecast. Production processes mainly comprise production preparation, first-piece production, formal production, production process monitoring, and inspection and warehousing of finished product. Strict quality control is exercised throughout the production process to ensure the quality of final products.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(4) *Sales model*

Direct sales are the sales model of the Company, under which the goods are mainly sold to domestic commercial vehicle manufacturers. Our sales processes mainly comprise the formation of preliminary sales intention, technical matching and certification of prototype, publication of catalog and mass sales.

(II) INDUSTRY OVERVIEW

1. Development stage and basic characteristics of the industry

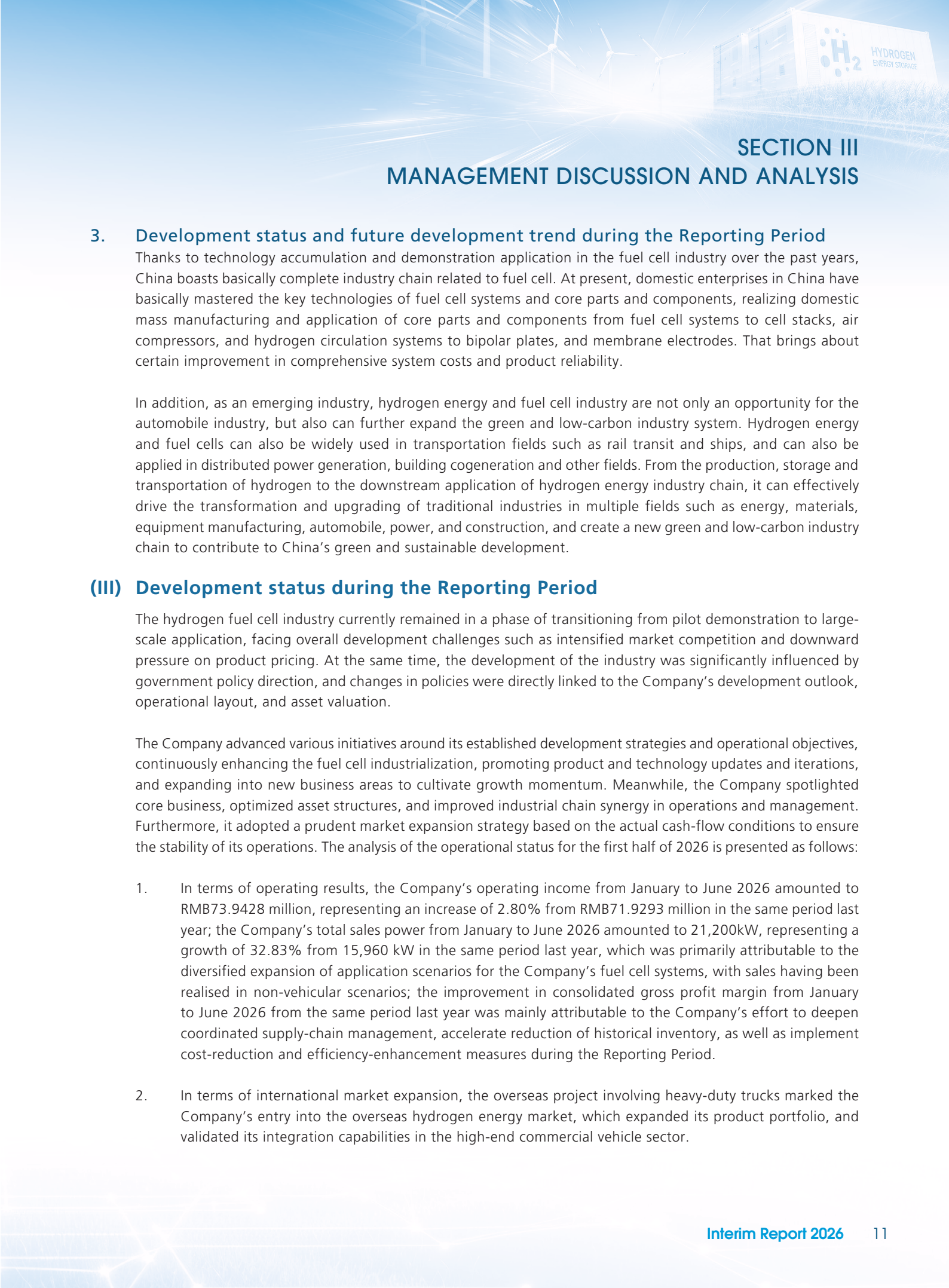
As a type of secondary energy, hydrogen energy has the characteristics and advantages of diversified sources, zero emission, low carbon, easy storage and transportation, flexibility and efficiency. Hydrogen energy can be widely used in chemical, transportation, construction, energy storage, power generation and other fields. In response to the global environmental crisis, major economies around the world unanimously decide to peak carbon emission and achieve carbon neutrality, and they have formulated their development strategy plan for the hydrogen energy industry at the national level. The development of hydrogen energy has become a global consensus, and has special strategic significance for improving China's energy structure, promoting low-carbon transformation in the transportation sector, and improving the international competitiveness and technological innovation of key industries.

At present, the hydrogen fuel cell vehicle market is transitioning from a policy driven stage to a market driven stage and has not yet achieved scale economies; comprehensive costs remain relatively high. According to data from the China Association of Automobile Manufacturers, the cumulative production and sales volumes of fuel cell vehicles nationwide from January to June 2026 were approximately 500 units and 700 units, representing year-on-year decreases of 59.9% and 50.1%, respectively. However, against the backdrop of global dual-carbon targets and the release of supportive policies for domestic fuel cell vehicle demonstration city clusters, hydrogen fuel cell vehicles are expected to gain new momentum.

2. Industry position of the Company

As a pioneer in the R&D and commercialization of fuel cell systems in China, the Company has consistently focused on core fuel cell technologies and has established an independently controllable core intellectual property rights system, while possessing mass production capabilities for both fuel cell systems and stacks.

Leveraging its extensive industry experience and forward-looking market insights, the Company has continuously advanced technological iteration and product upgrades, with a strategic focus on the R&D and industrialization of 100kW high-power fuel cell system, further strengthening its technological leadership in high-power output, long-range endurance and high reliability. The Company has also actively cooperated with domestic mainstream automobile manufacturers to develop diversified vehicles such as fuel cell heavy-duty trucks, passenger vehicles, sanitation vehicles, tractors and cold chain logistics vehicles, thereby continuously expanding application scenarios and market coverage of products to meet the low-carbon transformation needs of relevant sectors. At the same time, in alignment with national strategic initiatives, the Company has fully entered the energy-storage sector. By leveraging its accumulated technology roadmap, the Company has successfully integrated the "electric-hydrogen-electric" and "electric-hydrogen-usage" chains, completing the full industry-chain ecosystem of "hydrogen production-storage-usage," and enhancing its market competitiveness and resilience in the integrated energy domain.



SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

3. Development status and future development trend during the Reporting Period

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

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

(III) Development status during the Reporting Period

The hydrogen fuel cell industry currently remained in a phase of transitioning from pilot demonstration to large-scale application, facing overall development challenges such as intensified market competition and downward pressure on product pricing. At the same time, the development of the industry was significantly influenced by government policy direction, and changes in policies were directly linked to the Company's development outlook, operational layout, and asset valuation.

The Company advanced various initiatives around its established development strategies and operational objectives, continuously enhancing the fuel cell industrialization, promoting product and technology updates and iterations, and expanding into new business areas to cultivate growth momentum. Meanwhile, the Company spotlighted core business, optimized asset structures, and improved industrial chain synergy in operations and management. Furthermore, it adopted a prudent market expansion strategy based on the actual cash-flow conditions to ensure the stability of its operations. The analysis of the operational status for the first half of 2026 is presented as follows:

1. In terms of operating results, the Company's operating income from January to June 2026 amounted to RMB73.9428 million, representing an increase of 2.80% from RMB71.9293 million in the same period last year; the Company's total sales power from January to June 2026 amounted to 21,200kW, representing a growth of 32.83% from 15,960 kW in the same period last year, which was primarily attributable to the diversified expansion of application scenarios for the Company's fuel cell systems, with sales having been realised in non-vehicular scenarios; the improvement in consolidated gross profit margin from January to June 2026 from the same period last year was mainly attributable to the Company's effort to deepen coordinated supply-chain management, accelerate reduction of historical inventory, as well as implement cost-reduction and efficiency-enhancement measures during the Reporting Period.
2. In terms of international market expansion, the overseas project involving heavy-duty trucks marked the Company's entry into the overseas hydrogen energy market, which expanded its product portfolio, and validated its integration capabilities in the high-end commercial vehicle sector.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

3. In terms of technology research and development and product development, the Company has always adhered to the research and development principle of “Advance Research, Continuous Development and In-depth Promotion” by conducting research and development activities focused on core technical indicators such as environmental adaptability, durability and reliability of fuel cell systems, and enhancing product performance and consistency continuously. Despite a challenging operational environment, the Company had maintained steady progress in core technology R&D, continuously accumulating technological achievements and reserving core capabilities.

II. ANALYSIS OF CORE COMPETITIVENESS

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

Technology and R&D advantages: the Company has always adhered to the R&D concept of “Advance Research”, “Continuous Development” and “In-depth Promotion”. After years of exploration and development, the Company has accumulated rich technical experience, breaking through a number of technical difficulties such as fuel cell system integration with high level of power density, rapid activation of fuel cell system at low temperature, air flow and pressure decoupling control, and water content closed loop control. The key performance of product can be close to the international advanced level and have been widely used in commercial practice.

Market layout and large-scale promotion advantages: the Company has established good and long-term cooperation relationship with major commercial vehicle enterprises in China such as Yutong Bus and Beiqi Foton through demonstration operation, joint undertaking of national projects and joint development of fuel cell models, and has accumulated a large number of high-quality customer resources and received good brand reputation, and its technical capabilities have been widely recognized.

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

Talent advantages: the Company has provided a good foundation for the subsequent cultivation of talents by undertaking major national projects, industry university-research cooperation, participating in the formulation of national standards and continuous R&D, and reserved a number of technical, R&D and production teams with professional capabilities and extensive experience.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

1. Core technologies, their advantages and changes from January to June 2026

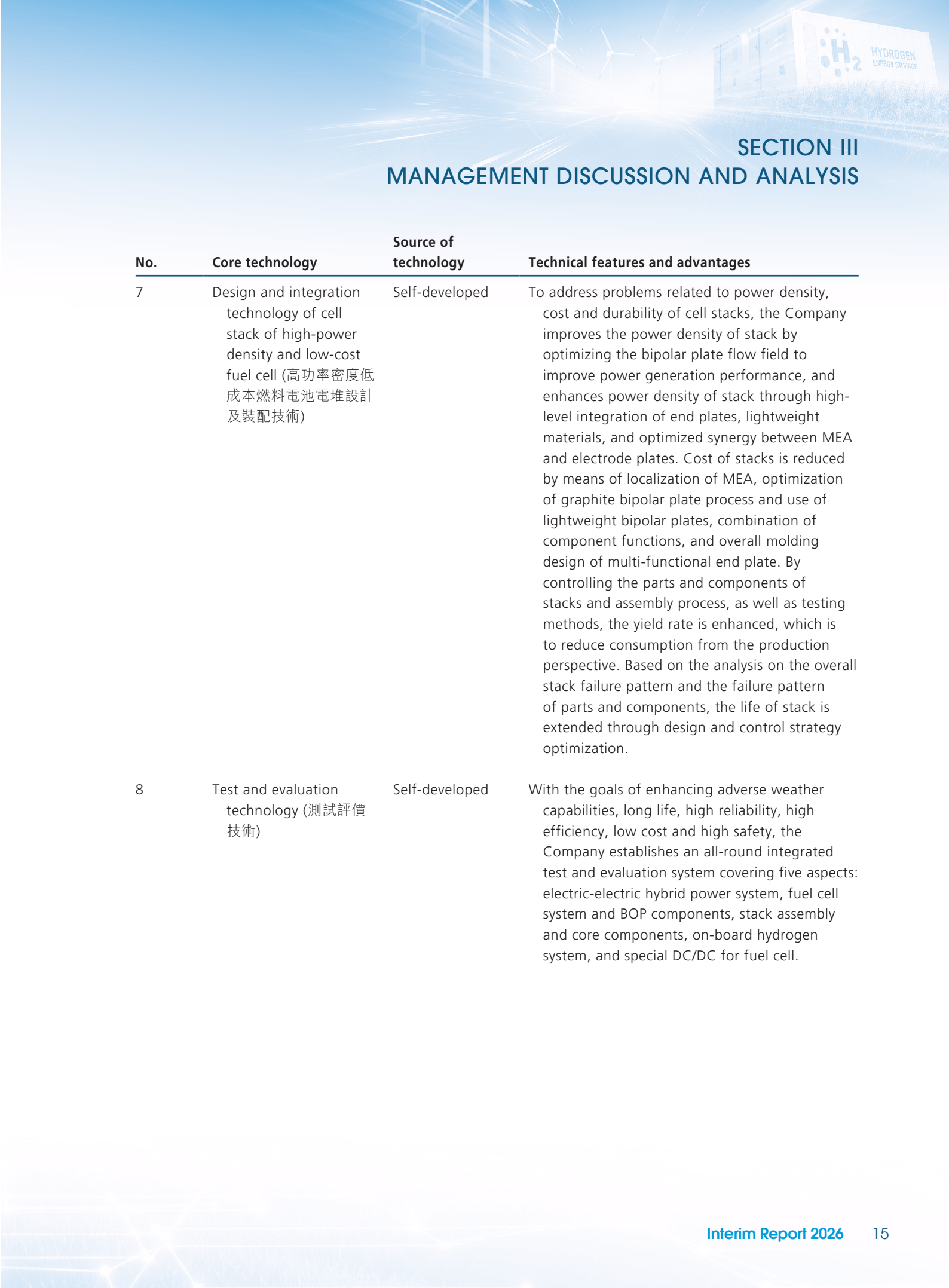
From January to June 2026, the Company kept investing in research and development and maintained core competitiveness by continuously improving technical capabilities and enhancing research and development management system. Currently, the core technologies of the Company mainly include:

No.	Core technology	Source of technology	Technical features and advantages
1	Electric-electric hybrid power system matching and control technology (電－電混合動力系統匹配與控制技術)	Self-developed	Based on matching of fuel cell system and dynamic modelling of electric-electric hybrid power system through multi-objective optimization design, the Company establishes multi-objective optimization energy management control strategy and power distribution strategy, and achieve simultaneous enhancement of fuel cell life and energy conversion efficiency through flexible load control and efficiency search control.
2	Long-life fuel cell system control technology (長壽命燃料電池系統控制技術)	Self-developed	Based on the simulation analysis of the dynamic performance of fuel cells, the Company takes a deep dive into the impact relationship between fuel cell operation parameters and life expectancy, conduct in-depth analysis on fuel cell failure mechanism, clarify the association between impact factors of fuel cell life and the operation working conditions, and ensures the life of fuel cells through the anode adaptive controls, air-flow and pressure decoupling control, voltage clamping control, and closed loop control of water content.
3	High-reliability fuel cell system fault diagnosis and fault tolerance control technology (高可靠燃料電池系統故障診斷及容錯控制技術)	Self-developed	Based on the long-term technology accumulation, the system failure mechanism of fuel cell system is revealed. By extracting failure characteristics through big data statistics and analysis, it can accurately identify the types of faults and implement fault-tolerant control measures accordingly.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical features and advantages
4	Low-temperature rapid fuel cell activation technology (燃料電池低溫快速啟動技術)	Self-developed	The cell stack self-heating technology developed by the Company enables the cell stack to operate in low-efficiency areas, and transform the chemical energy in hydrogen into thermal energy, rapidly improving the temperature of the cell stack, thus reducing the cold start energy consumption, shortening the cold start time, and ultimately improving the driving experience of fuel cell vehicles.
5	High-power density fuel cell system integration technology (高功率密度燃料電池系統集成技術)	Self-developed	Through high integration, the technology allows for less energy loss of pipelines, wire harness, mechanical drive and other parts, reduction in energy consumption of auxiliary systems, less structural redundancy, and lighter fuel cell system.
6	Utilization of waste heat utilization from efficient fuel cell (高效率燃料電池餘熱利用技術)	Self-developed	Based on the simulation analysis of multi-heat domain and multi-heat flow of fuel cell vehicles, the Company designs a waste heat utilization programme that is highly adaptable and efficient for low-temperature environment, and develops a waste heat utilization control strategy for fuel cell system based on multi-heat domain coupling control to improve the energy conversion efficiency of the system.



SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

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

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical features and advantages
9	Fixed-installation power generation technology (固定式發電技術)	Self-developed	Based on its core fuel cell technology platform, the Company has developed solutions suitable for multiple scenarios. It has carried out targeted optimizations regarding operational stability, energy efficiency and ease of operation and maintenance for fixed-installation power generation, and established an integrated architecture for fixed-installation fuel cell power generation systems, achieving coordinated control between the power generation system and off-grid networks, the electricity grid and energy storage systems. Through self-adjusting operational control and a combined heat and power design, the system enhances power generation efficiency and overall energy utilization, making it suitable for a wide range of fixed-installation generation scenarios, including industrial and commercial parks, data centers, and distributed energy stations.
10	Coordinated control and energy management technology for electrochemical energy storage (電化學儲能協調控制與能量管理技術)	Self-developed	The Company develops integrated design and development capabilities for electrochemical energy storage systems, conducts research on coordinated control technologies for large-scale storage, explores site-level power-quality monitoring and unified dispatch of multiple converters to meet the technical requirements such as grid frequency regulation and active/inactive power control, and explores a cloud – edge – end collaborative architecture to forecast power curves, optimize charging and discharging for energy storage systems strategies, and improve economic of operations.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Status of recognition as national-level specialized and sophisticated “little giant” enterprises that produce new and unique products and manufacturing “individual champion” enterprise

Grantee	Title	Year of awarding	Product name
Beijing SinoHytec Co., Ltd.	National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	November 2020 to November 2023	Hydrogen fuel cell motor
Beijing SinoHytec Co., Ltd.	National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	July 2023 to June 2026	Hydrogen fuel cell motor
Shanghai SinoFuelCell Co., Ltd.	National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	July 2023 to June 2026	Hydrogen fuel cell stack
Beijing SinoHytec Co., Ltd.	Individual Champion Enterprise	2025 to 2027	Hydrogen fuel cell motor

2. R&D Achievements from January to June 2026

In the first half of 2026, the Company persisted with independent core-technology R&D and a global patent strategy, and achieved progress in key fuel cell technology breakthroughs, overseas intellectual-property protection and commercialization of results. The Company’s independently developed “Method and device for on-line activation of a fuel cell system”(一種燃料電池系統在線活化方法及活化裝置) passed PCT examination and was granted an Australian invention patent, representing the Company’s first breakthrough in a core fuel-cell invention patent in Australia and further strengthening its overseas IP barriers. After three years of development, this technology addresses key issues such as timing selection for fuel-cell activation and enables more precise and flexible on-line activation of stacks, mitigating performance degradation and improving life and reliability; it has been applied and validated in Australian commercial vehicles and a Brisbane distributed-generation project, receiving customer recognition. Concurrently, the Company continued to build multi-scenario technical systems around “transportation + energy storage + integrated carbon neutrality,” enhancing composite R&D capabilities for hydrogen production, energy storage and fuel cells. The Company reinforced system-level design, control strategies, structural design, storage dispatch, energy balancing and thermal safety technology accumulation. As of the end of June 2026, the Company held in over 1,200 authorized patents, continuously supporting product performance optimization and iteration.

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List of intellectual property achieved from January to June 2026

	Newly added from January to June 2026		Accumulative number	
	Number of applications (patents)	Number of IPs obtained (patents)	Number of applications (patents)	Number of IPs obtained (patents)
Invention patents	7	104	1,145	485
Utility model patents	0	0	764	759
Design patents	0	0	23	23
Software copyrights	0	0	123	123
Total	7	104	2,055	1,390

3. R&D investment

Item	From January to June 2026 RMB'000	For the corresponding period of last year RMB'000	Change (%)
Expensed R&D investment	10,754	17,175	-37.39
Capitalized R&D investment	3,348	8,298	-59.66
Total R&D investment	14,102	25,473	-44.64
Proportion of total R&D investment in operating income (%)	19.07	35.41	Decrease by 16.34 percentage points
Proportion of capitalized R&D investment (%)	23.74	32.58	Decrease by 8.84 percentage points

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

The Company's total R&D investment from January to June 2026 decreased by 44.64% as compared with the same period last year, mainly due to the Company's optimization of R&D project management from January to June 2026, a reduction in research into new R&D fields and directions, which led to an overall year-on-year decline in R&D investment.

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

During the first half of 2026, the proportion of R&D investment capitalization decreased by 8.84 percentage points year-on-year to 23.74%. This decline was mainly attributable to the Company's strict enforcement of the capitalization criteria for R&D expenditures, narrowed the scope of capitalizable items to concentrate on core technology projects in light of changes in the industry environment and product technology roadmap from January to June 2026, resulting in a decline in the proportion of R&D investment capitalization.

4. Status of projects under development

No.	Project name	Estimated investment		Amount of investment from		Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
		total investment scale RMB'000	January to June 2026 RMB'000	January to June 2026 RMB'000	Accumulated investment amount RMB'000				
1	Development of a single-unit megawatt-class PEM fuel-cell power generation system product	840	-	-	730	Completed development of core materials and stack and established life-prediction models; MW-class system integration and commissioning in progress	Complete modular CHP (combined heat and power) packaged system assembly and parameter testing	Domestic leading	New energy transportation field
2	R&D and industrialization demonstration of off-grid hybrid hydrogen production & storage systems	4,000	393	484	2,146	Completed electrolyzer modeling, microgrid control and power quality algorithm verification	Complete validation of core technologies for off grid hydrogen production and storage	Domestic leading	New energy transportation, internal and external project services
3	R&D and industrialization application of high-performance fuel-cell engine integration technology	9,660	484	1,114	1,690	Completed development of core components, system integration and key materials research	Complete integration of high-power engine systems and overcome key technical challenges	Domestic leading	Transportation and distributed generation fields
4	Design & development of high-consistency, high-power fuel-cell stack	24,000	1,114	12,691	12,691	Completed high-consistency stack testing and connected to MW-class system joint commissioning	Support completion of MW-class CHP system commissioning	Domestic advanced	Transportation and distributed generation (cogeneration) fields
5	Development of high-performance MEAs and key materials for fuel cells	12,000	842	9,560	9,560	Optimized MEA mass-production processes and improved performance of large-format MEAs	Achieve designs and batch production of high-performance MEAs	Domestic advanced	Transportation and distributed generation (cogeneration) fields

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No.	Project name	Estimated investment total scale RMB'000	Amount of investment from January to June 2026 RMB'000	Accumulated investment amount RMB'000	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
6	Development of energy-efficient, megawatt-scale fuel-cell electricity & heat cogeneration system	15,600	1,791	13,211	Completed MW-scale system integration, joint commissioning and iterative upgrades; advanced testing-standard formulation underway	Complete development of MW-scale electricity & heat cogeneration system	Domestic advanced	Distributed generation field
7	R&D and demonstration of multi-chamber high-power physical vapor deposition equipment for fuel-cell bipolar plates	8,250	433	1,154	At the basic research and design stage	Complete equipment development and carry out engine-matching verification and demonstration applications	Domestic advanced	Supporting commercial vehicle models
8	R&D and industrialization of a 180 kW fuel-cell engine based on a high-reliability graphite-plate stack	5,000	1,515	2,041	Completed development of high-power engine system architecture	Complete system design verification and structural integration	Domestic advanced	Heavy-duty commercial vehicles, port and mining scenarios
9	Research on key technologies for suppressing performance degradation and achieving long-term operation of high-power fuel-cell systems	510	109	189	Completed studies on degradation mechanisms, control technologies and waste-heat recovery	Break through key technologies for MW-class system life extension and thermal-power regulation	Domestic advanced	Transportation and distributed generation (cogeneration) fields

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No.	Project name	Estimated total investment scale RMB'000	Amount of investment from		Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
			January to June 2026 RMB'000	Accumulated investment amount RMB'000				
10	High-efficiency energy-storage system project 400 kW/800 kWh	2,800	657	657	Completed development of control algorithms, O&M platform and demonstration system integration.	Formulate a complete 400 kW/800 kWh energy-storage technical solution	Domestic advanced	Off-grid areas, distributed energy-storage scenarios
11	Development of stack-series products	65,870	5,591	28,456	Completed design verification of multiple stacks and domestic material substitution; some products have entered commercialization stages	Complete full-series stack development, verification and industrialization implementation	Domestic leading	Transportation and energy-storage fields
12	R&D of multi-energy-efficient coupling control and key components for hybrid power generation systems - 240 kW high-power fuel-cell system	9,082	109	5,976	Completed cold boot, performance and life testing for high-power stacks	Complete performance and durability validation for high-power stacks	Domestic leading	Heavy-duty transport and distributed power supply fields

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No.	Project name	Estimated investment total scale RMB'000	Amount of investment from January to June 2026 RMB'000	Accumulated investment amount RMB'000	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
13	Integration and demonstration of fuel-cell – hydrogen-combustion engine hybrid power generation systems - embedded high efficiency generator	3,600	844	2,445	Completed BOP verification and optimization for the 240 kW system; coordinated integration with project units	Support completion of hybrid power-generation system integration and demonstration.	Domestic leading	Industrial parks, off-grid areas, building energy supply field
14	Key technologies for ultra-thin graphite bipolar plates and high-performance stacks	1,560	199	1,061	Achieved batch fabrication of 1.1 mm bipolar plates and third-party validation	Achieve batch fabrication of ultra-thin graphite bipolar plates	Domestic leading	High power density commercial vehicle filed
Total	/	162,772	14,080	82,007	/	/	/	/

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

5. R&D personnel

Unit: RMB0'000

Basic information

	Amount for the current period	Amount for the corresponding period of last year
Number of the R&D personnel of the Company	61	128
Proportion of the R&D personnel in the total number of employees of the Company	15.93%	21.62%
Total emoluments of the R&D personnel	1,428.65	1,976.92
Average emoluments of a R&D personnel	17.56	13.74

Level of education

Education background	Number (persons)	Percentage (%)
Doctor's degree	9	14.75%
Master's degree	24	39.34%
Bachelor's degree	22	36.07%
Junior college degree	5	8.20%
High school diploma and below	1	1.64%
Total	61	100.00%

Age structure

Age group	Number (persons)	Percentage (%)
Under 30 years old	4	6.56%
Under 40 years old	43	70.49%
Under 50 years old	14	22.95%
Total	61	100.00%

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III. RISK FACTORS

1. Risks of negative profit margin

The Company's achievement of profitability currently depends on factors including the level of industry policy support, the pace of market demand expansion and the progress of cost reduction across the industry chain. Uncertainties of the above factors may result in the timing of the Company's profitability being later than expected. The Company is required to continue invest in areas such as R&D and production capacity. Before operating revenue is sufficient to cover the scale of such investments, such expenditures will continue to place pressure on the Company's profitability.

2. Risk of sharp decline or loss of results

The hydrogen fuel cell industry remains in a phase of transitioning from pilot demonstration to large-scale application; intensified market competition has led to sustained pressure on product prices; and, affected by cash flow pressures, the Company adopted a cautious market expansion strategy, resulting in a year-on-year decline in fuel cell system sales during the Reporting Period. At the same time, changes in relevant government industrial policies have also had a significant impact on the Company's asset impairments, thereby affecting the overall profitability of the Company.

If future industry development falls short of expectations, leading to a sustained decline in market demand, or if industry competition intensifies further, or the Company is unable to secure sufficient orders and expand sales to the scale required to achieve profitability; or if subsequent industry policies continue to be adjusted (such as changes to key parameters including inventory retention targets and subsidy standards), there is a possibility that the Company's loss-making trend may persist.

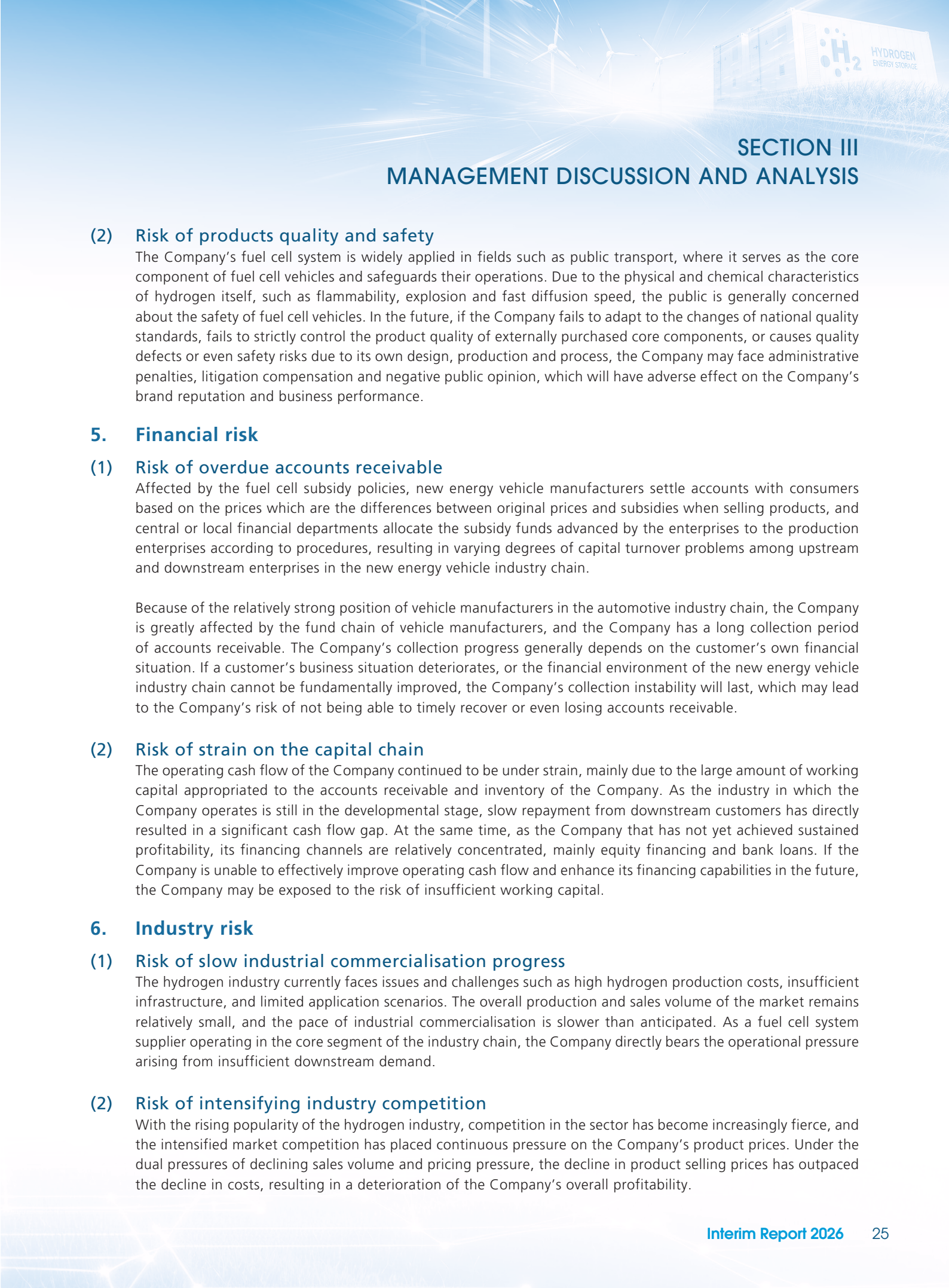
3. Core competitiveness risk

The core competitive strength of the Company lies in its capability to conduct research and development into fuel cell technology and to iterate its products; however, the hydrogen fuel cell industry requires significant ongoing investment in R&D. If the Company fails to secure sufficient funding for R&D in the future, it will struggle to continue advancing its core technological breakthroughs and upgrading product performance. This could result in a weakening of the Company's lead in key technical metrics such as power density, durability and hydrogen consumption control, narrowing the technological gap with competitors within the industry and making it difficult to consolidate its core technological barriers.

4. Operational risk

(1) Risk of customers' concentration ratio

The fuel cell vehicle industry in our country is still transitioning from a policy driven to a market driven stage, and the application scenarios are mainly focused on specific segments. The Company's major customers are domestic mainstream commercial vehicle enterprises, and the high customer concentration structure restricts the Company's bargaining power in commercial negotiations, and its operating performance is highly bound to the promotion plan of fuel cell vehicle models and the order release pace of its major customers. If the major customers reduce the purchase of the Company's products, or their strategic layout in the field of hydrogen fuel cells occurs significant adjustments, the Company's production and operation will be adversely affected.



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(2) Risk of products quality and safety

The Company's fuel cell system is widely applied in fields such as public transport, where it serves as the core component of fuel cell vehicles and safeguards their operations. Due to the physical and chemical characteristics of hydrogen itself, such as flammability, explosion and fast diffusion speed, the public is generally concerned about the safety of fuel cell vehicles. In the future, if the Company fails to adapt to the changes of national quality standards, fails to strictly control the product quality of externally purchased core components, or causes quality defects or even safety risks due to its own design, production and process, the Company may face administrative penalties, litigation compensation and negative public opinion, which will have adverse effect on the Company's brand reputation and business performance.

5. Financial risk

(1) Risk of overdue accounts receivable

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

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

(2) Risk of strain on the capital chain

The operating cash flow of the Company continued to be under strain, mainly due to the large amount of working capital appropriated to the accounts receivable and inventory of the Company. As the industry in which the Company operates is still in the developmental stage, slow repayment from downstream customers has directly resulted in a significant cash flow gap. At the same time, as the Company that has not yet achieved sustained profitability, its financing channels are relatively concentrated, mainly equity financing and bank loans. If the Company is unable to effectively improve operating cash flow and enhance its financing capabilities in the future, the Company may be exposed to the risk of insufficient working capital.

6. Industry risk

(1) Risk of slow industrial commercialisation progress

The hydrogen industry currently faces issues and challenges such as high hydrogen production costs, insufficient infrastructure, and limited application scenarios. The overall production and sales volume of the market remains relatively small, and the pace of industrial commercialisation is slower than anticipated. As a fuel cell system supplier operating in the core segment of the industry chain, the Company directly bears the operational pressure arising from insufficient downstream demand.

(2) Risk of intensifying industry competition

With the rising popularity of the hydrogen industry, competition in the sector has become increasingly fierce, and the intensified market competition has placed continuous pressure on the Company's product prices. Under the dual pressures of declining sales volume and pricing pressure, the decline in product selling prices has outpaced the decline in costs, resulting in a deterioration of the Company's overall profitability.

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(3) Risk of supply chain stability

The development of core technological breakthroughs and the localization substitution of key materials in the fuel cell industry are still ongoing, and large-scale production has yet to be achieved. Although the Company has consistently pursued independent innovation and established core technological advantages in areas such as fuel cell system integration and stack development, it remains reliant on imported supplies for certain key materials. Any disruption in imports or increase in prices would directly impact the Company's production schedule and cost control.

(4) Risk of industry compliance and standards

The hydrogen industry is an emerging industry, and the relevant laws, regulations and industry standards are still being developed. Although the National Energy Administration is promoting the establishment of a hydrogen energy standard system, standards relating to hydrogen safety, environmental protection, product certification and carbon footprint accounting have yet to be fully established. Industry standards have not yet been completely unified, and there are significant regional variations in the performance and safety certification requirements for fuel cell systems. The Company is required to devote substantial resources to obtaining certifications across multiple regions, thereby increasing its compliance costs.

7. Macro environmental risks

(1) Policy dependence risk

As a strategic emerging industry, the development of the hydrogen fuel cell industry is highly dependent on the guidance of national and local government industrial policies and the support of financial subsidies. Although the state has drawn a clear blueprint for industrial development and many regions have listed hydrogen energy as a key industry to cultivate, there is still a time lag in the transmission of policy dividends to the actual operating benefits of enterprises. Specifically, the national subsidy funds for the demonstration application of fuel cell vehicles that downstream terminal customers and vehicle manufacturers rely on have been insufficiently and untimely disbursed in the actual process. This directly affects the order release rhythm, project promotion enthusiasm and capital turnover efficiency of the entire industry chain. If subsidies are further reduced or policy support weakens in future years, the Company will face greater operational pressure.

(2) Macroeconomic fluctuation risk

As a whole, the domestic macroeconomic environment is currently under pressure. Influenced by this macro background, the Company's pressure on capital turnover continued to increase during the Reporting Period. The tight capital situation was directly transmitted to the operation level, forcing the Company to adjust its market strategy and adopt a more cautious sales policy. It actively reduced some orders with poor payment terms, which led to a year-on-year decline in the sales volume of fuel cell system. Although this adjustment of the business strategy is a necessary measure for the Company to respond to changes in the macro environment, it objectively affected the scale of operating income and overall profitability during the Reporting Period.

(3) Risk of geopolitical conflicts

Some of the Company's components rely on imports. Geopolitical conflicts may lead to disruptions in raw material supply and significant price hikes, directly affecting the continuity of the Company's production and operation and increasing production costs.



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IV. PROSPECTS/OUTLOOK

After years of technological accumulation and demonstration applications, China's fuel cell industry has generally developed a well-established related industrial chain. At present, domestic enterprises in China have basically mastered the key technologies of fuel cell systems and core parts and components, realizing domestic mass manufacturing and application of core parts and components from fuel cell systems to cell stacks, air compressors, and hydrogen circulation systems to bipolar plates, and membrane electrodes. That brings about certain improvement in comprehensive system costs and product reliability. In addition, as an emerging industry, hydrogen energy and fuel cell industry do not only serve as opportunities for the automobile industry, but can also further expand the green and low-carbon industry system. Hydrogen energy and fuel cells can also be widely used in transportation fields such as rail transit and ships, and can also be applied in distributed power generation, building cogeneration and other fields. From the production, storage and transportation of hydrogen to the downstream application of hydrogen energy industry chain, it can effectively drive the transformation and elevation of traditional industries in multiple fields such as energy, materials, equipment manufacturing, automobile, power, and construction, and create a new green and low-carbon industry chain to contribute to China's green and sustainable development. The Company will continue to contribute to China's goal of "carbon peaking and carbon neutrality" starting from the advanced hydrogen fuel cell technology, and strive to become a world leading fuel cell system supplier and a pioneer of global hydrogen energy technology. In the future, the Company plans to implement the following strategies to realize such goal:

1. Seize policy opportunities and deepen pilot applications

Actively participating in hydrogen energy comprehensive application pilot projects in urban clusters, the Company will leverage its technological advantages in fuel cell systems and draw on the resource endowments of regions such as Beijing-Tianjin-Hebei area and Zhangjiakou, aiming to promote the large-scale application of scenarios including medium- and heavy-duty commercial vehicles and cold chain logistics.

2. Expand diverse scenarios and drive growth momentum

Focusing on the "1+N+X" application ecosystem, the Company will actively explore related industrial and innovative application scenarios to refine the entire chain of "production, storage, transportation, and utilization", while consolidating its advantages in the transportation fields.

3. Strengthen technological R&D and solidify the foundation of product competitiveness

The Company will continue to focus on core technical indicators such as environmental adaptability, durability and reliability of fuel cell systems. Through the vertically integrated R&D roadmap, it will continuously optimize product design, processes, and integration solutions. While enhancing product performance, the Company will drive further optimization of system costs, consistently improving its technological advantages and market competitiveness in the field of fuel cell systems and core components.

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4. Optimize capital structure and enhance operational resilience

Given that the industry has yet to achieve a sustainable commercialisation loop and the continued pressure on cash flow, the Company will continue to strengthen its capital structure management, strategically leveraging various tools such as equity financing and supply chain finance to reasonably align funding needs with the appropriate timing of fund utilization. Moving forward, the Company will rigorously mitigate operational risks, and bolster its ability to withstand risks and operational resilience in a complex market environment, in order to build a solid foundation for stable operations and sustainable development.

V. FINANCIAL REVIEW

1. Revenue

The Group's revenue was primarily derived from the sales of hydrogen fuel cell systems and components, technology development services and other ancillary operations. From January to June 2026, the Group achieved a revenue of approximately RMB73.9 million (from January to June 2025: approximately RMB71.9 million), representing a year-on-year increase of approximately 2.8%.

From January to June, sales of fuel cell systems remained the core source of revenue, although their contribution to total revenue decreased, while the contribution from new businesses, such as energy storage, gradually emerged. Revenue from sales of hydrogen fuel cell systems amounted to RMB42.8 million, representing a decrease of 15.5% from RMB50.6 million for the corresponding period of last year, while revenue from other businesses amounted to RMB18.2 million, representing an increase of 72.2% from RMB10.6 million for the corresponding period of last year. This was primarily attributable to: (1) the cumulative production and sales volumes of fuel cell vehicles nationwide in the first half of 2026 were approximately 500 units and 700 units, representing year-on-year decreases of 59.9% and 50.1%, respectively. The overall contraction in the scale of the industry resulted in a year-on-year decrease in the Company's sales of fuel cell systems and components; (2) the Company's energy storage business entered a substantive implementation stage, with energy storage system equipment delivered to customers in the first half of 2026, contributing incremental revenue. As a result of the combined effects of the above factors, the Company recorded a slight year-on-year increase in revenue in the first half of 2026.

(1) Revenue breakdown by product type

Item	January to June 2026 RMB'000	January to June 2025 RMB'000
Revenue from contracts with customers		
— Production and sale of fuel cell systems	42,796	50,642
— Production and sale of fuel cell components	1,561	2,174
— Provision of technology development services	11,346	8,519
— Others	18,240	10,594
Subtotal	73,943	71,929

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(2) Sales volume and average selling price

Indicator	January to June 2026	January to June 2025	Year-on-year change (%)
Total sales power (kW)	21,200	15,960	+32.83%
Revenue recognized from fuel cell systems (RMB'000)	42,796	50,642	-15.49%
Average selling price per kW (RMB'000/kW)	2.019	3.173	-36.38%

2. Cost of sales and services

The Group's cost of sales primarily comprises raw materials, depreciation and amortization of production facilities and other fixed assets used in the production process, employee compensation and impairment losses on inventories.

In the first half of 2026, the Group's cost of sales amounted to RMB59.7 million, representing a decrease of approximately 41.5% from RMB102.1 million in the first half of 2025, primarily attributable to the year-on-year decrease in the cost of sales of goods and services as a result of the Company's enhanced supply chain coordination and management and accelerated digestion of historical inventories.

3. Gross profit and gross profit margin

The Group's gross profit represents revenue less cost of sales and services, while gross profit margin represents gross profit divided by revenue, expressed as a percentage. In the first half of 2026, the Group's gross profit improved from approximately RMB-30.1 million (loss) in the corresponding period of last year to approximately RMB14.3 million, while its gross profit margin increased from approximately -41.9% in the corresponding period of last year to approximately 19.3%. This was primarily attributable to: (1) the Company's enhanced supply chain coordination and management, accelerated digestion of historical inventories and continued efforts to reduce costs and improve efficiency, resulting in a significant year-on-year decrease in the cost of sales of goods; (2) the delivery of new businesses, such as energy storage, contributing positive gross profit.

4. Sales and marketing expenses

The Group's sales and marketing expenses decreased by approximately RMB5.0 million (approximately 22.0%) from approximately RMB22.6 million in the corresponding period of last year to approximately RMB17.6 million during the Reporting Period, mainly due to the Company's continued efforts to reduce costs and improve efficiency, resulting in a year-on-year reduction in the relevant expenses.

5. Administrative expenses

The Group's administrative expenses decreased by approximately RMB14.7 million (approximately 14.7%) from approximately RMB100.1 million in the corresponding period of last year to approximately RMB85.3 million during the Reporting Period, mainly due to the Company's continued optimisation of management efficiency and strict expenditure control.

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6. R&D expenses

The R&D expenses incurred by the Group decreased by approximately RMB6.4 million (approximately 37.4%) from approximately RMB17.2 million in the corresponding period of last year to approximately RMB10.8 million during the Reporting Period, primarily due to the Company enhanced management of R&D projects, a focused approach to core R&D projects, and reduced investment in new R&D areas and directions.

7. Impairment losses of financial assets, net

In the first half of 2026, the Group's net impairment loss on financial assets amounted to a net gain of approximately RMB14.3 million, mainly due to recoveries of certain amounts from customers by the Company during the period for which bad debt provisions had been made in previous years, resulting in a corresponding reversal of the bad debt provisions.

8. Share of losses in associates

In the first half of 2026, the Group's share of losses in associates narrowed by approximately RMB12.8 million (approximately 33.8%) from approximately RMB37.8 million to approximately RMB25.0 million compared with the same period last year. This was primarily attributable to a year-on-year reduction in investment losses in associates accounted for using the equity method during the period from January to June 2026.

9. Liquidity, capital resources and current ratio

As at June 30, 2026, the Group's cash and cash equivalents amounted to approximately RMB344.4 million, which were primarily denominated in RMB and US\$, representing a decrease of approximately 7.7% from approximately RMB373.0 million as of December 31, 2025. Such decrease was primarily attributable to repayment of principal and interest on bank borrowings during the Reporting Period.

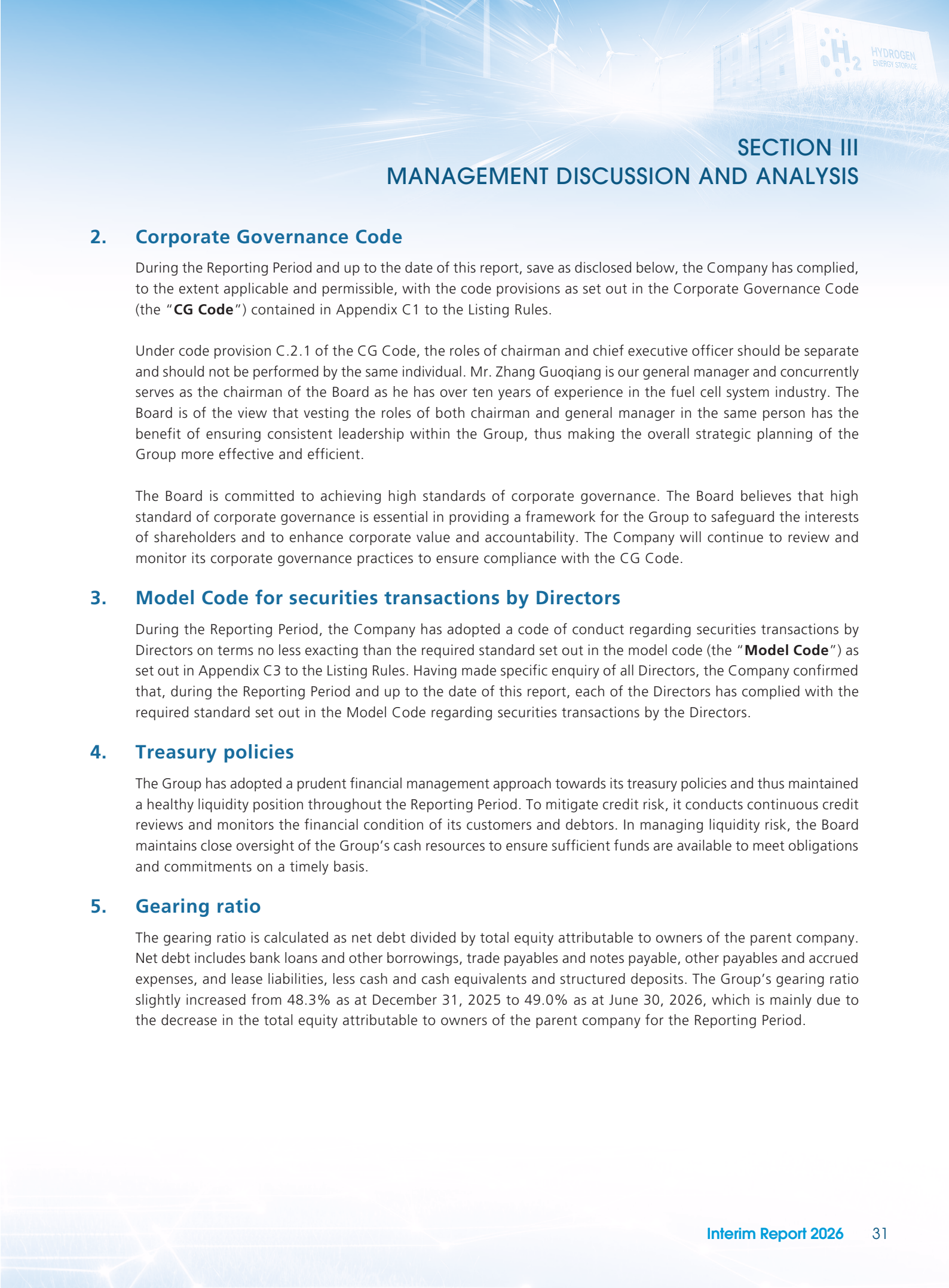
As at June 30, 2026, the Group's net current assets amounted to approximately RMB1,218.3 million, and current ratio was approximately 1.95 (December 31, 2025: approximately 1.94), indicating that its short-term repayment capability remained stable.

VI. OTHER DISCLOSURES

1. Audit Committee and review of financial data

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

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



SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

2. Corporate Governance Code

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

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

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

3. Model Code for securities transactions by Directors

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

4. Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. To mitigate credit risk, it conducts continuous credit reviews and monitors the financial condition of its customers and debtors. In managing liquidity risk, the Board maintains close oversight of the Group’s cash resources to ensure sufficient funds are available to meet obligations and commitments on a timely basis.

5. Gearing ratio

The gearing ratio is calculated as net debt divided by total equity attributable to owners of the parent company. Net debt includes bank loans and other borrowings, trade payables and notes payable, other payables and accrued expenses, and lease liabilities, less cash and cash equivalents and structured deposits. The Group’s gearing ratio slightly increased from 48.3% as at December 31, 2025 to 49.0% as at June 30, 2026, which is mainly due to the decrease in the total equity attributable to owners of the parent company for the Reporting Period.

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6. Borrowings and mortgage of the Group's assets

As at June 30, 2026, the Group's total outstanding bank borrowings amounted to RMB394.0 million, which were primarily denominated in RMB, representing a decrease of approximately 11.0% from approximately RMB442.7 million as of December 31, 2025. Such decrease was mainly attributable to the Company's proactive reduction of debt scale and optimisation of its capital structure. The debt maturity profile is predominantly short-term, with both the overall debt scale and the level of financial leverage having declined. During the Reporting Period, the range of effective annual interest rate for bank borrowings was 1.99% to 3.15% (2025: 2.05% to 3.60%). The Group's time deposits and half of its bank borrowings bear interests at fixed rates; demand deposits (cash) bear interests at floating rates based on the posted rates announced by the People's Bank of China, and the remaining bank borrowings bear interest at floating rates.

7. Capital commitments

The Group's capital commitments comprise contracted but not provided for capital commitments in respect of the acquisition of property, plant and equipment, as well as associates and other unlisted investments. As at June 30, 2026, the Group recorded total capital commitments of RMB0.00 million.

8. Capital expenditure

The Group's capital expenditure primarily relates to payments for property, plant and equipment and lease payments for land. In the first half of 2026, the Group's capital expenditure amounted to approximately RMB8.0 million.

9. Significant investments, material acquisitions or disposal of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

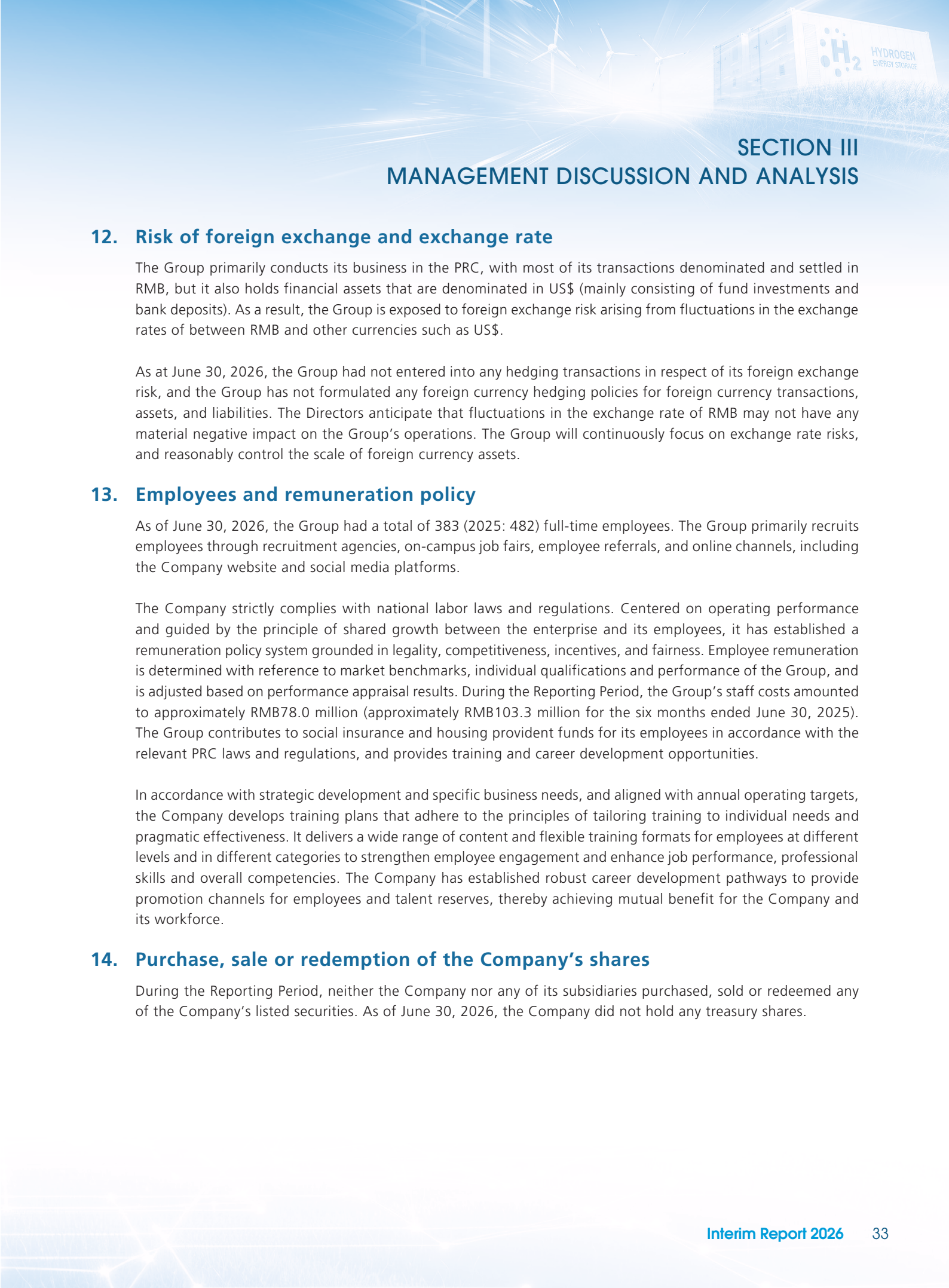
During the Reporting Period, the Group had no significant investments, material acquisitions or disposal of subsidiaries, associates and joint ventures, and no future plans for material investments or capital assets.

10. Details of charges on assets of the Company

For details of the charges on assets of the Company, please refer to the paragraphs headed "10. Property, plant and equipment", "13. Intangible assets", "21. Cash and bank balances", and "24. Bank and other borrowings" in "Section VII Financial Statements" in this interim report.

11. Contingent liabilities

Save as disclosed in this report, as of June 30, 2026, the Group did not have any material contingent liabilities.



SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

12. Risk of foreign exchange and exchange rate

The Group primarily conducts its business in the PRC, with most of its transactions denominated and settled in RMB, but it also holds financial assets that are denominated in US\$ (mainly consisting of fund investments and bank deposits). As a result, the Group is exposed to foreign exchange risk arising from fluctuations in the exchange rates of between RMB and other currencies such as US\$.

As at June 30, 2026, the Group had not entered into any hedging transactions in respect of its foreign exchange risk, and the Group has not formulated any foreign currency hedging policies for foreign currency transactions, assets, and liabilities. The Directors anticipate that fluctuations in the exchange rate of RMB may not have any material negative impact on the Group's operations. The Group will continuously focus on exchange rate risks, and reasonably control the scale of foreign currency assets.

13. Employees and remuneration policy

As of June 30, 2026, the Group had a total of 383 (2025: 482) full-time employees. The Group primarily recruits employees through recruitment agencies, on-campus job fairs, employee referrals, and online channels, including the Company website and social media platforms.

The Company strictly complies with national labor laws and regulations. Centered on operating performance and guided by the principle of shared growth between the enterprise and its employees, it has established a remuneration policy system grounded in legality, competitiveness, incentives, and fairness. Employee remuneration is determined with reference to market benchmarks, individual qualifications and performance of the Group, and is adjusted based on performance appraisal results. During the Reporting Period, the Group's staff costs amounted to approximately RMB78.0 million (approximately RMB103.3 million for the six months ended June 30, 2025). The Group contributes to social insurance and housing provident funds for its employees in accordance with the relevant PRC laws and regulations, and provides training and career development opportunities.

In accordance with strategic development and specific business needs, and aligned with annual operating targets, the Company develops training plans that adhere to the principles of tailoring training to individual needs and pragmatic effectiveness. It delivers a wide range of content and flexible training formats for employees at different levels and in different categories to strengthen employee engagement and enhance job performance, professional skills and overall competencies. The Company has established robust career development pathways to provide promotion channels for employees and talent reserves, thereby achieving mutual benefit for the Company and its workforce.

14. Purchase, sale or redemption of the Company's shares

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. As of June 30, 2026, the Company did not hold any treasury shares.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

15. Use of proceeds from the Global Offering

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

As of June 30, 2026, the Net Proceeds from the Global Offering were used as follows. The Group will further use the Net Proceeds from the Global Offering for the proposed purposes set out in the prospectus of the Company dated December 29, 2022.

Use of proceeds	Approximate percentage of the total Net Proceeds from the Global Offering (%)	Allocation of the Net Proceeds from the Global Offering RMB million (approximately)	Utilized amount of the Net Proceeds from the Global Offering during the Reporting Period RMB million (approximately)	Unutilized balance as of June 30, 2026 RMB million (approximately)	Proposed timeline for the use of unutilized Net Proceeds from the Global Offering
Develop a new generation of integrated research and development platform	50.20	444.90	9.57	371.35	By end of December 31, 2028
Financing overseas research and development projects	24.80	219.79	–	219.79	By end of December 31, 2028
Product promotion and marketing	15.00	132.94	8.83	64.21	By end of December 31, 2028
General working capital	10.00	88.63	–	–	–
Total	100	886.26	18.40	655.36	

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

16. Use of proceeds from the Placing of H Shares

On December 16, 2025, the Company, as issuer, and Guotai Junan Securities (Hong Kong) Limited (the **“Placing Agent”**), as placing agent, entered into a placing agreement (the **“Placing Agreement”**), pursuant to which the Placing Agent has conditionally agreed to procure not less than six placees, on a best effort basis, to subscribe for up to 8,880,000 new H Shares (the **“Placing Share(s)”**) at the placing price (the **“Placing Price”**) of HK\$22.68 per Placing Share (the **“Placing”**). The closing price as quoted on the Stock Exchange on December 15, 2025 (being the date on which the Placing Price was determined) was HK\$26.68 per H Share. The Placing was conducted under the general mandate granted to the Board at the annual general meeting held on December 15, 2025, and for the purpose of, among others, raising additional funds and strengthening the Group’s financial position.

Completion of the Placing (the **“Completion”**) took place on December 23, 2025, whereby a total of 8,880,000 Placing Shares have been successfully placed by the Placing Agent to no less than six placees whose beneficial owners are independent third parties at the Placing Price pursuant to the Placing Agreement, representing approximately 3.83% of the total issued share capital of the Company immediately before the Completion and approximately 3.69% of the total issued share capital of the Company immediately upon the Completion. The aggregate nominal value of the Placing Shares of RMB1.00 each is RMB8,880,000. The net proceeds from the Placing (the **“Placing Net Proceeds”**), after deducting related fees and expenses, are approximately HK\$197.72 million (equivalent to approximately RMB179.27 million), representing a net issue price of approximately HK\$22.27 per Placing Share. As of June 30, 2026, the Placing Net Proceeds have been fully utilized. Set out below is the breakdown of the use of the Placing Net Proceeds as of June 30, 2026.

Use of Proceeds	Approximate percentage of the total Placing Net Proceeds (%)	Allocation of the Placing Net Proceeds RMB million (approximately)	Placing Net Proceeds utilized up to June 30, 2026 RMB million (approximately)	Unutilized balance as of June 30, 2026 RMB million (approximately)	Proposed timeline for the use of unutilized Placing Net Proceeds
Repayment of bank loans	90.00	161.35	161.35	–	N/A
General working capital, including (i) rental cost, (ii) staff expenses, (iii) professional fee, and (iv) other administrative expense	10.00	17.93	17.93	–	N/A
Total	100	179.27	179.27	–	

For details of the Placing, please refer to the Company’s announcements dated December 16, 2025 and December 23, 2025.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

17. Interests and short positions of Directors in the shares and underlying shares or debentures of the Company and its associated corporations under Hong Kong laws and regulations

As of June 30, 2026, based on the information available to the Company and to the best knowledge of the Directors, the following Directors of the Company had interests and/or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, or interests and/or short positions required to be recorded in the register kept by the Company under section 352 of the SFO:

Interests in shares of the Company

Name	Nature of interest	Class of shares	Number of shares held	Approximate percentage of interest in the relevant class of shares (%) ^(Note 1)	Approximate percentage of interest in the total shares (%) ^(Note 1)
Zhang Guoqiang	Beneficial owner	A Shares	36,444,469 (Long position)	18.61	15.15
Song Haiying	Beneficial owner	A Shares	2,381,163 (Long position)	1.22	0.99
Dai Dongzhe	Beneficial owner	A Shares	323,331 (Long position)	0.17	0.13

Note:

- The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of June 30, 2026 by the total number of shares.

Interests in associates of the Company

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

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Note:

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

Save as the interests disclosed above, as of June 30, 2026, none of the Directors, chief executive of the Company or their respective associates had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations.

18. Substantial shareholders' interests and short positions in shares and underlying shares under Hong Kong laws and regulations

As of June 30, 2026, and to the best knowledge of the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept under Section 336 of the SFO, or who were deemed to be directly and/or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholder	Capacity/ Nature of interest	Class of shares	Number of shares held	Approximate percentage of interest in the relevant class of shares (%) ^(Note 1)	Approximate percentage of interest in the total shares (%) ^(Note 1)
Xu Huini	Interest of spouse ^(Note 2)	A Shares	36,444,469 (Long position)	18.61	15.15
Astonish Investment Private Limited	Beneficial owner	H Shares	3,639,617 (Long position)	8.13	1.51
Apstar Investment Private Limited	Interest of controlled corporation ^(Note 3)	H Shares	3,639,617 (Long position)	8.13	1.51
GIC (Ventures) Pte. Ltd.	Interest of controlled corporation ^(Note 3)	H Shares	3,639,617 (Long position)	8.13	1.51
GIC Special Investments Private Limited	Interest of controlled corporation ^(Note 3)	H Shares	3,639,617 (Long position)	8.13	1.51
GIC Private Limited	Interest of controlled corporation ^(Note 3)	H Shares	3,639,617 (Long position)	8.13	1.51

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

1. The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of June 30, 2026 by the total number of shares.
2. Xu Huini is the spouse of Zhang Guoqiang, being an executive Director, the chairman of the Board and the general manager of the Company. By virtue of the SFO, she is deemed to be interested in the 36,444,469 A Shares held by Zhang Guoqiang.
3. Astonish Investment Private Limited is wholly-owned by Apstar Investment Private Limited, which is in turn wholly-owned by GIC (Ventures) Pte. Ltd., which is in turn wholly-owned by GIC Special Investments Private Limited and which is in turn wholly-owned by GIC Private Limited. Therefore, each of Apstar Investment Private Limited, GIC (Ventures) Pte. Ltd., GIC Special Investments Private Limited and GIC Private Limited is deemed to be interested in the shares held by Astonish Investment Private Limited under the SFO.

19. Interim dividend

The Board did not recommend the payment of an interim dividend for the Reporting Period (interim dividend for 2025: Nil).

20. Significant events after the Reporting Period

Save as disclosed above and in this report, as at the date of this report, there are no significant events after the Reporting Period in respect of the Group and no significant events requiring disclosure have taken place subsequent to June 30, 2026 to the date of this report.

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

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

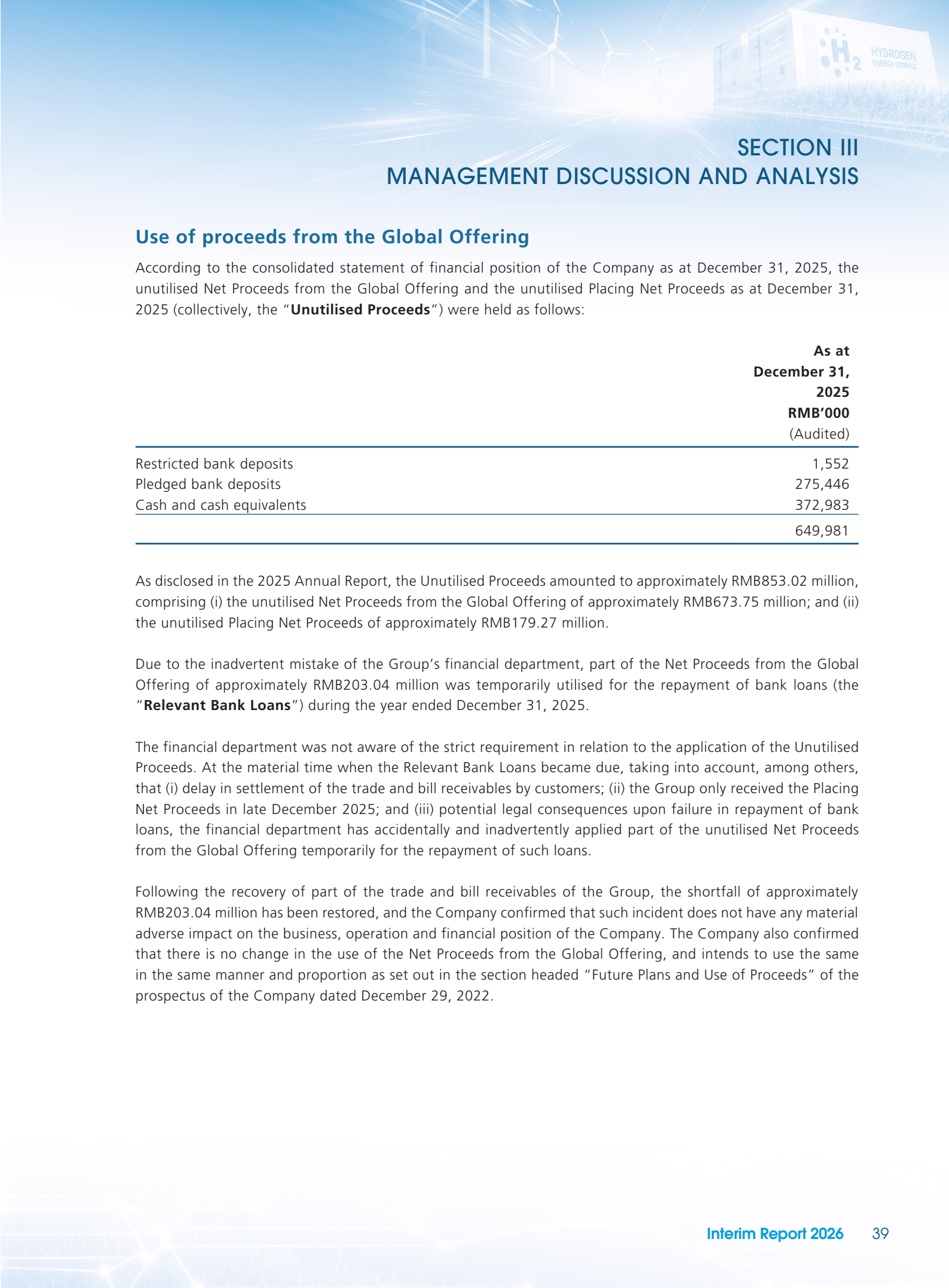
VII. SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board would like to provide further information in relation to annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”).

Related party transactions

During the Reporting Period, there was no related party transaction which constituted a connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

The Company confirmed that it had complied with the requirements under Chapter 14A of the Listing Rules during the Reporting Period.



SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Use of proceeds from the Global Offering

According to the consolidated statement of financial position of the Company as at December 31, 2025, the unutilised Net Proceeds from the Global Offering and the unutilised Placing Net Proceeds as at December 31, 2025 (collectively, the “**Unutilised Proceeds**”) were held as follows:

	As at December 31, 2025 RMB'000 (Audited)
Restricted bank deposits	1,552
Pledged bank deposits	275,446
Cash and cash equivalents	372,983
	649,981

As disclosed in the 2025 Annual Report, the Unutilised Proceeds amounted to approximately RMB853.02 million, comprising (i) the unutilised Net Proceeds from the Global Offering of approximately RMB673.75 million; and (ii) the unutilised Placing Net Proceeds of approximately RMB179.27 million.

Due to the inadvertent mistake of the Group's financial department, part of the Net Proceeds from the Global Offering of approximately RMB203.04 million was temporarily utilised for the repayment of bank loans (the “**Relevant Bank Loans**”) during the year ended December 31, 2025.

The financial department was not aware of the strict requirement in relation to the application of the Unutilised Proceeds. At the material time when the Relevant Bank Loans became due, taking into account, among others, that (i) delay in settlement of the trade and bill receivables by customers; (ii) the Group only received the Placing Net Proceeds in late December 2025; and (iii) potential legal consequences upon failure in repayment of bank loans, the financial department has accidentally and inadvertently applied part of the unutilised Net Proceeds from the Global Offering temporarily for the repayment of such loans.

Following the recovery of part of the trade and bill receivables of the Group, the shortfall of approximately RMB203.04 million has been restored, and the Company confirmed that such incident does not have any material adverse impact on the business, operation and financial position of the Company. The Company also confirmed that there is no change in the use of the Net Proceeds from the Global Offering, and intends to use the same in the same manner and proportion as set out in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated December 29, 2022.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

In order to prevent the re-occurrence of such incident, the Board has reviewed and resolved to improve the effectiveness of the Group's internal control system with the following remedial measures to be implemented:

1. The financial department will prepare monthly cash flow forecast to enhance the control over cash and liquidity risk, enabling the Company to foresee and resolve its cash problem in advance;
2. The Company will re-circulate the internal control policies and procedures pack to the Directors, senior management and responsible personnel, ensuring all the internal procedures in respect of the use of proceeds will be strictly complied with. The circulation of internal guidelines will also be arranged for any new joiners among the Directors, senior management, and responsible personnel in the future; and
3. Any utilisation of the Net Proceeds of the Global Offering and/or any other funds raised will require the written authorisation and approval by both the head and the manager of the financial department of the Company.

With the implementation of the above remedial measures, the Board is confident that similar incident will not re-occur in the future, and the Company will strictly comply with the requirements under the Listing Rules.

SECTION IV CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

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

Name	Position	Changes	Reasons for Changes	Explanation of the Reason for Change
Li Feiqiang	Deputy general manager, core technical personnel	Resignation	Personal reason	Resigned for personal reason

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

On April 27, 2026, Li Feiqiang, Deputy General Manager and core technical personnel of the Company, resigned for personal reasons and no longer holds any position in the Company. Mr. Li Feiqiang does not hold any shares in the Company, and there are no commitments that should have been performed but remain unfulfilled.

II. PROPOSAL FOR PROFIT DISTRIBUTION OR CAPITALIZATION OF CAPITAL RESERVE Proposal for profit distribution and proposal for capitalization of capital reserve for the interim period

Whether making distribution or capitalization	No
Bonus shares for every 10 shares (share)	N/A
Dividend per 10 shares (RMB) (tax inclusive)	N/A
Number of conversions per 10 shares (share)	N/A

Explanation on proposal for profit distribution or capitalization of capital reserve
Not Applicable

SECTION IV

CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

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

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

Not Applicable

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

Information of the equity incentive

Not Applicable

Employee shareholding scheme

Not Applicable

Other incentive measures

Not Applicable

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

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

1

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

SECTION V SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

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

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Whether there is a term for performance	Term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please state the specific reasons for the failure	If the undertaking fails to be performed timely, please state the next plan
Undertakings related to initial public listing	Restricted shares	Core technicians holding shares of the Company	Regarding the undertaking restricted shares, please refer to "(I) Restrictions on circulation of shares" in "V. Significant Undertaking" in "Section X Investor Protection" in the Prospectus of the Company disclosed on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	Within 12 months and within 6 months after resignation	Yes	N/A	N/A
	Others	The Company, controlling shareholder and de facto controller of the Company, directors and senior management	For details of the measures and undertakings in relation to recovery of diluted immediate return, please refer to "(IV) Measures and undertakings in relation to recovery of diluted immediate return" under "Section X Investor Protection" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Long term	Yes	N/A	N/A
	Others	The Company, the controlling shareholder and the de facto controller of the Company	For details of share repurchase undertakings in connection with the fraudulent issuance and listing, please refer to "(VI) Share repurchase undertakings in connection with the fraudulent issuance and listing" under "Section X Investor Protection" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Long term	Yes	N/A	N/A
	Others	The Company, its controlling shareholder, de facto controller, all Directors, Supervisors and senior management	For details of the truthfulness, accuracy and completeness of the application documents for the issuance, and the undertakings to repurchase and to bear the compensation in accordance with the law for fraudulent issuance and listing, please refer to "(VII) The truthfulness, accuracy and completeness of the application documents for the issuance, and the undertakings to repurchase and to damages in accordance with the law for fraudulent issuance and listing" under "Section X Investor Protection" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Long term	Yes	N/A	N/A
	Others	The Company, its controlling shareholder, de controller, shareholders holding more than 5% of the shares and their parties acting in concert, and all Directors, Supervisors and senior management of the Company	For details of the undertakings of restraining measures when failing to perform the undertakings, please refer to "(VIII) Undertakings of restraining measures when failing to perform the undertakings" under "Section X Investor Protection" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Long term	Yes	N/A	N/A
	Non-competition undertaking	Shareholder and the de facto controller	For details of non-competition undertaking, please refer to "(II) Non-competition undertaking" in "VI. Horizontal competition" under "Section VII Corporate Governance and Independence" of the Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Long term	Yes	N/A	N/A

SECTION V SIGNIFICANT EVENTS

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

Unit: RMB

Name of shareholder or related party	Affiliation	Occupancy time	Reason for occurrence	Opening balance	Amount of new occupied fund during the Reporting Period	Total amount Reimbursed during the Reporting Period	Closing balance	Balance as of the date of disclosure of the interim report	Expected reimbursement method	Expected amount	Expected repayment date
Zhangjiakou Haiper	Other related parties	July 2019 to present	Current payment	27,482,744.96	0.00	0.00	28,071,131.66	28,262,926.22	Provision of hydrogen and cash	28,262,926.22	2026.12.31
Total	/	/	/	27,482,744.96	0.00	0.00	28,071,131.66	28,262,926.22	/	28,262,926.22	/

Ratio of the total value at the end of the period to the latest audited net asset 1.29%

Decision-making procedures for occupation of funds by controlling shareholder and other related parties for non-operational purpose

The capital transaction between the Company and Zhangjiakou Haiper was due to the change in the scope of the consolidated statements of the Company. Zhangjiakou Haiper was a secondary subsidiary of the Company's consolidated statements from its date of establishment to September 2019. The borrowings provided by the Company to support its operation and development were within the period of above scope of the consolidation. Since September 2019 and up to the date of this document, the Company has not provided any new funding support to it, and the changes in the outstanding balances of the transactions were solely due to the accrual of loan interest and repayment of amounts.

Reasons for occupation of funds by new controlling shareholders and other related parties for non-operational purpose in the current period, investigation on accountability of responsible person and description of measures to be taken by the Board Nil

Reasons for the failure to settle the occupation of funds for non-operational purpose as planned, investigation on accountability of responsible person and description of measures to be taken by the Board Nil

Special audit opinion on the occupation of funds by certified public accountants (if any) Nil

III. ILLEGAL GUARANTEES

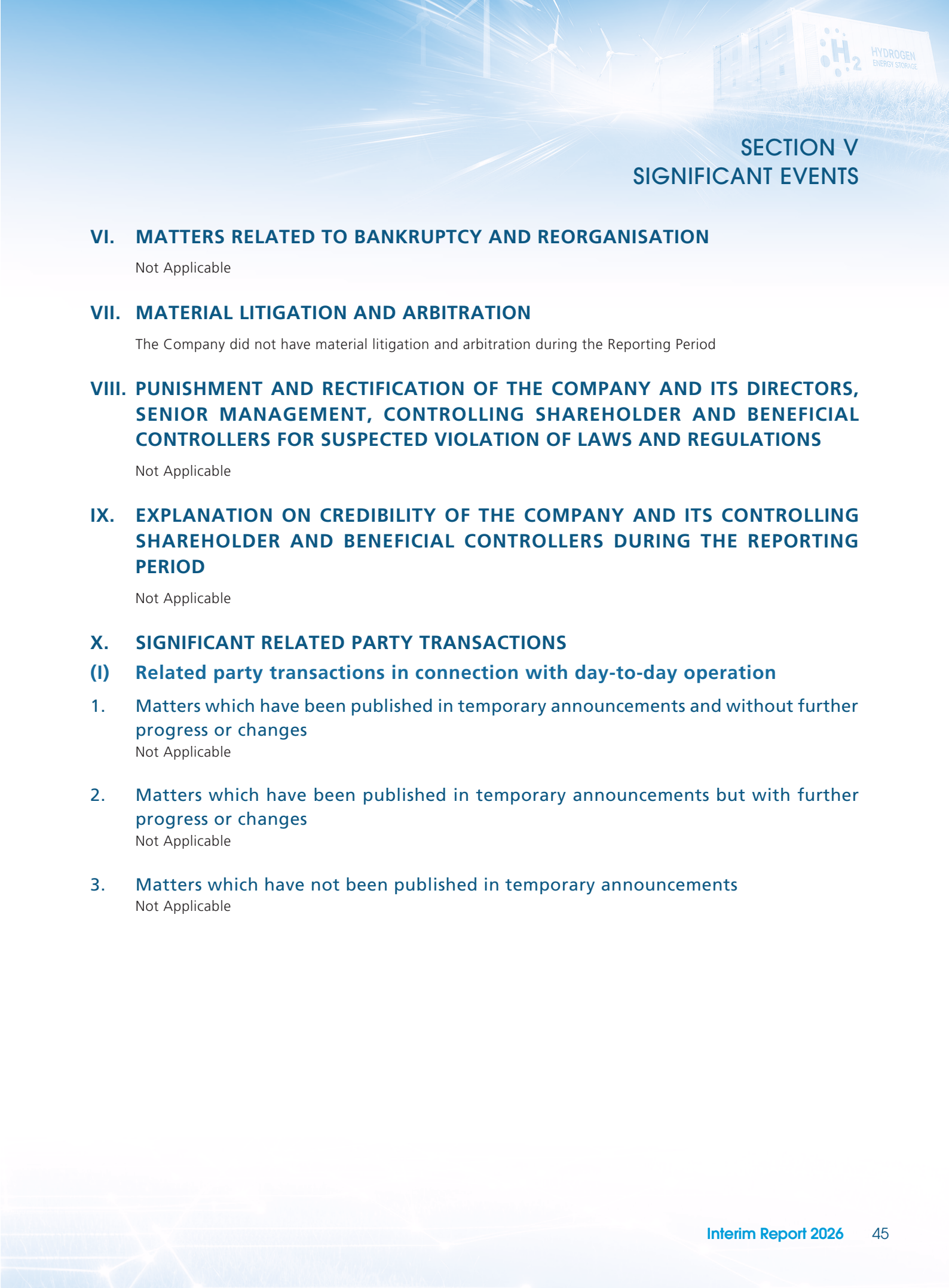
Not Applicable

IV. AUDIT OF THE INTERIM REPORT

Not Applicable

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

Not Applicable



SECTION V SIGNIFICANT EVENTS

VI. MATTERS RELATED TO BANKRUPTCY AND REORGANISATION

Not Applicable

VII. MATERIAL LITIGATION AND ARBITRATION

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

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

Not Applicable

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

Not Applicable

X. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

Not Applicable

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

Not Applicable

3. Matters which have not been published in temporary announcements

Not Applicable

SECTION V

SIGNIFICANT EVENTS

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

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

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

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

(IV) Claims and liabilities with related parties

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

SECTION V SIGNIFICANT EVENTS

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

Unit: RMB

Related parties	Affiliations	Capital provided to related parties			Capital provided by related parties to listed company		
		Opening balance	Amount of the transaction	Closing balance	Opening balance	Amount of the transaction	Closing balance
Zhangjiakou Haiper	Associate	19,504,531.38	0	19,504,531.38			
Total		19,504,531.38	0	19,504,531.38			
Reasons for related claims and debts		The capital borrowing between the Company and Zhangjiakou Haiper was due to the change in the scope of the consolidated statements of the Company. Zhangjiakou Haiper was a secondary subsidiary of the Company's consolidated statements from its date of establishment to September 2019. The borrowings provided by the Company to support its project construction were within the above period. After the completion of the capital increase and share increase of Zhangjiakou Haiper in September 2019 and the change of key management personnel, the Company no longer included it in the scope of consolidated statements. As Song Haiying, the executive Director of the Company, and Kang Zhi, the secretary to the Board, were directors of the company, the outstanding borrowings of the company were recorded as claims and liabilities with related parties. Zhangjiakou Haiper is gradually repaying the borrowings, with the principal balance amounting to RMB19,504,531.38 as at the end of the Reporting Period.					
The impact of related claims and debts on the Company		The Company has entered into a relevant agreement with Zhangjiakou Haiper, which expressly provides for the Company to receive interest on the borrowings; the amount of such borrowings represents a relatively small portion of the Company's total assets.					

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

Not Applicable

(VI) Others significant related-party transactions

Not Applicable

SECTION V SIGNIFICANT EVENTS

XI. MAJOR CONTRACTS AND THE PERFORMANCE

(I) Custody, contracting and leasing matters

Not Applicable

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

Unit: RMB

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

Guarantees provided by the Company and its subsidiaries to its subsidiaries												
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee (date of agreement)	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	whether the guarantee is overdue	Overdue amount of guarantee	Any counter guarantee
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	1,431,403.70	2025/8/12	2025/8/12	2029/8/11	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	143,465.79	2025/8/14	2025/8/14	2029/8/14	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	413,744.78	2025/8/19	2025/8/19	2029/8/19	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	9,600,000.00	2025/8/27	2025/8/27	2029/8/26	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	446,335.66	2025/8/28	2025/8/28	2029/8/28	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	1,209,447.12	2025/9/18	2025/9/18	2029/9/18	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	1,025,384.14	2025/9/24	2025/9/24	2029/9/24	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	70,000.00	2025/10/24	2025/10/24	2029/10/23	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	500,000.00	2025/10/30	2025/10/30	2029/10/30	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	59,063.65	2025/11/5	2025/11/5	2029/11/5	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	80,000.00	2025/11/19	2025/11/19	2029/11/19	Joint liability guarantee	No	No	0	No

SECTION V SIGNIFICANT EVENTS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee (date of agreement)	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether the guarantee has been fulfilled	whether the guarantee is overdue	Overdue amount of guarantee	Any counter guarantee
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	3,271,311.29	2025/11/25	2025/11/25	2029/11/25	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	260,000.00	2025/11/27	2025/11/27	2029/11/27	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	1,086,070.00	2025/12/19	2025/12/19	2029/12/18	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Zhengzhou Power (鄭州動力)	Wholly-owned subsidiary	100,000.00	2024/7/30	2024/7/30	2026/1/30	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Zhengzhou Power (鄭州動力)	Wholly-owned subsidiary	9,700,000.00	2024/7/30	2024/7/30	2029/7/30	Joint liability guarantee	No	No	0	No
Shanghai Shenrong New Energy Technology Co., Ltd.	Majority-controlled subsidiary	SinoFuelCell	Majority-controlled subsidiary	12,000,000.00	2025/8/12	2025/8/12	2033/8/12	Joint liability guarantee	No	No	0	No

Total amount of guarantees provided to subsidiaries during the Reporting Period 0

Total balance of guarantees provided to subsidiaries at the end of the Reporting Period (B) 41,296,226.13

Total amount of guarantees provided by the Company (including guarantees for subsidiaries)

Total guarantee amount (A + B) 41,296,226.13

Percentage of total guarantee amount to net assets of the Company (%) 2.20

Including:

Amount of guarantees provided for shareholders, de facto controllers and their related parties (C) 0

Amount of debt guarantees directly or indirectly provided for guaranteed parties with gearing ratio over 70% (D) 29,296,226.13

Amount of total guarantee exceeding 50% of net assets (E) 0

Total amount of the above three guarantees (C + D + E) 29,296,226.13

Explanation on the potential joint and several liability for outstanding guarantees Nil

Explanation on guarantee Nil

(III) Other material contracts

Not Applicable

SECTION VI

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in the number of shares

1. Table of changes in the number of shares

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

2. Explanation of changes in shares

Not Applicable

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

Not Applicable

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

Not Applicable

(II) Change in restricted shares

Not Applicable

II. SHAREHOLDERS

(I) Total amount of shareholders:

Total amount of ordinary shareholders as at the end of the Reporting Period	16,156
Total amount of preference shareholders with voting right restored	
as at the end of the Reporting Period	N/A
Total amount of shareholders holding special voting shares as at the end of the Reporting Period	N/A

Number of depositary receipt holders

Not Applicable

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

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

As at the end of the Reporting Period, among the top ten shareholders of the Company, shareholder Wang Qinying held a total of 8,474,479 shares, of which 0 shares were held through an ordinary securities account and 8,474,479 shares were held through an investor credit securities account.

Unit: share

Shareholdings of the top ten shareholders (excluding shares lent through refinancing)

Name of shareholder (Full name)	Increase and decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of restricted shares held	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen Status of shares	Number	Nature of shareholder
HKSCC NOMINEES LIMITED	3,920	44,743,472	18.60	0	0	Unknown	Unknown	Unknown
Zhang Guoqiang	0	36,444,469	15.15	0	0	Nil	0	Domestic natural person
Wang Qinying	601,519	8,474,479	3.52	0	0	Nil	0	Domestic natural person
Tunghsu Optoelectronic Technology Co., Ltd.	0	7,035,902	2.93	0	0	Frozen	7,035,902	Domestic non-state- owned- legal person
Beijing Shuimu Changfeng Equity Investment Center (L.P.)	0	3,333,392	1.39	0	0	Nil	0	Others
Zhao Zhi	785,327	3,309,415	1.38	0	0	Nil	0	Domestic natural person
HKSCC Nominees Limited	-748,448	3,185,997	1.32	0	0	Nil	0	Others
Beijing Shuimu Huading Venture Investment Management Co, Ltd.-Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.)	0	2,407,757	1.00	0	0	Nil	0	Others
Song Haiying	0	2,381,163	0.99	0	0	Nil	0	Domestic natural person
Runwu Holding Co., Ltd.	-100,000	1,300,000	0.54	0	0	Nil	0	Domestic non-state- owned- legal person

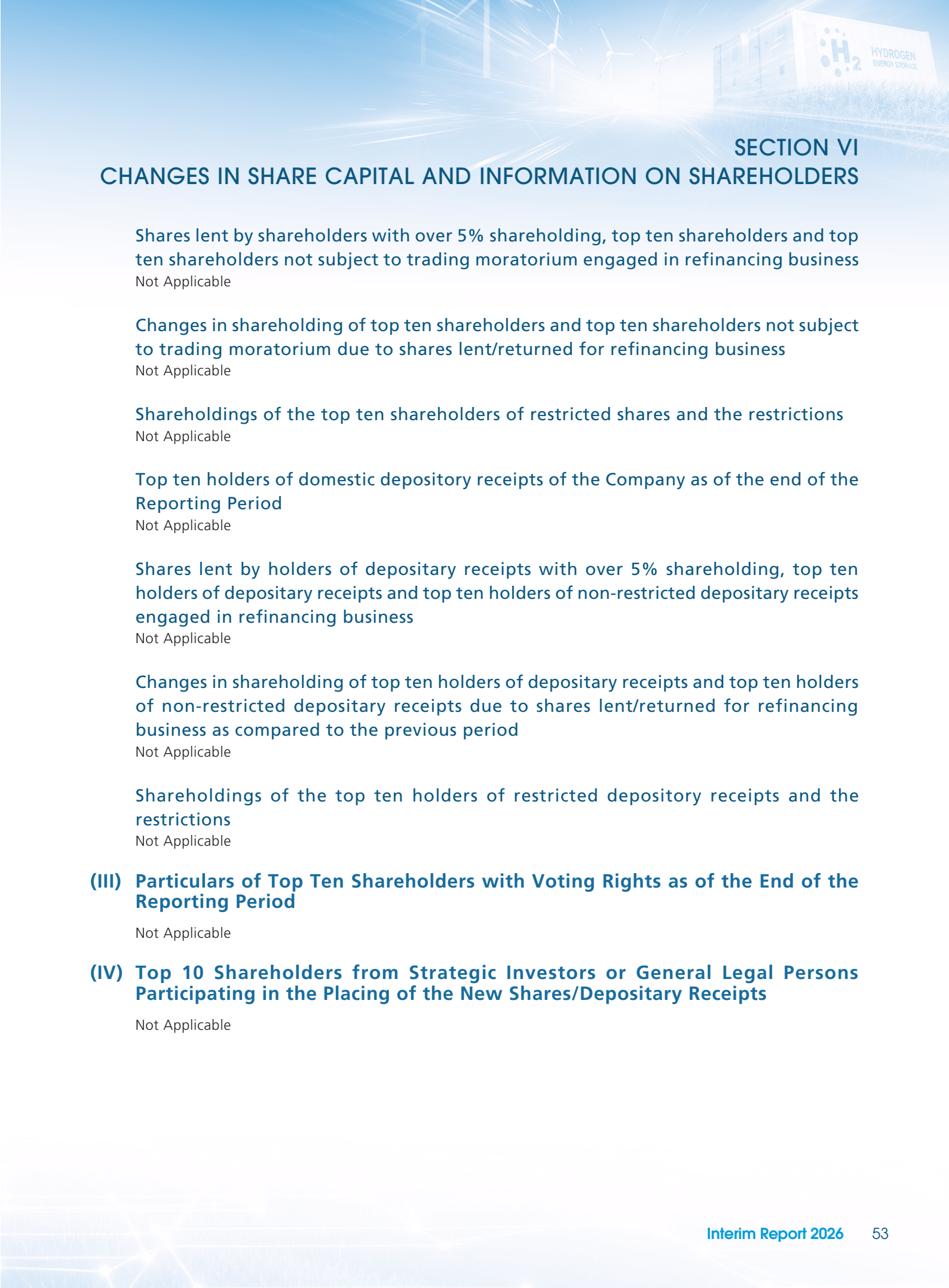
SECTION VI

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

Name of shareholder	Number of tradable non-restricted shares	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED	44,743,472	Overseas-listed foreign shares	44,743,472
Zhang Guoqiang	36,444,469	RMB-denominated ordinary shares	36,444,469
Wang Qinying	8,474,479	RMB-denominated ordinary shares	8,474,479
Tunghsu Optoelectronic Technology Co., Ltd.	7,035,902	RMB-denominated ordinary shares	7,035,902
Beijing Shuimu Changfeng Equity Investment Center (L.P.)	3,333,392	RMB-denominated ordinary shares	3,333,392
Zhao Zhi	3,309,415	RMB-denominated ordinary shares	3,309,415
HKSCC Nominees Limited	3,185,997	RMB-denominated ordinary shares	3,185,997
Beijing Shuimu Huading Venture Investment Management Co, Ltd.-Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.)	2,407,757	RMB-denominated ordinary shares	2,407,757
Song Haiying	2,381,163	RMB-denominated ordinary shares	2,381,163
Runwu Holding Co., Ltd.	1,300,000	RMB-denominated ordinary shares	1,300,000
Explanation on buyback account among the top ten shareholders	N/A		
Explanation on the above shareholders' entrusting voting rights, entrusted voting rights and waiver of voting rights	N/A		
Explanation on relationship or acting in concert among the above shareholders	The general partner of the Company's shareholders Shuimu Changfeng and Shuimu Yuanjing is Wu Yong.		
Explanation on the preference shareholders with restored voting rights and the number of shares held	N/A		

Note: HKSCC NOMINEES LIMITED is a wholly-owned subsidiary member institution of The Stock Exchange of Hong Kong Limited. The above share numbers represent the aggregate number of H Shares of the Company held by investors and deposited in the Central Clearing and Settlement System operated under The Stock Exchange of Hong Kong Limited, and registered in the name of HKSCC Nominees Limited. As the relevant rules of the Hong Kong Stock Exchange do not require clients to report whether there are any pledges, freezes, refinancing and credit accounts on the shares held by them, HKSCC Nominees Limited is not in a position to compile statistics or provide above information.



SECTION VI

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

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

Shareholdings of the top ten shareholders of restricted shares and the restrictions
Not Applicable

Top ten holders of domestic depository receipts of the Company as of the end of the Reporting Period
Not Applicable

Shares lent by holders of depository receipts with over 5% shareholding, top ten holders of depository receipts and top ten holders of non-restricted depository receipts engaged in refinancing business
Not Applicable

Changes in shareholding of top ten holders of depository receipts and top ten holders of non-restricted depository receipts due to shares lent/returned for refinancing business as compared to the previous period
Not Applicable

Shareholdings of the top ten holders of restricted depository receipts and the restrictions
Not Applicable

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

Not Applicable

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

Not Applicable

SECTION VI

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

III. DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

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

Not Applicable

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

1. Share option

Not Applicable

2. The first type of restricted shares

Not Applicable

3. The second type of restricted shares

Not Applicable

IV. CHANGES IN THE CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

Not Applicable

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

Not Applicable

VI. INFORMATION ON SHARES WITH SPECIAL VOTING RIGHTS

Not Applicable

VII. INFORMATION ON PREFERENCE SHARES

Not Applicable

SECTION VII FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2026

(Unless otherwise specified, all amounts are denominated in RMB'000)

Item	Notes	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Income	4	73,943	71,929
Cost of sales		(59,689)	(102,075)
Including: Cost of sales of goods and services		(57,873)	(90,220)
Impairment loss on inventories		(1,815)	(11,854)
Gross profit/(loss)		14,254	(30,146)
Other income and gains, net	5	18,761	16,419
Selling and marketing expenses		(17,597)	(22,562)
Administrative expenses		(85,332)	(100,052)
Research and development expenses		(10,754)	(17,175)
Net fair value changes of financial assets measured at fair value through profit or loss	6	(13,257)	2,111
Net impairment loss on financial assets	6	14,286	(1,176)
Financial expenses	6	(18,751)	(10,367)
Share of losses of associates		(25,030)	(37,817)
Loss before tax	6	(123,420)	(200,765)
Income tax credit	7	140	587
Loss for the period		(123,280)	(200,178)
Loss attributable to:			
Owners of the parent company		(105,044)	(163,346)
Non-controlling interests		(18,236)	(36,832)
		January to June 2026 (unaudited)	January to June 2025 (unaudited)
Loss per share (in RMB)	9		
– Basic and diluted		(0.44)	(0.71)

SECTION VII FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended June 30, 2026

(Unless otherwise specified, all amounts are denominated in RMB'000)

Item	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Loss for the period	(123,280)	(200,178)
Other comprehensive income for the period:		
Fair value changes of finance assets at fair value through other comprehensive income	–	–
Exchange differences on translating foreign operations	–	6
Total comprehensive loss for the period	(123,280)	(200,172)
Attributable to:		
Owners of the parent	(105,044)	(163,340)
Non-controlling interests	(18,236)	(36,832)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction to the accompanying notes.

SECTION VII FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Financial Position

As of June 30, 2026 and December 31, 2025

(Unless otherwise specified, all amounts are denominated in RMB'000)

Item	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	357,767	396,574
Investments accounted for using the equity method	11	249,858	274,888
Financial assets measured at fair value through other comprehensive income	12	—	—
Financial assets measured at fair value through profit or loss	20	4,300	4,300
Intangible assets	13	203,681	214,286
Right-of-use assets	14	29,387	34,522
Prepayments, deposits and other receivables	15	38,109	37,328
Contract assets	16	15,814	15,897
Deferred tax assets	27	75,202	75,319
Total non-current assets		974,118	1,053,114
Current assets			
Assets held for sale	17	7,409	—
Trade receivables and notes receivable	18	1,051,880	1,104,980
Contract assets	16	510	1,121
Prepayments, deposits and other receivables	15	52,608	57,164
Inventories	19	84,934	95,808
Financial assets measured at fair value through profit or loss	20	629,617	715,557
Restricted bank deposits	21	17,469	1,552
Pledged bank deposits	21	309,892	275,446
Cash and cash equivalents	21	344,415	372,983
Total current assets		2,498,734	2,624,611
Total assets		3,472,852	3,677,725

SECTION VII FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Financial Position (Continued)

As of June 30, 2026 and December 31, 2025

(Unless otherwise specified, all amounts are denominated in RMB'000)

Item	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Current liabilities			
Trade payables and bills payable	22	531,243	599,407
Contract liabilities	16	17,832	21,958
Other payables and accruals	23	318,197	258,552
Bank and other borrowings	24	394,012	442,654
Lease liabilities	14	19,089	26,513
Income tax payable		15	3,637
Total current liabilities		1,280,388	1,352,721
Non-current liabilities			
Lease liabilities	14	1,424	2,178
Deferred income	25	95,297	104,077
Provision	26	46,829	46,263
Deferred tax liabilities	27	2,765	2,905
Total non-current liabilities		146,315	155,423
Total liabilities		1,426,703	1,508,144
Equity			
Share capital	28	240,532	240,532
Reserve	29	1,635,751	1,737,798
Total equity attributable to owners of the Group		1,876,283	1,978,330
Non-controlling interests	30	169,866	191,251
Total equity		2,046,149	2,169,581
Total liabilities and equity		3,472,852	3,677,725

The above consolidated statement of financial position should be read in conjunction to the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended June 30, 2026

Unit: RMB'000

	Attributable to owners of the parent							Non-controlling interests RMB'000 (Unaudited)	Total equity RMB'000 (Unaudited)
	Share capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Capital reserve RMB'000 (Unaudited)	Fair value change reserve RMB'000 (Unaudited)	Surplus Reserve RMB'000 (Unaudited)	Exchange fluctuation reserve RMB'000 (Unaudited)	Retained earnings RMB'000 (Unaudited)		
At January 1, 2025	231,652	3,043,377	126,594	81,378	9,216	(6)	(931,177)	282,311	2,843,345
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-	-	(163,346)	(36,832)	(200,178)
Exchange differences related to foreign operations	-	-	-	-	-	6	-	-	6
Total comprehensive loss for the period	-	-	-	-	-	6	(163,346)	(36,832)	(200,172)
Contribution from non-controlling interests	-	-	-	-	-	-	-	90	90
At June 30, 2025	231,652	3,043,377	126,594	81,378	9,216	-	(1,094,523)	245,569	2,643,263
At January 1, 2026	240,532	3,213,771	126,594	(62,108)	9,216	-	(1,549,675)	191,251	2,169,581
(Loss)/profit for the period	-	-	-	-	-	-	-	(18,236)	(123,280)
Other comprehensive loss for the period	-	-	-	-	-	-	(105,044)	(105,044)	(123,280)
Total comprehensive loss for the period	-	-	-	-	-	-	(105,044)	(105,044)	(123,280)
Acquisition of additional interests in a subsidiary	-	-	3,000	-	-	-	-	3,000	(149)
Transaction costs attributable to issue of shares	-	(3)	-	-	-	-	-	(3)	(3)
At June 30, 2026	240,532	3,213,768	129,594	(62,108)	9,216	-	(1,654,719)	169,866	2,046,149

The above consolidated statement of changes in equity should be read in conjunction to the accompanying notes.

SECTION VII FINANCIAL STATEMENTS

SECTION VII

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED JUNE 30, 2026

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Cash flows from operating activities		
Loss before tax	(123,420)	(200,765)
Adjustments for:		
Finance costs	18,751	10,367
Amortisation cost of intangible assets	13,734	16,944
Depreciation charge of property, plant and equipment	27,326	33,797
Depreciation charge of right-of-use assets	6,029	8,465
Impairment losses of financial assets, net		
Trade receivables and notes receivable	(14,866)	4,255
Other receivable	530	(3,103)
Contract assets	50	24
Write-off of impairment losses of trade receivables and notes receivable	(1,024)	–
Fair value change in financial assets at fair value through profit or loss	13,257	(2,111)
Gain on disposals of property, plant and equipment	(40)	(70)
Loss on disposal of intangible assets	92	–
Gain on early termination of lease	(56)	(33)
Share of results of investments accounted for using the equity method	25,030	37,817
Interest income	(7,138)	(5,854)
Gain on disposal of a subsidiary	(1,623)	–
Operating cash flows before working capital changes	(43,368)	(100,267)
Change in trade receivables and other current assets	89,727	70,301
Change in inventories	9,058	19,817
Change in trade payables and other current liabilities	(66,527)	(56,894)
Cash generated from operations	(11,110)	(67,043)
Government grant	1,880	37,796
Income taxes	(3,505)	(5,306)
Net cash used in operating activities	(12,735)	(34,553)

SECTION VII FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE PERIOD ENDED JUNE 30, 2026

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Cash flows from investing activities		
Interest received	5,740	19,934
Purchases of property, plant and equipment	(5,742)	(12,926)
Proceeds from disposal of property, plant and equipment	1,735	89
Capital injection of investments for using the enquiry method	–	(2,000)
Purchases of financial assets at fair value through profit or loss	(630,771)	(223,243)
Proceeds from disposals of financial assets at fair value through profit or loss	695,805	216,042
Proceeds from disposal of a subsidiary	30,000	–
Cash and cash equivalents of subsidiary disposed	(500)	–
Net cash generated from/(used in) investing activities	96,267	(2,104)
Cash flows from financing activities		
Contribution from non-controlling interests	–	25,090
Cash paid for acquisition of subsidiary	(150)	–
Share issuance costs paid	(4)	–
Bank loans and other borrowings raised	347,721	82,921
Repayment of bank loans and other borrowings	(397,279)	(376,972)
Repayment of lease liabilities	(9,143)	(1,635)
Lease interests paid	(569)	(491)
Change in pledged and restricted bank deposits, net	(34,502)	–
Change in deposit for bills payables	–	714
Interest paid	(4,918)	(9,029)
Net cash used in financing activities	(98,844)	(279,402)
Net decrease in cash and cash equivalents	(15,312)	(316,059)
Effect of foreign exchange rate changes, net	(13,256)	(1,228)
Cash and cash equivalents at 1 January	372,983	719,393
Cash and cash equivalents at 30 June	344,415	402,106

The above consolidated statement of cash flows should be read in conjunction to the accompanying notes.

SECTION VII FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Beijing SinoHytec Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is a joint stock company incorporated in the PRC with limited liability, and is principally engaged in the research and development, design, manufacture and sale of hydrogen fuel cell systems and stacks. The Group’s A Shares are listed on the Shanghai Stock Exchange (“**SSE**”) STAR Market (stock code: 688339), and its H Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 02402).

The main business activities which the Group is actually engaged in are set out below: General projects: technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; information technology consulting services; computer system services; intellectual property services (except patent agency services); data processing services; computer hardware, software and peripheral equipment manufacturing; automotive parts wholesale; automotive parts retail; conference and exhibition services; import and export of goods; import and export agent; technology import and export; inspection and appraisal of import and export commodities; industrial design services; automotive parts and accessories manufacturing. (Except for projects subject to approval according to law, entities shall independently carry out business activities with business licenses according to law).

2. ACCOUNTING POLICIES

(1) Basis of Preparation

The interim condensed consolidated financial information for the six months ended June 30, 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2025.

(2) Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2025.

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Group’s chief operating decision maker, which 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 Group. Management monitors the results of the Group’s operating segment separately for the purpose of making decisions about resource allocation and performance assessment, it focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment information is available. Accordingly, no further information about the operating segment is presented.

SECTION VII FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT REPORTING

- (i) Revenue primarily comprises proceeds from the sale of hydrogen fuel cell systems, hydrogen fuel cell systems components, hydrogen fuel cell stacks and others. An analysis of the Group's revenue by category for the six months ended June 30, 2026 and 2025 is set out as follows:

Revenue from contracts with customers by major products or service lines	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Sale of hydrogen fuel cell systems	42,796	50,642
Sale of components	1,561	2,174
Technology development services	11,346	8,519
Others	18,240	10,594
Total	73,943	71,929

Timing of revenue recognition	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
At a point in time	73,200	71,419
Over a period of time	743	510
Total	73,943	71,929

(ii) Segment information

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The Group's management reviews the performance of the Group as a single operating segment based on the internal organization structure, management requirements and internal reporting system. No separate analysis of the segment results by reportable segment is necessary.

(iii) Information about geographical area

Substantially of the Group's revenue and profit for each of the Reporting Period were derived from the PRC sales and all principal assets employed by the Group are located in the PRC at the end of each Reporting Period.

SECTION VII FINANCIAL STATEMENTS

5. OTHER INCOME AND GAINS, NET

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Government grants (Note)	10,643	10,629
Interest income	7,138	5,854
Gain on disposal of a subsidiary	1,623	–
Others	(643)	(64)
Total	18,761	16,419

Government grants representing operating subsidies and various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognized.

SECTION VII FINANCIAL STATEMENTS

6. LOSS BEFORE TAX

The Group's loss for the period is stated after charging/(crediting) the following:

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
(a) Finance costs		
Interest on bank loans and other borrowings	4,926	8,644
Foreign exchange loss	13,256	1,232
Interests expenses on lease liabilities	569	491
Total	18,751	10,367
(b) Staff costs including directors' emoluments		
Wages and salaries	63,057	88,339
Contributions to defined contribution retirement plan and other defined benefit plans	7,626	11,023
Other welfare	7,344	3,919
Total	78,027	103,281
(c) Other items		
Auditor's remuneration		
– Audit services	–	–
– Non-audit services	–	–
Amortisation cost of intangible assets (note 13)	13,734	16,944
Depreciation charge of property, plant and equipment (note 10)	27,326	33,797
Depreciation charge of right-of-use assets (note 14)	6,029	8,465
(Reversal of)/impairment loss of financial assets, net		
– Trade and notes receivable	(14,866)	4,255
– Other receivables	530	(3,103)
– Contract assets	50	24
	(14,286)	1,176
Fair value changes in financial assets at fair value through profit or loss	13,257	(2,111)

SECTION VII FINANCIAL STATEMENTS

7. INCOME TAX CREDIT

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Current Mainland China corporate income tax		
Provision for the period	(117)	1,230
Deferred tax (Note 27)	(23)	(1,817)
	(140)	(587)

According to the Corporate Income Tax Law of the People's Republic of China, the income tax rate for Mainland China subsidiaries is 25% (2025: 25%).

The Company and certain subsidiaries are registered as High and New Technology Enterprises ("HNTe"). Accordingly, they are entitled to a concessionary Enterprise Income Tax ("EIT") rate of 15% for a continuous period of 3 years. The certificates of the Company and these subsidiaries are subject to renewal every 3 years. For the six months ended June 30, 2026, the Company and these subsidiaries were still entitled to a concessionary EIT rate of 15% (2025: 15%) as their HNTe certificates remained valid.

Reconciliation between tax expense and accounting loss at the applicable tax rate:

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Loss for the period	(123,420)	(200,765)
Tax at the statutory tax rate of 25%	(30,855)	(50,191)
Effects of tax holiday and preferential tax benefits on assessable profits of subsidiaries incorporated in the PRC	10,712	17,430
Tax effect of non-deductible expenses	635	8,893
Tax effect of temporary difference not recognized	20,904	25,697
Tax effect of additional tax deduction for eligible research and development expenses	(1,536)	(2,416)
Income tax expenses	(140)	(587)

SECTION VII FINANCIAL STATEMENTS

8. DIVIDENDS

Neither the Group nor any of its current subsidiaries has paid or declared any dividend for the six months ended June 30, 2026 and 2025.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic loss per ordinary share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the periods.

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Loss attributable to owners of the parent	(105,044)	(163,346)
Loss attributable to non-controlling interests	(18,236)	(36,832)
Total	(123,280)	(200,178)

	January to June 2026	January to June 2025
Loss attributable to ordinary shareholders of the parent company for the period (RMB'000)	(105,044)	(163,346)
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation ('000 shares)	240,532	231,652
Basic and diluted loss per share (RMB)	(0.44)	(0.71)

Diluted loss per ordinary share for the six months ended June 30, 2026 and 2025 equal to basic loss per ordinary share as there were no potentially dilutive ordinary shares as at both period end.

SECTION VII FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Specialized equipment	Electronic equipment	Office equipment and others	Transportation equipment	Mold in progress	Construction	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost									
At January 1, 2026	277,464	27,850	397,949	15,431	20,063	4,277	29,140	14,115	786,289
Additions	-	2,237	2,510	50	6	-	218	-	5,021
Transfers	-	-	2,297	-	-	-	-	(2,297)	-
Disposals and written off	-	(103)	(68,568)	(1,447)	(951)	-	(7)	(1,482)	(72,558)
At June 30, 2026	277,464	29,984	334,188	14,034	19,118	4,277	29,351	10,336	718,752
Accumulated depreciation and impairment									
At January 1, 2026	90,391	19,488	227,527	11,938	14,409	2,862	15,754	7,346	389,715
Charge for the period	3,736	2,274	18,635	700	1,779	191	11	-	27,326
Disposals and Written off	-	-	(54,256)	(1,070)	(725)	-	(5)	-	(56,056)
Transfers	-	339	521	-	-	-	-	(860)	-
At June 30, 2026	94,127	22,101	192,427	11,568	15,463	3,053	15,760	6,486	360,985
Carrying amount									
At June 30, 2026	183,337	7,883	141,761	2,466	3,655	1,224	13,591	3,850	357,767
At January 1, 2026	187,073	8,362	170,422	3,493	5,654	1,415	13,386	6,769	396,574

The Group was applying for the certificates of ownership for certain buildings with a net book value of approximately RMB15,814,000 (December 31, 2025: RMB16,081,000) as at June 30, 2026. The directors of the Company are of the opinion that the use of and the conduct of operating activities at the properties referred to above are not affected by the fact the Group had not yet obtained the relevant property title certificates.

SECTION VII FINANCIAL STATEMENTS

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below are associates and a joint venture of the Group as at December 31, 2025 and June 30, 2026. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

Details of the principal investments in an associate and a joint venture as at December 31, 2025 and June 30, 2026 are as follows:

Name	Notes	Place of incorporation/ and operation	% of ownership interest		Nature of the relationship	Measurement Method	Carrying amount	
			June 30, 2026 %	December 31, 2025 %			June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Toyota Sinohytec Fuel Cell Co., Ltd.	1	Mainland China	35	35	Associate	Equity method	31,701	47,463
Shaanxi Huasheng Weipu Technology Co., Ltd.	2	Mainland China	25	25	Associate	Equity method	168	182
Air Sinohytec Hydrogen Technology Co., Ltd.	2	Mainland China	35	35	Associate	Equity method	6,401	6,407
United Fuel Cell System R&D (Beijing) Co., Ltd.	1	Mainland China	15	15	Associate	Equity method	15,826	15,872
Shanghai Maxim Fuel Cell Technology Co., Ltd.	2	Mainland China	14.02	14.02	Associate	Equity method	5,455	6,254
Beijing Swift New Energy Technology Co., Ltd.	2	Mainland China	25.25	25.25	Associate	Equity method	1,597	2,693
Beijing Shuimu Pilot Venture Capital Center	3	Mainland China	7.38	7.38	Associate	Equity method	116,680	117,297
Beijing Caven New Energy Automobile Co., Ltd.	2	Mainland China	3.8	3.8	Associate	Equity method	45,541	49,179
Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd.	2	Mainland China	35	35	Associate	Equity method	9,890	10,016
Shanghai Kuitong Technology Co., Ltd. (上海夔通科技有限公司)	4	Mainland China	40	40	Associate	Equity method	1,522	2,957
Zhangjiakou Jiaotou Hydrogen New Energy Technology Co., Ltd.	2	Mainland China	18	18	Associate	Equity method	8,259	8,371
Zhangjiakou Haiper New Energy Technology Co., Ltd.	2	Mainland China	26.22	26.22	Associate	Equity method	6,818	8,197
							249,858	274,888

SECTION VII FINANCIAL STATEMENTS

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

	June 30, 2026 RMB'000 (Unaudited)	June 30, 2025 RMB'000 (Unaudited)
At beginning of period	274,888	283,799
Share of loss of investments accounted for using the equity method	(25,030)	(37,817)
Dividend from associate	–	(6,400)
Capital Contributions	–	2,000
At end of period	249,858	241,582

Note 1: The principal activities of these companies are the development of fuel cell components, which enables the Group to deepen its exposure to the sector through their expertise.

Note 2: The principal activities of these companies are research and development in new energy, which enables the Group to strengthen its competitive advantage.

Note 3: The principal activity of Beijing Shuimu Piloting Venture Capital Center (北京水木領航創業投資中心) is consultancy service which enables the Group to extend their influence to other market.

Note 4: On November 18, 2024, the Group entered into equity transfer agreement with Zhongjia Hongtai (Beijing) New Energy Technology Co., Ltd. (中嘉鴻泰(北京)新能源科技有限公司) and Shandong Great Electric Technology Co., Ltd. (山東格銳特電力技術有限責任公司) to dispose of 60% equity of Shanghai Kuitong Technology Co., Ltd. (上海夔通科技有限公司) and its indirect subsidiary. The Group had remain holding 40% of equity interest of Shanghai Kuitong Technology Co., Ltd. (上海夔通科技有限公司) at both report end.

The tables below provide summarized financial information for the joint venture and the associate that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and associate and not the Group's share of those amounts.

Toyota Sinohytec Fuel Cell Co., Ltd. (華豐燃料電池有限公司)		
	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Summarised statement of financial position		
Current assets	484,706	515,296
Non-current assets	468,618	485,396
Current liabilities.	481,836	461,466
Non-current liabilities	379,115	403,569
Net assets	92,373	135,657

SECTION VII FINANCIAL STATEMENTS

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Summarised statement of comprehensive income		
Revenue	11,019	61,970
Loss for the period	(39,202)	(48,501)
Total comprehensive loss for the period	(39,202)	(48,501)

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates and joint venture are accounted for using the equity method.

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Aggregate carrying amount of individually immaterial associates	218,157	227,425

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Aggregate amounts of the Group's share of		
– Profit from continuing operations	(9,268)	(13,441)
– Post-tax Profit or loss from discontinued operations	–	–
– Other comprehensive income	–	–
– Total comprehensive income	(9,268)	(13,441)

SECTION VII FINANCIAL STATEMENTS

12. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Hozon New Energy Automobile Co., Ltd ("合眾新能源汽车股份有限公司")	—	—

As at June 30, 2026 and December 31, 2025, the Group's unlisted equity securities represented a 0.9486% equity interest in Hozon New Energy Automobile Co., Ltd. ("**Hozon**"), a company incorporated in the PRC principally engaged in the manufacture and sale of new energy vehicles. The Group has irrevocably designated the unlisted equity investment in Hozon as financial assets at fair value through other comprehensive income, as the Group considers this investment to be strategic in nature and held for long-term purposes.

The fair value of the Group's equity interest in Hozon as at December 31, 2025 was determined by management with reference to the facts and circumstances existing at the valuation date. In determining the fair value, management considered, among other factors, Hozon's entry into bankruptcy reorganisation proceedings during the year ended December 31, 2025, the priority of claims in the bankruptcy distribution waterfall, including the subordinated nature of equity interests, independent legal advice regarding the Group's position as an equity holder in the bankruptcy process, and publicly available information relating to Hozon's financial position and significant debt obligations. Based on the above, management determined that the fair value of the Group's equity interest in Hozon as at June 30, 2026 and December 31, 2025 was nil.

Consequently, the Group wrote down the fair value of the equity interest in Hozon to zero as at June 30, 2026 and December 31, 2025, with the corresponding fair value loss recognised directly in other comprehensive income.

SECTION VII FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

	Development expenses RMB'000 (Unaudited)	Patents/ Non-patented technology RMB'000 (Unaudited)	Software RMB'000 (Unaudited)	Copyright RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Cost					
At January 1, 2026	40,518	261,480	80,241	807	383,046
Additions	3,348	–	–	–	3,348
Disposals and Written off	–	(116)	(635)	–	(751)
At June 30, 2026	43,866	261,364	79,606	807	385,643
Accumulated amortisation and impairment loss					
At January 1, 2026	–	125,207	42,746	807	168,760
Charge for the period	–	10,438	3,296	–	13,734
Disposals and Written off	–	(25)	(468)	–	(493)
Impairment loss	–	(16)	(23)	–	(39)
At June 30, 2026	–	135,604	45,551	807	181,962
Carrying amount					
At June 30, 2026	43,866	125,760	34,055	–	203,681
At January 1, 2026	40,518	136,273	37,495	–	214,286

At June 30, 2026, the carrying amount of intangible assets pledged as security for the Group's bank loans amounted to approximately RMB387,000 (December 31, 2025: RMB426,000) (Note 24).

SECTION VII

FINANCIAL STATEMENTS

14. LEASE AND RIGHT-OF-USE ASSETS

(i) Amounts recognised in the consolidated statement of financial position

The following amounts are recognised in the consolidated statement of financial position:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Right-of-use assets		
Land use rights	20,157	20,394
Land and buildings	9,230	14,128
	29,387	34,522
Lease liabilities		
Current	19,089	26,513
Non-current	1,424	2,178
	20,513	28,691

The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within one year	19,226	26,790
After one year but within two years	1,334	1,636
After two years but within five years	129	594
	20,689	29,020

(ii) Amounts recognised in the statement of profit or loss

The following amounts are recognised in the consolidated statement of profit or loss:

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets		
Land use rights	237	285
Land and buildings	5,792	8,180
	6,029	8,465
Interest expense (included in finance cost)	569	491
Expense relating short-term lease	340	906
Gain on early termination of lease	(56)	(33)
Additions to right-of-use assets	2,970	—

SECTION VII FINANCIAL STATEMENTS

14. LEASE AND RIGHT-OF-USE ASSETS (Continued)

(ii) Amounts recognised in the statement of profit or loss (Continued)

The Group leases various land use rights and land and buildings. Lease agreements are typically made for fixed periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Prepayments	42,262	42,308
Deposits	8,644	8,597
Value-added tax recoverable	33,635	37,929
Others	30,413	29,376
	114,954	118,210
Less: Provision for impairment for other receivables	(24,237)	(23,718)
Less: Non-current	(38,109)	(37,328)
Current	52,608	57,164

The carrying amounts of deposits and other receivables approximated their fair values as at June 30, 2026 and December 31, 2025 were all denominated in RMB.

Movements on the provision for impairment of deposits and other receivables are as follows:

	June 30, 2026 RMB'000 (Unaudited)	June 30, 2025 RMB'000 (Unaudited)
At beginning of period	23,718	31,980
Write-off for the period	(11)	(5,273)
Provision/(Reversal) for impairment, net	530	(3,103)
At end of period	24,237	23,604

SECTION VII FINANCIAL STATEMENTS

16. CONTRACT ASSETS AND CONTRACT LIABILITIES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Contract assets	26,363	27,007
Less: provision for impairment	(10,039)	(9,989)
	16,324	17,018
Less: current portion	(510)	(1,121)
Non-current portion	15,814	15,897

The Group provide for expected credit losses prescribed by IFRS 9 for contract assets. To measure the expected credit losses, these contract assets have been grouped based on shared credit risk characteristics and the aging from billing.

Movements on the provision for impairment of contract assets are as follows:

	June 30, 2026 RMB'000 (Unaudited)	June 30, 2025 RMB'000 (Unaudited)
At beginning of period	9,989	5,885
Provision for impairment loss	50	24
At end of period	10,039	5,909

The carrying amounts of contract assets approximated their fair values as at June 30, 2026 and December 31, 2025 were all denominated in RMB.

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Contract liabilities	17,832	21,958

Details of contract liabilities are as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Short-term advances received from customers		
Provision of technology development services	17,832	21,958

SECTION VII FINANCIAL STATEMENTS

16. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Provision of technology development services	17,832	21,958

17. ASSETS HELD FOR SALE

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Equipment	7,409	–
	7,409	–

18. TRADE RECEIVABLES AND NOTES RECEIVABLE

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade receivables	1,931,686	1,988,350
Notes receivable	7,788	20,114
	1,939,474	2,008,464
Less: Provision for impairment for trade receivables	(887,594)	(903,484)
	1,051,880	1,104,980

Ageing analysis of trade receivables and notes receivable by invoice date is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 year	165,354	178,522
1–2 years	249,722	273,532
2–3 years	721,718	740,590
3–4 years	327,385	336,029
4–5 years	147,501	152,196
Over 5 years	327,794	327,595
	1,939,474	2,008,464
Less: Provision for impairment	(887,594)	(903,484)
	1,051,880	1,104,980

SECTION VII FINANCIAL STATEMENTS

18. TRADE RECEIVABLES AND NOTES RECEIVABLE (Continued)

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over the trade receivable balances. trade and notes receivable are non-interest-bearing.

Trade receivables and notes receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables and note receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

Movements on the provision for impairment of trade receivables and notes receivable are as follows:

	June 30, 2026 RMB'000 (Unaudited)	June 30, 2025 RMB'000 (Unaudited)
At beginning of period	903,484	648,072
Write-off for the period	(1,024)	–
(Reversal of)/provision for impairment loss	(14,866)	4,255
At end of period	887,594	652,327

The carrying amounts of net trade receivables and notes receivables approximated their fair values as at June 30, 2026 and December 31, 2025.

The carrying amounts of net trade receivables and notes receivables were denominated in the following currencies:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
RMB	1,051,012	1,103,745
US\$	868	1,235
	1,051,880	1,104,980

SECTION VII FINANCIAL STATEMENTS

19. INVENTORIES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Raw materials	33,378	36,726
Work in progress	21,221	25,394
Finished goods	565	6,253
Goods in transit	29,770	27,435
	84,934	95,808

- (a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	June 30, 2026 RMB'000 (Unaudited)	June 30, 2025 RMB'000 (Unaudited)
Carrying amount of inventories sold	27,344	56,853
Provision for inventories	1,815	11,854

The Group made inventory provision for obsolete inventories and write-down of the inventories to net realisable value. A reversal of provision of inventories was included in "cost of sales and services" in the consolidated statement of profit or loss.

SECTION VII FINANCIAL STATEMENTS

20. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Unlisted equity investment (note i)	4,300	4,300
Fund investments (note ii)	629,617	715,557
	633,917	719,857
Analysed as:		
Non-current assets	4,300	4,300
Current assets	629,617	715,557

- (i) The unlisted equity investment as at June 30, 2026 and December 31, 2025 was investments in a private company incorporated in China. The Company was a principally engaged in manufacture and sale of chemical products, primarily focusing on intermediates for pharmaceuticals and agrochemicals.

The investments are held for strategic purposes in the medium to long-term. In accordance with IFRS 9, these investments are classified as financial assets at fair value through profit or loss, with subsequent changes in fair value recognized in the consolidated statement of profit or loss.

- (ii) The fund investments as at June 30, 2026 and December 31, 2025 represent investments in participation shares of funds managed by licensed fund managers in Hong Kong. The funds are open-ended and redeemable by reference to net asset value ("NAV"). The underlying assets of the fund portfolios primarily comprise highly liquid and low-risk assets, including U.S. Treasury Notes and cash equivalents. The investments are managed and evaluated on a fair value basis, with fair value determined mainly by reference to NAV statements provided by the fund managers. As the investments represent participation interests rather than basic lending arrangements, and their contractual cash flows are not solely payments of principal and interest, they were mandatorily classified as financial assets at fair value through profit or loss.

SECTION VII FINANCIAL STATEMENTS

21. CASH AND BANK BALANCES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Restricted bank deposits	17,469	1,552
Pledged bank deposits	309,892	275,446
Cash and cash equivalents	344,415	372,983
Cash and bank balances	671,776	649,981

Cash and bank balances are denominated in the following currencies:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
RMB	131,940	349,610
US\$	539,814	300,348
HK\$	22	23
	671,776	649,981

As at June 30, 2026, bank and cash balances of approximately RMB131,940,000 (December 31, 2025: RMB349,610,000) are denominated in RMB. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances, restricted bank deposits and pledged deposits are deposited with creditworthy banks with no recent history of default.

Note:

At June 30, 2026, the carrying amount of bank deposits pledged as security for the Group's bank loans amounted to approximately RMB309,892,000 (December 31, 2025: RMB275,446,000) (Note 24).

SECTION VII FINANCIAL STATEMENTS

22. TRADE PAYABLES AND BILLS PAYABLE

Item	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bills payable	–	20,000
Trade payables	531,243	579,407
	531,243	599,407

As of the end of the Reporting Period, the aging analysis of trade creditors and bills payable, based on the invoice date, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 year	83,248	115,568
1–2 years	206,672	261,180
2–3 years	188,397	194,398
3–4 years	43,906	19,093
4–5 years	2,848	4,530
Over 5 years	6,172	4,638
	531,243	599,407

The trade payables and bills payable are non-interest-bearing and denominated in RMB.

23. OTHER PAYABLES AND ACCRUALS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Current portion		
Accrual for employee benefit expenses	64,696	53,685
Government subsidy received on behalf third party	149,746	119,061
Value-added tax payables	221	93
Other payables and accrued operating expenses	103,534	85,713
	318,197	258,552
Non-current portion		
Other payables and accrued operating expenses	–	–

Other payables are unsecured and non-interest-bearing.

SECTION VII FINANCIAL STATEMENTS

24. BANK AND OTHER BORROWINGS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank borrowings		
Secured	349,826	306,366
Guaranteed	9,709	9,810
Unsecured	34,477	126,478
	394,012	442,654
The bank borrowing are repayable as follows:		
On demand or within one year	394,012	442,654
Less: Amount due for settlement within 12 months (shown under current liabilities)	(394,012)	(442,654)
Amount due for settlement after 12 months	–	–

There effective interest rates per annum were ranging as follows:

	June 30, 2026 % (Unaudited)	December 31, 2025 % (Audited)
Bank loans	1.99% – 3.15%	2.05% – 3.60%

- (a) Certain of the Group's bank borrowings are secured by:
- Mortgages over the Group's buildings with aggregate carrying amounts of approximately RMB156,739,000 and RMB166,312,000 as at June 30, 2026 and December 31, 2025, respectively (Note 10).
 - Mortgages over the Group's intangible assets with aggregate carrying amounts of approximately RMB387,000 and RMB426,000 as at June 30, 2026 and December 31, 2025, respectively (Note 13).
 - Mortgages over the Group's pledged bank deposits, which had an aggregate carrying value of approximately RMB309,892,000 and RMB275,446,000 as at June 30, 2026 and December 31, 2025, respectively (Note 21).
- (b) Certain of the Group's bank borrowings with carrying amounts of approximately RMB9,709,000 and RMB9,810,000, as at June 30, 2026 and December 31, 2025, respectively, were guaranteed by the Company or certain subsidiaries of the Group.
- (c) The principal amounts of all bank borrowings are denominated in RMB.

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25. DEFERRED INCOME

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Government grant	95,297	104,077

Deferred income mainly represents the PRC local government grants received from relevant PRC authorities for compensate the Group's development costs and fixed asset investments. Government grants received for compensate for the Group's development costs which has not yet been undertaken are included in deferred income and recognized as income on a systematic basis of over the periods that the cost, which it is intended to compensate, are expensed. Government grants received relates to assets invested in laboratory equipment and plant were credited to deferred income and are recognized as income over the expected useful lives of the relevant assets.

26. PROVISION

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Warranty	46,829	46,263

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
At beginning of period	46,263	45,448
Provision during the period	566	2,480
Utilisation	—	(1,665)
At end of period	46,829	46,263

SECTION VII FINANCIAL STATEMENTS

27. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the period are as follows:

	Provision for impairment of assets RMB'000	Lease liabilities RMB'000	Unused tax losses RMB'000	Others RMB'000	Total RMB'000
At December 31, 2025 (Audited)	45,457	3,446	31,607	1,142	81,652
Credit/(charged) – to profit or loss	27	(1,407)	(364)	(144)	(1,888)
At June 30, 2026 (Unaudited)	45,484	2,039	31,243	998	79,764

Deferred tax liabilities

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the period are as follows:

	Fair value changes of equity investments at FVOCI RMB'000	Fair value changes of financial assets at FVTPL RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
At December 31, 2025 (Audited)	–	405	3,391	5,442	9,238
Charged – to profit or loss	–	–	(1,304)	(607)	(1,911)
At June 30, 2026 (Unaudited)	–	405	2,087	4,835	7,327

SECTION VII FINANCIAL STATEMENTS

28. SHARE CAPITAL

Item	A Share RMB'000			H Share RMB'000		Total RMB'000
At December 31, 2025, January 1, 2026 and June 30, 2026	195,787			44,745		240,532
	Number of shares of RMB1 each			Share capital		
	A share	H Share	Total	A share RMB'000	H Share RMB'000	Total RMB'000
Registered						
At January 1, 2025 (Audited)	195,787,119	35,864,962	231,652,081	195,787	35,865	231,652
Addition due to issuance of new shares	–	8,880,000	8,880,000	–	8,880	8,880
At December 31, 2025 (Audited) and June 30, 2026 (Unaudited)	195,787,119	44,744,962	240,532,081	195,787	44,745	240,532
Issued and fully paid						
At December 31, 2024 and January 1, 2025 (Audited)	195,787,119	35,864,962	231,652,081	195,787	35,865	231,652
Issuance of new shares	–	8,880,000	8,880,000	–	8,880	8,880
At December 31, 2025 (Audited) and June 30, 2026 (Unaudited)	195,787,119	44,744,962	240,532,081	195,787	44,745	240,532

On December 23, 2025, the Company issued 8,880,000 new H shares at placing price of HK\$22.68 per share pursuant to the placing agreement dated December 16, 2025.

SECTION VII FINANCIAL STATEMENTS

29. RESERVE

(a) Group

The amounts of the Group's share premium and reserves and movements therein are presented in the consolidated statement of profit or loss, and other comprehensive income and consolidated statement of changes in equity.

(b) Company

Details of movements in the Company's reserves are as follows:

	Share premium RMB'000	Capital reserve RMB'000	Fair value change reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At December 31, 2025 (Audited)	3,213,771	46,798	(62,108)	9,216	(598,594)	2,609,083
Total comprehensive loss for the period	–	–	–	–	(81,704)	(81,704)
Transaction costs attributable to issue of shares	(3)	–	–	–	–	(3)
At June 30, 2026 (Unaudited)	3,213,768	46,798	(62,108)	9,216	(680,298)	2,527,376

(c) Capital reserve

The capital reserve mainly represents the difference between the total amount of the par value of shares and the amount of the net proceeds received upon issuance of shares.

(d) Fair value change reserve

The fair value reserve (non-recycling) comprise the accumulated net change in the fair value of the equity investments designated as at FVTOCI that have been recognized in other comprehensive income. The cumulative gain or loss is not reclassified to profit and loss on disposal of the equity investments.

(e) Statutory reserve

In accordance with the relevant laws and regulations in the PRC, the PRC subsidiaries of the Group are required to appropriate 10% of the annual statutory net profit, after offsetting any prior years' losses to the statutory reserve fund before distributing the net profit. When the respective balance of the statutory reserve fund reaches 50% of the share capital of the PRC subsidiaries, any further appropriation is at the discretion of shareholders of the PRC subsidiaries. The statutory reserve fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the respective remaining balance of the statutory reserve fund after such issue is not less than 25% of registered capital of the PRC subsidiaries.

SECTION VII FINANCIAL STATEMENTS

30. NON-CONTROLLING INTERESTS

Set out below are summarised financial information for a subsidiaries that have non-controlling interests that are material to the Group. The amounts disclosed for the subsidiaries are before inter-company eliminations.

Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司)		
Non-controlling shareholder's shareholding rate	74.39%	74.39%
Summarised statement of financial position	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current assets	175,685	186,326
Current assets	360,955	372,869
Current liabilities	(333,908)	(334,143)
Current net assets	27,047	38,726
TOTAL ASSETS LESS CURRENT LIABILITIES	202,732	225,052
Non-current liabilities	(45,556)	(45,344)
Net assets	157,176	179,708
Accumulated non-controlling interest ("NCI")	116,923	133,685
Summarised statement of comprehensive income	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Loss for the period and total comprehensive loss	(21,000)	(46,854)
Loss allocated to NCI	(15,622)	(34,855)
Dividends paid to NCI	—	—
Summarised cash flows		
Cash flows from operating activities	10,964	17,572
Cash flows from investing activities	(1,070)	(1,439)
Cash flows from financing activities	(15,148)	(22,719)
Net decrease in cash and cash equivalents	(5,254)	(6,587)

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31. DISPOSAL OF SUBSIDIARY

On April 13, 2026, the Group had entered into a sales and purchase agreement with an independent third party to dispose of 70% equity interest of Chengdu Guoqinghuatong Technology Co., Ltd. (成都國氫華通科技有限公司) at a consideration of RMB600,000. The net Assets of Chengdu Guoqinghuatong Technology Co., Ltd. (成都國氫華通科技有限公司) at the date of disposal were as follows:

	2026 RMB'000 (Unaudited)
Consideration transferred:	
Non-received cash consideration	600
Analysis of assets and liabilities over which control was lost:	
Trade receivables, prepayment, deposits and other receivables	3,500
Cash and bank balances	500
Trade payables, other payables and accrued expenses	(5,023)
Net assets disposed of	(1,023)
Gain on disposal of subsidiaries:	
Non-received cash consideration	600
Less: net assets disposed of	(1,023)
Gain on disposal	1,623
Net cash inflow arising on disposal:	
Non-received cash consideration	600
Less: cash and bank balances disposed of	(500)
Future net cash inflow	100

SECTION VII FINANCIAL STATEMENTS

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

	Lease liabilities RMB'000	Bank and other borrowings RMB'000	Total liabilities from financing activities RMB'000
At January 1, 2025 (Audited)	33,627	772,438	806,065
Changes in cash flows	(2,150)	(314,670)	(316,820)
Non-cash changes			
– addition	2,970	–	2,970
– early termination	(1,819)	–	(1,819)
– interest charged	491	8,644	9,135
At June 30, 2025 (Unaudited)	33,119	466,412	499,531
At January 1, 2026 (Audited)	28,691	442,654	471,345
Changes in cash flows	(9,596)	(53,568)	(63,164)
Non-cash changes			
– addition	3,914	–	3,914
– early termination	(3,065)	–	(3,065)
– interest charged	569	4,926	5,495
At June 30, 2026 (Unaudited)	20,513	394,012	414,525

33. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the period:

(a) Compensation of key management personnel of the Group

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Emolument of key management	2,077	2,173
Total compensation paid to key management personnel	2,077	2,173

SECTION VII FINANCIAL STATEMENTS

33. RELATED PARTY TRANSACTIONS (Continued)

(b) Transaction with related parties

The following is a summary of significant related party transactions, which were carried out in the normal course of the Group's business:

	January to June 2026 RMB'000 (Unaudited)	January to June 2025 RMB'000 (Unaudited)
Sales of goods and services		
Associates	5,968	9,362
Other related party	565	1,780
Purchase of goods and receipt of services		
Associates	1,134	1,387
Other related party	1,443	1,604
Rental income		
Associates	453	453

(c) Related parties balance and transactions

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current receivable (sales of goods and services)		
Associates	12,105	8,076
Other related party	1,831	1,740
Current payables (purchases of goods and services)		
Associates	149,417	150,732
Other related party	1,880	3,019

SECTION VII FINANCIAL STATEMENTS

34. SUBSIDIARIES

The amounts due from/to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the subsidiaries as at June 30, 2026 are as follows:

Name	Note	Place of incorporation/ registration and operation	Registered capital (Unaudited)	June 30, 2026 %	December 31, 2025 %	Principal activities
Directly Owned						
SinoHytec Power Technology Co., Ltd. (億華通動力科技有限公司)		Mainland China, limited liability company	RMB359,668,010	100	100	R&D, production, and sales of fuel cell systems
Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司)	(iv)	Mainland China, limited liability company	RMB84,952,654	25.60	25.60	R&D, production, and sales of fuel cell stacks
Beijing SinoHytec Hydrogen Energy Technology Co., Ltd. (北京億華通氫能科技有限公司)		Mainland China, limited liability company	RMB69,232,143	72.22	72.22	New energy technology promotion
Beijing Future Hydrogen Valley Technology Co., Ltd. (北京未來氫谷科技有限公司)		Mainland China, limited liability company	RMB101,000,000	100	100	New energy technology promotion
Chengdu SinoHytec Power Technology Co., Ltd. (成都億華通動力科技有限公司)		Mainland China, limited liability company	RMB50,000,000	100	100	New energy technology promotion
Chengdu Guoqinghuatong Technology Co., Ltd. (成都國氫華通科技有限公司)	(i)	Mainland China, limited liability company	RMB40,000,000	N/A	70	New energy technology promotion
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd. (北京聚興華通氫能科技有限公司)		Mainland China, limited liability company	RMB30,000,000	100	100	R&D, production, and sales of fuel cell systems
Shandong Huaqing Dongli Technology Co., Ltd. (山東華清動力科技有限公司)		Mainland China, limited liability company	RMB30,000,000	100	100	Hydrogen energy technology promotion and industrial services
Yifan Hydrogen Technology Co., Ltd. (億凡氫能科技有限公司)		Mainland China, limited liability company	RMB100,000,000	51	51	New energy technology promotion

SECTION VII FINANCIAL STATEMENTS

34. SUBSIDIARIES (Continued)

Name	Note	Place of incorporation/ registration and operation	Registered capital (Unaudited)	June 30, 2026 %	December 31, 2025 %	Principal activities
Tangshan Qianchen New Energy Development Co., Ltd. (唐山謙辰新能源發展有限公司)		Mainland China, limited liability company	RMB50,000,000	100	100	Hydrogen energy technology promotion and industrial services
Zhengzhou SinoHytec Power Technology Co., Ltd. (鄭州億華通動力科技有限公司)		Mainland China, limited liability company	RMB50,000,000	100	100	Hydrogen energy technology promotion and industrial services
Guangdong SinoHytec Technology Co., Ltd. (廣東億華通科技有限公司)		Mainland China, limited liability company	RMB50,000,000	100	100	New energy technology promotion
SinoHytec International Limited (億華通科技國際有限公司)		Hong Kong, limited liability company	USD30,000,000	100	100	Hydrogen energy technology promotion and industrial services
Zhangjiakou Lingtan Technology Co., Ltd. (張家口菱碳科技有限公司)		Mainland China, limited liability company	RMB10,000,000	100	100	New energy power generation and energy operations
Beijing Yihuatong Energy Storage Technology Co., Ltd. (北京億華通儲能科技有限公司)		Mainland China, limited liability company	RMB30,000,000	100	100	Energy storage technical services and promotion of hydrogen energy storage technology
Indirectly Owned						
Shanghai Shenrong New Energy Technology Co., Ltd. (上海神融新能源科技有限公司)	(v)	Mainland China, limited liability company	RMB6,000,000	25.60	25.60	R&D, production, and sales of fuel cell stacks
Beijing Shenchuan Technology Co., Ltd. (北京神橡科技有限公司)	(v)	Mainland China, limited liability company	RMB10,000,000	25.60	25.60	New energy technology promotion
Tangshan SinoFuelCell Technology Co., Ltd. (唐山神力科技有限公司)	(v)	Mainland China, limited liability company	RMB30,000,000	25.60	25.60	New energy technology promotion
Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司)	(v)	Mainland China, limited liability company	RMB100,000,000	25.60	25.60	R&D, production, and sales of fuel cell stacks

SECTION VII FINANCIAL STATEMENTS

34. SUBSIDIARIES (Continued)

Name	Note	Place of incorporation/ registration and operation	Registered capital (Unaudited)	June 30, 2026 %	December 31, 2025 %	Principal activities
Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. (廣州神力氫能科技有限公司)	(v)	Mainland China, limited liability company	RMB20,000,000	25.60	25.60	New energy technology promotion
Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司)		Mainland China, limited liability company	RMB50,000,000	72.22	72.22	Hydrogen energy technology promotion and industrial services
Guangxi Zhongdian Huatong New Energy Technology Co., Ltd (廣西中電華通新能源科技有限公司)	(vi)	Mainland China, limited liability company	RMB5,000,000	47.66	47.66	Hydrogen energy technology promotion and industrial services
Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司)	(vii)	Mainland China, limited liability company	RMB10,000,000	31.12	31.12	New energy technology promotion
Zigong SinoHytec Hydrogen Technology Co., Ltd. (自貢億華通氫能科技有限公司)		Mainland China, limited liability company	RMB1,000,000	72.22	72.22	New energy technology promotion
Shurong Kongjian (Sichuan) Hydrogen Technology Co., Ltd. (蜀蓉空間(四川)氫能科技有限公司)		Mainland China, limited liability company	RMB50,000,000	100	100	New energy technology promotion
Tangshan Yitong Hydrogen Technology Co., Ltd. (唐山億彤氫能源科技有限公司)	(ii)	Mainland China, limited liability company	RMB5,000,000	N/A	51	New energy technology research and development
Guangzhou SinoHytec New Energy Technology Co., Ltd. (廣州億華通新能源科技有限公司)		Mainland China, limited liability company	RMB50,000,000	100	70	New energy technology promotion
Guyuan County Tongyuan New Energy Co., Ltd. (涇源縣通源新能源有限公司)		Mainland China, limited liability company	RMB10,000,000	85	85	New energy power generation and energy operations

SECTION VII FINANCIAL STATEMENTS

34. SUBSIDIARIES (Continued)

Name	Note	Place of incorporation/ registration and operation	Registered capital (Unaudited)	June 30, 2026 %	December 31, 2025 %	Principal activities
Guyuan County Yifeng New Energy Co., Ltd. (汧源縣億楓新能源有限公司)		Mainland China, limited liability company	RMB3,000,000	85	85	New energy power generation and energy operations
Guyuan County Yigu New Energy Co., Ltd. (汧源縣億谷新能源有限公司)		Mainland China, limited liability company	RMB3,000,000	85	85	New energy power generation and energy operations
Guyuan County Tonggu New Energy Co., Ltd. (汧源縣通谷新能源有限公司)		Mainland China, limited liability company	RMB3,000,000	85	85	New energy power generation and energy operations
Guyuan County Muchen New Energy Co., Ltd. (汧源縣沐宸新能源有限公司)	(iii)	Mainland China, limited liability company	RMB10,000,000	85	N/A	New energy power generation and energy operations

The English names of the PRC companies referred to above in this Note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

Notes:

- (i) During the period ended June 30, 2026, the Company disposed of its equity interests in Chengdu Guoqinghuatong Technology Co., Ltd. (成都國氫華通科技有限公司).
- (ii) During the period ended June 30, 2026, the Company deregistered of Tangshan Yitong Hydrogen Technology Co. Ltd. (唐山億彤氫能源科技有限公司).
- (iii) During the period ended June 30, 2026, the Company established Guyuan County Muchen New Energy Co., Ltd. (汧源縣沐宸新能源有限公司).
- (iv) The Company directly holds a 25.6010% equity interest in Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司) and its subsidiary. In 2019, the Company entered into a Voting Rights Proxy Agreement with Shanghai Shenjie New Energy Technology Center (Limited Partnership), a shareholder of Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司) holding a 10.8091% stake. Under the agreement, Shanghai Shenjie New Energy Technology Center (Limited Partnership) agreed to unconditionally and irrevocably delegate rights, including voting rights and nomination/proposal rights – excluding rights to income, dividends, and disposal – corresponding to its entire equity interest in Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司) to the Company. The entrustment period spans from the effective date of the agreement until both parties mutually agree to terminate it, with a minimum duration of no less than 8 years. Regarding governance, the Board of Directors of Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司) consists of 7 members, 4 of whom are appointed by the Company. Additionally, the Chairman is appointed from the directors designated by the Company. Therefore, the Company effectively controls the board decision-making of Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司).

SECTION VII FINANCIAL STATEMENTS

34. SUBSIDIARIES (Continued)

Notes: (Continued)

- (v) Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司) holds a 100% equity interest in Shanghai Shenrong New Energy Technology Co., Ltd. (上海神融新能源科技有限公司), Beijing Shenchuan Technology Co., Ltd. (北京神椽科技有限公司), Tangshan SinoFuelCell Technology Co., Ltd. (唐山神力科技有限公司), Qingqi Shenli Technology (Nanchong) Co., Ltd. (氫啟神力科技(南充)有限公司), and Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. (廣州神力氫能科技有限公司). As the Company holds a 25.6010% interest in Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司), it indirectly holds a 25.6010% interest in these five companies. The reasons for maintaining control despite holding less than half of the voting rights are detailed in section (iv) above.
- (vi) The Company directly holds a 72.2208% equity interest in Beijing SinoHytec Hydrogen Technology Co., Ltd. and exercises control over it. Beijing SinoHytec Hydrogen Technology Co., Ltd. holds a 100% equity interest in Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司); thus, the Company indirectly holds a 72.2208% interest in Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) and exercises control. Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) holds a 66% equity interest in Guangxi Zhongdian Huatong New Energy Technology Co., Ltd (廣西中電華通新能源科技有限公司); consequently, the Company indirectly holds a 47.6657% interest in Guangxi Zhongdian Huatong New Energy Technology Co., Ltd (廣西中電華通新能源科技有限公司) and exercises control over it.
- (vii) The Company directly holds a 72.2208% equity interest in Beijing SinoHytec Hydrogen Technology Co., Ltd. and exercises control. Beijing SinoHytec Hydrogen Technology Co., Ltd. holds a 20% equity interest in Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司). The Company indirectly holds a 47.6657% equity interest in Guangxi Zhongdian Huatong New Energy Technology Co., Ltd (廣西中電華通新能源科技有限公司) and exercises control. Guangxi Zhongdian Huatong New Energy Technology Co., Ltd (廣西中電華通新能源科技有限公司) holds a 35% equity interest in Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司). Consequently, the Company indirectly holds a 31.1272% equity interest in Guangxi Hydrogen Energy Technology Innovation Center Co., Ltd. (廣西氫能技術創新中心有限公司) and exercises control over it.

SECTION VII FINANCIAL STATEMENTS

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the Reporting Period is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current assets		
Investments in subsidiaries	767,514	778,427
Property, plant and equipment	18,590	30,232
Investments accounted for using the equity method	234,788	258,326
Financial assets at fair value through other comprehensive income	–	–
Intangible assets	139,090	147,357
Right-of-use assets	2,176	1,320
Prepayments, deposits and other receivables	14,890	15,789
Total non-current assets	1,177,048	1,231,451
Current assets		
Asset held for sale	2,068	–
Trade and bill receivables	179,774	178,137
Prepayments, deposits and other receivables	2,753	12,319
Amount due from subsidiaries	803,023	792,802
Inventories	16,324	30,481
Financial assets at fair value through profit or loss	629,617	715,557
Restricted bank deposits	16,906	1,552
Pledged bank deposits	309,892	275,446
Cash and cash equivalents	231,392	261,785
Total current assets	2,191,749	2,268,079
Current liabilities		
Trade and bills payables	108,798	148,692
Contract liabilities	4,036	9,827
Other payables and accruals	99,388	58,537
Bank and other borrowings	317,132	351,331
Lease liabilities	–	3,920
Total current liabilities	529,352	572,307
Net current assets	1,662,396	1,695,772
Total assets less current liabilities	2,839,444	2,927,223
Non-current liabilities		
Other payables	12,135	14,637
Deferred income	40,348	43,855
Provision	19,053	19,116
Total non-current liabilities	71,537	77,608
NET ASSETS	2,767,908	2,849,615
Capital and reserves		
Share capital	240,532	240,532
Reserves	2,527,376	2,609,083
TOTAL EQUITY	2,767,908	2,849,615

SECTION VII FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the group's business. The group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The group's exposure to these risks and the financial risk management policies and practices used by the group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents, restricted bank deposits, pledged bank deposits, contract assets, trade and bills receivables and other receivables.

The Group's exposure to credit risk arising from cash and cash equivalents, restricted bank deposits, pledged bank deposits and FVTPL are limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

Trade receivables

For trade receivables, the management of the Group assesses the collectability of the trade receivables regularly and on a case-by-case basis for the determination of any loss allowance for the trade receivables by taking into account the customers' financial condition, current creditworthiness, past settlement history, business relationship with the Group and other factors such as current market conditions.

Certain customers of the Group which has a significant outstanding trade receivables due to the Group with gross carrying amount of RMB342,645,000 and RMB342,645,000 in aggregate as at June 30, 2026 and December 31, 2025, respectively, was assessed for allowance for credit losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. As at June 30, 2026 and December 31, 2025, allowance for expected credit losses of RMB342,645,000 and RMB342,645,000, respectively, was made on the trade receivables due from these customers.

During the period ended June 30, 2026 and December 31, 2025, impairment losses on trade receivables due from these customers amounted to RMB Nil and RMB32,872,000, respectively are provided and included in the consolidated profit or loss. In this regard, the directors of the Company are in the opinion that the provision of loss allowance is sufficient and not excessive.

For the remaining debtors, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL, as the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments and the allowance for credit losses based on the past due status is not further distinguished between the Group's customer bases.

SECTION VII FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk within lifetime ECL for trade receivables due from customers other than the abovementioned individually evaluated customers, which are assessed based on provision matrix as at June 30, 2026 and December 31, 2025:

As at June 30, 2026	Expected loss rate	Gross carrying amount RMB'000 (Unaudited)	Loss allowance RMB'000 (Unaudited)	Net carrying amount RMB'000 (Unaudited)
Less than 1 year	4%	157,568	6,304	151,264
1 to 2 years	6%	248,304	14,898	233,406
2 to 3 years	29%	713,421	206,892	506,529
3 to 4 years	50%	305,785	152,892	152,893
Over 4 years	100%	163,963	163,963	–
		1,589,041	544,949	1,044,092

As at January 1, 2026	Expected loss rate	Gross carrying amount RMB'000 (Audited)	Loss allowance RMB'000 (Audited)	Net carrying amount RMB'000 (Audited)
Less than 1 year	8%	157,569	11,975	145,594
1 to 2 years	12%	272,361	33,264	239,097
2 to 3 years	25%	732,814	183,790	549,024
3 to 4 years	52%	314,429	163,346	151,083
Over 4 years	100%	168,459	168,459	–
		1,645,632	560,834	1,084,798

The management of the Group determined the ECL rates for portfolio of trade receivables due from customers with reference to past-due status of such balances by estimating their default rates taking into account historical information (e.g. historical flow rate of receivables moving into the next aging bucket in the subsequent period, actual historical loss, etc.) and forward-looking information.

The Group engaged an independent external valuer to measure the ECL for trade receivables using a provision matrix. The valuer applied a migration rate approach based on the historical settlement and default records of the trade receivables portfolio over the past five years. The historical migration rates reflect the probability of receivables progressing through successive aging bands to default. These historical rates were subsequently adjusted to incorporate current market conditions and relevant forward-looking macroeconomic information to derive the specific ECL rates applied to each aging band as at the reporting date.

SECTION VII

FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the period is as follows:

	Lifetime ECL (Not credit impaired) RMB'000	Lifetime ECL (Credit impaired) RMB'000	Total RMB'000
As at January 1, 2026 (Audited)	560,834	342,645	903,479
Write-off the period	(1,024)	–	(1,024)
Impairment loss recognized	(14,866)	–	(14,866)
As at June 30, 2026 (Unaudited)	544,949	342,645	887,594

Contract assets

Certain customers of the Group which has a significant outstanding contract assets due to the Group with gross carrying amount of RMB26,363,000 and RMB27,007,000 in aggregate as at June 30, 2026 and December 31, 2025, respectively, was assessed for allowance for credit losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. As at June 30, 2026 and December 31, 2025, allowance for expected credit losses of RMB10,039,000 and RMB9,989,000, respectively, was made on the trade receivables due from these customers.

Other receivable

Certain debtors of the Group which has a significant outstanding other receivables due to the Group with gross carrying amount of RMB39,057,000 and RMB37,973,000, in aggregate as at June 30, 2026 and December 31, 2025, respectively, was assessed for allowance for credit losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. As at June 30, 2026 and December 31, 2025, allowance for expected credit losses of RMB24,237,000 and RMB23,718,000, respectively, was made on the trade receivables due from these customers.

SECTION VII FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the Reporting Period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the Reporting Period) and the earliest date the Group can be required to pay.

As at June 30, 2026	Within 1 year or on demand	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total	Carrying value
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Bank loans and other borrowings	394,012	–	–	–	394,012	394,012
Trade and bills payables	531,243	–	–	–	531,243	531,243
Other payables	318,197	–	–	–	318,197	318,197
Lease liabilities	19,226	1,334	129	–	20,689	20,513
	1,262,678	1,334	129	–	1,264,141	1,263,965

As at January 1, 2026	Within 1 year or on demand	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total	Carrying value
	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)
Bank loans and other borrowings	442,654	–	–	–	442,654	442,654
Trade and bills payables	599,407	–	–	–	599,407	599,407
Other payables	258,552	–	–	–	258,552	258,552
Lease liabilities	26,790	1,636	594	–	29,020	28,691
	1,327,403	1,636	594	–	1,329,633	1,329,304

SECTION VII FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Group's bank deposits and bank loans bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to the risk of interest rate fluctuation is very limited, as the Group only has an insignificant amount of bank deposits, bank loans and other borrowings at floating interest rates.

(d) Currency risk

The Group's principal operations are located in Mainland China and its functional currency is RMB. The Group's foreign currency risk arises primarily from cash and bank balances and certain financial assets at FVTPL which are denominated in US\$.

The Group is exposed to foreign currency risk primarily associated with these US\$ denominated assets. The foreign exchange gains or losses arising from the translation of the US\$ denominated cash and bank balances are recognised in profit or loss. For US\$ denominated financial assets at FVTPL, the foreign exchange gains or losses are included in the fair value changes recognised in profit or loss.

The carrying amounts of the Group's US\$ denominated financial assets at the end of the Reporting Period are as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Cash and bank balances	539,814	300,348
Financial assets at fair value through profit or loss	629,617	715,557
	1,169,431	1,015,905

SECTION VII FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against US\$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes outstanding US\$ denominated cash and bank balances and financial assets at FVTPL, and adjusts their translation at the end of the Reporting Period for a 5% change in foreign currency rates. A positive number below indicates a decrease in post-tax loss and an increase in total equity where RMB weakens 5% against US\$. For a 5% strengthening of RMB against US\$, there would be a comparable impact on the post-tax loss and total equity, and the balances below would be negative.

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
If RMB weakens 5% against US\$	43,854	38,096
If RMB strengthens 5% against US\$	(43,854)	(38,096)

(e) Categories of financial instruments

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Financial assets		
Financial assets at fair value through other comprehensive income	–	–
Financial assets at fair value through profit or loss	633,917	719,857
Financial assets at amortised cost		
– Trade and bill receivables	1,051,880	1,104,980
– Contract assets	16,324	17,018
– Deposits and other receivables	10,346	14,856
– Restricted bank deposits	17,469	1,552
– Pledged bank deposits	309,892	275,446
– Cash and cash equivalents	344,415	372,983
	2,384,243	2,506,692
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and bills payables	531,243	599,407
– Financial liabilities included in other payables and accruals	318,197	258,552
– Bank and other borrowings	394,012	442,654
– Lease liabilities	20,513	28,691
	1,263,965	1,329,304

SECTION VII

FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (Continued)

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity attributable to owners of the parent. Net debt includes bank loans and other borrowings, trade and bills payables, other payables and accruals, less cash and cash equivalents. The gearing ratios as at the end of the Reporting Periods were as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank loans and other borrowings	394,012	442,654
Trade and bills payables	531,243	599,407
Other payables and accruals	318,197	258,552
Lease liabilities	20,513	28,691
Less: Cash and cash equivalents	(344,415)	(372,983)
Net debt	919,550	956,321
Equity attributable to owners of the parent	1,876,283	1,978,330
Gearing ratio	49.0%	48.3%

SECTION VII FINANCIAL STATEMENTS

37. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy

Disclosures of level in fair value hierarchy at June 30, 2026:

Description	Fair value measurements using:			Total RMB'000 (Unaudited)
	Level 1 RMB'000 (Unaudited)	Level 2 RMB'000 (Unaudited)	Level 3 RMB'000 (Unaudited)	
Recurring fair value measurements:				
<i>Financial assets at fair value through other comprehensive income</i>				
Unlisted equity investment	–	–	–	–
<i>Financial assets at fair value through profit or loss</i>				
Fund investments	–	629,617	–	629,617
Unlisted equity investment	–	–	4,300	4,300
Total recurring fair value measurements	–	629,617	4,300	633,917

SECTION VII FINANCIAL STATEMENTS

37. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy: (Continued)

Disclosures of level in fair value hierarchy at December 31, 2025:

Description	Fair value measurements using:			Total RMB'000 (Audited)
	Level 1	Level 2	Level 3	
	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)	
Recurring fair value measurements:				
<i>Financial assets at fair value through other comprehensive income</i>				
Unlisted equity investment	—	—	—	—
<i>Financial assets at fair value through profit or loss</i>				
Fund investments	—	715,557	—	715,557
Unlisted equity investment	—	—	4,300	4,300
Total recurring fair value measurements	—	715,557	4,300	719,857

(b) Reconciliation of assets measured at fair value based on level 3:

Description

	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Total RMB'000
At January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	—	4,300	4,300
*Include gains or losses for assets held at end of Reporting Period	—	—	—

38. SUBSEQUENT EVENTS

Save as disclosed in other parts of this report, there are no significant subsequent events since June 30, 2026 and up to the date of this report.

39. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on August 28, 2026.