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

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

(Stock Code: 9663)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Total revenue for the Reporting Period was approximately RMB58.9 million, representing a decrease of 55.7% for the corresponding period of last year;
- Loss attributable to owners of the Company amounted for the Reporting Period amounted to approximately RMB184.2 million, representing a decrease of 13.2% as compared to the corresponding period of last year;
- Basic loss per share was RMB0.36, representing a decrease of 12.2% as compared to basic loss per share of RMB0.41 for the Previous Period; and
- The Board has resolved not to declare any payment of interim dividend for the Reporting Period.

The board (the "**Board**") of directors (the "**Directors**") of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries (the "**Group**", "**we**" or "**us**") for the six months ended 30 June 2025 (the "**Reporting Period**") together with the comparative figures for the corresponding period of last year (the "**Previous Period**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
		Unaudited	Unaudited
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**58,883**	133,012
Cost of sales		**(55,788)**	(132,242)
– Cost of sales of goods and services		**(49,879)**	(129,700)
– Impairment loss of inventories		**(5,909)**	(2,542)
Gross profit		**3,095**	770
Selling expenses		**(14,113)**	(20,825)
Research and development expenses		**(67,785)**	(65,302)
Administrative expenses		**(96,667)**	(113,497)
Net impairment losses on financial assets and contract assets		**(22,566)**	(44,553)
Other income		**6,173**	7,410
Other gains – net		**8,800**	28,035
Operating loss	*5*	**(183,063)**	(207,962)
Finance income	*6*	**1,355**	4,706
Finance costs	*6*	**(12,231)**	(10,771)
Finance costs – net		**(10,876)**	(6,065)
Share of gains of associates and joint ventures accounted for using the equity method		**11,908**	90
Loss before income tax		**(182,031)**	(213,937)
Income tax (expense)/credit	*7*	**(2,396)**	1,640
Loss for the period		**(184,427)**	(212,297)
Loss for the period attributable to:			
– Owners of the Company		**(184,248)**	(212,297)
– Non-controlling interests		**(179)**	–
		(184,427)	(212,297)
Basic and diluted loss per share for loss attributable to shareholders of the Company (expressed in RMB per share)	*8*	**(0.36)**	(0.41)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Loss for the period	**(184,427)**	(212,297)
Other comprehensive income		
Item that may be subsequently reclassified to profit or loss		
– Currency translation differences	**(73)**	260
Item that may be subsequently reclassified to profit or loss		
– Net gains from changes in fair value of financial assets at fair value through other comprehensive income	**–**	19,992
	(73)	20,252
Total comprehensive loss for the period	**(184,500)**	(192,045)
Total comprehensive loss for the period attributable to:		
– Owners of the Company	**(184,321)**	(192,045)
– Non-controlling interests	**(179)**	–
	(184,500)	(192,045)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Assets			
Non-current assets			
Property, plant and equipment		**632,916**	680,180
Right-of-use assets		**195,171**	200,123
Intangible assets		**21,986**	23,856
Contract assets		**66,592**	64,033
Deferred income tax assets		**53,538**	55,927
Investments accounted for using the equity method		**42,306**	42,469
Financial assets at fair value through other comprehensive income	*11*	**99,836**	99,836
Trade and bills receivables	*9*	**39,491**	38,879
Other non-current assets		**28,745**	39,470
Total non-current assets		**1,180,581**	1,244,773
Current assets			
Inventories		**175,980**	235,381
Trade and bills receivables	*9*	**1,600,483**	1,685,471
Other receivables and prepayments		**100,746**	83,363
Contract assets		**3,230**	2,423
Financial assets at fair value through profit or loss	*10*	**1,122,884**	1,021,535
Restricted cash		**58,625**	81,592
Cash and cash equivalents		**95,170**	309,603
Total current assets		**3,157,118**	3,419,368
Total assets		**4,337,699**	4,664,141
Equity			
Equity attributable to owners of the Company			
Share capital	*13*	**518,042**	518,042
Share premium	*13*	**3,657,827**	3,657,827
Other reserves		**59,381**	59,454
Treasury shares reserve		**(9,244)**	(1,171)
Accumulated losses		**(1,447,043)**	(1,262,795)
		2,778,963	2,971,357
Non-controlling interests		**18,892**	17,071
Total Equity		**2,797,855**	2,988,428

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 30 JUNE 2025

	Note	**As at 30 June 2025 Unaudited** ***RMB'000***	As at 31 December 2024 Audited *RMB'000*
Liabilities			
Non-current liabilities			
Borrowings		**172,082**	197,326
Lease liabilities		**40,829**	30,302
Deferred income		**76,606**	77,582
Provisions		**2,828**	11,005
Total non-current liabilities		**292,345**	316,215
Current liabilities			
Trade and bills payables	*12*	**680,538**	791,894
Other payables and accruals		**163,662**	169,078
Contract liabilities		**2,897**	19,776
Borrowings		**372,268**	332,408
Lease liabilities		**14,327**	29,429
Deferred income		**7,558**	8,707
Provisions		**6,249**	8,206
Total current liabilities		**1,247,499**	1,359,498
Total liabilities		**1,539,844**	1,675,713
Total equity and liabilities		**4,337,699**	4,664,141

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

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

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the research and development, production and sale of hydrogen fuel cell stacks and systems in the PRC. The single largest shareholder of the Company (together with other shareholders of the Company, the "**Shareholders**") is Guangdong Hongyun Hydrogen Energy Technology Co., Ltd. ("**Hongyun Hydrogen Energy**") which is controlled by Mr. Chen Xiaomin ("**Mr. Chen**") through Foshan Huahui Technology Investment Partnership (Limited Partnership) ("**Huahui Technology**") holding 99.99% equity interest in Hongyun Hydrogen Energy. The Company's H shares (the "**H Shares**") have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 5 December 2023.

This condensed consolidated interim financial information is presented in thousands of Renminbi ("**RMB'000**") unless otherwise stated and was approved for issue by the Board of Directors on 25 August 2025.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the sixth-month ended 30 June 2025 has been prepared in accordance with International Accounting Standards ("**IAS**") 34 'Interim Financial Reporting'.

The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**").

Except as described below, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2024, as described in those consolidated financial statements.

(a) New and amended standards adopted by the Group

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

New standards and amendments		Effective for annual periods beginning on or after
IAS 21 (Amendments)	Lack of exchangeability	1 January 2025

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

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2025 and have not been early adopted by the Group:

New standards and amendments		Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volumes 11	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

3. SEGMENT INFORMATION

Description of segments and principal activities

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

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

All the non-current assets of the Group are physically located in the PRC. The geographical location of customers is based on the location at which the customers operate, and the revenue of the Group is almost all derived from operations in the PRC during the six months ended 30 June 2025 and 2024.

4. REVENUE

Revenue mainly comprises proceeds from sales of hydrogen fuel cell systems, hydrogen fuel cell system components, hydrogen fuel cell stacks and others. An analysis of the Group's revenue by category for the six months ended 30 June 2025 and 2024 are as below:

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Sales of goods		
– Hydrogen fuel cell systems	**36,651**	130,939
– Hydrogen fuel cell stacks	**2,017**	432
– Hydrogen fuel cell system components	**1,035**	619
Maintenance services	**18,651**	–
Others	**529**	1,022
	58,883	133,012

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

5. OPERATING LOSS

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

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Cost of inventories	**60,210**	103,794
Employee benefit expense, including Directors' emoluments	**54,163**	105,765
Depreciation of property, plant and equipment	**43,643**	40,898
Depreciation of right-of-use assets	**6,267**	7,685
Amortization of intangible assets	**3,059**	3,153
Provision for decline in value of inventories	**5,909**	2,542
After-sales service fees	**1,833**	2,866
Gains on disposal of financial assets at fair value through profit or loss	**(7,246)**	–
Net fair value gains on financial assets at fair value through profit or loss	**(2,704)**	(21,839)
Net foreign exchange gains	**(3,264)**	(5,656)
Government grants and subsidies	**(6,022)**	(6,551)
Net impairment losses on financial assets and contract assets	**22,566**	44,553
	178,414	277,210

6. FINANCE COSTS – NET

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Finance income		
– Bank interest income	**1,355**	4,706
Finance costs		
– Interest expenses on borrowings	**(9,720)**	(8,941)
– Interest expenses on lease liabilities	**(2,511)**	(1,864)
– Amounts capitalised in construction in progress of property *(a)*	**-**	34
	(12,231)	(10,771)
Finance costs – net	**(10,876)**	(6,065)

(a) The capitalisation rate used to determine the amount of borrowing costs capitalised, which is the weighted average interest rate applicable to the Group's borrowings for the six months ended 30 June 2024, was 4.00% per annum.

7. INCOME TAX EXPENSE/(CREDIT)

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

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Current income tax	**7**	(58)
Deferred income tax	**2,389**	(1,582)
Income tax expense/(credit)	**2,396**	(1,640)

(a) PRC enterprise income tax ("EIT")

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

The Company and Beijing Guohong Hydrogen Technology Co., Ltd., a subsidiary of the Group, were approved as "High and New Technology Enterprise", and they were subject to a preferential corporate income tax rate of 15% for the six months ended 30 June 2025 and 2024. The certificate of "High and New Technology Enterprise" is subject to renewal for each three-years interval.

For the six months ended 30 June 2025, fifteen subsidiaries of Group (for the six months ended 30 June 2024: one) were qualified as small and micro enterprises under the PRC CIT regime, which enjoyed a corporate income tax rate of 20%.

For the six months ended 30 June 2025, two subsidiaries of Group (for the six months ended 30 June 2024: one) are subject to a preferential income tax rate of 15% as it was located in western development areas in the PRC.

(b) Hong Kong profit tax

Hong Kong Nation-Synergy Hydrogen Power Technology Co., Limited and Hong Kong Nation-Synergy International Hydrogen Power Technology Co., Limited, both are subsidiaries of the Group and incorporated in Hong Kong, are subject to Hong Kong profits tax at a rate of 16.5% for the six months ended 30 June 2025 and 2024.

8. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
Loss attributable to shareholders of the Company (RMB'000)	**(184,248)**	(212,297)
Weighted average number of ordinary shares in issue ('000)	**517,595**	518,042
Basic loss per share (expressed in RMB per share)	**(0.36)**	(0.41)

As at 31 December 2022, a total of 18,000,000 shares were treated as treasury stock and excluded from the dominator of basic earnings per share. As at 31 December 2023, the employees' restricted share units were vested.

On 5 December 2023, the Company issued a total of 79,520,000 ordinary shares at the price of HKD19.66 per share by initial public offering to investors, and raised a total subscription amount of HKD1,563,363,200 (approximately RMB1,422,910,650), net of underwriting commission, in which RMB79,520,000 was included in the share capital, and RMB1,331,854,000 was included in the share premium.

(b) Diluted loss per share

For the six months ended 30 June 2025 and 2024, the Group had potential dilutive shares throughout the six months ended 30 June 2025 and 2024 related to the share-based payments. Due to the Group's losses during the six months ended 30 June 2025 and 2024, share-based payments has anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

9. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Current		
Trade receivables		
– due from third parties	**2,111,142**	2,174,726
Less: Allowance for expected credit losses	**(511,464)**	(489,262)
	1,599,678	1,685,464
Bills receivables	**805**	7
	1,600,483	1,685,471
Non-current		
Trade receivables		
– due from third parties	**39,654**	39,045
Less: allowance for expected credit losses	**(163)**	(166)
	39,491	38,879
	1,639,974	1,724,350

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade receivables based on the invoice date is as follows:

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Up to 1 year	**541,897**	546,315
1 to 2 years	**561,359**	671,533
2 to 3 years	**566,009**	637,914
Over 3 years	**481,531**	358,009
	2,150,796	2,213,771

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

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Current		
Investment in wealth management products	**1,122,884**	1,021,535

The investments represented investment funds managed by investment managers from different private funds or financial institutions. Investment objectives were to invest in cash or cash equivalents, national debts, and other monetary market instruments.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Non-current		
Equity investment		
– Unlisted equity investments	**99,836**	99,836

12. TRADE AND BILLS PAYABLES

	As at 30 June 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
Trade payables		
– due to third parties	**655,791**	702,510
Bills payables *(a)*	**24,747**	89,384
	680,538	791,894

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

As at 30 June 2025 and 31 December 2024, the ageing analysis of trade and bills payables of the Group based on invoice date was as follows:

	As at 30 June 2025 Unaudited ***RMB'000***	As at 31 December 2024 Audited *RMB'000*
Within 1 year	**302,951**	517,389
1-2 years	**209,755**	189,631
2-3 years	**160,719**	83,918
Over 3 years	**7,113**	956
	680,538	791,894

(a) As at 30 June 2025, the bank deposit amount of RMB24,747,000 (31 December 2024: RMB68,064,000) is placed to the bills payables.

13. SHARE CAPITAL

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

	Number of ordinary shares of RMB1.00 each	**Share capital** *RMB'000*	**Share premium** *RMB'000*
As at 1 January 2024 and 30 June 2024 (Unaudited)	518,041,669	518,042	3,657,827
As at 1 January 2025 and 30 June 2025 (Unaudited)	**518,041,669**	**518,042**	**3,657,827**

14. DIVIDEND

No dividends have been paid or declared by the Company or the companies now comprising the Group during the six months ended 30 June 2025 and 2024.

15. SUBSEQUENT EVENTS

Other than disclosed elsewhere in this announcement, there was no significant subsequent event after 30 June 2025 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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

We firmly implement the long-term development strategy and put our strategic focus on "commercialization of technological innovation", "integration of hydrogen energy ecosystem", "expansion of business diversification" and "lean operation and management". During the Reporting Period, the Company continued to increase investment in cutting-edge technology research and development, accelerated the iteration and upgrading and technological breakthroughs of various product series, and promoted the marketization of technological achievements; at the same time, we actively explored new development modes for hydrogen energy industry, and spared no effort to expand the full-domain application ecology of hydrogen fuel cell technology. Through the triple drive of cost reduction, model innovation and ecological synergy, we promoted the transformation of hydrogen energy application scenarios from the demonstration application stage to large-scale economy; in addition, we impelled the comprehensive upgrade of the governance structure, optimized the organizational structure and talent team building, and deepened the reform of the operation and management mechanism to lay a solid foundation for the sustainable business growth. The specific operations are as follows:

1. Product upgrade

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

design concepts. Meanwhile, the layout of the 0-360kW power segment was completed for our fuel cell system products, and the products can be adapted to a variety of application scenarios such as smart mining trucks, long-distance trunk logistics heavy trucks, hydrogen locomotives, high-speed trains, ships, and fixed power generation. In addition, we developed hydrogen production equipment products along two technical routes: alkaline electrolyzers and proton exchange membrane electrolyzers. We focused on independently developing megawatt-scale electrolyzer technology to realize the localization of advanced hydrogen production equipment.

2. Application expansion

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

i) In terms of our domestic hydrogen transportation applications: in the southwest region, the first batch of 30 hydrogen energy heavy trucks equipped with the Hongtu H150 system was put into operation on the Chengdu-Chongqing round-trip route. Some vehicles carried cross-border e-commerce goods of the La Poste, and connected with the China-Europe Railway Express, realizing the rapid connection between hydrogen energy heavy trucks and the China-Europe Railway Express for the first time; Chongqing's first "water-railway-road" hydrogen multimodal transport trunk line was officially put into operation, and the first batch of 15 heavy trucks equipped with our fuel cell system sounded the horn and set off, realizing the large-scale application of hydrogen vehicles in the "railway-port-road" intermodal transport system for the first time; at the same period, eight 49-ton hydrogen energy heavy trucks equipped with our fuel cell system were put into operation in the Chongqing-Guizhou-Guangxi trunk line demonstration project of the "Hydrogen Passageway" of the New Western Land-Sea Corridor, marking the official completion of the country's first high-drop and cross-regional hydrogen energy heavy truck trunk line; Chonggang Group's subsidiary deployed 50 hydrogen energy heavy trucks equipped with our fuel cell system to build a clean transportation network covering industrial materials such as steel slag and steel. In the northwest region, as of now, nearly 100 hydrogen energy vehicles equipped with our system have been put into operation in Ejin Horo Banner, including the first batch of hydrogen energy sanitation vehicles in Ejin Horo Banner and heavy trucks equipped with our fuel cell system delivered to Ordos Cementer Coal Mine for operation, fully supporting the green transformation of traditional energy in the northwest region; in the East China region, the 100th hydrogen energy container truck equipped with our fuel cell system was officially delivered and put into operation at Jiaxing Port. The cumulative deliveries in Jiaxing have now reached the scale of over a hundred vehicles.

ii) In terms of domestic hydrogen rail transit applications, according to the Measures for the Supervision and Administration of the Elimination and Renewal of Obsolete Railway Diesel Locomotives issued by the National Railway Administration of China, which stipulates the phase-out of obsolete locomotives in key regions by the end of 2027 and the comprehensive retirement of approximately 8,000 sets of obsolete locomotives by 2035, we, driven by this policy, firmly seized the opportunity of new energy transition in rail transit. We, as a core system supplier, successfully won the bid and participated in the Inner Mongolia Autonomous Region's science and technology breakthrough project — "Research on the Application of High-density Rare Earth Solid-state Hydrogen Storage in Hydrogen Fuel Cell-powered Rail Locomotive" in the first half of 2025. We will provide 480kW high-power hydrogen fuel cell system, 600kWh lithium battery power system and hybrid power energy management system for the Baotou Steel Group Consortium, marking a new breakthrough of our high-power hydrogen energy technology in the rail transportation field. At present, we have completed the system design and entered the stock preparation stage, which is scheduled to be delivered to customers in September and October 2025. This project, as an example for innovation in rare earth hydrogen storage technology and hydrogen energy locomotives in China, not only verified the commercialization capability of the hydrogen-electric hybrid power solution in the scenarios of long driving range and zero emission for heavy-haul locomotives, but also laid a strategic foundation for us to occupy the new energy transition market in rail transit.

iii) In terms of overseas hydrogen power generation equipment applications, we worked with China State Construction Engineering (Hong Kong) Limited and Sinopec (Hong Kong) Limited to officially launch the first hydrogen power generation application project in Hong Kong's construction industry at the Hong Kong-Shenzhen Innovation and Technology Park construction site. The project adopts the fixed hydrogen fuel power generation system and integrated hydrogen storage system provided by the Company to provide stable power supply for electric machinery on the construction site, injecting clean energy and hydrogen power into Hong Kong's construction industry.

During the Reporting Period, we were successfully selected as a "Leading Enterprise" in future energy announced by the High-tech Department of the Ministry of Industry and Information Technology of China, were deeply involved in the two major projects of "Green Port Construction – Large-scale Application of Hydrogen Fuel Cell Container Trucks in Ports" and "Full Chain Demonstration Application Scenarios of Hydrogen Energy Green Transportation", and were also selected in the "Typical Application Scenarios" list. With the in-depth promotion of global hydrogen energy policies, we will continue to deepen hydrogen energy technology innovation and industrial application, focus on our going-global strategy of "taking root in China and going global", deepen the foundation of China's hydrogen energy commercialization, accelerate the pace of global market development, empower green economic development with hydrogen energy technology, drive green energy innovation with technological leadership, and work together to create a bright energy future of clean and low carbon.

3. R&D innovation

We adhered to the independent core technologies and continuously increased R&D investment, with R&D expenditure exceeding RMB67.8 million during the Reporting Period, striving to continuously improve the economical efficiency, reliability and durability of our products.

i) In terms of fuel cell stack R&D, we continued to improve the performance of water-cooled stack products based on various application scenarios reflected in market demand, and expanded the air-cooled stack product matrix in combination with new application scenarios. In terms of water-cooled stack R&D, the rated point performance of the new version of the high-power Hongxin GIII stack was further improved in the laboratory; the new generation of Hongxin GIV stacks performed stably, meeting the power generation scenario's product requirements for high efficiency, long life, low loss, and strong adaptability through the optimization of plate resistance, innovative high-uniformity flow field design, air flow cross-section optimization design, and long-life membrane electrode technology. In terms of air-cooled stack R&D, we have developed 2-6kW air-cooled stacks for drone scenarios and 300-500W air-cooled stacks for two-wheeled vehicle scenarios.

ii) In terms of fuel cell system R&D, we continued to improve product performance, environmental adaptability, reliability and durability, and made good progress in the research and development of key technologies such as adaptive Fan Coil Unit (FCU) control algorithm, Electrochemical Impedance Spectroscopy (EIS) impedance detection technology application, Prognostics and Health Management (PHM) fault prediction and health management.

iii) In terms of hydrogen power generation system R&D, we optimized the megawatt-scale fixed hydrogen fuel power generation system to form a modular solution consisting of fuel cell power generation units, thermal management systems, substation systems, power distribution systems, security systems, tail exhaust systems, energy storage systems, and control systems, etc. Users could independently choose functions such as waste heat utilization, energy storage, and substations to adapt to different application scenarios such as single-output power generation/cogeneration, grid connection/disconnection, frequency of operating condition changes, and alternating current/direct current (AC/DC) systems, etc. At the same time, in distributed energy scenarios, miniaturized and modular designs were adopted to achieve rapid deployment through compact fuel cell stacks and flexible power conversion systems; in backup power scenarios, system reliability was enhanced, and integrated energy storage units and millisecond switching technology ensured uninterrupted power supply.

iv) In terms of marine application R&D, the C240 system, strictly following the technical standards of the classification society, has comprehensively improved safety designs such as anti-explosion, ventilation, dual power switching, multi-point hydrogen concentration monitoring, and insulation isolation. At the same time, based on the characteristics of inland ships using direct discharge of river water, the intelligent temperature control algorithm was used to balance the operating temperature of fuel cell generators.

v) In terms of innovative technology reserve, our R&D team is developing groundbreaking megawatt-scale proton exchange membrane (PEM) electrolyzer technology and a new generation of 1,000Nm³/h alkaline electrolyzer technology, tailored to meet the needs of various end application scenarios. Related technologies can greatly improve the efficiency, purity and stability of hydrogen production, addressing the demand for high-quality hydrogen across different industries. In addition, we are also developing a megawatt-scale PEM and 1,000Nm³/h alkaline electrolyzed water hydrogen production system with Safety Instrumented System (SIS) function, which integrates advanced safety control technology to ensure the safety and reliability of the whole hydrogen production process. At present, our alkaline electrolyzer hydrogen production system has successfully passed the evaluation and certification of internationally renowned institutions, and its safety and reliability are benchmarked against international standards. Focusing on the demand of end application scenarios, our technical reserves will help the Company to forge a complete industrial chain from hydrogen production to hydrogen usage.

During the Reporting Period, our hydrogen energy R&D center – test center passed the review of the China National Accreditation Service for Conformity Assessment (CNAS) and successfully obtained the national laboratory accreditation certificate, which indicates that our test center has nationally and internationally recognized standardization management levels and testing technical capabilities, and has joined the ranks of nationally accredited laboratories, greatly enhancing the market credibility and technical authority of our products, and providing global customers with more secure product services and decision-making confidence.

4. Governance optimization

In 2025, the Company advanced internal management reforms and upgraded its operational systems centered on the four core directions of "governance enhancement, organizational optimization, talent activation, and cost reduction with efficiency improvement," laying a solid foundation for sustainable development. In the face of a complex market environment, the Company enhanced resource utilization efficiency and organizational effectiveness through structural adjustments and the establishment of innovative mechanisms, thereby strengthening its core competitiveness.

Looking ahead, the Company will comprehensively upgrade its governance system, focusing on decision-making efficiency and risk prevention and control. It will enhance the governance structure, refine the system of authority and responsibilities, and strengthen internal control mechanisms to improve strategic execution and compliance in operations. In addition, by optimizing the organizational structure, the Company will break down departmental silos, build a flatter structure, and strengthen market responsiveness and cross-functional collaboration capabilities. Meanwhile, the talent strategy will be oriented toward value creation, specifically through talent pipeline development, precise incentive mechanisms, and optimization of the empowerment system to stimulate team innovation and professional potential. Furthermore, the Company's management will focus on cost reduction and efficiency improvement across the entire value chain, leveraging rationalized authorization, streamlined processes, refined resource allocation, and in-depth application of business informatization to achieve cost rationalization and enhance management efficiency.

During the Reporting Period, the Company achieved substantial breakthroughs in internal management improvements, reflected in optimized operating cost structures, enhanced governance resilience, improved organizational agility and collaboration efficiency, and higher core talent retention rates and performance indicators. Going forward, the Company will continue to deepen management innovation and integrate informatization to drive operational models toward greater efficiency and intelligence, ensuring the Company remains on a high-quality development trajectory.

FINANCIAL REVIEW

Revenue

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

For the Reporting Period, the Group's revenue amounted to approximately RMB58.9 million, as compared to approximately RMB133.0 million for the Previous Period, representing a decrease of 55.7%. The decrease was mainly attributable to (i) the fact that the hydrogen fuel cell industry in which the Group operates is still at an early stage of commercialization, with inadequate infrastructure development and adaptive adjustments as the sector undergoes a transition from being "policy and demonstration-driven" to "scenario and commercialization-driven", resulting in short-term pressure on market sales and affecting the pace of market promotion and project implementation; and (ii) the decrease in the average selling prices of hydrogen fuel cell systems.

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Hydrogen fuel cell systems	**36,651**	130,939
Hydrogen fuel cell stacks	**2,017**	432
Hydrogen fuel cell system components	**1,035**	619
Maintenance services	**18,651**	–
Others *Note*	**529**	1,022
Total revenue	**58,883**	133,012

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

Sales Volume and Average Selling Price

The following table sets forth a breakdown of the sales volume and average selling price of the hydrogen fuel cell stacks and hydrogen fuel cell systems for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	Sales volume ***(kW)***	**Average selling price** ***(RMB per kW)***	Sales volume *(kW)*	Average selling price *(RMB per kW)*
Hydrogen fuel cell stacks	**2,396.1**	**841.8**	240.0	1,799.4
Hydrogen fuel cell systems	**11,090.0**	**3,304.9**	34,645.0	3,779.4

The average selling price of our hydrogen fuel cell systems decreased from RMB3,779.4/kW for the Previous Period to RMB3,304.9/kW for the Reporting Period and the average selling price of our hydrogen fuel cell stacks decreased from RMB1,799.4/kW for the Previous Period to RMB841.8/kW for the Reporting Period, mainly due to the development of the hydrogen fuel cell industry and the intense market competition, which led to a decrease in the selling prices of hydrogen fuel cell products.

The sales volume of our hydrogen fuel cell stacks increased from 240.0 kW for the Previous Period to 2,396.1 kW for the Reporting Period, mainly due to the business planning requirements of newly developed customers during the Reporting Period. The sales volume of our hydrogen fuel cell systems decreased from 34,635.0 kW for the Previous Period to 11,090.0 kW for the Reporting Period mainly due to (i) the phased impact of various factors during the industry's development has delayed the pace of market promotion and project implementation, leading to a decline in the sales volume of the Company's hydrogen fuel cell system; and (ii) the seasonal factors in the industry, which resulted in the majority of sales being realized in the second half of the year.

Cost of Sales

The Group's cost of sales consists primarily of raw materials, employee benefit expenses, depreciation and amortization of other fixed assets used in the production facilities and the production process, and impairment loss of the non-financial assets.

The table below sets forth a breakdown of the cost of sales for the periods indicated:

	For the six months ended 30 June		Period-on-period change compared to 30 June
	2025	2024	**2024**
	RMB'000	*RMB'000*	*(%)*
Cost of sales of goods and services			
Raw Materials	**36,006**	108,693	(66.9)
Employee benefit expenses	**3,712**	8,664	(57.2)
Depreciation and amortization expense	**8,287**	6,658	24.5
Others	**1,873**	5,685	(67.1)
Subtotal	**49,879**	129,700	(61.5)
Impairment loss of inventory	**5,909**	2,542	132.5
Total	**55,788**	132,242	(57.8)

Raw materials were the largest component of our cost of sales for both the Previous Period and the Reporting Period. The cost of raw materials decreased by 66.9% from approximately RMB108.7 million for the Previous Period to approximately RMB36.0 million for the Reporting Period, mainly due to the decrease in revenue from sales of hydrogen fuel cell systems.

The impairment loss of inventory increased by 132.5% from approximately RMB2.5 million for the Previous Period to approximately RMB5.9 million for the Reporting Period, which was mainly due to further impairment provisions for long-aged sluggish inventory of raw materials.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The table below sets forth a breakdown of our gross profit and gross profit margin by product types for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Gross profit and gross profit margin of sales of goods and services				
Hydrogen fuel cell stacks	**(594)**	**(29.5)**	204	47.2
Hydrogen fuel cell systems	**4,608**	**12.6**	3,123	2.4
Hydrogen fuel cell system components and others	**330**	**21.1**	(15)	(0.9)
Repair services	**4,660**	**25.0**	–	–
Subtotal	**9,004**	**15.3**	3,312	2.5
Less: impairment loss of inventory	**(5,909)**	**N/A**	(2,542)	N/A
Total	**3,095**	**5.3**	770	0.6

The gross profit of the Group significantly increased by 301.9% from approximately RMB0.8 million for the Previous Period to approximately RMB3.1 million for the Reporting Period, and the gross profit margin of the Group increased from approximately 0.6% for the Previous Period to approximately 5.3% for the Reporting Period, which was mainly due to (i) the Group's hydrogen fuel cell systems entering into mass production during the Reporting Period, resulting in a decrease in unit sales costs; and (ii) the higher gross profit margin from hydrogen fuel cell vehicle maintenance services provided by the Group during the Reporting Period. The negative gross margin of the Group's hydrogen fuel cell stacks during the Reporting Period was primarily due to a significant decline in market prices.

Other Income

Other income of the Group decreased by approximately RMB1.2 million or approximately 16.2% from approximately RMB7.4 million for the Previous Period to approximately RMB6.2 million for the Reporting Period, which was mainly due to the decrease in the government grants and subsidies received and recognized during the Reporting Period.

Other Gains – Net

Other gains – net of the Group decreased by approximately RMB19.2 million or approximately 68.6% from gains of approximately RMB28.0 million for the Previous Period to approximately RMB8.8 million for the Reporting Period, mainly due to the Group's idle fund management, floating-income wealth management products with principal protection were purchased from independent third-party financial institutions. These products have no fixed maturity and can be redeemed at any time. They are classified as financial assets measured at fair value. During the Reporting Period, fair value gains decreased by approximately RMB19.1 million, mainly due to the exchange rate fluctuations.

Net Impairment Losses on Financial Assets and Contract Assets

The Group's impairment losses on financial assets and contract assets decreased from approximately RMB44.6 million for the Previous Period by approximately RMB22.0 million, or approximately 49.4%, to approximately RMB22.6 million for the Reporting Period, primarily due to the decrease in the allowance for expected credit losses on trade receivables as compared with the Previous Period.

Administrative Expenses

The Group's administrative expenses primarily consist of employee benefit expenses, share-based payments, impairment losses, depreciation of right-of-use assets, and depreciation of property, plant and equipment. The Group's administrative expenses decreased from approximately RMB113.5 million for the Previous Period to approximately RMB96.7 million for the Reporting Period, primarily due to (i) no share-based payment expenses were recognized during the Reporting Period in relation to stock option incentive schemes and employee share option schemes; and (ii) savings in employee compensation expenses attributable to organizational optimization and improved management efficiency.

Selling Expenses

The Group's selling expenses decreased from approximately RMB20.8 million for the Previous Period to approximately RMB14.1 million for the Reporting Period, primarily due to the decrease in marketing expenses during the Reporting Period.

Research and Development Expenses

The Group's R&D expenses increased from approximately RMB65.3 million for the Previous Period to approximately RMB67.8 million for the Reporting Period, mainly due to the Company's continuous increase of R&D investment in various key projects, such as fuel cell stacks, fuel cell systems, fixed power generator and electrolysis water hydrogen production equipment.

Finance Costs – Net

The Group's finance costs mainly consist of interest expenses on borrowings. For the Reporting Period, net finance costs of the Group amounted to approximately RMB10.9 million (Previous Period: approximately RMB6.1 million), mainly due to the combined effect of the increase in interest expenses on borrowings and decrease in interest income from bank deposits.

Income Tax Expense/(Credit)

The Group's income tax expense/(credit) primarily represents the Group's total current income tax and deferred income tax expense/(credit) under the relevant income tax rules and regulations in the jurisdictions where we operate during the Reporting Period. For the Reporting Period, the Group recorded an income tax expense of approximately RMB2.4 million. For the Previous Period, it recorded an income tax credit of approximately RMB1.6 million.

Loss Attributable to Owners of the Company

As a result of the foregoing, loss attributable to owners of the Company amounted to approximately RMB184.2 million for the Reporting Period, as compared to approximately RMB212.3 million for the Previous Period.

Liquidity, Financial and Capital Resources

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

As of 30 June 2025, the Group had cash and cash equivalents including restricted cash of approximately RMB95.2 million, representing a decrease of approximately 69.3% compared to approximately RMB309.6 million at the beginning of the Reporting Period. As of 30 June 2025, the Group had net current assets of approximately RMB1,909.6 million, as compared to approximately RMB2,059.9 million as of 31 December 2024. The current ratio of the Group was approximately 2.5 as of 30 June 2025, remaining flat compared to 31 December 2024.

Borrowings and Charges on the Group's Assets

As of 30 June 2025, the Group's outstanding current and non-current borrowings amounted to approximately RMB544.4 million. The maturity groupings of the borrowings are as follows:

	As at 30 June 2025 ***RMB'000***	As at 31 December 2024 *RMB'000*	**Period-on-period change compared to 31 December 2024** *(%)*
Borrowing terms			
Within one year	**372,268**	332,408	12.0
Between one and two years	**84,480**	82,921	1.9
Between two and five years	**87,602**	114,405	(23.4)
Total	**544,350**	529,734	2.8

As of 30 June 2025, the Group's bank loans were approximately RMB 544.4 million. As at 30 June 2025, the Group has guaranteed borrowings including (i) short-term bank borrowing of approximately RMB51.7 million guaranteed by deposit; (ii) long-term bank borrowings of approximately RMB29.0 million secured by the Group's land use rights with net book value of approximately RMB51.5 million; (iii) long-term bank borrowings of approximately RMB134.3 million secured by the Group's property, plant and equipment and land use rights with a net book value of approximately RMB168.4 million and RMB25.9 million, respectively; and (iv) finance lease borrowings of approximately RMB43.5 million secured by the Group's production lines with a net book value of approximately RMB78.6 million, with the right to receive receivables with a book value of RMB51.1 million and future receivables with a book value of RMB82.1 million pledged. The proportion of the Group's long-term borrowings in the total borrowings was approximately 31.6% as of 30 June 2025, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the Group's debt level and financial structure had laid a solid foundation for the Group to withstand market volatility and diminish financial risks. As of 30 June 2025, the weighted average effective interest rates for the Group's bank borrowings and third-party borrowings were 3.48% and 3.39%, respectively. All bank borrowings or loans are denominated in RMB.

Gearing Ratio

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

Capital Commitments

The Group's capital expenditure during the Reporting Period represented the acquisition of property, plant, and equipment. As of 30 June 2025, the Group had contracted but not provided for capital commitments for acquisition of property, plant and equipment were approximately RMB 277.9 million (as of 31 December 2024: approximately RMB 269.1 million).

Capital Expenditures

The Group's capital expenditures primarily relate to payments of property, plant and equipment and land lease. For the Reporting Period, the Group's capital expenditures were approximately RMB 21.8 million (Previous Period: approximately RMB30.9 million).

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rates between RMB and other currencies relating to the Group's business. The Group is subject to foreign currency risk attributable to the bank balances that are denominated in currencies other than RMB. The Group seeks to limit the exposure to foreign currency risk by minimizing its net foreign currency position. The Group did not enter into any hedging transactions in respect of foreign currency risk as of 30 June 2025. The Directors expect that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

CONTINGENT LIABILITIES

As at 30 June 2025, the Company did not have any material contingent liabilities.

Future Development and Outlook of the Company

Since its establishment, the Company has gone through multiple development cycles, including industrialization of hydrogen energy technology, independent control of technologies, construction of a commercial ecosystem, and financial capitalization. Facing a new development cycle, the Company remains committed to the four strategic directions of "commercialization of technological innovation, integration of hydrogen energy ecosystems, diversification of business expansion" and "refining operational management". We will accelerate core technology breakthroughs and upgrading our product portfolios, promote the construction of an integrated commercial ecosystem model of hydrogen energy and the value chain integration. By prioritizing emerging hydrogen application areas to strengthen the foundation for sustainable development and driving cost reduction and efficiency improvement across the industry, the Company will comprehensively enhance its core competitiveness and sustainable development capabilities, contributing green energy solutions to the national goals of structural transformation in energy supply and carbon neutrality.

1. Commercialization of Technological Innovation

Going forward, we will continue to focus on product and technological innovation, increasing R&D investment in core products. Driven by technological innovation, we will promote coordinated upgrades across the entire industry chain, strengthen independent technological breakthroughs and integration with the industrial ecosystem, attract top domestic and international talent, and deepen industry-academia-research collaborations. We aim to achieve significant breakthroughs in core technologies for products such as flexible graphite bipolar plates, high-efficiency and high-power hydrogen fuel cell stacks, high-power fuel cell systems, multi-scenario fuel cell power generation equipment, and hydrogen production equipment. Furthermore, we are driving breakthroughs in high power density and extreme environmental tolerance of stack products, enhance the modular integration and multi-scenario adaptability of fuel cell system products, and tackle bottlenecks in hydrogen production equipment in core technologies and cost-reduction through mass production. By continuously improving the adaptability, durability, reliability, power density, energy conversion efficiency, safety, and cost-effectiveness of our products, we are accelerating systematic technological iteration, providing efficient and reliable products and services to support the commercial application of hydrogen energy technologies. This will reinforce our leading market position in the hydrogen fuel cell industry and deliver high-competitiveness solutions for national strategic scenarios such as the hydrogen economy, industrial decarbonization, and low-altitude economy.

2. Integration of Hydrogen Energy Ecosystem

We are committed to building an innovative commercial ecosystem model for the hydrogen energy industry, fully advancing the integrated development of "equipment + scenarios + finance." This systematic development model is based on high-end manufacturing as the foundation, diversified application scenarios as the driver, and financial capital as the collaborative link. Specifically, we will consolidate our industrial basis through equipment cost reduction, unleash market momentum through scenario innovation, and connect resource

factors through financial capital. This systematic approach will drive the hydrogen energy industry to grow from demonstration phase to scale production phase, creating a closed-loop ecosystem across the entire hydrogen value chain and accelerating the commercial deployment of hydrogen fuel cell applications. These measures will comprehensively enhance the Company's core competitiveness and propel it into a new stage of high-quality, sustainable development.

3. Diversified Business Expansion

We will actively implement the "Hydrogen+" diversified development strategy while continuously consolidating our first-mover advantage in the vehicle hydrogen equipment sector and maintaining a leading market position. Based on this foundation, we will further deepen our expansion into commercial transportation application areas such as rail transit, ships, and two-wheeled motorcycles to promote zero-carbon transformation in China's transportation sector. Additionally, we will prioritize the fields of electrolytic hydrogen production and distributed power generation, focusing on breakthroughs in efficient energy supply technologies for multiple scenarios. This will provide momentum for green industrial production and the construction of a distributed energy system. In response to the national strategy for low-altitude economic development, we will closely focus on commercial applications of drones in new productive force scenarios. We aim to accelerate the product layout for hydrogen-powered drone applications, thereby transforming the Company into a comprehensive hydrogen solutions service provider.

4. Refining Operational Management

We will enhance our internal operational ecosystem through a dual-track strategy focused on improving talent efficiency and upgrading management systems, thereby refining the lean operational ecosystem within the Company.

In terms of talent efficiency enhancement, we will consistently attract top-tier technical professionals while deepening cooperation with domestic higher education institutions. Through joint university-enterprise collaboration, we will establish targeted channels for cultivating interdisciplinary talents with hydrogen energy technology skills. This will help optimize our talent structure and improve the professional skills training system, ultimately elevating the overall expertise and innovation capability of our workforce.

Regarding the upgrade of management systems, we will further refine the corporate management framework to enhance both management and operational efficiency. Through fine management and process optimization, we will strengthen cross-departmental coordination efficiency and simultaneously improve business risk control mechanisms. These measures ensure compliance in operations and efficient resource allocation, achieving comprehensive improvement in corporate governance, management, and operations, thus reinforcing our competitive edge in the industry.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment and events which could have material impact on our operating and financial performance for the Reporting Period. As of 30 June 2025, the Company had no specific plans for significant investments or acquisitions of capital assets.

MATERIAL ACQUISITION AND DISPOSAL

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

EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2025, the Group had a total of 358 full-time employees (as of 31 December 2024: 511) and all of them were based in China. We primarily recruit our personnel through recruitment agencies, on-campus job fairs, referrals, and online channels including our corporate website and social networking platforms.

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

In terms of remuneration, our employees' remuneration varies according to the functions: (i) our sales personnel's remuneration includes base salary and bonuses based on their total sales amount; (ii) our administration personnel's remuneration includes basic salary, subsidies and performance-based bonuses; and (iii) our production personnel's remuneration includes base salary and bonuses.

Employee benefit expenses consist of (i) salaries, wages and bonuses; (ii) pension cost – defined contribution plans; (iii) housing fund, medical insurance and other social insurance; and (iv) share-based payments expense. Employee benefits expenses (including directors' remuneration) were approximately RMB54.2 million during the Reporting Period (Previous Period: approximately RMB105.8 million).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued H Shares at HK$19.66 per share and offered 79,520,000 H Shares in Hong Kong, which were listed on the Main Board of the Stock Exchange on 5 December 2023 (the "**Listing Date**"). The net proceeds received by the Company from the global offering of its H Shares (the "**Global Offering**"), after deducting underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$1,456.3 million. As of 30 June 2025, the net proceeds from the Global Offering were used as follows:

	Approximate percentage of the total net proceeds *(%)*	**Net proceeds from the Listing** *HKD million)*	**Remaining net proceeds as of 31 December 2024** *(HKD million)*	**Net proceeds utilized during the Reporting Period** *(HKD million)*	**Remaining net proceeds as of 30 June 2025** *(HKD million)*	**Expected time to utilize the remaining net proceeds in full** *(Note 1)*
Expand the production capabilities of the Group's hydrogen fuel cell stacks and hydrogen fuel cell systems	40	582.6	531.9	11.6	520.3	By the end of the year ending 2026
Research and development of hydrogen fuel cell stacks, hydrogen fuel cell systems and hydrogen production equipment	20	291.3	270.0	15.4	254.6	By the end of the year ending 2026
Investment in, the potential acquisition of, or the alliance with companies in the Group's upstream industry	10	145.6	145.6	0	145.6	By the end of the year ending 2026
Development of downstream transit and stationary applications of the Group's product portfolios and development of domestic applications and the increase of local demands for the Group's products by establishing joint ventures with the local governments and companies	10	145.6	129.5	0	129.5	By the end of the year ending 2026
Team building, talents recruitment and training, as well as enhanced compensation and incentives to key personnel, and upgrading information technology infrastructure to support our growth and expansion, and to further enhance management and operational efficiency	10	145.6	134.6	10.0	124.6	By the end of the year ending 2026
Working capital and other general corporate purposes	10	145.6	124.8	25.7	99.1	By the end of the year ending 2026
Total *(Note)*	**100**	**1,456.3**	**1,336.4**	**62.7**	**1,273.7**	

Notes:

(1) The expected timeline for using the unutilized net proceeds is based on the best estimation of the present and future business market situations made by the Board, and it will be subject to changes based on the future development of market conditions.

(2) Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

DIVIDEND

The Board does not recommend payment of interim dividend for the Reporting Period.

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance its corporate value and accountability. The Company has adopted the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**" and the "**CG Code**", respectively) as its own code of corporate governance.

Reference is made to the Company's announcement dated 28 February 2025. As the terms of office of the general manager and other senior management members of the Company had expired in March 2025, in order to further improve the corporate governance structure, the Board appointed Mr. Chen Xiaomin ("**Mr. Chen**") as the general manager of the Company (the "**General Manager**") with effect from 28 February 2025. Mr. Yang was later re-elected as a non-executive Director of the second session of the Board at the extraordinary general meeting of the Company (the "**EGM**") held on 28 March 2025. According to the code provision C.2.1 of Part 2 in the CG Code as set out in Appendix C1 of the Listing Rules which provides that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, the Board believes that, with the support of the management team, having the same individual serve as both the chairman and chief executive officer helps to implement the Company's business strategy and enhance its operational efficiency. In addition, the second session of the Board comprises two executive Directors, four non-executive Directors, and three independent non-executive Directors, who, under the Board's supervision, can fully and fairly represent the interests of the Shareholders. Mr. Chen is well-acquainted with the Company's business operations and possesses exceptional knowledge and experience in the Company's business. His dual roles as chairman of the Company and the General Manager are beneficial to improving the overall strategic planning efficiency of the Company.

Save as disclosed above, the Company has complied with all applicable code provisions set out in Part 2 of Appendix C1 of the Listing Rules during the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 894,500 H Shares on the Stock Exchange. Details of the repurchase of H Shares are as follows:

Month of repurchase	Number of H Shares repurchased	Price per share		Aggregate consideration
		Highest	Lowest	
		HK$	*HK$*	*HK$'000*
January 2025	586,000	10.5	9.45	5,878.81
March 2025	26,500	9.09	8.8	237.89
April 2025	282,000	9.10	7.81	2,443.15

The above repurchases of the H Shares were effected by the Directors, pursuant to the mandate approved by the Shareholders at the AGM held on 19 June 2024, with a view to demonstrate the Company's confidence in its business outlook and prospects and would, in the long term, benefit the Company and create value to the Shareholders.

All the repurchased H Shares were held as treasury Shares of the Company and are intended to be used for purposes such as employee incentives, sale or transfer to obtain liquid funds, etc. subject to the actual decision by the Board.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has been established with written rules of procedure in compliance with the Listing Rules and the CG Code. The Audit Committee currently comprises three independent non-executive Directors, Ms. Wong Yan Ki, Angel, Mr. Liu Xin, and Dr. Xing Wei. Ms. Wong Yan Ki, Angel is the chairlady of the Audit Committee. The Audit Committee has reviewed, among others, the accounting principles and practices adopted by the Group, the relationship with and terms of appointment of the external auditors, the Company's financial reporting system, internal control and risk management system with the management. The unaudited condensed interim financial results of the Group for the Reporting Period have been reviewed by the Audit Committee.

EVENTS DURING THE REPORTING PERIOD

Election of the Second Session of the Board and the Supervisory Committee (the "Election")

As the term of the first session of the Board and the supervisory committee of the Company (the "**Supervisory Committee**") had expired on 22 March 2025, the Company has proposed the election of the second session of the Board and the Supervisory Committee (the "**Second Session**") in accordance with relevant requirements of the articles of association of the Company (the "**Articles of Association**") and the Company Law of the People's Republic of China (the "**Company Law**"). Save for Mr. Dong Guihu and Mr. Zhang Chen, all of the Director candidates were Directors of the first session of the Board. All of the supervisor candidates were supervisors of the first session of the Supervisory Committee (the "**Supervisors**"). Mr. Zhan Zhanlin ("**Mr. Zhan**") and Dr. Wan Yu ("**Dr. Wan**") had not offered themselves for re-election and has retired as non-executive Directors with effect from the date when the Second Session is elected. Both Mr. Zhan and Dr. Wan have confirmed that they have no disagreement with the Board relating to their retirement, and there are no matters relating to their retirement that need to be brought to the attention of the Stock Exchange and the shareholders of the Company (the "**Shareholders**").

All the proposed Directors and Supervisors in relation to the Election were approved by the Shareholders at the EGM held on 28 March 2025. For details, please refer to the Company's circular dated 11 March 2025 and the Company's announcements dated 28 February 2025 and 28 March 2025.

Appointment of New Senior Management Team, Change of General Manager and Compliance with the CG Code

On 28 February 2025, as the terms of office of the General Manager and other senior management members of the Company had expired in March 2025, in order to further improve the corporate governance structure of the Company, the Board announced the appointment of the new senior management team, with Mr. Chen as the General Manager and Mr. Liu Zhixiang, Mr. Yan Xiqiang, Ms. Li Jing, Mr. Wang Jun and Mr. Xiao Xin as the deputy general managers of the Company, with effect from the same date. According to the code provision C.2.1 of Part 2 in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules which provides that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, the Board believes that, with the support of the management team, having the same individual serve as both the chairman and chief executive officer helps to implement the Company's business strategy and enhance its operational efficiency. For details, please refer to the Company's announcement dated 28 February 2025 and the section "Corporate Governance Code" on page 30 of this announcement.

Proposed implementation of H Shares full circulation

On 27 March 2025, the Board of the Company considered and approved the conversion of 41,303,978 domestic shares of the Company ("**Domestic Shares**") held by 12 Shareholders of the Company into H Shares. On 10 April 2025, the Company had submitted an application to the China Securities Regulatory Commission (the "**CSRC**") in respect of the conversion of the Domestic Shares held by the aforementioned Shareholders into H Shares. On 19 August 2025, the Company received a filing notice issued by the CSRC regarding the Company's proposed implementation of the H share full circulation. The Company has completed the filing with the CSRC in respect of the conversion of no more than 41,303,978 domestic shares into H Shares which may be listed and traded on the Stock Exchange. The filing notice will be valid for 12 months from 19 August 2025.

As of the date of this announcement, the details of the Company's implementation plan of the conversion and application for the listing of and permission to deal in such H Shares on the Main Board of the Stock Exchange ("**Conversion and Listing**") have not been finalized and the completion of the Conversion and Listing is subject to the performance of other relevant procedures required by CSRC, the Stock Exchange and other relevant onshore and offshore regulatory authorities. Please refer to the announcement of the Company dated 27 March 2025, 10 April 2025 and 21 August 2025 for more details.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no other significant events occurred subsequent to 30 June 2025 and up to the date of this announcement.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND 2025 INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinosynergypower.com), and the 2025 interim report of the Company containing all the information required by the Listing Rules will be disseminated and dispatched to the Shareholders and made available on the above websites in due course.

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

Jiaxing, the PRC
25 August 2025

As at the date of this announcement, the Board of the Company comprises: (i) Mr. Chen Xiaomin, and Mr. Ye Jiajie as executive Directors; (ii) Mr. Yang Zeyun, Mr. Dong Guihu, Mr. Huang Jiao and Mr. Zhang Chen as non-executive Directors; and (iii) Mr. Liu Xin, Dr. Xing Wei and Ms. Wong Yan Ki, Angel as independent non-executive Directors.