



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 2024



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IMPORTANT NOTICE

- I.** The Board, the Supervisory Committee and the Directors, the Supervisors and senior management of the Company confirm that the information contained in this interim report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

II. NOTICE OF SIGNIFICANT RISKS

1. Risk of loss in performance

During the Reporting Period, the net loss attributable to shareholders of the listed company was RMB141.4893 million, representing a year-on-year increase of RMB64.9782 million. The change in performance for the period was mainly due to the year-on-year decrease of gross profit as a result of the decrease in selling prices of the Company's products being greater than the decrease in costs during the Reporting Period, the increase in interest expense year-on-year with the increase in bank loans, and the year-on-year decrease of exchange gains recognized due to exchange rate changes during the Reporting Period.

In the face of the above impacts, the management of the Company took active measures to respond. In the first half of 2024, the Company's R&D, production and sales and other businesses basically remained stable. During the Reporting Period, the Company achieved operating income of RMB153.8435 million, representing a year-on-year increase of 0.21%. However, if the development of the industry in the future fails to meet expectations, the market demand continues to decline, or the industry competition further intensifies, and with the continuous increase in expenses and costs in all aspects, the Company cannot obtain sufficient orders and expand sales to the level of economic scale that the Company is able to make a turnaround, it is expected that the Company's operating results will be materially and adversely affected and will continue to suffer losses.

2. Risks of continued negative operating cash flows

The operating cash flow of the Company continued to be negative, mainly due to the large amount of working capital appropriated to the accounts receivable and inventory of the Company. During the period of rapid development of the industry in which the Company is located, the capital demand will still grow rapidly, and the continuous negative operating cash flow may lead to insufficient working capital of the Company. As the Company is still in the early stage of development, its ability of alternative financing is limited. If the Company is unable to broaden its financing channels and effectively improve operating cash flow in the future, the Company may expose to the risk of insufficient working capital.

- III.** All Directors of the Company attended the Board meeting.
- IV.** This interim report is unaudited.
- V.** Zhang Guoqiang, the Person-in-charge of the Company, Song Haiying, the Chief Financial Controller and Zhang Hongli, Head of the Finance Department (Person in Charge of Accounting) represent and warrant the truthfulness, accuracy and completeness of the financial statements set out in the interim report.

IMPORTANT NOTICE

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

Nil

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

Not Applicable

VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

Applicable

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

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

Yes

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

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

No

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

No

XII. OTHERS

Not Applicable

SECTION I

DEFINITIONS

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

DEFINITION OF COMMON TERMS

Company/SinoHytec	Beijing SinoHytec Co., Ltd.
Group	The Company and its subsidiaries
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
Juxinghuateong	Beijing Juxinghuateong 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., a joint venture of the Company
United Fuel Cell	United Fuel Cell System R&D (Beijing) Co., Ltd., an associate of the Company
Shuimu Sail	Beijing Shuimu Sail Venture Capital Investment Center (L.P.)
Shuimu Yuanjing	Nanning Shuimu Yuanjing Venture Capital Investment Center (L.P.)
Shuimu Changfeng	Beijing Shuimu Changfeng Equity Investment Center (L.P.)
Beiqi Foton	Beiqi Foton Motor Co., Ltd.
Yutong Bus	Yutong Bus Co., Ltd.
Ministry of Science and Technology	Ministry of Science and Technology of the People's Republic of China
MOF	Ministry of Finance of the People's Republic of China
MIIT	Ministry of Industry and Information Technology of the People's Republic of China

SECTION I DEFINITIONS

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
Hong Kong 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, 2024
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

SECTION I DEFINITIONS

fuel cell vehicles/hydrogen fuel cell vehicles	Vehicles with fuel cell system as the power source or main power source
fuel cell system/engine system/power system	the hydrogen storage and power generation compound system in fuel cell vehicles consists of stacks, air supply system, hydrogen supply system, cooling system, control system, hydrogen storage system, DC/DC and other components
stack	A combination of two or more monomer cells with common pipes and unified power output through a fastener structure
bipolar plates	Stack parts, a conductive partition that collects electric current, separates oxidants and reducers and guides the flow of oxidants and reducers on the electrode surface of the battery
PEM	Membrane with proton as the conductive charge
catalyst	A substance that can produce an electric catalytic effect and does not enter the molecular composition of the final product itself. The catalyst in this report specifically refers to the catalyst in the membrane electrode module. Catalysts are typically tiny particles that are evenly coated on the proton exchange membrane. These tiny particles are typically carbon carriers and platinum particles, allowing hydrogen to be separated into hydrogen ions (hydrogen ions are the protons), so that hydrogen ions can react to the oxygen in the air through the proton exchange membrane
air compressor	Air compressor, a device used to compress gas and increase gas pressure
DC/DC	DC-to-DC converter, in the application scenarios of fuel cell vehicles, is responsible for converting the DC voltage from fuel cell output to the working voltage of the vehicle-driven motor, forming a stable and controllable DC power supply with the fuel cell
rated power	The maximum continuous output power of fuel cell system under the normal operating conditions as specified by the state. The measurement unit of the rated power is kilowatt (kW)
freeze-start temperature	Freeze-start temperature, which enables the fuel cell system start up when environmental temperature is lower than 0° C and refers to the start-up of a fuel cell system at a standard environmental temperature after a fully immersive vehicle

SECTION I DEFINITIONS

durable performance	A period that the fuel cell system can last when it works at a rated work point with power loss of 20%, measured in hours (h)
energy conversion efficiency	Conversion of chemical energy in hydrogen into power output efficiency, the higher energy conversion efficiency, the more effective use of hydrogen
Hong Kong	Hong Kong Special Administrative Region of the PRC
RMB, RMB0,000, RMB00 million	Renminbi, Renminbi10,000 and Renminbi100 million

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

SECTION II

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. BASIC INFORMATION OF THE COMPANY

Chinese name of the Company	北京億華通科技股份有限公司
Abbreviation of the Chinese name	億華通
English name of the Company	Beijing SinoHytec Co., Ltd.
Abbreviation of the English name	SINOHYTEC
Legal representative of the Company	Zhang Guoqiang
Registered address of the Company	Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, the PRC
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
Principal place of business of the Company in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Company website	http://www.sinohytec.com
E-mail	sinohytec@autoht.com

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

SECTION II

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

IV. PROFILE OF COMPANY STOCK/DEPOSITARY RECEIPTS

(I) STOCK PROFILE OF THE COMPANY

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

V. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Major Accounting Data

Unit: RMB

Major Accounting Data	For the Reporting Period (January – June)	For the same period last year		Increase/ decrease as compared with the same period last year (%)
		Post-adjustment	Pre-adjustment	
Operating income	153,843,525.55	153,519,255.42	153,519,255.42	0.21
Net profit attributable to shareholders of the listed company ("–" for loss)	-141,489,332.28	-76,511,130.16	-76,511,130.16	–
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss ("–" for loss)	-158,021,201.42	-119,540,437.94	-124,084,939.94	–
Net cash flows from operating activities ("–" for loss)	-183,120,171.18	-276,367,270.27	-276,367,270.27	–

Major Accounting Data	As of the end of the Reporting Period	As of the end of last year		Increase/ decrease as compared with the end of last year (%)
		Post-adjustment	Pre-adjustment	
Net assets attributable to shareholders of the listed company	2,904,756,557.24	3,044,850,299.91	3,044,850,299.91	-4.60
Total assets	4,976,732,997.88	4,945,720,776.24	4,945,720,776.24	0.63

SECTION II

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

(II) Key Financial Indicators

Key Financial Indicators	For the Reporting Period (January – June)	For the same period last year		Increase/ decrease as compared with the same period last year (%)
		Post-adjustment	Pre-adjustment	
Basic earnings per share (RMB/share) ("–" for loss)	-0.86	-0.47	-0.67	–
Diluted earnings per share (RMB/share) ("–" for loss)	-0.86	-0.47	-0.67	–
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)("–" for loss)	-0.96	-0.74	-1.08	–
Weighted average return on net assets (%)	-4.76	-2.49	-2.49	Decrease by 2.27 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	-5.31	-4.04	-4.04	Decrease by 1.27 percentage points
Proportion of R&D investment in operating income (%)	50.45	49.89	49.89	Increase by 0.56 percentage points

- Note:* (1) In accordance with the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1– Non-recurring Gains or Losses (revised in 2023), government grants related to assets, which are closely related to the Company's normal business operations and have a continuous impact on gain or loss, are classified as the recurring gain or loss items by the Company. The Company retrospectively adjusted net profit after deducting non-recurring gains or losses attributable to shareholders of the Company.
- (2) The Company completed equity distribution by converting capital reserve into share capital in July 2023, and the indicator of earnings per share during the same period has been adjusted based on the latest share capital.

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

In the first half of 2024, the Company achieved operating income of RMB153.8435 million, representing a year-on-year increase of 0.21%. The net loss attributable to shareholders of the listed company was RMB141.4893 million, representing a year-on-year increase of RMB64.9782 million, and the net cash flow from operating activities was RMB-183.1202 million, representing a year-on-year increase of RMB93.2471 million. The change in performance during the Reporting Period was mainly due to the year-on-year decrease of gross profit as a result of the decrease in selling prices of the Company's products being greater than the decrease in costs during the Reporting Period, the increase in interest expense year-on-year with the increase in bank loans, and the year-on-year decrease of exchange gains recognized due to exchange rate changes during the Reporting Period.

SECTION II

COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

VI. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Unit: RMB

Non-recurring profit or loss items	Amount	Notes (where applicable)
Profit/loss on disposal of non-current assets, including the write-off portion of the provision for impairment of assets	1,139,476.66	Note 71, Note 74, Note 75
Government grants included in profit or loss for the current period, except for those closely related to the normal operation of the Company, in line with national policies and regulations, enjoyed according to certain standards and had a continuous impact on the profit or loss of the Company	12,574,157.18	Note 51, Note 67
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and profits and losses from disposal of financial assets and financial liabilities, except for effective hedging business related to the Company's normal operations	9,640,125.91	Note 68, Note 70
Other non-operating income and expenses other than the above	390,896.00	Note 74, Note 75
Less: Effect of income tax	2,549.38	
Effect of minority interests (after tax)	7,210,237.23	
Total	16,531,869.14	

If the Company identifies the items not listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Gains or Losses as non-recurring gain or loss items with significant amount, and if the Company defines the non-recurring gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses as the recurring gain or loss items, it should explain the reasons.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTION OF THE MAIN BUSINESSES AND INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

(I) Main businesses, main products or services

The Company is a high-tech enterprise focusing on the R&D and industrialization of fuel cell systems with independent core intellectual property rights and achieved mass production of fuel cell systems. The Company has successively undertaken a number of major projects in the field of fuel cell, such as the State High-Tech Development Plan, (Program 863), Project for the Ministry of Science and Technology, and projects for Beijing Municipal Science and Technology Commission and STCSM.

The Company's main products and services include fuel cell systems and related technology 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 Tangshan.

(II) Main business models

1. R&D model

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

2. Procurement model

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

3. Production model

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

4. Sales model

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

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(III) Industry conditions

1. Development stage, basic characteristics and main technical threshold of the industry

As a type of secondary energy, hydrogen energy has the characteristics and advantages of diversified sources, zero emission, low carbon, easy storage and transportation, flexibility and efficiency. Hydrogen energy can be widely used in chemical, transportation, construction, energy storage, power generation and other fields. In response to the global environmental crisis, major economies around the world unanimously decide to peak carbon emission and achieve carbon neutrality, and they have formulated their development strategy plan for the hydrogen energy industry at the national level. The development of hydrogen energy has become a global consensus.

Developing hydrogen energy industry is one of the important ways to achieve China's strategic goals of carbon peaking and carbon neutrality, and has special strategic significance for improving China's energy structure, promoting low-carbon transformation in the transportation sector, and improving the international competitiveness and technological innovation of key industries. China attaches great importance to the development of hydrogen energy and fuel cell vehicles. In 2021, hydrogen energy was included into the "Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" as a future-proof industry. The hydrogen energy industry thus became an important part of China's energy strategy. The strategic position of the hydrogen energy and fuel cell industry is clarified in the Medium- and Long-term Plan for the Development of Hydrogen Energy Industry (2021–2035), the Outline of the National Innovation-driven Development Strategy, the China Energy Technology Innovation Action Plan (2016–2030), the Made in China 2025 and the New Energy Vehicle Industry Development Plan (2021–2035). In March 2022, the Medium- and Long-term Plan for the Development of Hydrogen Energy Industry (2021–2035) clarified that hydrogen energy is an important part of the future national energy system, an important focus in the green and low-carbon transformation with energy terminals, and a key development prospect for strategic emerging industries and future-proof industries. Local governments have also made efforts in the hydrogen energy and fuel cell industry. As of June 2024, dozens of regions across the country have issued relevant policies on hydrogen energy and fuel cell vehicles, promoting the development of hydrogen energy and fuel cell industry.

At present, the hydrogen fuel cell vehicle market has not yet achieved economies of scale as it is in the initial stage of commercialization, resulting in high overall cost. However, with the large-scale application of hydrogen fuel cell vehicles in events such as the Beijing Winter Olympics, the global goal of carbon peaking and carbon neutrality and the opportunities arising from China's fuel cell vehicle demonstration city cluster policy, unprecedented new driving force will drive development of hydrogen fuel cell vehicles. According to the public data released by The Orange Group, more than 2,600 fuel cell vehicles were sold in the first half of 2024 in China, representing a year-on-year increase of more than 9%. Meanwhile, from the perspective of application scenarios, the application scenarios of fuel cell vehicles in China have been transformed from the commercial demonstration application in public transportation field to the demonstration application in multiple scenarios such as public transportation, sanitation, urban logistics and distribution, cold chain transportation, slag transportation, and bulk cargo. At the same time, it has also been applied in new fields such as ships and combined heat and power.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

2. Analysis of the industry position of the Company and its changes

As a pioneer in the R&D and commercialization of fuel cell systems in China, the Company possesses proprietary core intellectual property rights and is capable to manufacture fuel cell systems and stack on a mass production basis.

Based on the industry experience and forward-looking market assessment, the Company expanded the 100kW high-power fuel cell system in advance, and actively cooperated with domestic mainstream automobile manufacturers to develop new vehicles such as passenger vehicles, sanitation vehicles, tractors and cold chain logistics, which increased the market coverage of products, thus satisfying diversified market demands.

As the country has clarified the positioning of hydrogen energy industry in the top-level design, and the fuel cell demonstration city cluster policy has been implemented, the number of market participants in the fuel cell industry is increasing. However, there are certain technical barriers for fuel cell system products, leading to high market concentration. According to the statistics of “Road Power-Driven Vehicle Manufacturing Enterprises and Products” published by the Ministry of Industry and Information Technology of the PRC, as of the end of June of 2024, a total of 1,069 fuel cell vehicles (excluding chassis announcement) were published in the PRC, of which 157 vehicles were equipped with the Company’s fuel cell system, ranking forefront of the industry.

3. Development status and future development trend of new technologies, industries, types of operation and models during the Reporting Period

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

Driven by the goal of “carbon peaking and carbon neutrality”, infrastructure related to hydrogen energy will be continuously improved. At the same time, with the promotion of the fuel cell demonstration city cluster policy, the scale effect of fuel cell vehicle application will gradually emerge, and the fuel cell cost will decline rapidly. In the future, China will stimulate the development of the fuel cell industry and expand the scale of downstream applications by through creation of a system for storage, transportation and supply of hydrogen energy, regional demonstration applications and financial incentives. China has set a milestone development goal of “50,000 fuel cell vehicles running on road by 2025”.

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

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

II. CORE TECHNOLOGY AND R&D PROGRESS

1. Core technologies, their advantages and changes during the Reporting Period

During the Reporting Period, the Company kept investing in research and development, introduced research and development professionals, and maintained core competitiveness by continuously improving technical capabilities and enhancing research and development management system. Currently, the core technologies of the Company mainly include:

No.	Core technology	Source of technology	Technical features and advantages
1	Electric-electric hybrid power system matching and control technology	Self-developed	Based on matching of fuel cell system and dynamic modeling of electric-electric hybrid power system through multi-objective optimization design, the Company establishes multi-objective optimization energy management control strategy and power distribution strategy, and achieve simultaneous enhancement of fuel cell life and energy conversion efficiency through flexible load control and efficiency search control.
2	Long-life fuel cell system control technology	Self-developed	Based on the simulation analysis of the dynamic performance of fuel cells, the Company takes a deep dive into the impact relationship between fuel cell operation parameters and life expectancy, conduct in- depth analysis on fuel cell failure mechanism, clarify the association between impact factors of fuel cell life and the operation working conditions, and ensures the life of fuel cells through the anode pressure control, flow pressure coupling control, voltage clamping control, and closed loop control of water content.
3	High-reliability fuel cell system fault diagnosis and fault tolerance control technology	Self-developed	Based on the long-term technology accumulation, the system failure mechanism of fuel cell system is revealed, allowing for accurate identification of the failure in the system, and then fault tolerance control to be exercised for the failure.
4	Low-temperature rapid fuel cell activation technology	Self-developed	The cell stack self-heating technology developed by the Company enables the cell stack to operate in low-efficiency areas, and transform the chemical energy in hydrogen into thermal energy, rapidly improving the temperature of the cell stack, thus reducing the cold start energy consumption, shortening the cold start time, and ultimately improving the driving experience of fuel cell vehicles.
5	High-power density fuel cell system integration technology	Self-developed	Through high integration, the technology allows for less energy loss of pipelines, wire harness, mechanical drive and other parts, reduction in energy consumption of auxiliary systems, less structural redundancy, and lighter fuel cell system.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical features and advantages
6	Utilization of waste heat utilization from efficient fuel cell	Self-developed	Based on the simulation analysis of multi-heat domain and multi-heat flow of fuel cell vehicles, the Company designs a waste heat utilization programme that is highly adaptable and efficient for low-temperature environment, and develops a waste heat utilization control strategy for fuel cell system based on multi-heat domain coupling control to improve the energy conversion efficiency of the system.
7	High-safety on-board hydrogen system integration and control technology	Self-developed	Taking into account factors such as the layout of hydrogen system in the vehicle, safety monitoring, fault diagnosis, fault tolerance control, failure protection, electric protection and high-speed stability, the Company conducted coupling design for hydrogen safety, electrical safety and structural safety, and verified the hydrogen system of fuel cell vehicle in extreme scenarios such as fire, collision and collision. The Company develops the rapid hydrogen filling technology while ensuring safety.
8	Design and integration technology of cell stack of high power density fuel cell	Self-developed	To address problems related to power density, cost and durability of cell stacks, the Company improves the power density of stack by optimizing the bipolar plate flow field to improve power generation performance, and enhances power density of stack through high-level integration of end plates, lightweight materials, and optimized synergy between MEA and electrode plates. Cost of stacks is reduced by means of localization of MEA, optimization of graphite bipolar plate process and use of lightweight bipolar plates, combination of component functions, and overall molding design of multi-functional end plate. By controlling the parts and components of stacks and assembly process, as well as testing methods, the yield rate is enhanced, which is to reduce consumption from the production perspective. Based on the analysis on the overall stack failure pattern and the failure pattern of parts and components, the life of stack is extended through design and control strategy optimization.
9	Test and evaluation technology	Self-developed	With the goals of enhancing adverse weather capabilities, long life, high reliability, high efficiency, low cost and high safety, the Company establishes an all-round integrated test and evaluation system covering five aspects: electric-electric hybrid power system, fuel cell system and BOP components, stack assembly and core components, on-board hydrogen system, and special DC/DC for fuel cell.

During the Reporting Period, there was no change in the Company's core technologies.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

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

Grantee	Title	Year of awarding	Product name
The Company	National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	November 2020 to November 2023	Hydrogen fuel cell motor
The Company	National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	July 2023 to June 2026	Hydrogen fuel cell motor
SinoFuelCell	National-level specialized and sophisticated “little giant” enterprises that produce new and unique products	July 2023 to June 2026	Hydrogen fuel cell stack

2. R&D Achievements during the Reporting Period

The Company has always adhered to independent research and development, continuously explored and researched cutting-edge technologies in the field of fuel cell systems, and realized technological progress, product performance optimization and iteration based on its own research and development advantages and long-term transformation of scientific and technological achievements. Besides, based on the accumulated research and development experience over the years, the Company has realized the expansion of hydrogen energy upstream and downstream industrial chain layout and product application scenarios through the development of electricity and heat cogeneration supply and PEM hydrogen production systems.

During the Reporting Period, the Company obtained 72 authorized patents and 2 software copyrights, and accumulatively obtained 1,111 authorized patents and 106 software copyrights.

List of intellectual property achieved during the Reporting Period

	Increase during the period		Accumulative number	
	Number of applications (patents)	Number of IPs obtained (patents)	Number of applications (patents)	Number of IPs obtained (patents)
Invention patents	88	35	1,321	313
Utility model patents	21	37	816	775
Design patents	0	0	23	23
Software copyrights	2	2	106	106
Others	–	–	–	–
Total	111	74	2,266	1,217

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3. R&D investment

Unit: RMB

	For the period	For the corresponding period of last year	Change (%)
Expensed R&D investment	50,534,103.58	55,192,267.56	-8.44
Capitalized R&D investment	27,086,612.63	21,405,033.32	26.54
Total R&D investment	77,620,716.21	76,597,300.88	1.34
Proportion of total R&D investment in operating income (%)	50.45	49.89	0.56
Proportion of capitalized R&D investment (%)	34.90	27.94	6.95

4. Status of projects under development

Unit: RMB0,000

No.	Project Name	Estimated investment amount		Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
		total investment amount							
1	Development of high-power long-life fuel cell engine system for long-distance heavy-load application scenarios	200.00		33.07	110.10	The Company completed the selection and verification of key components for the high-power fuel cell engine, and completed the development of fuel cell systems for long-distance heavy-load application scenarios.	In terms of conditions such as climbing, accelerating and decelerating and high and low temperature, starting from the system-reactor-component, the Company aims to solve key scientific and engineering problems such as material, process, design and control through multi-level collaboration, improved the system output performance, durability, economic efficiency and environmental adaptability, thus achieving full-service demand coverage for long-distance heavy-loaded commercial vehicles.	Domestic advanced	Long-distance heavy-haul commercial vehicles such as tractors and dump trucks
2	Development of fuel cell system applicable to on-board liquid hydrogen storage and supply system with low pressure input and its application in vehicles-2023	900.00		203.30	493.36	The Company has completed the system architecture and BOP design, and completed the calibration of the system samples.	To complete the development of fuel cell stacks and engine systems that match the low pressure of liquid hydrogen.	Domestic advanced	Heavy commercial vehicles applying liquid hydrogen such as 49-ton tractors and 31-ton dump trucks

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No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
3	Research and development of high-power and high-efficiency fuel cell systems for long-distance and heavy-duty applications	600.00	707.21	709.49	The Company completed the design and development of a high-power fuel cell system architecture.	Through the development of high-power and long-life fuel cell systems for commercial vehicles, and focus on breaking through the technical problems of high power, high efficiency, long life, low temperature resistance, etc., to meet the needs of heavy-duty vehicle application scenarios.	Domestic advanced	Application of fuel cells in heavy-duty vehicles
4	Research and development and application demonstration of key technologies for hydrogen production and hydrogen refueling station	21.00	23.50	23.50	The Company completed the design of the program deployment and data collection.	To develop an information monitoring and intelligent management platform for the whole chain of hydrogen production and hydrogen refueling stations.	Domestic advanced	Hydrogen production and hydrogen refueling
5	High consistency high power fuel cell stack design and development	2,400.00	335.91	335.91	The Company completed the design of bipolar plate runners and other structures.	To complete the development of high power fuel cell stacks through the research of flow field design, electrode processing and packaging structure design.	Domestic advanced	Fuel cell system or cogeneration system

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No.	Project Name	Estimated investment amount		Current amount of investment		Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
		total investment amount	accumulated investment amount	amount of investment	amount of investment				
6	Development of cell stack series products	10,701.64	4,962.98	1,776.38	4,962.98	Through continuous development and validation of the main core materials of the cell stacks, improvement of the structural design of the cell stacks, and optimization of the bipolar plate process to upgrade and iterate the series of cell stacks, the Company completed the development suitable for passenger vehicles, large heavy trucks and stacks power stations.	To realize the production of various technologies and optimize various prototypes into marketable products.	Domestic advanced	To be installed in various fuel cell systems to be mainly applied in logistics vehicles, large and medium-sized passenger vehicles, and trucks, etc.
7	R&D of domestic fuel cell system series	10,339.35	3,640.94	1,941.04	3,640.94	Upgraded and iterated the fuel cell system by continuously optimizing the system architecture design, improving the control strategy and replacing components.	The technical indicators of each power product prototype to pass the test and to be launched.	Domestic advanced	Fuel cell systems to be developed for different types of vehicles to meet the needs of different applications such as logistics vehicles, large and medium-sized passenger vehicles and trucks
8	Research on forward-looking technology	6,492.56	5,332.58	764.00	5,332.58	By verifying different purging solutions to reduce the lifetime degradation rate of fuel cell systems, we continued to reserve the core technology of the new products through pre-research and development.	To focus research on the common technology, underlying pillar technology and basic science of fuel cell system as the research results would improve product attributes.	Domestic advanced	To be applied in new product series

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No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
9	Development of fuel cell parts	1,370.89	278.10	1,094.71	Continuously optimize key components of fuel cells, and the development iteration of components such as water filters and safety valves has been completed. The testing and validation of the vertical development plan of core components of the fuel cell system has been completed.	To design and develop a series of high-reliability and high-level integrated fuel cell components for the inheritance of domestic fuel cell systems.	Domestic advanced	Fuel cell stack/system
10	Development of high performance membrane electrodes and key materials for fuel cells	1,200.00	326.85	326.85	The Company completed the design of membrane electrodes and key materials.	Through researching the interrelationship between "structure-process -performance" of key materials for membrane electrodes to complete the design and mass production of high-performance membrane electrodes.	Domestic advanced	Fuel cell system or cogeneration system
11	Development of energy efficient megawatt fuel cell cogeneration systems	1,200.00	82.57	82.57	The Company completed the design of the fuel cell cogeneration system architecture.	Through the research of centralized gas supply, distributed regulation, multi-stack parallel system architecture design and matching technologies to complete the development of megawatt-class cogeneration system.	Domestic advanced	Fuel cell system or cogeneration system

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No.	Project Name	Estimated investment amount		Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
		investment amount	total investment amount						
12	Development of fuel cell stack testing equipment	420.00		50.15	464.22	The Company completed the design and development of the stack testing platform and the optimization of the finalized products.	To complete the development of high-power fuel cell stack test equipment, propose the overall design scheme, including system scheme design, matching calculation and selection, overall electrical principle and wiring design, structural design and development, development of control strategy for software of the upper computer and lower computer, the overall structure and software programming, and commissioning of the stack test equipment.	Domestic advanced	Test equipment for high-power fuel cell stacks
13	Single battery life verification and research on material attenuation characteristics of key components	1,200.00		274.03	549.67	The Company completed the single battery assembly and short stack assembly, and is currently conducting life and degradation performance testing.	To develop online and offline verification and characterization methods for key fuel cell components used in power stations, and establish a complete certification system with the ultimate goal of reasonable prediction of service life for fuel cell power stations.	Domestic advanced	Fuel cell single battery and short stacks

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No.	Project Name	Estimated total investment amount	Current amount of investment	Accumulated investment amount	Progress or phased achievements	Target to be achieved	Technical standards	Specific application prospect
14	R&D of multi-energy efficient coupling control and key components of hybrid power generation system	908.20	36.60	168.57	The Company completed the assembly and performance testing of high level of power stacks, and completed the design of high level of fuel cell system development and system testing equipment.	To develop a fuel cell system prototype with a power generation quota of 240kW or above; and to develop five or more invention patents.	Domestic advanced	To be applied in scenarios such as heavy-duty equipment and distributed power supply equipment
15	Integration and demonstration of hybrid power generation system of fuel cell and hydrogen combustion engine	360.00	0.43	3.91	The Company completed the project implementation plan and indicator decomposition.	To develop a system control module for hydrogen fuel cell with four or above invention patents.	Domestic advanced	To be applied in scenarios such as heavy-duty equipment and distributed power supply equipment
16	Ultra-thin graphite bipolar plate and high-performance stack key technologies	156.00	3.26	3.26	The Company completed the selection of flexible graphite material bipolar plates.	To complete the design and development of ultra-thin graphite bipolar plates.	Domestic advanced	Fuel cell single battery and short stacks
Total	/	38,469.64	6,836.40	18,302.63	/	/	/	/

Note: Amounts invested in the projects under research did not include projects that have been completed and accepted during the Reporting Period. The investment amount and accumulated investment amount for the current period did not include the expenditure for purchase of fixed assets and intangible assets.

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5. R&D personnel

Basic information

	Amount for the current period	Amount for the corresponding period of last year
Number of the R&D personnel of the Company	300	336
Proportion of the R&D personnel in the total number of employees of the Company (%)	32.89	30.71
Total emoluments of the R&D personnel (RMB0'000)	3,741.27	3,635.74
Average emoluments of a R&D personnel (RMB0'000)	11.58	11.14

Level of education

Education background	Number (persons)	Percentage (%)
Doctor's degree	29	9.67
Master's degree	156	52.00
Bachelor's degree	94	31.33
Junior college degree	13	4.33
High school diploma and below	8	2.67
Total	300	100

Age structure

Age group	Number (persons)	Percentage (%)
Under 30 years old	97	32.33
Under 40 years old	176	58.67
Under 50 years old	26	8.67
50 years old and above	1	0.33
Total	300	100

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III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Analysis of core competitiveness

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

1. Technology and R&D advantages

The Company has always adhered to the R&D concept of "Advance Research, Continuous Development and In-depth Promotion". After years of exploration and development, the Company has accumulated rich technical experience, breaking through a number of technical difficulties such as fuel cell system integration with high level of power density, rapid activation of fuel cell system at low temperature, air flow and pressure decoupling control, and water content closed loop control. The key performance of product can be close to the international advanced level and have been widely used in commercial practice. The Company has a series of proprietary core intellectual property rights. As of June 30, 2024, the Company has obtained 1,111 patents and 106 software copyrights. At the same time, with the support of major projects from the Ministry of Science and Technology, the Beijing Municipal Science and Technology Commission and STCSM, a wealth of scientific research achievements and technical reserves have been achieved through the completion of national science and technology special projects.

2. Market layout and large-scale promotion advantages

The Company has established good and long-term cooperation relationship with major commercial vehicle enterprises in China such as Yutong Bus and Beiqi Foton through demonstration operation, joint undertaking of national projects and joint development of fuel cell models, and has accumulated a large number of high-quality customer resources and received good brand reputation, and its technical capabilities have been widely recognized. At the same time, the Company has joined hands with Beiqi Foton and Yutong Bus to participate in the major demonstration operation projects of fuel cell vehicles led by the Beijing Municipal Science and Technology Commission and the United Nations Development Programme since its establishment, and has accumulated extensive operational experience. Fuel cell vehicles equipped with the Company's fuel cell system have been put into commercial demonstration operations in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou and Tangshan. Large-scale promotion and operation have accumulated a large number of real operation data, providing reliable data support for the iterative development of the Company.

3. Core parts and components supply system

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

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4. Talent advantages

The Company introduced R&D, technology and production talents in the fuel cell field through the establishment of R&D innovation platforms such as academician workstations and engineering technology centers, and provided a good foundation for the subsequent cultivation of such talents by undertaking major national projects, industry-university-research cooperation, participating in the formulation of national standards and continuous R&D, and reserved a number of technical, R&D and production teams with professional capabilities and extensive experience.

As of the end of the Reporting Period, the Company had 300 R&D personnel, accounting for 32.89% of the total number of employees of the Company. More than 60% of the R&D personnel hold a master's degree or above, which has accumulated a more adequate talent reserve for the rapid development of the Company in the fuel cell industry.

IV. BUSINESS DISCUSSION AND ANALYSIS

In the first half of 2024, the Company achieved operating income of RMB153.8435 million, representing a year-on-year increase of 0.21%. The net loss attributable to shareholders of the listed company was RMB141.4893 million, representing a year-on-year increase of RMB64.9782 million, and the net cash flow from operating activities was RMB-183.1202 million, representing a year-on-year increase of RMB93.2471 million. The change in performance during the Reporting Period was mainly due to the year-on-year decrease of gross profit as a result of the decrease in selling prices of the Company's products being greater than the decrease in costs during the Reporting Period, the increase in interest expense year-on-year with the increase in bank loans, and the year-on-year decrease of exchange gains recognized due to exchange rate changes during the Reporting Period. As of the end of the Reporting Period, the total assets of the Company amounted to RMB4,976.733 million, representing an increase of 0.63% compared with the end of last year, and the net assets attributable to owners of the listed company amounted to RMB2,904.7566 million, representing a decrease of 4.6% compared with the end of last year.

During the Reporting Period, the Company adhered to the national development strategy and focused on fuel cell technology as the basis to actively respond to and facilitate the realization of the national dual-carbon goals of "carbon peaking and carbon neutrality". The Company continues to invest in R&D, focusing on improving the key performance indicators of fuel cell systems in terms of environmental adaptability, durability and reliability, and is committed to the continuous improvement of product performance and consistency. With years of R&D experience, the Company has successfully expanded into the upstream of the hydrogen energy industry chain, further improving its business deployment through the development of electricity and heat cogeneration supply and PEM hydrogen production systems.

In terms of market expansion, the Company upholds the development strategy of "point, line and plane", focusing on the development of fuel cell demonstration city clusters and potential markets to strengthen market penetration. Currently, fuel cell vehicles equipped with the Company's products have been successfully put into operation in Beijing, Zhangjiakou, Shanghai, Chengdu, Zhengzhou, Tangshan and other cities. According to the "road motor vehicle production enterprises and products" statistics released by the Ministry of Industry and Information Technology, as of the end of June 2024, a total of 1,069 fuel cell vehicle announcements (excluding chassis announcements) have been released nationwide, of which 157 vehicle announcements are equipped with our fuel cell systems, indicating our leading position in the industry.

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In the face of the current complex and severe macroeconomic environment and increasingly fierce competition in the industry, the Company has continued to deepen its internal management, optimize resource allocation, and implement strict quality management in its operation and management, to continuously improve the quality of products and services, and to further reduce the operating costs, in an attempt to provide a favorable safeguard for the sustainable and healthy development of the Company's business.

V. RISK FACTORS

(I) Risks of negative profit margin

During the Reporting Period, the Company's net loss attributable to shareholders of the listed company after deducting non-recurring profits and losses was RMB158.0212 million. With the intensification of market competition, the selling prices of products and gross profit margins of the Company may show a declining trend, and with the development of the Company's business, operating and management expenses will further increase. In the future, the Company will focus on increasing investment in enhancing research and development capabilities, expanding cell stack production capacity, improving supply chain and enhancing brand awareness, while improving the operation efficiency and cutting down expenses. However, if the Company fails to meet expectations in terms of market promotion in the future, the Company will suffer continued losses and have negative cash flow from operating activities.

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

1. Risk of performance loss

During the Reporting Period, the net loss attributable to shareholders of the listed company was RMB141.4893 million, representing a year-on-year increase of RMB64.9782 million. The change in performance for the period was mainly due to the year-on-year decrease of gross profit as a result of the decrease in selling prices of the Company's products being greater than the decrease in costs during the Reporting Period, the increase in interest expense year-on-year with the increase in bank loans, and the year-on-year decrease of exchange gains recognized due to exchange rate changes during the Reporting Period.

In the face of the above impacts, the management of the Company took active measures to respond. In the first half of 2024, the Company's R&D, production and sales and other businesses basically remained stable. During the Reporting Period, the Company achieved operating income of RMB153.8435 million, representing a year-on-year increase of 0.21%. However, if the development of the industry in the future fails to meet expectations, the market demand continues to decline, or the industry competition further intensifies, and with the continuous increase in expenses and costs in all aspects, the Company cannot obtain sufficient more orders and expand sales to the level of economic scale that the Company is able to make a turnaround, it is expected that the Company's operating results will be materially and adversely affected and will continue to suffer losses.

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(III) Core competitiveness risks

With the rapid development of the hydrogen fuel cell industry in recent years, the number of industry players in the fuel cell field has increased day by day. Major vehicle manufacturers and system manufacturers have continuously increased their resource investment in the fuel cell field, which have intensified the market competition. Although the Company continues to increase investment in research and development to maintain high technical barriers and meet the requirements of customers and market, it will still face the risk of losing market share and a decline in selling prices of the products as a result of intensified market competition if the results of its research and development activities are not as expected, or if it cannot respond to changes in the fuel cell vehicle market in a timely manner in the future.

(IV) Operational risks

1. Risks of high customer concentration

China's fuel cell vehicle industry is still in the early stages of commercialization, and vehicle manufacturers have not yet carried out large-scale research, development and production of fuel cell models. Currently, domestic leading vehicle manufacturers have entered the fuel cell vehicle market early and had a significant advantage in their key regional markets, accounting for more than half of the sales of fuel cell vehicles, resulting in a small number of customers and a high concentration of customers at the current stage of the Company. Currently, the Company's main customers are vehicle manufacturers such as Beiqi Foton and Yutong Bus. If the current business expansion of major customers is unfavorable or the Company is unable to further explore new customers or new markets, it may affect the Company's independent continuous operation ability.

2. Risks of falling gross profit margins

As the fuel cell technology matures and industrializes and market participants keep on competing, the costs and prices of fuel cells will show a trend of a rapid decline, achieving the goal of costs that are similar to conventional internal combustion engines. Such goal is in our technological route. However, the synchronization of product unit prices and cost reductions will show deviations in some phases. Therefore, the Company may face the risk of a continuous decline in the selling prices and gross profit margin of products as the industrialization progresses. The Company does not expect a long-standing high selling price and high gross profits.

3. Product quality and safety risks

The fuel cell system manufactured by the Company is widely used in public transport and other fields. As the core component of fuel cell vehicles, the fuel cell system plays an important role in the safety of vehicle operation. Because of the physical and chemical characteristics of hydrogen, such as flammability, explosiveness and fast diffusion, the public has widespread concerns about the safety of fuel cell vehicles. Standardization is the basis for improving the quality of fuel cell products. At present, China's fuel cell and hydrogen energy standard system is gradually improving. With the continuous improvement of the industry environment and the rapid iteration of products, the industry management level and product competitiveness will be gradually improved.

If the Company cannot adapt to changes in national quality standards in the future; it cannot strictly control the product quality of purchased core components; or quality defects or even safety hazards occur due to the issues of its own design, production and techniques, the Company may face administrative penalties, litigation compensations and negative public opinion, which may adversely affect the Company's brand reputation and business performance.

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4. Risks of seasonal fluctuations in performance

At present, the production and sales of fuel cell vehicles in PRC are seasonal, and the Company's business is affected by such seasonality. Automobile manufacturers usually select the required product models after reviewing the government subsidy policies and market demand at the beginning of the year to ensure that the fuel cell vehicles to be manufactured meet the subsidy conditions and market demand. The Company also confirm the order and schedule the production based on such practice. In addition, as the fuel cell vehicle industry is still at an early stage of commercialization, its supply chain is not as developed as the fuel vehicle industry or the electric vehicle industry. As a result, completion and delivery of the final products typically take place in the fourth quarter after the Company commences production in the second half of the year. Given that the fuel cell industry in PRC is still in the early stage of commercialization, and that the industry remains affected by the subsidy policies and insufficient industrial development for a certain period of time in the future, it is expected that production and operation activities will remain seasonal.

5. Risks of supply chain management

The domestic fuel cell vehicle industry in China is still in an early stage of development, and its supply chain is not yet fully mature as compared with the fuel cell or pure electric vehicle industries, the number of existing high-quality fuel cell system component suppliers is relatively limited, and the Company's supplier selection is also limited to some extent. If the Company's main suppliers cannot continuously meet the Company's quality standards, delivery time and other delivery requirements, or the development of the fuel cell vehicle industry is fall short of expectations, resulting in a lag in the Company's supply chain integration, the Company's operating costs may rise, affecting the Company's performance.

(V) Financial risks

1. Risk of overdue accounts receivable

Affected by the fuel cell subsidy policies, new energy vehicle manufacturers settle accounts with consumers based on the prices which are the differences between original prices and subsidies when selling products, and central or local financial departments allocate the subsidy funds advanced by the enterprises to the production enterprises according to procedures, resulting in varying degrees of capital turnover problems among upstream and downstream enterprises in the new energy vehicle industry chain. Because of the relatively strong position of vehicle manufacturers in the automotive industry chain, the Company is greatly affected by the fund chain of vehicle manufacturers, and the Company has a long collection period of accounts receivable. The actual collection periods are generally approximately one to two years or longer. The Company's collection progress generally depends on the customer's own financial situation. If a customer's business situation deteriorates, or the financial environment of the new energy vehicle industry chain cannot be fundamentally improved, the Company's collection instability will last, which may lead to the Company's risk of not being able to timely recover or even losing accounts receivable. As of the end of the Reporting Period, the balance of accounts receivable of the Company was RMB2,096.3646 million.

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2. Risks of continued negative operating cash flows

The operating cash flow of the Company continued to be negative, mainly due to the large amount of working capital appropriated to the accounts receivable and inventory of the Company. During the period of rapid development of the industry in which the Company is located, the capital demand will still grow rapidly, and the continuous negative operating cash flow may lead to insufficient working capital of the Company. As the Company is still in the early stage of development, its ability of alternative financing is limited. If the Company is unable to broaden its financing channels and effectively improve operating cash flow in the future, the Company may expose to the risk of insufficient working capital.

3. Debt repayment risks

The hydrogen fuel cell vehicle industry is in the stage of expanding its business scale, and is in need of continuous increase in resource investment, resulting in a continuous increase in the scale of bank loans for the Company. If the Company does not operate well, it may face significant debt repayment risks. Even if the support from the Chinese government is strong, changes in policies may, to a certain extent, lead to fluctuations in earnings for enterprises and debt repayment risks.

(VI) Industry risks

1. Subsidy policy risks in the fuel cell vehicle industry

Currently, the Company's main business income comes from the sale of fuel cell systems. The current development of the fuel cell vehicle industry highly relies on the support of subsidy policies. In 2020, the Ministry of Finance and other departments adjusted the subsidy policies for fuel cell vehicles, shifting from subsidizing qualified fuel cell vehicle manufacturers to incentivizing eligible megalopolises achieving the commercialization and pilot application of fuel cell vehicle core technologies. Since August 2021, China has successively approved five fuel cell vehicle demonstration application megalopolises, i.e. Beijing, Shanghai, Guangdong, Hebei and Henan. Most of the Company's customers are in these megalopolises. Due to the relatively new and evolving regulatory framework and policies for fuel cell vehicles in China, these policies may be affected by restrictions and uncertainties that the Company cannot control. If policies change, fiscal austerity or other reasons result in the reduction or cancellation of preferential policies such as financial subsidies and economic incentives, it will have a negative impact on the Company's fuel cell system business.

VI. MAJOR OPERATING INFORMATION FOR THE REPORTING PERIOD

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

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Analysis of principal business

1. Details of changes related to the financial statements

Unit: RMB

Item	For the period	For the corresponding period of last year	Percentage of change (%)
Operating income	153,843,525.55	153,519,255.42	0.21
Operating cost	126,594,970.28	97,274,022.69	30.14
Selling expenses	27,921,708.99	30,156,681.44	-7.41
Administrative expenses	104,470,916.99	117,484,673.21	-11.08
Financial expenses	40,122.08	-21,338,640.23	—
R&D expenses	50,534,103.58	55,192,267.56	-8.44
Other income	19,781,776.55	14,541,255.21	36.04
Investment income	-17,451,849.93	-15,782,235.50	—
Income from changes in fair value	7,029,295.56	48,699,437.40	-85.57
Losses on credit impairment	-19,907,395.33	-14,016,353.78	—
Impairment losses on assets	-15,394,844.71	-24,421,018.10	—
Gains from asset disposal	1,129,835.04	0.00	—
Non-operating income	727,385.64	306,122.81	137.61
Non-operating expenses	326,848.02	3,422,928.54	-90.45
Income tax expenses	-11,283,997.00	-17,603,398.54	—
Net cash flows from operating activities ("—" for outflows)	-183,120,171.18	-276,367,270.27	—
Net cash flows from investing activities ("—" for outflows)	-29,922,810.48	-700,781,640.41	—
Net cash flows from financing activities	203,931,173.91	1,108,462,911.36	-81.60

1. Explanation on changes in operating cost: the Company's operating cost increased by 30.14% year-on-year, which was mainly due to the year-on-year increase in the Company's product sales, which led to the year-on-year increase in the corresponding operating cost during the Reporting Period.
2. Explanation on changes in financial expenses and income from changes in fair value: the Company's financial expenses increased by RMB21.3788 million year-on-year, and income from changes in fair value decreased by 85.57%, which was mainly due to the decrease in foreign exchange gains recognized during the period.
3. Explanation on changes in losses on credit impairment: the Company's losses on credit impairment increased by RMB5.8910 million year-on-year, which was mainly due to the provision for bad debt loss on receivables based on expected credit losses and aging.

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4. Explanation on changes in impairment losses on assets: the Company's impairment losses on assets decreased by RMB9.0262 million year-on-year, which was mainly due to the provision of impairment loss on inventories not suitable for the Company's products and market demand during the same period of last year.
5. Explanation on changes in other income: the Company's other income increased by 36.04% year-on-year, which was mainly due to the year-on-year increase in government subsidies received during the period.
6. Explanation on changes in gains from asset disposal: the Company's gains from asset disposal increased by RMB1.1298 million year-on-year, which was mainly due to the Company's disposal of fixed assets during the period.
7. Explanation on changes in non-operating income: the Company's non-operating income increased by 137.61% year-on-year, which was mainly due to the increase in claims against suppliers during the period.
8. Explanation on changes in non-operating expenses: the Company's non-operating expenses decreased by 90.45% year-on-year, which was mainly due to the increase of claims paid to customers in the same period of last year.
9. Explanation on changes in income tax expenses: the Company's income tax expenses increased by RMB6.3194 million year-on-year, which was mainly due to the decrease in recognition of deferred income tax assets in the current period.
10. Explanation on changes in net cash flows from operating activities: the Company's net cash flows from operating activities increased by RMB93.2471 million year-on-year, which was mainly due to the year-on-year increase in sales returns and government subsidies received during the period.
11. Explanation on changes in net cash flows from investing activities: the Company's net cash flows from investing activities increased by RMB670.8588 million year-on-year, which was mainly due to the purchase of financial products in the same period last year.
12. Explanation on changes in net cash flows from financing activities: the Company's net cash flows from financing activities decreased by 81.60% year-on-year, which was mainly due to the receipt of fund-raising proceeds of RMB914.3646 million from the completion of listing on the Main Board of the Hong Kong Stock Exchange during the same period of last year.

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(II) Description of significant changes in profit resulting from non-principal business

Unit: RMB

Item	For the period	For the corresponding period of last year	Percentage of change (%)
Gains on change in fair value	7,029,295.56	48,699,437.40	-85.57
Other gains	19,781,776.55	14,541,255.21	36.04

1. Gains on change in fair value of the Company decreased by 85.57% year-on-year, mainly due to the decrease in exchange gains recognized during the period.
2. Other gains of the Company increased by 36.04% year-on-year, mainly due to the year-on-year increase in government subsidies received during the period.

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: RMB

Item name	Closing balance of current period	Percentage of total assets at the end of the period (%)	Closing balance of previous period	Percentage of total assets at the end of the previous period (%)	Change in amount at the end of the period over the end of the previous period (%)	Description
Receivables financing	51,949,064.76	1.04	31,009,909.60	0.63	67.52	1
Short-term borrowings	775,891,359.40	15.59	586,612,183.58	11.86	32.27	2
Bills payable	22,057,165.72	0.44	39,683,502.69	0.80	-44.42	3
Advances from customers	-	-	27,522.85	0.00	-100.00	4
Contract liabilities	15,365,809.39	0.31	6,444,858.63	0.13	138.42	5
Taxes payable	1,642,400.31	0.03	2,934,806.59	0.06	-44.04	6
Other payables	26,881,722.84	0.54	18,742,209.30	0.38	43.43	7
Non-current liabilities due within one year	22,727,595.44	0.46	37,746,416.32	0.76	-39.79	8
Other current liabilities	23,440,964.19	0.47	6,507,783.13	0.13	260.20	9

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Other explanations

1. Receivables financing increased by 67.52% as compared with the end of the previous period, mainly due to sales receivables received by the Company from customers during the Reporting Period.
2. Short-term borrowings increased by 32.27% as compared with the end of the previous period, mainly due to the Company's reasonable use of bank credit in light of its operating conditions to obtain bank loans within the credit line.
3. Bills payable decreased by 44.42% as compared with the end of the previous period, mainly due to the payment of matured bank acceptance bills on schedule.
4. Advances from customers decreased by 100.00% as compared with the end of the previous period, mainly due to the fact that the Company's advances from customers at the beginning of the period were converted into income during the Reporting Period.
5. Contract liabilities increased by 138.42% as compared with the end of the previous period, mainly due to the increase in the Company's advance receipts for contracts during the Reporting Period.
6. Taxes payable decreased by 44.04% as compared with the end of the previous period, mainly due to the Company's payment of value-added tax and stamp duty during the Reporting Period.
7. Other payables increased by 43.43% as compared with the end of the previous period, mainly due to the project subsidies received by the Company during the Reporting Period that had to be transferred to other units.
8. Non-current liabilities due within one year decreased by 39.79% as compared with the end of the previous period, mainly due to the repayment of long-term borrowings due during the Reporting Period.
9. Other current liabilities increased by 260.20% as compared with the end of the previous period, mainly due to the accounting treatment for bank bills with low credit rating endorsed and discounted that have not been derecognized during the Reporting Period.

2. Restrictions on the key assets as at the end of the Reporting Period

For details, please refer to "31. Assets with restricted ownership or right-of-use" under "IV. Notes to the Consolidated Financial Statements" in "Section X Financial Statements".

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(IV) Analysis of investment status

Overall analysis of external equity investment

Unit: RMB

Investment amount during the Reporting Period (RMB)	Amount invested during the corresponding period of previous year (RMB)	Change
78,300,000.00	402,774,000.00	-80.56%

Details of the Company's external equity investment during the Reporting Period are as follows: 1. SinoFuelCell, a non wholly-owned subsidiary of the Company, established Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. (廣州神力氫能科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB20 million; 2. SinoHytec Hydrogen, a non wholly-owned subsidiary of the Company, established Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) as a wholly-owned subsidiary, with a registered capital of RMB50 million; 3. Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) established Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) as a non wholly-owned subsidiary, with a registered capital of RMB5 million accounting for 66% and a capital contribution of RMB3.3 million; 4. Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) established Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. (廣西凌雲中電華通新能源有限公司) as a wholly-owned subsidiary, with a registered capital of RMB5 million. The above external equity investments amounted to a total of RMB78.3 million. The reason for the significant change during the period was mainly due to the establishment of more companies with higher total registered capital in the corresponding period of previous year.

3. Financial assets measured at fair value

Unit: RMB

Type of assets	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognized in equity	Impairment provided during the period	Amount purchased during the period	Amount sold/ redeemed during the period	Other changes	Closing balance
Others								
Including: Financial assets held- for-trading	690,330,355.31	7,029,295.56			18,469,360.00	0.00		715,829,010.87
Receivables financing	31,009,909.60				62,074,349.44	41,135,194.28		51,949,064.76
Other equity instrument investments	195,510,000.00							195,510,000.00
Other non-current financial assets	2,800,000.00							2,800,000.00
Total	919,650,264.91	7,029,295.56	0.00	0.00	80,543,709.44	41,135,194.28	0.00	966,088,075.63

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4. Investment status of private equity investment funds

Unit: RMB0'000

Name of private equity fund	Time of signature of investment agreements	Investment purposes	Total proposed investment	Investment amount		Amount invested as of the end of the Reporting Period	Capital contribution ratio at the end of the Reporting Period (%)	Control or significant influence over the fund	Accounting subjects	Related or not	Fund underlying assets	Impact on profit during the Reporting Period	Cumulative profit impact
				Investment amount during the Reporting Period	of the end of the Reporting Period								
Beijing Shuimu Piloting Venture Capital Center (Limited Partnership)	February 2021	In order to fully integrate and utilize the advantageous resources of all parties, adjust the asset structure of the Company, expand the investment channels of the Company on the premise of ensuring the steady development of the Company's principal business, so as to make the investment mode of the Company more diversified and disperse the risk of single channel investment. Through the professional investment management team of fund management, the Company can capture investment opportunities in a timely manner, reduce investment risks and promote the achievement of the Company's strategic goals.	8,000.00	0.00	8,000.00	Limited Partnership	100%	Yes	Long-term equity investment	Yes	Focus on new energy fields, healthcare, new generation information technology	-22.82	2,499.92
Total	/	/	8,000.00	0.00	8,000.00	/	100%	/	/	/	/	-22.82	2,499.92

Other explanations

The original plan of the Company was to invest a total of RMB100 million. During the Reporting Period, the Company transferred RMB20 million of unpaid registered capital to Yantai Shuimu Zhanhua Investment Co., Ltd., after which the Company's total investment amounted to RMB80 million.

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MANAGEMENT DISCUSSION AND ANALYSIS

(V) Analysis of major controlling and investee companies

Name of company	Nature of company	Type of company	Registered capital	Percentage of shareholding	Nature of business
SinoFuelCell	Majority-controlled subsidiary	Limited liability company	RMB84,952,654	25.60%	R&D, manufacturing and sales of fuel cell stacks
SinoHytec Power	Wholly-owned subsidiary	Limited liability company	RMB359,668,010	100.00%	Manufacturing and sales of fuel cell power system and related components
Juxinghuatong	Wholly-owned subsidiary	Limited liability company	RMB30,000,000	100.00%	Manufacturing and sales of fuel cell system and related components
Chengdu SinoHytec	Wholly-owned subsidiary	Limited liability company	RMB50,000,000	100.00%	Promotion of new energy technology
SinoHytec International Limited	Wholly-owned subsidiary	Limited liability company	US\$30,000,000	100.00%	Promotion of new energy technology
SinoHytec Hydrogen	Majority-controlled subsidiary	Limited liability company	RMB67,000,000	74.63%	Promotion of new energy technology
Toyota Sinohytec	Joint venture	Limited liability company	JPY4,500,000,000	50.00%	Manufacturing and sales of metal plate fuel cell stacks
United Fuel Cell	Associate	Limited liability company	JPY1,673,000,000	15.00%	Design and development of metal plate fuel cell stacks
Zhangjiakou Haiper	Associate	Limited liability company	RMB79,166,668	26.22%	Production and sales of hydrogen

Note: In the column of registered capital, the registered capital unit of Toyota Sinohytec and United Fuel Cell is ten thousand yen, the registered capital unit of SinoHytec International Limited. is ten thousand dollars, and the registered capital unit of other companies is ten thousand RMB. For detailed analysis of major holding and participating companies, please refer to “VII. Interests in other entities” of “Section X Financial Statements”.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

VII. OTHER DISCLOSURES

(I) Changes in the scope of consolidation

In January 2024, Shanghai SinoFuelCell Co., Ltd. (上海神力科技有限公司), a non wholly-owned subsidiary of the Company, established Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd. (廣州神力氫能科技有限公司) as a wholly-owned subsidiary. In May 2024, Beijing SinoHytec Hydrogen Technology Co., Ltd. (北京億華通氫能科技有限公司), a non wholly-owned subsidiary of the Company, established Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) as a wholly-owned subsidiary. In June 2024, Guangxi SinoHytec Hydrogen Technology Co., Ltd. (廣西億華通氫能科技有限公司) established Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (廣西中電華通新能源科技有限公司) as a non wholly-owned subsidiary. In June 2024, Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. established Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. (廣西凌雲中電華通新能源有限公司) as a wholly-owned subsidiary.

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

(II) Audit Committee and review of financial data

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

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

(III) Corporate Governance Code

During the Reporting Period and up to the date of this report, save as disclosed below, the Board is of the view that 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**”) as set out in Appendix C1 to the Hong Kong Listing Rules.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive 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.

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(IV) Model Code for securities transactions by directors and supervisors

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

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

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

(VI) Use of proceeds from the Global Offering

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

As of June 30, 2024, the net proceeds from the Global Offering were used as follows. The Group will further use the proceeds from the Global Offering for the proposed purposes set out in the prospectus of the Company dated December 29, 2022.

Use of proceeds	Approximate percentage of total net proceeds (%)	Net proceeds from the Global Offering (RMB million)	Net proceeds utilized up to June 30, 2024 (RMB million)	Remaining net proceeds up to June 30, 2024 (RMB million)	Expected time of full utilization of the remaining net proceeds
Develop a new generation of integrated research and development platform	50.20	444.90	35.93	408.98	By the end of the year ending December 31, 2025
Financing overseas research and development projects	24.80	219.79	0.00	219.79	By the end of the year ending December 31, 2025
Product promotion and marketing	15.00	132.94	40.94	91.99	By the end of the year ending December 31, 2025
General working capital	10.00	88.63	88.63	0.00	/
Total	100.00	886.26	165.50	720.76	

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(VII) Interim dividend

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2024 (interim dividend for 2023: nil).

(VIII) Significant subsequent events

In July 2024, the Company issued 4 new shares for every 10 existing shares to shareholders by way of capitalization of capital reserve, representing a total increase of 66,186,309 shares, comprising 55,939,177 A shares and 10,247,132 H shares, based on the total share capital of the Company of 165,465,772 shares as of March 31, 2024. Upon the completion of the equity distribution, the registered capital of the Company was increased to RMB231,652,081. For details, please refer to the announcements of the Company dated April 26, 2024 and June 28, 2024 and the circular of the Company dated June 7, 2024.

Save for the above, the Group has no significant subsequent events up to the date of this report.

(IX) Interests and short positions of directors and supervisors 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, 2024, based on the information available to the Company and to the best knowledge of the directors, the following directors and supervisors 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 Hong Kong 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	26,031,764 (Long position)	18.61	15.73
Song Haiying	Beneficial owner	A Shares	1,700,831 (Long position)	1.22	1.03
Dai Dongzhe	Beneficial owner	A Shares	230,951 (Long position)	0.17	0.14

Note:

- The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of June 30, 2024 by the total number of shares.

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Interests in associates of the Company

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

Note:

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

Save as the interests disclosed above, as of June 30, 2024, none of the directors, supervisors, chief executive or their respective associates had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations.

(X) Substantial shareholders' interests in securities

As of the June 30, 2024, to the best knowledge of the directors of the Company, the following persons (other than the directors, supervisors 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	26,031,764 (Long position)	18.61	15.73
Wu Yong	Interest of controlled corporation ^(Note 3)	A Shares	7,887,761 (Long position)	5.64	4.77
Cheng Wenhua	Interest of spouse ^(Note 4)	A Shares	7,887,761 (Long position)	5.64	4.77
Gongqingcheng Shuimuxin Venture Capital Investment Management Center (L.P.)	Interest of controlled corporation ^(Note 3)	A Shares	7,887,761 (Long position)	5.64	4.77
Beijing Shuimu Chuangxin Investment Management Center (G.P.)	Interest of controlled corporation ^(Note 3)	A Shares	7,887,761 (Long position)	5.64	4.77
Astonish Investment Pte Ltd	Beneficial owner	H Shares	5,413,310 (Long position)	21.13	3.27
Apstar Investment Pte Ltd	Interest of controlled corporation ^(Note 5)	H Shares	5,413,310 (Long position)	21.13	3.27

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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)
GIC (Ventures) Pte. Ltd.	Interest of controlled corporation ^(Note 5)	H Shares	5,413,310 (Long position)	21.13	3.27
GIC Special Investments Private Limited	Interest of controlled corporation ^(Note 5)	H Shares	5,413,310 (Long position)	21.13	3.27
GIC Private Limited	Interest of controlled corporation ^(Note 5)	H Shares	5,413,310 (Long position)	21.13	3.27
Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Great Bay Investment SP	Beneficial owner	H Shares	3,631,250 (Long position)	14.17	2.19
Harvest Global Investments Limited	Interest of controlled corporation ^(Note 6)	H Shares	3,631,250 (Long position)	14.17	2.19
Harvest Fund Management Co., Ltd.	Interest of controlled corporation ^(Note 6)	H Shares	3,631,250 (Long position)	14.17	2.19
China Credit Trust Co., Ltd	Interest of controlled corporation ^(Note 6)	H Shares	3,631,250 (Long position)	14.17	2.19
Huatai Securities Co., Ltd.	Interest of controlled corporation ^(Note 7)	H Shares	1,301,650 (Long position)	5.08	0.79
			1,289,750 (Short position)	5.03	0.78

Notes:

1. The percentage is calculated by dividing the number of relevant class of shares of the Company in issue as of June 30, 2024 by the total number of shares.
2. Xu Huini is the spouse of Zhang Guoqiang, a director of the Company. By virtue of the SFO, she is deemed to be interested in the 26,031,764 A Shares held by Zhang Guoqiang.
3. Beijing Shuimu Chuangxin Investment Management Center (G.P.) is the general partner of Shuimu Sail, Shuimu Changfeng and Shuimu Yuanjing. Wu Yong is the general partner of Beijing Shuimu Chuangxin Investment Management Center (G.P.), which is owned as to 10% by Wu Yong and 80% by Gongqingcheng Shuimu Guoxin Venture Capital Management Center (L.P.). Gongqingcheng Shuimu Guoxin Venture Capital Management Center (L.P.) is owned as to approximately 54.55% by Wu Yong. Therefore, each of Wu Yong, Gongqingcheng Shuimu Guoxin Venture Capital Management Center (L.P.) and Beijing Shuimu Chuangxin Investment Management Center (G.P.) is deemed to be interested in the shares held by Shuimu Sail, Shuimu Changfeng and Shuimu Yuanjing under the SFO.
4. Cheng Wenhua is the spouse of Wu Yong. By virtue of the SFO, she is deemed to be interested in the shares of the Company held by Wu Yong.

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5. Astonish Investment Private Limited is held as to 100% of the issued share capital by Apstar Investment Private Limited, Apstar Investment Private Limited is held as to 100% of the issued share capital by GIC (Ventures) Pte. Ltd., GIC (Ventures) Pte. Ltd. is held as to 100% of the issued share capital by GIC Special Investments Private Limited and GIC Special Investments Private Limited is held as to 100% of the issued share capital by GIC Private Limited. Therefore, each of Apstar Investment Private Limited, GIC (Ventures) Pte. Ltd., GIC Special Investments Private Limited, 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.
6. Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Great Bay Investment SP is held as to 91% of the issued share capital by Harvest Global Investments Limited, Harvest Global Investments Limited is held as to 100% of the issued share capital by Harvest Fund Management Co., Ltd. and Harvest Fund Management Co., Ltd. is held as to 40% of the issued share capital by China Credit Trust Co., Ltd. Therefore, each of Harvest Global Investments Limited, Harvest Fund Management Co., Ltd. and China Credit Trust Co., Ltd. is deemed to be interested in the shares held by Harvest International Premium Value (Secondary Market) Fund SPC for and on behalf of Harvest Great Bay Investment SP under the SFO.
7. Huatai Financial Holdings (Hong Kong) Limited is held as to 100% by Huatai International Financial Holdings Company Limited and Huatai International Financial Holdings Company Limited is held as to 100% by Huatai Securities Co., Ltd. Therefore, Huatai Securities Co., Ltd. is deemed to be interested in the Shares held by Huatai Financial Holdings (Hong Kong) Limited under the SFO.

(XI) Sufficient public float

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

(XII) Significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

Save as disclosed in this report, during the Reporting Period, the Group had no significant investments, no material acquisitions and disposals of subsidiaries, associates and joint ventures, and no future plans for material investments or capital assets.

(XIII) Details of charges on assets of the Company

For details of the charges on assets of the Company, please refer to “31. Assets with restricted ownership or right-of-use” under “Notes to the Consolidated Financial Statements” of “Section X Financial Statements”.

(XIV) Analysis of financial position

The Company implements a prudent financial policy, establishes a strict risk control system for investment, financing and cash management, and always maintains a stable capital structure and good financing channels. The Company strictly controls the scale of loans, and at the same time meets the capital needs of the Company’s operating activities, and makes full use of financial instruments to reduce financial expenses and prevent financial risks in a timely manner, so as to achieve sustainable development of the Company and maximize shareholders’ value.

Liquidity and capital structure	Closing	Opening
(1) Gearing ratio	34.93%	31.11%
(2) Quick ratio (times)	2.07	2.35
(3) Current ratio (times)	2.23	2.53

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Notes:

- (1) Gearing ratio = Total liabilities/Total assets
- (2) Quick ratio = (Current assets – Inventories)/Current liabilities
- (3) Current ratio = Current assets/Current liabilities

(XV) Exposure to fluctuations in exchange rates

The Company's main operations are located in the PRC and its main businesses are settled in RMB. However, the Company is exposed to foreign exchange risk arising from the recognized assets and liabilities and future transactions denominated in foreign currencies, primarily with respect to US dollars. The finance department of the Company is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities of the Company to minimize the exchange rate risk. In this regard, the Company will pay close attention to the foreign exchange rate on the public website of the State Administration of Foreign Exchange in real time to avoid the exchange rate risk.

(XVI) Contingent liabilities

Save as disclosed in this report, as of June 30, 2024, the Group had no other material contingent liabilities.

(XVII) Indebtedness

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

As of June 30, 2024, the Group's financial liabilities which were presented based on the remaining contract lives of undiscounted contractual cash flows were as follows:

Unit: RMB

Item	Closing balance			Total
	Within 1 year	1–3 years	Over 3 years	
Short-term borrowings	775,891,359.40	–	–	775,891,359.40
Note payables	22,057,165.72	–	–	22,057,165.72
Accounts payable	411,767,707.68	163,115,663.23	12,012,057.88	586,895,428.79
Other payables	26,302,715.73	194,184.61	384,822.50	26,881,722.84
Other current liabilities	23,440,964.19	–	–	23,440,964.19
Long-term payables	4,565,466.76	3,920,642.91	328,171.74	8,814,281.41
Total	1,264,025,379.48	167,230,490.75	12,725,052.12	1,443,980,922.35

The directors confirm that as of June 30, 2024, there was no material covenant on any of the Group's outstanding debts, and there was no breach of any covenants. The directors further confirm that the Group did not experience any unusual difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(XVIII) Details of employees

The number of in-service employees of the Group as of June 30, 2024 was as follows:

	Number (person)
Number of in-service employees of the Company	378
Number of in-service employees of the subsidiaries	530
Total number of in-service employees	908

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

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

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(XIX) Changes in information of directors and supervisors

The changes in the information of the directors and the supervisors of the Company are as follows:

Zhang Guoqiang (executive director and general manager)

1. Director of Guangxi SinoHytec Hydrogen Technology Co., Ltd. (new subsidiary) in May 2024.

Song Haiying (executive director, deputy general manager and chief financial controller)

1. General manager of Guangxi SinoHytec Hydrogen Technology Co., Ltd. (new subsidiary) in May 2024;
2. Executive Director of Guangxi Zhongdian Huatong New Energy Technology Co., Ltd. (new subsidiary) in June 2024;
3. Executive Director of Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd. (new subsidiary) in June 2024.

Ji Xuehong (independent non-executive director)

1. Independent non-executive director of BAIC Motor Corporation Limited (01958.HK) from March 2024 to present.

Chan So Kuen (independent non-executive director)

1. Independent non-executive director of Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (HK.1915) from January 2015 to January 2024, and retired as an independent non-executive director upon the expiry of term of office in January 2024.

Zhang He (resignation of the chairman of the supervisory committee)

Mr. Zhang He, the chairman of the supervisory committee of the Company, tendered his resignation as a supervisor and the chairman of the third session of the supervisory committee of the Company on April 23, 2024 due to his gradual retirement plan, and resigned after the annual general meeting of the Company on June 28, 2024.

Liu Wei (supervisor)

The Company convened the eleventh meeting of the third session of the supervisory committee on April 26, 2024 to consider and pass the "Resolution on Resignation of Supervisors and By-election of Supervisors", and agreed to nominate Mr. Liu Wei as a supervisor candidate in the third session of the supervisory committee of the Company. The Company convened the annual general meeting on June 28, 2024, and considered and passed the "Resolution on Resignation of Supervisors and By-election of Supervisors", agreeing to elect Mr. Liu Wei as the supervisor of the third session of the supervisory committee of the Company.

Teng Zhaojun (chairman of the supervisory committee)

The thirteenth meeting of the third session of the supervisory committee of the Company was held on July 1, 2024, and Mr. Teng Zhaojun was elected as the chairman of the supervisory committee of the Company, with a term of office commencing from the date of consideration and approval of the current supervisory committee to the date of the expiration of the term of office of the third session of the supervisory committee.

Save as disclosed above or otherwise set out in this report, there has been no change in the information of the directors and the supervisors of the Company which is required to be disclosed pursuant to Rule 13.51B of the Hong Kong Listing Rules since the Company's last published annual report.

SECTION IV CORPORATE GOVERNANCE

I. BRIEF INTRODUCTION OF GENERAL MEETING

Session of the meeting	Date of convening	Query index of the designated website for publishing resolutions	Date of disclosure for publishing resolutions	Resolutions of meeting
2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting	January 30, 2024	https://static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2024-01-31/688339_20240131_RF6P.pdf	January 31, 2024	Announcement of Resolutions of 2024 First Extraordinary General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting of SinoHytec
2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting	June 28, 2024	https://static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2024-06-29/688339_20240629_7X08.pdf	June 29, 2024	Announcement of Resolutions of 2023 Annual General Meeting, 2024 Second A Share Class Meeting and 2024 Second H Share Class Meeting of SinoHytec

II. CHANGES IN DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

Name	Position	Changes
Zhang He Liu Wei	Chairman of the Supervisory Committee Supervisor	Resignation Election

SECTION IV CORPORATE GOVERNANCE

Explanation on changes in directors, supervisors, senior management and core technicians

1. Mr. Zhang He, the chairman of the Supervisory Committee of the Company, applied to the Supervisory Committee of the Company to resign from the Supervisor and chairman of the third session of the Supervisory Committee of the Company on April 23, 2024 because of the gradual implementation of his retirement plan. Prior to the assumption of office of the Supervisor to be elected at the Company's general meeting, Mr. Zhang He continued to perform his duties as a Supervisor in accordance with the laws, administrative regulations and the Articles of Association.
2. The Company convened the eleventh meeting of the third session of the Supervisory Committee on April 26, 2024 to consider and pass the "Resolution on Resignation of Supervisors and By-election of Supervisors", and agreed to nominate Mr. Liu Wei as a candidate for the position of Supervisor in the third session of the Supervisory Committee of the Company. The Company convened the 2023 annual general meeting, 2024 second A share class meeting and 2024 second H share class meeting on June 28, 2024, and considered and passed the "Resolution on Resignation of Supervisors and By-election of Supervisors", agreeing to elect Mr. Liu Wei as the supervisor of the third session of the Supervisory Committee of the Company.

III. PROPOSAL FOR PROFIT DISTRIBUTION OR CAPITALIZATION OF CAPITAL RESERVE

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

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

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

1. ENVIRONMENTAL INFORMATION

Whether relevant mechanisms for environmental protection have been established
Investment in environmental protection during the Reporting Period (Unit: RMB'0,000)

Yes
114.28

(I) Explanation on environmental protection of the Company and its major subsidiaries falling into the category of major pollutant-emission units designated by the environmental protection authorities

1. Information on pollutant emission

During the Reporting Period, Shanghai SinoFuelCell, a subsidiary of the Company, was a key pollutant discharge unit. The environmental pollutants generated mainly include domestic/production wastewater, air pollutants and solid waste.

The information on pollutant discharge during the Reporting Period is as follows:

Pollutant type	Name of main/ characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Maximum value of discharge concentration	Limit of standard concentration	Total amount of discharge (t)	Total amount of approved discharge (t/a)	Excessive discharge	Implemented pollutant discharge standards
Wastewater	Petroleum type	Continuous discharge to municipal wastewater treatment plant	1	Factory site	<0.06	15mg/L	0.0000	/	None	DB31/199-2018 Class III standard in Table 2 under Integrated Wastewater Discharge Standard
	Chemical oxygen demand				30	500mg/L	0.1298	15.4572	None	
	Five-day biochemical oxygen demand				6.2	300mg/L	0.0372	/	None	
	Ammonia nitrogen (NH ₃ -N)				0.634	45mg/L	0.0021	1.2082	None	
	Total phosphorus (based on P)				2.34	8mg/L	0.0131	/	None	
	Anionic surfactant				<0.05	20mg/L	0.0000	/	None	
	Total Nitrogen (based on N)				43.4	70mg/L	0.1718	/	None	
	pH value				8.1	6-9	/	/	None	
	Suspended matter				7	400mg/L	0.0237	/	None	

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Pollutant type	Name of main/ characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Maximum value of discharge concentration	Limit of standard concentration	Total amount of discharge (t)	Total amount of approved discharge (t/a)	Excessive discharge	Implemented pollutant discharge standards
Organized waste gas	Volatile organic compounds	Discharged through a 15-meter-long exhaust pipe	3	East and west production plant, laboratory and wastewater treatment station	0.39	60mg/Nm ³	0.0086	0.087	None	Emission Standard of Pollutants for Synthetic Resin Industry GB31572-2015
	Hydrogen sulfide				0.117	5mg/Nm ³	/	/	None	Emission Standards for Odor Pollutants DB31/1025-2016
	Odor concentration				54	1000mg/Nm ³	/	/	None	Emission Standards for Odor Pollutants DB31/1025-2016
	Ammonia (ammonia gas)				1.14	30mg/Nm ³	0.0085	/	None	Emission Standards for Odor Pollutants DB31/1025-2016
	Particulate matter				0	15mg/Nm ³	/	0.004	None	Integrated emission standards of air pollutants DB31/933-2015
Noise	Noise	Intermittent	/	Boundary	62	65dB	/	/	None	Emission standard for industrial enterprises noise at boundary (GB12348-2008)
Solid waste	General waste									Disposal entrusted to a third party
	Solid waste									Disposal entrusted to a unit with an environmental license for hazardous waste

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

2. Construction and operation of facilities for pollution prevention and control

The Company has completed the construction of ancillary environmental protection treatment facilities, including in-plant wastewater treatment facilities and air vent terminal treatment facilities. It has designated specialized personnel responsible for the operation and monitoring of the built environmental protection facilities, and arranged training and management of the operators of the environmental protection facilities to ensure that the environmental protection facilities are operated normally and discharged in compliance with the standards.

During the Reporting Period, the Company's environmental protection facilities operated and discharged normally.

3. Environmental impact assessment of construction projects and other environmental protection administrative licensing

In January 2022, the environmental impact report of the Company's project "Soft Graphite Ultra-thin Bipolar Plates for Fuel Cell Vehicles Continuous Process and Batch Manufacturing Technology Development Project" was approved by the Shanghai Municipal Bureau of Ecology and Environment, with the approval number of Shanghai Fengxian Environmental Protection Permit No. [2022] 39.

The environmental impact report of the Company's project "Hydrogen Fuel Cell Key Material Soft Graphite Bipolar Plate Production Line Technical Improvement Project" was approved by the Shanghai Municipal Bureau of Ecology and Environment in May 2023, with the approval document number of Shanghai Fengxian Environmental Protection Permit No. [2022] 61.

In August 2022, the Company obtained the "Pollutant Discharge Permit" issued by the Shanghai Municipal Bureau of Ecology and Environment, with certificate No. of 91310120630931934J001V.

4. Emergency plan for emergency environmental incidents

The Company signed and issued an emergency response plan for environmental emergencies, which was filed with the Shanghai Municipal Bureau of Ecology and Environment in August 2022, with the filing number of 02-310120-2022-119-L.

5. Environmental self-monitoring program

With respect to the main characteristic pollutants in the exhaust gas, the main characteristic pollutants in the wastewater and the flow rate, the Company entrusts qualified third-party monitoring organizations to monitor exhaust gas, wastewater and noise.

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

(II) Environmental information of companies other than major pollutant-emission units

1. Disclosure of other environmental information with reference to major pollutant-emission units

The Company is mainly engaged in the research and development, production and sales of fuel cell systems, and the industry in which it operates does not belong to the high-energy-consuming and heavily polluting industry. Energy consumption is mainly industrial electricity and domestic water. The pollutants discharged mainly include a small amount of air pollutants, industrial solid waste and wastewater generated during the production process. During the Reporting Period, the Company has strictly complied with national laws and regulations on environmental protection, regulated its production and operation, and met the relevant regulations on environmental protection.

(III) Relevant information that is conducive to protecting ecology, preventing pollution and fulfilling environmental responsibilities

The Company attaches great importance to the daily control of environmental compliance and strict compliance with the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and other laws and regulations. It always prioritizes the work of environmental protection, establishes a concept of environmental protection for the economy and economic development for environmental protection, carries out the environmental protection work comprehensively, and effectively facilitates the harmonious development of corporate economic and environmental development.

The Company practices the concept of sustainable development, advocates a green and low-carbon lifestyle for employees, and cultivates employees to form the awareness and habit of actively practicing the responsibility of environmental protection and public welfare. It establishes an information-based office mechanism, reduces paper consumption, encourages double-sided printing, and saves electricity and water resources.

SECTION V
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

(IV) Measures taken to reduce carbon emissions during the Reporting Period and effects thereof

Whether carbon reduction measures are taken	Yes
Reduction of carbon dioxide equivalent emissions (Unit: ton)	—
Type of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	(1)The working principle of the Company’s fuel cell system is to combine hydrogen with oxygen to generate electricity, with water and heat being its only byproduct. The fuel cell system does not emit pollution during operation, which can ease the pressure on carbon emissions in the transportation sector. (2) The Company gives priority to low-energy consumption products when purchasing equipment and facilities, encourages employees to use electronic records to gradually replace paper records, and requires employees to turn off lights when they are off duty and turn off all non-essential electronic equipment.

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

The Company is keen about giving back to society and actively contributing to society. SinoHytec Power, a wholly-owned subsidiary of the Company, has been involved in poverty alleviation activities in Hejiayan Village in Zhangjiakou City, Hebei Province in recent years. SinoHytec Power has set up a rural revitalization task force. In recent years, through visits, research and condolences, it has gained an in-depth understanding of the village situation, villagers’ lives and other basic conditions, and has completed the renovation of living facilities for Hejiayan Village through financial support, so as to make the villagers’ lives and travels more convenient.

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 and term of undertakings	Whether there is a term for performance	Whether or not timely and strictly performed	Term for performance	If the undertaking fails to be performed timely, please state the specific reasons for the failure	Whether 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 A-share prospectus of the Company disclosed on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	Yes	Within 12 months and within 6 months after resignation	N/A	N/A
	Others	Controlling shareholder, de facto controller Zhang Guoqiang	For details of the undertakings of intention to hold shares and reduce shares, please refer to "(I) Undertakings of intention to hold shares and shareholding reduction" in "V. Significant Undertaking" under "Section X Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	Yes	24 months after the expiration of the lock-up period	N/A	N/A
	Others	Shumun Yuanjing	For details of the undertakings of intention to hold shares and reduce shares, please refer to "(I) Undertakings of intention to hold shares and shareholding reduction" in "V. Significant Undertaking" under "Section X Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	Yes	24 months after the expiration of the lock-up period	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 A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	Long term	N/A	N/A
Others	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 please refer to "(VI) Share repurchase undertakings in connection with the fraudulent issuance and listing" under "Section X Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	Long term	N/A	N/A

SECTION VI SIGNIFICANT EVENTS

SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Whether there is a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed	
							timely, please state the reasons for the failure	Undertaking fails to be performed timely, please state the next plan
Others	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 A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	N/A	N/A
				August 10, 2020	No	Yes	N/A	N/A
Others	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 A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	Yes	Yes	N/A	N/A
				August 10, 2020	Yes	Yes	N/A	N/A
Non-competition undertaking	Non-competition undertaking	Shareholder and the de facto controller	For details of other undertakings, please refer to "IX) Other undertakings" of "Section X Investor Protection" of the A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	August 10, 2020	No	Yes	N/A	N/A
				August 10, 2020	No	Yes	N/A	N/A
Restricted shares	Restricted shares	Controlling shareholder, de facto controller Zhang Guoqiang	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 A-share Prospectus disclosed by the Company on the website of the Shanghai Stock Exchange	October 18, 2023	Yes	Yes	N/A	N/A
				October 18, 2023	Yes	Yes	N/A	N/A
Other undertakings	Other undertakings	Controlling shareholder, de facto controller Zhang Guoqiang	Within 12 months from the date of signing of this Commitment Letter (October 18, 2023 to October 17, 2024), he will not transfer or reduce his current shareholding in the Company in any way, and will comply with the above commitments in the event of capital reserve conversion to share capital, dividend distribution, rights issue, additional share issuance, etc.	October 18, 2023	Yes	Yes	N/A	N/A
				October 18, 2023	Yes	Yes	N/A	N/A

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	Affiliations	Occupancy time	Reason for occurrence	Opening balance	Amount of new occupied fund during the Reporting Period	Total amount reimbursed during the Reporting Period	Closing balance	Balance as of the date of disclosure of the interim report	Expected reimbursement method	Expected repayment amount	Expected repayment date
Zhangjiakou Haiper	Other related parties	July 2019 to date	Current payments	30,254,021.13	0.00	616,864.08	30,345,004.39	30,576,137.33	Provision of hydrogen and cash	30,576,137.33	2026.12.31
Total	/	/	/	30,254,021.13	0.00	616,864.08	30,345,004.39	30,576,137.33	/	30,576,137.33	/
Ratio of the total value at the end of the period to the latest audited net assets 1.00%											
Decision-making procedures for occupation of funds by controlling shareholder and other related parties for non-operational purpose											
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											
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											
Special audit opinion on the occupation of funds by certified public accountants (if any)											

Note: The estimated repayment amount does not include interest accrued after the date of disclosure in the interim report.

SECTION VI SIGNIFICANT EVENTS

III. MAJOR LITIGATION AND ARBITRATION MATTERS

The Company was not involved in major litigation or arbitration proceedings during the Reporting Period.

IV. MATERIAL RELATED PARTY TRANSACTIONS

(I) Claims and liabilities with related parties

1. Events not disclosed 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	Other	23,521,464.22	-474,640.35	23,046,823.87	0	0	0
Total		23,521,464.22	-474,640.35	23,046,823.87	0	0	0
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 has gradually repaid the borrowings, with the principal balance amounting to RMB23,046,823.87 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. 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 agreement	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled
								Whether the guarantee is overdue	Whether the guarantee is overdue
								Whether the guarantee is overdue	Whether it is a related party
								Counter-guarantee	Affiliations
Total amount of guarantees incurred during the Reporting Period (excluding guarantees for subsidiaries)									
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)									
									0
									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 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	10,000,000.00	2023/11/1	2023/11/1	2027/10/31	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	20,000,000.00	2023/11/15	2023/11/15	2027/11/14	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	2,328,000.00	2023/11/16	2023/11/16	2027/11/15	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	1,649,000.00	2023/11/20	2023/11/20	2027/11/19	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	2,085,500.00	2023/11/29	2023/11/29	2027/11/28	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	10,000,000.00	2023/12/7	2023/12/7	2027/12/6	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	35,000,000.00	2024/1/11	2024/1/11	2028/1/10	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	9,900,000.00	2024/1/19	2024/1/19	2028/1/18	Joint liability guarantee	No	No	0	No

SECTION VI SIGNIFICANT EVENTS

SECTION VI 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 (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	85,200.00	2024/2/1	2024/2/1	2028/1/27	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	6,999,416.72	2024/4/16	2024/4/16	2028/4/16	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	SinoHytec Power	Wholly-owned subsidiary	10,000,000.00	2023/10/26	2023/10/26	2027/10/26	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec	Wholly-owned subsidiary	392,104.05	2023/9/18	2023/9/18	2024/3/18	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec	Wholly-owned subsidiary	370,997.00	2024/1/30	2024/1/30	2027/7/30	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec	Wholly-owned subsidiary	157,815.00	2024/2/5	2024/2/5	2027/8/5	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Chengdu SinoHytec	Wholly-owned subsidiary	8,924,545.00	2024/6/19	2024/6/19	2027/12/19	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Juxinghuatong	Wholly-owned subsidiary	15,000,000.00	2023/12/26	2023/12/26	2024/6/26	Joint liability guarantee	Yes	No	0	No
The Company	Headquarters of the Company	Juxinghuatong	Wholly-owned subsidiary	2,225,400.00	2024/4/19	2024/4/19	2026/10/19	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Juxinghuatong	Wholly-owned subsidiary	319,915.54	2024/4/26	2024/4/26	2026/10/26	Joint liability guarantee	No	No	0	No
The Company	Headquarters of the Company	Juxinghuatong	Wholly-owned subsidiary	10,000,000.00	2023/10/16	2023/10/16	2027/10/15	Joint liability guarantee	No	No	0	No

SECTION VI 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 (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
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co. Ltd.	Majority-controlled subsidiary	5,000,000.00	2023/8/15	2023/8/15	2024/2/15	Joint liability guarantee	Yes	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co. Ltd.	Majority-controlled subsidiary	5,000,000.00	2023/9/4	2023/9/4	2024/3/4	Joint liability guarantee	Yes	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co. Ltd.	Majority-controlled subsidiary	10,000,000.00	2024/1/24	2024/1/24	2026/7/24	Joint liability guarantee	No	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co. Ltd.	Majority-controlled subsidiary	5,000,000.00	2024/2/29	2024/2/29	2026/8/29	Joint liability guarantee	No	No	0	No
SinoFuelCell	Majority-controlled subsidiary	Beijing Shenchuan Technology Co. Ltd.	Majority-controlled subsidiary	5,000,000.00	2024/3/26	2024/3/26	2026/9/26	Joint liability guarantee	No	No	0	No
Total amount of guarantees provided to subsidiaries during the Reporting Period												
Total balance of guarantees provided to subsidiaries at the end of the Reporting Period (B)												
Total amount of guarantees provided by the Company (including guarantees for subsidiaries)												
Total guarantee amount (A + B)												
Percentage of total guarantee amount to net assets of the Company (%)												
Including:												
Amount of guarantees provided for shareholders, de facto controllers and their related parties (C)												
Amount of debt guarantees directly or indirectly provided for guaranteed parties with gearing ratio over 70% (D)												
Amount of total guarantee exceeding 50% of net assets (E)												
Total amount of the above three guarantees (C + D + E)												
Explanation on the potential joint and several liability for outstanding guarantees												
Explanation on guarantee												

(III) Other material contracts

Not Applicable

SECTION VII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in the number of shares

1. Table of changes in the number of shares

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

2. Explanation of changes in shares

Not Applicable

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

The Company convened the 2023 annual general meeting, 2024 second A share class meeting and 2024 second H share class meeting on June 28, 2024, and has considered and approved the issuance of 0.4 share for every share to all shareholders by way of capitalization of capital reserve, representing a total increase of 66,186,309 shares (including 55,939,177 A Shares and 10,247,132 H Shares), based on the total share capital of the Company of 165,465,772 shares as of March 31, 2024. Upon completion of the capitalization of capital reserve, the total share capital of the Company increased to 231,652,081 shares, including 195,787,119 A Shares and 35,864,962 H Shares.

Unit: RMB/share

	June 30, 2024 (after the capitalization issue)	June 30, 2024 (before the capitalization issue)
Basic earnings per share ("-" for losses)	-0.61	-0.86
Diluted earnings per share ("-" for losses)	-0.61	-0.86
Net assets per share attributable to ordinary shareholders of the listed company	12.54	17.56

SECTION VII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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	14,169
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

As at the end of the Reporting Period, the total number of shareholders of the Company was 14,169, of which 14,157 were A-share holders and 12 were H-share holders.

SECTION VII

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

Wu Taocong holds 103,693 shares of the Company through an ordinary securities account and 1,647,058 shares of the Company through a credit transaction guarantee account, totaling 1,750,751 shares of the Company.

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	Nature of shareholder
Zhang Guoqiang	0	26,031,764	15.73%	25,998,283	25,998,283	Nil	0	Domestic natural person
HKSCC NOMINEES LIMITED (Note 1)	0	25,613,966	15.48%	0	0	Unknown	0	Unknown
Tunghsu Optoelectronic Technology Co., Ltd.	0	5,025,644	3.04%	0	0	Frozen	5,025,644	Domestic non-state-owned legal person
Yutong Bus	-945,946	4,540,835	2.74%	0	0	Nil	0	Domestic non-state-owned legal person
Zhang He	-550,000	3,370,000	2.04%	0	0	Nil	0	Domestic natural person
Shuimu Changfeng	0	2,380,994	1.44%	0	0	Nil	0	Others
Bai Wei	0	2,006,668	1.21%	0	0	Nil	0	Domestic natural person
Shuimu Sail	0	1,892,000	1.14%	0	0	Nil	0	Others
Shuimu Yuanjing	0	1,831,627	1.11%	0	0	Nil	0	Others
Wu Taocong	7,408	1,750,751	1.06%	0	0	Nil	0	Domestic natural person

SECTION VII

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 <i>(Note 1)</i>	25,613,966	Overseas-listed foreign shares	25,613,966
Tungshu Optoelectronic Technology Co., Ltd.	5,025,644	RMB-denominated ordinary shares	5,025,644
Yutong Bus	4,540,835	RMB-denominated ordinary shares	4,540,835
Zhang He	3,370,000	RMB-denominated ordinary shares	3,370,000
Shuimu Changfeng	2,380,994	RMB-denominated ordinary shares	2,380,994
Bai Wei	2,006,668	RMB-denominated ordinary shares	2,006,668
Shuimu Sail	1,892,000	RMB-denominated ordinary shares	1,892,000
Shuimu Yuanjing	1,831,627	RMB-denominated ordinary shares	1,831,627
Wu Taocong	1,750,751	RMB-denominated ordinary shares	1,750,751
Zhou Pengfei	1,710,000	RMB-denominated ordinary shares	1,710,000
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 Yuanjing, Shuimu Sail and Shuimu Changfeng is Beijing Shuimu Chuangxin Investment Management Center (G.P.).		
Explanation on the preference shareholders with restored voting rights and the number of shares held	N/A		

SECTION VII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

Unit: share

No.	Name of shareholders of restricted shares	Number of restricted shares held	Listing and trading of restricted shares		Restrictions
			Time available for listing and trading	Number of new shares available for listing and trading	
1	Zhang Guoqiang	25,998,283	2024/10/18 (Note 2)	0	Pre-IPO shares
Explanation on relationship or acting in concert among the above shareholders					N/A

Note 1: The shares held by HKSCC NOMINEES LIMITED were held on behalf of clients. As the relevant rules of the Hong Kong Stock Exchange do not require clients to report whether there are any pledges, freezes, refinancing and credit accounts on the shares held by them, HKSCC Nominees Limited is not in a position to compile statistics or provide information on the number of shares in the pledged or frozen, or refinancing and credit accounts.

Note 2: On October 19, 2023, the Company disclosed the Announcement of Beijing SinoHytec Co., Ltd. on the Voluntary Commitment of Controlling Shareholders not to Reduce the Company's Shares (announcement NO.: 2023-036) on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/>). Mr. Zhang Guoqiang, the controlling shareholder and actual controller of the Company, voluntarily undertook not to transfer or reduce his current shares of the Company in any way within 12 months from the date of signing of this commitment Letter (from October 18, 2023 to October 17, 2024).

SECTION VII

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

III. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

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

Unit: share

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Changes in shares during the Reporting Period	Reason for change
Song Haiying	Executive Director, Deputy general manager, Chief financial officer	1,864,831	1,700,831	-164,000	Secondary market trading
Dai Dongzhe	Executive Director, Deputy general manager	290,951	230,951	-60,000	Secondary market trading
Zhang He	Chairman of the Supervisory Committee (resigned)	3,920,000	3,370,000	-550,000	Secondary market trading
Kang Zhi	Secretary to the Board	308,414	248,414	-60,000	Secondary market trading
Yu Min	Deputy general manager	447,630	363,350	-84,280	Secondary market trading

SECTION VIII INFORMATION ON PREFERENCE SHARES

Not Applicable

SECTION IX INFORMATION ON BONDS

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

Not Applicable

II. CONVERTIBLE BONDS

Not Applicable

SECTION X FINANCIAL STATEMENTS

Consolidated Statements of Balance Sheets

June 30, 2024

Unit: RMB

Item	Notes	June 30, 2024	December 31, 2023
Current assets:			
Cash and cash equivalents	Note 1	597,725,865.05	609,224,455.57
Balance with clearing companies			
Placements with other financial institutions			
Financial assets held-for-trading	Note 2	715,829,010.87	690,330,355.31
Derivative financial assets			
Notes receivable	Note 4	35,797,825.15	50,790,598.92
Accounts receivable	Note 5	1,622,984,784.52	1,621,965,472.53
Receivables financing	Note 7	51,949,064.76	31,009,909.60
Prepayments	Note 8	22,899,649.80	27,845,110.18
Premium receivables			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	Note 9	19,516,072.12	19,113,995.79
Including: Interest receivables			
Dividend receivable			
Purchases of resold financial assets			
Inventories	Note 10	251,093,302.73	231,175,443.00
Including: Data resources			
Contract assets	Note 6	16,731,554.88	16,711,351.68
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	Note 13	42,112,608.82	42,869,393.99
Total current assets		3,376,639,738.70	3,341,036,086.57

SECTION X
FINANCIAL STATEMENTS

Consolidated Statements of Balance Sheets (Continued)

June 30, 2024

Unit: RMB

Item	Notes	June 30, 2024	December 31, 2023
Non-current assets:			
Loans and advances to customers			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	Note 17	307,007,851.47	318,755,255.43
Other equity instrument investments	Note 18	195,510,000.00	195,510,000.00
Other non-current financial assets	Note 19	2,800,000.00	2,800,000.00
Investment properties			
Fixed assets	Note 21	480,609,768.34	503,237,119.23
Construction in progress	Note 22	23,321,352.42	21,651,097.39
Productive biological assets			
Oil and gas assets			
Right-of-use assets	Note 25	40,608,847.87	37,863,441.51
Intangible assets	Note 26	264,450,590.44	261,715,313.55
Including: Data resources			
Development expenses	Note VIII	40,878,936.26	35,604,953.79
Including: Data resources			
Goodwill			
Long-term deferred expenditures	Note 28	34,293,489.17	36,864,080.66
Deferred income tax assets	Note 29	169,247,660.00	155,402,537.23
Other non-current assets	Note 30	41,364,763.21	35,280,890.88
Total non-current assets		1,600,093,259.18	1,604,684,689.67
Total assets		4,976,732,997.88	4,945,720,776.24

SECTION X FINANCIAL STATEMENTS

Consolidated Statements of Balance Sheets (Continued)

June 30, 2024

Unit: RMB

Item	Notes	June 30, 2024	December 31, 2023
Current liabilities:			
Short-term borrowings	Note 32	775,891,359.40	586,612,183.58
Borrowings from central bank			
Loans from other financial institutions			
Financial liabilities held-for-trading			
Derivative financial liabilities			
Note payables	Note 35	22,057,165.72	39,683,502.69
Accounts payable	Note 36	586,895,428.79	572,538,653.10
Advances from customers	Note 37		27,522.85
Contract liabilities	Note 38	15,365,809.39	6,444,858.63
Proceeds from disposal of repurchased financial assets			
Absorption of deposits and interbank deposits			
Acting sale of securities			
Acting underwriting of securities			
Accrued payroll	Note 39	37,263,583.78	50,874,311.75
Taxes payable	Note 40	1,642,400.31	2,934,806.59
Other payables	Note 41	26,881,722.84	18,742,209.30
Including: Interest payable			
Dividend payable			
Handling fee and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	Note 43	22,727,595.44	37,746,416.32
Other current liabilities	Note 44	23,440,964.19	6,507,783.13
Total current liabilities		1,512,166,029.86	1,322,112,247.94

SECTION X
FINANCIAL STATEMENTS

Consolidated Statements of Balance Sheets (Continued)

June 30, 2024

Unit: RMB

Item	Notes	June 30, 2024	December 31, 2023
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	Note 45		
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	Note 47	20,598,579.22	21,299,220.60
Long-term payables	Note 48	4,248,814.65	5,911,814.94
Long-term accrued payroll			
Accrued liabilities	Note 50	43,800,318.53	44,776,420.37
Deferred income	Note 51	121,513,912.19	111,273,990.16
Deferred income tax liabilities	Note 29	35,805,548.92	33,204,233.23
Other non-current liabilities			
Total non-current liabilities		225,967,173.51	216,465,679.30
Total liabilities		1,738,133,203.37	1,538,577,927.24

SECTION X FINANCIAL STATEMENTS

Consolidated Statements of Balance Sheets (Continued)

June 30, 2024

Unit: RMB

Item	Notes	June 30, 2024	December 31, 2023
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	Note 53	165,465,772.00	165,465,772.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	Note 55	3,236,926,118.73	3,236,926,118.73
Less: Treasury shares			
Other comprehensive income	Note 57	113,391,271.34	113,391,271.34
Special reserve	Note 58	9,103,396.61	7,707,807.00
Surplus reserve	Note 59	9,216,035.02	9,216,035.02
Provision for general risk			
Undistributed profit	Note 60	-629,346,036.46	-487,856,704.18
Total equity attributable to shareholders of the parent company (or shareholders' equity)		2,904,756,557.24	3,044,850,299.91
Minority interests		333,843,237.27	362,292,549.09
Total owners' equity (or shareholders' equity)		3,238,599,794.51	3,407,142,849.00
Total liabilities and owners' equity (or shareholders' equity)		4,976,732,997.88	4,945,720,776.24

SECTION X FINANCIAL STATEMENTS

Consolidated Income Statement

January to June 2024

Unit: RMB

Item	Notes	2024 1H	2023 1H
I. Total operating income		153,843,525.55	153,519,255.42
Including: Operating income	Note 61	153,843,525.55	153,519,255.42
Interest income			
Premiums earned			
Handling fee and commission income			
II. Total operating costs		311,105,634.20	280,417,141.31
Including: Operating costs	Note 61	126,594,970.28	97,274,022.69
Interest expense			
Handling fee and commission expenses			
Surrenders value			
Net expenditure for insurance claims settlement			
Net drawing on provision for insurance contracts			
Expenditures for policy dividend			
Reinsurance expenditures			
Tax and surcharges	Note 62	1,543,812.28	1,648,136.64
Selling expenses	Note 63	27,921,708.99	30,156,681.44
Administrative expenses	Note 64	104,470,916.99	117,484,673.21
Research and development expenses	Note 65	50,534,103.58	55,192,267.56
Financial expenses	Note 66	40,122.08	-21,338,640.23
Including: Interest expense		11,539,718.24	5,957,051.15
Interest income		10,339,500.53	9,540,738.42
Add: Other income	Note 67	19,781,776.55	14,541,255.21
Investment income ("-" for losses)	Note 68	-17,451,849.93	-15,782,235.50
Including: Investment income from associates and joint ventures		-19,747,403.96	-15,733,440.98
Gains from derecognition of financial assets at amortized cost ("-" for losses)			
Exchange gains ("-" for losses)			
Gains on net exposure hedges ("-" for losses)			
Gains on change in fair value ("-" for losses)	Note 70	7,029,295.56	48,699,437.40
Losses on credit impairment ("-" for losses)	Note 72	-19,907,395.33	-14,016,353.78
Impairment losses on assets ("-" for losses)	Note 73	-15,394,844.71	-24,421,018.10
Gains from asset disposal ("-" for losses)	Note 71	1,129,835.04	

SECTION X

FINANCIAL STATEMENTS

Consolidated Income Statement (Continued)

January to June 2024

Unit: RMB

Item	Notes	2024 1H	2023 1H
III. Operating profits ("—" for losses)		-182,075,291.47	-117,876,800.66
Add: Non-operating income	Note 74	727,385.64	306,122.81
Less: Non-operating expenses	Note 75	326,848.02	3,422,928.54
IV. Total profits ("—" for total losses)		-181,674,753.85	-120,993,606.39
Less: Income tax expenses	Note 76	-11,283,997.00	-17,603,398.54
V. Net profits ("—" for net losses)		-170,390,756.85	-103,390,207.85
(1) Classified by continuity of operations			
1. Net profit from continuing operations ("—" for net loss)		-170,390,756.85	-103,390,207.85
2. Net profit from discontinued operations ("—" for net loss)			
(2) Classified by ownership			
1. Net profit attributable to equity shareholders of the parent company ("—" for net loss)		-141,489,332.28	-76,511,130.16
2. Minority interests ("—" for net losses)		-28,901,424.57	-26,879,077.69
VI. Net amount of other comprehensive income after tax			
(1) Net amount of other comprehensive income after tax attributable to shareholders of the parent company			
1. Other comprehensive income that cannot be reclassified to profit or loss			
(1) Re-measurement of changes under defined benefit plan			
(2) Other comprehensive income which cannot be reclassified to profit or loss under equity method			
(3) Change in fair value of other equity instrument investments			
(4) Changes in fair value of the enterprise's own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss			
(1) Other comprehensive income that can be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Amount included in other comprehensive income on reclassification of financial assets			
(4) Credit impairment provision for other debt investments			
(5) Cash flow hedging reserve			
(6) Differences on translation of foreign currency statements			
(7) Others			
(2) Net amount of other comprehensive income after tax attributable to minority shareholders			

SECTION X FINANCIAL STATEMENTS

Consolidated Income Statement (Continued)

January to June 2024

Unit: RMB

Item	Notes	2024 1H	2023 1H
VII. Total comprehensive income		-170,390,756.85	-103,390,207.85
(1) Total comprehensive income attributable to owners of the parent company		-141,489,332.28	-76,511,130.16
(2) Total comprehensive income attributable to minority shareholders		-28,901,424.57	-26,879,077.69
VIII. Earnings per share:			
(1) Basic earnings per share (RMB/share)		-0.86	-0.47
(2) Diluted earnings per share (RMB/share)		-0.86	-0.47

SECTION X FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

January to June 2024

Unit: RMB

Item	Notes	2024 1H	2023 1H
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		131,046,180.34	99,788,999.87
Net increase in customer deposits and interbank deposits			
Net increase in borrowings from central bank			
Net increase in placements from other financial institutions			
Cash received from premiums under original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits from policyholder and investment funds			
Cash received from interests, handling fees and commissions			
Net increase in capital borrowed			
Net increase in capital from repurchase business			
Net cash received from acting sale of securities			
Refund of taxes and levies		224.11	4,019,870.15
Cash received relating to other operating activities	Note 78	68,340,973.45	15,996,256.59
Sub-total of cash inflows from operating activities		199,387,377.90	119,805,126.61
Cash paid for the purchase of goods and the acceptance of services		157,296,466.19	172,876,263.86
Net increase in loans and advances to customers			
Net increase in deposits with central bank and interbank deposits			
Cash paid for compensation payments under original insurance contracts			
Net increase in placements with other financial institutions			
Cash paid for interests, handling fees and commissions			
Cash paid for policyholder dividend			
Cash paid to and for employees		164,007,227.45	161,183,849.08
Payments of all types of taxes		3,260,525.73	11,220,309.97
Cash payments relating to other operating activities	Note 78	57,943,329.71	50,891,973.97
Sub-total of cash outflows from operating activities		382,507,549.08	396,172,396.88
Net cash flows from operating activities		-183,120,171.18	-276,367,270.27

SECTION X
FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows (Continued)

January to June 2024

Unit: RMB

Item	Notes	2024 1H	2023 1H
II. Cash flows from investing activities:			
Cash received from disposal of investments			65,000,000.00
Cash received from investment income		2,606,273.98	486,938.81
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		8,813,769.95	
Net cash received from disposal of subsidiaries and other operating units			
Cash received relating to other investing activities			
Sub-total of cash inflows from investing activities		11,420,043.93	65,486,938.81
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		14,873,494.41	44,154,039.22
Cash paid for investments		26,469,360.00	722,114,540.00
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid relating to other investing activities			
Sub-total of cash outflows from investing activities		41,342,854.41	766,268,579.22
Net cash flows from investing activities		-29,922,810.48	-700,781,640.41
III. Cash flows from financing activities:			
Cash received from capital contributions		5,000,000.00	914,364,635.94
Including: Cash received by subsidiaries from investment of minority shareholders		5,000,000.00	
Cash received from borrowings		456,434,177.04	310,593,548.94
Cash received from other financing activities	Note 78	17,148,542.58	37,487,564.66
Sub-total of cash inflows from financing activities		478,582,719.62	1,262,445,749.54
Cash paid for repayment of debts		245,141,211.47	100,938,886.56
Cash payments for distribution of dividends, profits or interest expenses		10,363,496.82	4,805,940.99
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid relating to other financing activities	Note 78	19,146,837.42	48,238,010.63
Sub-total of cash outflows from financing activities		274,651,545.71	153,982,838.18
Net cash flows from financing activities		203,931,173.91	1,108,462,911.36

SECTION X
FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows (Continued)

January to June 2024

Unit: RMB

Item	Notes	2024 1H	2023 1H
IV. Effect of exchange rate changes on cash and cash equivalents		1,764,636.72	19,411,787.81
V. Net increase in cash and cash equivalents		-7,347,171.03	150,725,788.49
Add: Balance of cash and cash equivalents at the beginning of the period		592,026,461.60	616,790,436.73
VI. Balance of cash and cash equivalents at the end of the period		584,679,290.57	767,516,225.22

SECTION X FINANCIAL STATEMENTS

I. GENERAL INFORMATION

The Company is a leading provider of fuel cell systems in China, focusing on the design, development and manufacture of fuel cell systems and stacks (a key component of the system) mainly for commercial vehicles, such as buses and trucks.

The Company was established in the People's Republic of China (the "**PRC**") on July 12, 2012. The registered office of the Company is located at Room C701, 7th Floor, Block C, Building B-6, Dongsheng Science Park, Zhongguancun, No. 66, Xixiaokou Road, Haidian District, Beijing, the PRC.

During the Reporting Period, the Company's revenue was mainly derived from (i) sales of fuel cell systems; (ii) sales of fuel cell components; and (iii) provision of technology services.

The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

II. BASIS OF PREPARATION

Financial data in this report are extracted from the unaudited financial statements for the six months ended June 30, 2024 (the "**Financial Statements**") prepared by the Group.

The Company carried out recognition and measurement on an actual transaction and event basis in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations (the "**Accounting Standards for Business Enterprises**"). On this basis, the financial statements are prepared in accordance with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (amended in 2023) issued by the China Securities Regulatory Commission.

The Company has evaluated its ability to continue as a going concern for the 12 months from the end of the Reporting Period, and has not found any event or circumstance that may cast significant doubt on its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

In addition, the financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

SECTION X

FINANCIAL STATEMENTS

III. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(1) Accounting period

The accounting period is from January 1 to December 31 of each calendar year.

(2) Functional currency

The functional currency is Renminbi.

(3) Preparation of consolidated financial statements

The consolidation scope of the Company's consolidated financial statements is determined on the basis of control, and all subsidiaries are included in the consolidated financial statements. The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information.

The accounting policies and accounting periods adopted by all subsidiaries included in the consolidation scope of the consolidated financial statements are consistent with those of the Company. If the accounting policies and accounting periods adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments shall be made in the preparation of the consolidated financial statements in accordance with the accounting policies and accounting periods of the Company.

The consolidated financial statements are prepared in such way that the effects of intra-transactions between the Company and its subsidiaries, and among subsidiaries on the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity shall be offset.

(4) Changes in accounting policies

Nil.

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	338,256.54	309,076.84
Bank deposits	584,340,474.09	579,434,807.18
Other monetary funds	13,047,134.42	29,480,571.55
Total	597,725,865.05	609,224,455.57
Including: Total amount deposited overseas	281,792,877.51	288,971,329.47

Other explanations

Breakdown of restricted monetary funds are as follows:

Item	Closing balance	Opening balance
Deposits for bank acceptance bills	2,288,192.03	4,493,472.46
Performance bond	41,800.00	41,800.00
Frozen funds due to litigation		2,617,981.79
Time deposit	10,000,000.00	10,000,000.00
Undue interest	716,582.45	44,739.72
Total	13,046,574.48	17,197,993.97

2. Financial assets held-for-trading

Unit: RMB

Item	Closing balance	Opening balance	Reasons and basis for determination
Financial assets at fair value through profit or loss	715,829,010.87	690,330,355.31	/
Including:			
Others	715,829,010.87	690,330,355.31	/
Total	715,829,010.87	690,330,355.31	/

Other explanations:

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

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative financial assets

Not Applicable

4. Bills receivable

(1). Bills receivable by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	35,797,825.15	49,919,638.92
Commercial acceptance bills		870,960.00
Total	35,797,825.15	50,790,598.92

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

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills		15,346,775.99
Total		15,346,775.99

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Bills receivable (Continued)

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

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts on individual basis:										
Including:										
Bank acceptance bills										
Commercial acceptance bills										
Provision for bad debts on group basis	35,797,825.15	100.00			35,797,825.15	50,826,888.92	100.00	36,290.00	0.07	50,790,598.92
Including:										
Bank acceptance bills	35,797,825.15	100.00			35,797,825.15	49,919,638.92	98.22			49,919,638.92
Commercial acceptance bills						907,250.00	1.78	36,290.00	4.00	870,960.00
Total	35,797,825.15	100.00			35,797,825.15	50,826,888.92	100.00	36,290.00	0.07	50,790,598.92

The basis for the division at each phase and the percentage of provisions for bad debts
Nil

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Bills receivable (Continued)

(4). Provision for bad debts

Unit: RMB

Category	Opening balance	Changes during the period				Closing balance
		Provision	Recovered or reversed	Written-back or written-off	Other changes	
Commercial acceptance bills	36,290.00		36,290.00			
Total	36,290.00		36,290.00			

5. Accounts receivable

(1). Disclosure by aging

The table below sets forth an aging analysis of our receivables based on the date of recognition of revenue:

Unit: RMB

Age	Closing book balance	Opening book balance
Within 1 year	829,013,585.87	836,071,137.99
1 to 2 years	592,969,056.68	660,902,327.88
2 to 3 years	339,815,265.49	228,959,369.45
3 to 4 years	23,581,181.27	38,572,881.27
4 to 5 years	218,810,000.00	224,310,860.85
Over 5 years	92,175,480.45	86,934,100.45
Total	2,096,364,569.76	2,075,750,677.89

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

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

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts on individual basis	308,007,675.00	14.69	291,120,523.90	94.52	16,887,151.10	308,007,675.00	14.84	291,120,523.90	94.52	16,887,151.10
Including:										
Provision on individual basis	308,007,675.00	14.69	291,120,523.90	94.52	16,887,151.10	308,007,675.00	14.84	291,120,523.90	94.52	16,887,151.10
Provision for bad debts on group basis	1,788,356,894.76	85.31	182,259,261.34	10.19	1,606,097,633.42	1,767,743,002.89	85.16	162,664,681.46	9.20	1,605,078,321.43
Including:										
Grouped by aging	1,788,356,894.76	85.31	182,259,261.34	10.19	1,606,097,633.42	1,767,743,002.89	85.16	162,664,681.46	9.20	1,605,078,321.43
Total	2,096,364,569.76	100.00	473,379,785.24	22.58	1,622,984,784.52	2,075,750,677.89	100.00	453,785,205.36	21.86	1,621,965,472.53

Provision for bad debts on individual basis:

Unit: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Percentage of provision (%)	Reasons for provision
Shanghai Shenlong Bus Co., Ltd.	271,066,295.00	254,179,143.90	93.77	Lower recoverable amount
Zhongzhi Vehicle (Chun'an) Co., Ltd.	36,941,380.00	36,941,380.00	100.00	Not expected to be recovered
Total	308,007,675.00	291,120,523.90	94.52	/

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

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

Provision for bad debts on group basis:

Items provided on group basis: grouped by aging

Unit: RMB

Item	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	829,013,585.87	33,160,542.64	4.00
1-2 years	592,969,056.68	35,578,143.41	6.00
2-3 years	339,549,778.76	98,469,435.85	29.00
3-4 years	23,546,668.00	11,773,334.00	50.00
4-5 years	445,000.00	445,000.00	100.00
Over 5 years	2,832,805.45	2,832,805.45	100.00
Total	1,788,356,894.76	182,259,261.34	10.19

(3). Provision for bad debts

Unit: RMB

Category	Opening balance	Changes during the period			Closing balance
		Provision	Recovered or reversed	Written-back or written-off	
Accounts receivable with expected credit losses on an individual basis	291,120,523.90				291,120,523.90
Accounts receivable with expected credit losses on a group basis	162,664,681.46	29,158,257.48	9,563,677.60		182,259,261.34
Total	453,785,205.36	29,158,257.48	9,563,677.60		473,379,785.24

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(4). Top five accounts receivable and contract assets by debtors at the end of the period

Unit: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Customer J	506,500,685.00	138,000.00	506,638,685.00	23.97	23,250,747.40
Customer I	391,654,068.66	13,850,000.00	405,504,068.66	19.18	21,852,546.91
Customer A	386,797,029.64	238,998.00	387,036,027.64	18.31	69,834,221.48
Customer M	271,066,295.00		271,066,295.00	12.82	254,179,143.90
Customer F	155,640,000.00		155,640,000.00	7.36	34,370,550.00
Total	1,711,658,078.30	14,226,998.00	1,725,885,076.30	81.65	403,487,209.69

6. Contract assets

(1). Contract assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Warranty	17,428,703.00	697,148.12	16,731,554.88	17,407,658.00	696,306.32	16,711,351.68
Total	17,428,703.00	697,148.12	16,731,554.88	17,407,658.00	696,306.32	16,711,351.68

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Contract assets (Continued)

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

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying value
Provision for bad debts on individual basis										
Including:										
Provision on individual basis										
Provision for bad debts on group basis	17,428,703.00	100.00	697,148.12	4.00	16,731,554.88	17,407,658.00	100.00	696,306.32	4.00	16,711,351.68
Including:										
Grouped by aging	17,428,703.00	100.00	697,148.12	4.00	16,731,554.88	17,407,658.00	100.00	696,306.32	4.00	16,711,351.68
Total	17,428,703.00	100.00	697,148.12	4.00	16,731,554.88	17,407,658.00	100.00	696,306.32	4.00	16,711,351.68

Provision for bad debts on group basis:

Items provided: aging portfolio

Unit: RMB

Name	Closing balance		
	Contract assets	Provision for bad debts	Percentage of provision (%)
Within one year	17,428,703.00	697,148.12	4
Total	17,428,703.00	697,148.12	4

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Contract assets (Continued)

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

Unit: RMB

Item	Provision for the period	Recovered or reversed during the period	Written-back or written-off during the period	Reason
Warranty	24,030.20	23,188.40		Provision made based on aging and expected credit risk
Total	24,030.20	23,188.40		/

7. Receivables financing

(1). Receivables financing by category

Unit: RMB

Item	Closing balance	Opening balance
Bills receivable	51,949,064.76	31,009,909.60
Total	51,949,064.76	31,009,909.60

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

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	7,665,284.68	
Total	7,665,284.68	

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

The Company's receivables financing increased by RMB62,074,349.44 and decreased by RMB41,135,194.28.

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

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Prepayments

(1). Prepayments presented by aging

Unit: RMB

Age	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	19,358,716.88	84.54	23,951,790.12	86.02
1 to 2 years	2,795,653.77	12.21	3,089,472.06	11.10
2 to 3 years	10,802.65	0.05	23,201.00	0.08
Over 3 years	734,476.50	3.20	780,647.00	2.80
Total	22,899,649.80	100.00	27,845,110.18	100.00

(2). Top five prepayments by receivers of advances at the end of the period

Name of entity	Closing balance	Percentage of total closing balance of prepayments (%)
Beijing Xingxing Equity Investment Partnership (Limited partnership)	5,220,000.00	22.80
Illuming Power Inc.	4,571,509.39	19.96
Beijing Borui Huatong Technology Co., Ltd.	2,264,150.61	9.89
CCE Oasis Technology Corporation	2,000,000.00	8.73
Shanghai Wanxiang Automobile Co., Ltd.	1,400,000.00	6.11
Total	15,455,660.00	67.49

9. Other receivables

Breakdown of items

Unit: RMB

Item	Closing balance	Opening balance
Interest receivables		
Dividend receivable		
Other receivables	19,516,072.12	19,113,995.79
Total	19,516,072.12	19,113,995.79

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables

(1). Disclosure by aging

Unit: RMB

Age	Closing book balance	Opening book balance
Within 1 year	8,369,152.36	7,947,668.30
1 to 2 years	3,790,647.26	4,648,648.62
2 to 3 years	3,809,436.29	3,576,059.91
3 to 4 years	4,616,571.88	3,300,771.59
4 to 5 years	3,116,587.40	24,311,015.28
Over 5 years	21,250,750.29	417,800.00
Total	44,953,145.48	44,201,963.70

(2). Classified by nature

Unit: RMB

Nature	Closing book balance	Opening book balance
Reserve funds	370,018.63	23,447.63
Deposits and guarantees	13,341,843.12	13,045,037.49
Current accounts with related parties outside the scope of consolidation	30,345,004.39	30,254,021.13
Others	896,279.34	879,457.45
Total	44,953,145.48	44,201,963.70

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(3). Provision for bad debts

Unit: RMB

	Stage 1 Expected credit losses over the next 12 months	Stage 2 Lifetime expected credit losses (not credit-impaired)	Stage 3 Lifetime expected credit losses (credit- impaired)	Total
Provision for bad debts				
Balance at January 1, 2024			25,087,967.91	25,087,967.91
Balance at January 1, 2024 in the current period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision for the period			349,105.45	349,105.45
Reversal for the period				
Written-back for the period				
Write-off for the period				
Other changes				
Balance at June 30, 2024			25,437,073.36	25,437,073.36

The basis for the division at each phase and the percentage of provisions for bad debts

Other receivables are classified as “no significant increase in credit risk since initial recognition” and are classified as Stage 1; other receivables are classified as “a significant increase in credit risk since initial recognition” and are classified as Stage 2; when the defaulting party experiences significant financial difficulties or is likely to go bankrupt or undergo other financial restructuring; other situations that violate the contracts and indicate that there is objective evidence of impairment of financial assets, indicating that other receivables are “credit impaired” and are classified as Stage 3.

Unit: RMB

Category	Opening balance	Provision	Changes during the period			Closing balance
			Recovered or reversed	Written-back or written-off	Other changes	
Grouped by aging	25,087,967.91	349,105.45				25,437,073.36
Total	25,087,967.91	349,105.45				25,437,073.36

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

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

Unit: RMB

Name of entity	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of amount	Age	Provision for bad debts Closing balance
Zhangjiakou Haiper New Energy Technology Co., Ltd.	30,345,004.39	67.50	Current accounts	0-5 years	25,137,073.36
Beijing Dongsheng Bozhan Technology Development Co., Ltd.	2,691,873.93	5.99	Deposits and guarantees	1-5 years	
Yangtao Technology (Guangzhou) Co., Ltd.	1,190,542.00	2.65	Deposits and guarantees	Within 1 year	
Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	1,128,619.34	2.51	Deposits and guarantees	0-3 years	
Special wage account for farmers in fuel cell engine base phase II of Zhangjiakou Huagong Construction Co., Ltd.	970,000.00	2.16	Deposits and guarantees	3-4 years	
Total	36,326,039.66	80.81	/	/	25,137,073.36

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Inventories

(1). Classification of inventories

Unit: RMB

Item	Book balance	Closing balance Provision for inventory impairment/ impairment provision for contract performance cost	Carrying amount	Book balance	Opening balance Provision for inventory impairment/ impairment provision for contract performance cost	Carrying amount
Raw materials	144,466,049.22	41,318,165.24	103,147,883.98	122,193,008.48	34,462,245.21	87,730,763.27
Product in progress	30,002,500.72	5,604,056.88	24,398,443.84	36,190,545.00	5,410,770.39	30,779,774.61
Finished goods	135,246,052.16	41,582,606.46	93,663,445.70	134,444,145.37	36,604,028.18	97,840,117.19
Good delivered	31,551,473.90	1,667,944.69	29,883,529.21	16,024,384.14	1,199,596.21	14,824,787.93
Total	341,266,076.00	90,172,773.27	251,093,302.73	308,852,082.99	77,676,639.99	231,175,443.00

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

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	34,462,245.21	8,219,989.57		1,364,069.54		41,318,165.24
Product in progress	5,410,770.39	2,268,615.21		2,075,328.72		5,604,056.88
Finished goods	36,604,028.18	4,784,376.94		-194,201.34		41,582,606.46
Good delivered	1,199,596.21	763,044.58		294,696.10		1,667,944.69
Total	77,676,639.99	16,036,026.30		3,539,893.02		90,172,773.27

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Held-for-sale assets

Not Applicable

12. Non-current assets due within one year

Not Applicable

13. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax deduction	41,002,131.40	40,776,407.29
Amortization expenses and others	1,110,477.42	2,092,986.70
Total	42,112,608.82	42,869,393.99

14. Debt investments

Not Applicable

15. Other debt investments

Not Applicable

16. Long-term receivables

Not Applicable

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investments

(1). Long-term equity investments

Unit: RMB

Investee	Opening balance	Additional investment	Decrease in investment	Changes during the period						Closing balance	
				Investment profit or loss recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividend or profit declared	Provision for impairment	Others	Closing balance	of impairment provision
I. Joint ventures	90,736,899.73			-10,269,016.15						80,467,883.58	
Toyota Sinohytec Fuel Cell Co., Ltd	90,736,899.73			-10,269,016.15						80,467,883.58	
Sub-total	90,736,899.73			-10,269,016.15						80,467,883.58	0
II. Associates	228,018,355.70	8,000,000.00		-9,478,387.81						226,539,967.89	43,719,313.30
Air Sinohytec Hydrogen Technology Co., Ltd	20,153,029.19			-1,069,161.03						19,083,868.16	
United Fuel Cell System R&D (Beijing) Co., Ltd.	12,317,301.70			-1,512,063.46						10,805,238.24	
Shanghai Maximfuelcell Technology Co., Ltd.	12,559,403.64			-1,786,345.35						10,773,058.29	
Beijing Swift New Energy Technology Co., Ltd.	7,722,070.61			-1,596,336.82						6,125,733.79	
Beijing Shuimu Pilot Venture Capital Center (Limited Partnership)	105,227,423.97			-228,188.67						104,999,235.30	
Beijing Caven New Energy Vehicles Co., Ltd.	38,282,157.09			-853,683.32						37,428,473.77	
Xinjiang Zhaolian Qingtong Energy Technology Co., Ltd.		8,000,000.00		-236,613.63						7,763,386.37	
Zhangjiakou Jiaotou Hydrogen New Energy Technology Co., Ltd.	9,386,034.65			-446,102.96						8,939,931.69	
Zhangjiakou Haiper New Energy Technology Co., Ltd.	22,370,934.85			-1,749,892.57						20,621,042.28	43,719,313.30
Sub-total	228,018,355.70	8,000,000.00		-9,478,387.81						226,539,967.89	43,719,313.30
Total	318,755,255.43	8,000,000.00		-19,747,403.96						307,007,851.47	43,719,313.30

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investments

Unit: RMB

Item	Changes during the period						Closing balance	Dividend income recognized in the period	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Reasons for designation at fair value through other comprehensive income
	Opening Balance	Additional investment	Decrease in investment	Gains included in other comprehensive income for the period	Losses included in other comprehensive income during the period	Others					
Hozon New Energy Automobile Co., Ltd.	195,510,000.00						195,510,000.00		113,391,271.34		Long-term holding for strategic purposes
Total	195,510,000.00						195,510,000.00		113,391,271.34		/

As of June 30, 2024, the subscribed registered capital of Hozon New Energy Automobile Co., Ltd. was changed to RMB2,837.45818 million. The Company contributed RMB26.9167 million and holds 0.9486% equity interest in Hozon New Energy Automobile Co., Ltd.

19. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Equity instrument investments	2,800,000.00	2,800,000.00
Total	2,800,000.00	2,800,000.00

20. Investment properties

Not applicable

21. Fixed assets

Breakdown of items

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	480,609,768.34	503,237,119.23
Disposal of fixed assets		
Total	480,609,768.34	503,237,119.23

Note: The fixed assets in the above table refer to fixed assets after deducting fixed assets liquidation.

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets

Fixed assets

Unit: RMB

Item	Buildings and structures	Machinery equipment	Transportation tools	Electronic equipment	Mold	Office equipment and others	Total
I. Original book value:							
1. Opening balance	279,449,962.62	335,776,692.43	2,882,445.92	16,715,706.91	26,142,851.21	16,844,553.66	677,812,212.75
2. Increase for the period		14,906,860.26	421,309.74	733,828.16	785,971.78	551,827.42	17,399,797.36
(1) Purchase		3,225,297.35	421,309.74	5,240.15	785,971.78	352,244.12	4,790,063.14
(2) Transfer from construction in progress		7,179,949.49				199,583.30	7,379,532.79
(3) Increase in business combination							
(4) Other increase		4,501,613.42		728,588.01			5,230,201.43
3. Decrease for the period	2,188,146.62	11,512,743.83	50,000.00		4,000.00	108,226.13	13,863,116.58
(1) Disposal or retirement		11,512,743.83	50,000.00		4,000.00	106,246.13	11,672,989.96
(2) Transfer to construction in progress	2,008,146.62						2,008,146.62
(3) Other decrease	180,000.00					1,980.00	181,980.00
4. Closing balance	277,261,816.00	339,170,808.86	3,253,755.66	17,449,535.07	26,924,822.99	17,288,154.95	681,348,893.53
II. Accumulated depreciation							
1. Opening balance	37,598,520.62	106,151,635.98	1,956,164.94	9,620,368.49	2,899,639.03	7,626,066.13	165,852,395.19
2. Increase for the period	4,220,519.70	20,442,394.65	135,875.96	1,063,352.82	455,801.16	1,299,540.49	27,617,484.78
(1) Provision	4,220,519.70	20,442,394.65	135,875.96	1,063,352.82	455,801.16	1,299,540.49	27,617,484.78
3. Decrease for the period	312,049.37	1,107,244.52				34,159.22	1,453,453.11
(1) Disposal or retirement		1,107,244.52				34,159.22	1,141,403.74
(2) Transfer to construction in progress	312,049.37						312,049.37
4. Closing balance	41,506,990.95	125,486,786.11	2,092,040.90	10,683,721.31	3,355,440.19	8,891,447.40	192,016,426.86
III. Provision for impairment							
1. Opening balance					8,722,698.33		8,722,698.33
2. Increase for the period							
(1) Provision							
3. Decrease for the period							
(1) Disposal or retirement							
4. Closing balance					8,722,698.33		8,722,698.33
IV. Carrying amount							
1. Closing book value	235,754,825.05	213,684,022.75	1,161,714.76	6,765,813.76	14,846,684.47	8,396,707.55	480,609,768.34
2. Opening book value	241,851,442.00	229,625,056.45	926,280.98	7,095,338.42	14,520,513.85	9,218,487.53	503,237,119.23

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(1). Fixed assets leased out under operating leases

Unit: RMB

Item	Closing book value
Machinery equipment	4,163,947.12
Buildings and structures	3,759,556.76
Total	7,923,503.88

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

Unit: RMB

Item	Carrying amount	Reason for not obtaining the title certificate
Buildings and structures	19,640,035.00	Shanghai SinoFuelCell Co., Ltd. newly purchased factory building, and the warrant is being processed
Total	19,640,035.00	

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress

Breakdown of items

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	23,321,352.42	21,651,097.39
Construction materials		
Total	23,321,352.42	21,651,097.39

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

Construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Production line construction	7,596,997.76		7,596,997.76	13,423,355.29		13,423,355.29
Upgrade and transformation of equipment and facilities	9,145,823.73		9,145,823.73	5,972,371.85		5,972,371.85
Development project for fuel cell stack testing platform	2,519,943.92		2,519,943.92	1,586,453.23		1,586,453.23
Others	4,058,587.01		4,058,587.01	668,917.02		668,917.02
Total	23,321,352.42		23,321,352.42	21,651,097.39		21,651,097.39

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Productive biological assets

Not Applicable

24. Oil and gas assets

Not Applicable

25. Right-of-use assets

Unit: RMB

Item	Buildings and structures	Total
I. Original book value		
1. Opening balance	50,679,966.83	50,679,966.83
2. Increase for the period	13,988,526.62	13,988,526.62
– New lease	13,952,293.64	13,952,293.64
– Other increase	36,232.98	36,232.98
3. Decrease for the period	4,219,236.11	4,219,236.11
– Lease expiry	4,219,236.11	4,219,236.11
4. Closing balance	60,449,257.34	60,449,257.34
II. Accumulated depreciation		
1. Opening balance	12,816,525.32	12,816,525.32
2. Increase for the period	8,195,894.15	8,195,894.15
(1) Provision	8,195,894.15	8,195,894.15
3. Decrease for the period	1,172,010.00	1,172,010.00
– Lease expiry	1,172,010.00	1,172,010.00
4. Closing balance	19,840,409.47	19,840,409.47
III. Provision for impairment		
1. Opening balance		–
2. Increase for the period		–
(1) Provision		–
3. Decrease for the period		–
– Disposal		–
4. Closing balance		–
IV. Carrying amount		
1. Closing book value	40,608,847.87	40,608,847.87
2. Opening book value	37,863,441.51	37,863,441.51

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets

Unit: RMB

Item	Land use rights	Patents/ Non-patented technology	Software	Copyright	Total
I. Original book value					
1. Opening balance	28,428,528.50	230,072,657.74	69,403,384.46	807,030.64	328,711,601.34
2. Increase for the period		17,865,642.46	1,211,837.87		19,077,480.33
(1) Purchase			1,211,837.87		1,211,837.87
(2) Internal research and development		17,865,642.46			17,865,642.46
3. Decrease for the period			574,002.76		574,002.76
(1) Disposal			574,002.76		574,002.76
4. Closing balance	28,428,528.50	247,938,300.20	70,041,219.57	807,030.64	347,215,078.91
II. Accumulated amortization					
1. Opening balance	2,785,500.11	43,698,406.21	19,860,031.90	652,349.57	66,996,287.79
2. Increase for the period	284,395.86	12,502,092.98	3,314,797.45	40,351.50	16,141,637.79
(1) Provision	284,395.86	12,502,092.98	3,314,797.45	40,351.50	16,141,637.79
3. Decrease for the period			373,437.11		373,437.11
(1) Disposal			373,437.11		373,437.11
4. Closing balance	3,069,895.97	56,200,499.19	22,801,392.24	692,701.07	82,764,488.47
III. Provision for impairment					
1. Opening balance					
2. Increase for the period					
(1) Provision					
3. Decrease for the period					
(1) Disposal					
4. Closing balance					
IV. Carrying amount					
1. Closing book value	25,358,632.53	191,737,801.01	47,239,827.33	114,329.57	264,450,590.44
2. Opening book value	25,643,028.39	186,374,251.53	49,543,352.56	154,681.07	261,715,313.55

At the end of the period, the percentage of intangible assets generated through the internal research and development of the Company to the balance of intangible assets was 71.56%.

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill

Not Applicable

28. Long-term deferred expenditures

Unit: RMB

Item	Opening balance	Increase for the period	Amortization for the period	Other decrease	Closing balance
Renovation and alteration costs	13,965,575.21	2,149,310.99	2,443,505.76		13,671,380.44
Renovation expenditure for fuel cell center	21,310,272.92	1,099,431.16	2,821,207.38		19,588,496.70
Technical service fee	586,617.05		275,676.30		310,940.75
Tooling fixture	1,001,615.48		278,944.20		722,671.28
Total	36,864,080.66	3,248,742.15	5,819,333.64		34,293,489.17

29. Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets not offset

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	645,409,148.20	102,679,394.99	613,636,076.14	96,240,460.44
Unrealized profit from internal transactions	42,994,078.40	6,449,111.76	33,244,318.47	4,986,647.77
Deductible losses	283,037,674.43	42,455,651.16	265,050,227.96	39,757,534.19
Accrued liabilities	21,347,718.59	3,627,125.57	21,927,857.25	3,510,334.20
Deferred income tax difference	36,251,286.21	5,437,692.93	36,097,320.23	5,414,598.04
Tax differences arising from lease liabilities	38,760,707.90	8,598,683.59	28,981,513.62	5,492,962.59
Total	1,067,800,613.73	169,247,660.00	998,937,313.67	155,402,537.23

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

(2). Deferred income tax liabilities not offset

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Appreciation of the combined asset valuation of enterprises not under the same control	15,171,851.76	2,486,143.60	15,602,396.74	2,556,619.11
Changes in fair value of other equity instrument investments	145,510,000.00	21,826,500.00	145,510,000.00	21,826,500.00
Accelerated depreciation of fixed assets	15,426,402.83	2,313,960.42	17,524,903.13	2,628,735.47
Changes in fair value of other non-current financial assets	760,496.90	114,074.54	760,496.90	114,074.54
Tax differences arising from right-of-use assets	40,608,847.51	9,064,870.36	31,319,980.88	6,078,304.12
Total	217,477,599.00	35,805,548.92	210,717,777.65	33,204,233.23

(3). Breakdown of unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	445,018,979.63	297,312,196.13
Total	445,018,979.63	297,312,196.13

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

Unit: RMB

Year	Closing amount	Opening amount	Remark
2024	2,924,200.38	2,924,200.38	
2025	7,242,657.42	7,242,657.42	
2026	41,008,483.03	41,008,483.03	
2027	18,173,895.68	18,173,895.68	
2028	227,962,959.62	227,962,959.62	
2029	147,706,783.50		
Total	445,018,979.63	297,312,196.13	/

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Contract assets	15,644,230.00	3,298,556.60	12,345,673.40	17,949,620.01	3,940,580.00	14,009,040.01
Prepayments for purchase of equipment	28,719,089.81		28,719,089.81	19,872,419.71		19,872,419.71
Prepayments for purchase of other long-term assets	300,000.00		300,000.00	1,399,431.16		1,399,431.16
Total	44,663,319.81	3,298,556.60	41,364,763.21	39,221,470.88	3,940,580.00	35,280,890.88

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

Unit: RMB

Item	Closing				Opening			
	Book balance	Book value	Type	Reason for restriction	Book balance	Book value	Type	Reason for restriction
Monetary funds-Security deposit	2,288,192.03	2,288,192.03	Other	Security deposit	4,493,472.46	4,493,472.46	Other	Security deposit
Monetary funds-Frozen funds for litigation					2,617,981.79	2,617,981.79	Frozen	Frozen funds for litigation
Monetary funds-Performance bond	41,800.00	41,800.00	Other	Performance bond	41,800.00	41,800.00	Other	Performance bond
Monetary funds-Certificate of deposit or interest not yet due	10,716,582.45	10,716,582.45	Other	Certificate of deposit or interest not yet due	10,044,739.72	10,044,739.72	Other	Certificate of deposit or interest not yet due
Fixed assets	6,566,911.46	3,759,556.76	Mortgage	Mortgage of buildings	6,566,911.46	3,863,532.86	Mortgage	Mortgage of buildings
Receivables financing					11,879,909.60	11,879,909.60	Pledge	Bill pool pledge
Total	19,613,485.94	16,806,131.24	/	/	35,644,815.03	32,941,436.43	/	/

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Short-term borrowings

(1). Classification of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Secured borrowings	81,052,808.87	69,167,250.00
Guaranteed loans	118,047,116.72	109,101,908.61
Credit loans	576,311,385.42	407,911,358.08
Unearned interest payable	480,048.39	431,666.89
Total	775,891,359.40	586,612,183.58

33. Financial liabilities held-for-trading

Not Applicable

34. Derivative financial liabilities

Not Applicable

35. Note payables

Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	22,057,165.72	39,683,502.69
Total	22,057,165.72	39,683,502.69

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

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Accounts payable

(1). Breakdown of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Payables for purchase of materials	504,091,952.20	508,093,706.17
Payables for purchase of equipment and construction	35,847,940.93	38,715,820.95
Other payables such as freight charges	46,955,535.66	25,729,125.98
Total	586,895,428.79	572,538,653.10

The table below sets forth an aging analysis of our payables based on the date of payment obligation:

Item	Closing balance	Opening balance
Within 1 year	411,767,707.68	371,426,097.41
1 to 2 years	151,033,251.76	166,371,724.77
2 to 3 years	12,082,411.47	30,725,370.92
Over 3 years	12,012,057.88	4,015,460.00
Total	586,895,428.79	572,538,653.10

(2). Significant accounts payable aged over one year

Unit: RMB

Item	Closing balance	Reason for outstanding or carried forward
Shanghai Tangfeng Energy Technology Co., Ltd.	53,006,422.18	Outstanding
Total	53,006,422.18	/

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Advances from customers

(1). Breakdown of advances from customers

Unit: RMB

Item	Closing balance	Opening balance
Rental expenses		27,522.85
Total		27,522.85

38. Contract liabilities

(1). Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Loans	15,365,809.39	6,444,858.63
Total	15,365,809.39	6,444,858.63

39. Accrued payroll

(1). Breakdown of accrued payroll

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	47,498,742.15	131,863,763.54	144,444,045.94	34,918,459.75
II. Post-employment benefits-defined contribution plans	2,501,112.54	15,038,661.92	15,308,118.00	2,231,656.46
III. Termination benefits	874,457.06	2,659,725.36	3,420,714.85	113,467.57
IV. Other benefits due within one year				
Total	50,874,311.75	149,562,150.82	163,172,878.79	37,263,583.78

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Accrued payroll (Continued)

(2). Breakdown of short-term remuneration

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	43,526,282.21	109,854,325.06	122,636,696.77	30,743,910.50
II. Employee benefits		4,453,156.76	4,453,156.76	
III. Social insurance	1,571,000.99	9,511,243.19	9,751,304.50	1,330,939.68
Including: Medical insurance	1,521,394.28	9,176,228.40	9,411,262.98	1,286,359.70
Work-related injury insurance	49,606.71	329,539.25	334,700.32	44,445.64
Maternity insurance premiums		5,475.54	5,341.20	134.34
IV. Housing provident fund	387,218.00	6,314,467.83	6,367,812.83	333,873.00
V. Union and education fund	2,014,240.95	1,730,570.70	1,235,075.08	2,509,736.57
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
Total	47,498,742.15	131,863,763.54	144,444,045.94	34,918,459.75

(3). Breakdown of defined contribution plans

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	2,425,261.26	14,571,605.40	14,832,837.18	2,164,029.48
2. Unemployment insurance	75,851.28	467,056.52	475,280.82	67,626.98
3. Enterprise annuity				
Total	2,501,112.54	15,038,661.92	15,308,118.00	2,231,656.46

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax	505,723.60	1,042,266.90
Corporate income tax		54,414.71
Individual income tax	809,309.07	1,034,905.29
City maintenance and construction tax	41,266.83	30,040.52
Property tax	108,930.04	110,421.76
Land use tax	2,161.13	17,330.63
Education surcharge	11,184.57	12,895.26
Stamp duty	156,365.92	623,934.68
Local education surcharges	7,456.38	8,596.84
Others	2.77	
Total	1,642,400.31	2,934,806.59

41. Other payables

(1). Breakdown of items

Unit: RMB

Item	Closing balance	Opening balance
Interest payables		
Dividend payable		
Other payables	26,881,722.84	18,742,209.30
Total	26,881,722.84	18,742,209.30

Other payables

(1). Other payables by nature

Unit: RMB

Item	Closing balance	Opening balance
Deposits and guarantees	282,704.65	291,955.45
Employee social security fund	250,465.53	247,898.03
Payables to employees	331,198.36	2,424,545.74
Current accounts with other entities	20,861,015.10	15,746,415.10
Others	5,156,339.20	31,394.98
Total	26,881,722.84	18,742,209.30

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42. Held-for-sale liabilities

Not Applicable

43. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year		19,417,783.32
Bonds payable due within one year		
Long-term payables due within one year	4,565,466.76	4,110,462.11
Lease liabilities due within one year	18,162,128.68	14,218,170.89
Total	22,727,595.44	37,746,416.32

44. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable endorsed or discounted but not derecognized	22,377,460.93	6,012,668.11
Pending output tax	1,063,503.26	495,115.02
Total	23,440,964.19	6,507,783.13

45. Long-term borrowings

(1). Classification of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings		
Secured borrowings		
Guaranteed loans		
Credit loans		19,400,000.00
Accrued interest		17,783.32
Less: Long-term borrowings due within one year		19,417,783.32
Total		0.00

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Bonds payable

Not Applicable

47. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease payment	40,681,756.68	37,546,853.09
Unrecognized finance charges	1,921,048.78	2,029,461.60
Subtotal present value of lease payments	38,760,707.90	35,517,391.49
Less: Lease liabilities due within one year	18,162,128.68	14,218,170.89
Total	20,598,579.22	21,299,220.60

48. Long-term payables

Breakdown of items

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	4,248,814.65	5,911,814.94
Special payables		
Total	4,248,814.65	5,911,814.94

Long-term payables

Unit: RMB

Item	Closing balance	Opening balance
Loan lease payable	8,814,281.41	10,022,277.05
Less: long-term payables due within one year	4,565,466.76	4,110,462.11
Total	4,248,814.65	5,911,814.94

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term accrued payroll

Not Applicable

50. Accrued liabilities

Unit: RMB

Item	Opening balance	Closing balance	Reasons for formation
Product quality assurance	44,776,420.37	43,800,318.53	Provision for warranty
Total	44,776,420.37	43,800,318.53	/

51. Deferred income

Deferred income

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reasons for formation
Government grants related to assets	109,802,501.42	13,940,000.00	7,207,619.37	116,534,882.05	Project funds and special subsidies
Government grants related to income	1,471,488.74	3,726,400.00	218,858.60	4,979,030.14	Project funds and special subsidies
Total	111,273,990.16	17,666,400.00	7,426,477.97	121,513,912.19	/

52. Other non-current liabilities

Not Applicable

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

53. Share capital

Unit: RMB

	Opening balance	Increase or decrease (+, -)				Sub-total	Closing balance
		Issuance of new shares	Bonus issue	Capitalization of provident fund	Others		
Total number of shares	165,465,772.00						165,465,772.00

54. Other equity instruments

Not Applicable

55. Capital reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital appreciation (share appreciation)	3,109,563,115.64			3,109,563,115.64
Other capital reserve	127,363,003.09			127,363,003.09
Total	3,236,926,118.73			3,236,926,118.73

56. Treasury shares

Not Applicable

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

57. Other comprehensive income

Unit: RMB

Item	Amount for the period							Closing balance
	Opening balance	Amount before income tax for the period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained earnings from other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to the minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified to profit or loss	113,391,271.34							113,391,271.34
Changes in fair value of other equity instrument investments	113,391,271.34							113,391,271.34
II. Other comprehensive income that will be reclassified to profit or loss								
Total other comprehensive income	113,391,271.34							113,391,271.34

58. Special reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Safety production fee	7,707,807.00	1,808,247.46	412,657.85	9,103,396.61
Total	7,707,807.00	1,808,247.46	412,657.85	9,103,396.61

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Surplus reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	9,216,035.02			9,216,035.02
Total	9,216,035.02			9,216,035.02

60. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Retained profits at the end of the previous period before adjustment	-487,856,704.18	-244,653,029.56
Total adjustment to retained profit at the beginning of the period (increase +, decrease-)		
Retained profits at the beginning of the period after adjustment	-487,856,704.18	-244,653,029.56
Add: Net profit attributable to owners of the parent company for the period	-141,489,332.28	-243,203,674.62
Less: Appropriation to statutory surplus reserve		
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Dividends payable on ordinary shares		
Dividends on ordinary shares converted into share capital		
Retained earnings at the end of the period	-629,346,036.46	-487,856,704.18

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Undistributed profit (Continued)

Breakdown of adjustment to retained profit at the beginning of the period:

1. The effect of the retrospective adjustments according to ASBE and their new related requirements on the retained profits as at the beginning of the period amounted to RMB0.
2. The effect of the changes in accounting policies on the undistributed profits as at the beginning of the period amounted to RMB0.
3. The effect of corrections of significant accounting errors on the undistributed profits as at the beginning of the period amounted to RMB0.
4. The effect of the change of the scope of combination under common control on the undistributed profits as at the beginning of the period amounted to RMB0.
5. The effect of other adjustments on the undistributed profits as at the beginning of the period amounted to RMB0.

61. Operating income and operating costs

(1). Operating income and operating costs

Unit: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal business	152,555,616.42	126,022,987.71	153,175,910.83	97,038,116.99
Other Businesses	1,287,909.13	571,982.57	343,344.59	235,905.70
Total	153,843,525.55	126,594,970.28	153,519,255.42	97,274,022.69

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating income and operating costs (Continued)

(2). Breakdown of operating income and operating costs

Unit: RMB

Classification	Fuel cell system and related services		Total	
	Operating income	Operating costs	Operating income	Operating costs
Type of goods				
Fuel cell system	109,418,025.07	84,332,936.62	109,418,025.07	84,332,936.62
Parts	24,551,506.10	21,971,266.56	24,551,506.10	21,971,266.56
Technology development and services	6,825,639.15	5,969,825.69	6,825,639.15	5,969,825.69
Others	13,048,355.23	14,320,941.41	13,048,355.23	14,320,941.41
By operating region				
Domestic	152,426,428.46	125,916,315.10	152,426,428.46	125,916,315.10
Overseas	1,417,097.09	678,655.18	1,417,097.09	678,655.18
By time of transfer of goods				
At a point in time	153,248,672.32	126,290,157.46	153,248,672.32	126,290,157.46
Over time	594,853.23	304,812.82	594,853.23	304,812.82
Total	153,843,525.55	126,594,970.28	153,843,525.55	126,594,970.28

(3). Description of performance obligations

Not Applicable

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

The amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet fulfilled at the end of the Reporting Period is RMB42,810,556.76, of which:

RMB36,075,205.98 is expected to be recognized in 2024

RMB6,735,350.78 is expected to be recognized in the years after 2024

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

62. Tax and surcharges

Unit: RMB

Item	Amount for the current period	Amount for the last period
City maintenance and construction tax	26,097.33	
Education surcharge	11,184.57	
Local education surcharge	7,456.38	
Property tax	1,107,470.52	1,124,140.28
Land use tax	129,513.44	133,835.70
Vehicle and vessel use tax	8,850.00	6,195.00
Stamp duty	253,234.55	370,708.39
Others	5.49	13,257.27
Total	1,543,812.28	1,648,136.64

63. Selling expenses

Unit: RMB

Item	Amount for the current period	Amount for the last period
Accrued payroll	14,069,324.67	15,395,835.29
Business promotion and service fees	2,718,494.79	4,345,690.84
Product quality guarantee	1,587,461.69	1,498,551.64
Travel expenses	532,623.85	851,349.30
Depreciation and amortization expenses, etc.	3,965,073.99	3,799,238.88
Others	5,048,730.00	4,266,015.49
Total	27,921,708.99	30,156,681.44

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

64. Administrative expenses

Unit: RMB

Item	Amount for the current period	Amount for the last period
Accrued payroll	59,075,906.55	59,907,317.85
Depreciation and amortization expenses, etc.	30,469,424.78	29,927,678.11
Intermediary fees	3,592,615.42	1,662,608.49
Listing expenses		9,826,324.95
Travel expenses	1,451,206.71	2,478,200.87
Office expenses	1,393,675.25	3,003,528.76
Entertainment expenses	1,117,772.97	1,679,733.71
Others	7,370,315.31	8,999,280.47
Total	104,470,916.99	117,484,673.21

65. Research and development expenses

Unit: RMB

Item	Amount for the current period	Amount for the last period
Accrued payroll	24,885,319.49	27,024,509.72
Material costs	3,285,238.19	14,066,607.43
Commission fees for external development	6,982,075.48	939,398.98
Depreciation and amortization expenses, etc.	10,599,350.14	9,573,228.61
Testing and processing fee	3,453,263.72	1,756,168.70
Others	1,328,856.56	1,832,354.12
Total	50,534,103.58	55,192,267.56

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

66. Financial expenses

Unit: RMB

Item	Amount for the current period	Amount for the last period
Interest expense	11,539,718.24	5,291,243.92
Less: Interest income	10,339,500.53	9,540,771.75
Exchange gains and losses	-1,784,966.18	-18,701,373.62
Charges and other expenses	624,870.55	1,612,261.22
Total	40,122.08	-21,338,640.23

67. Other income

Unit: RMB

Classification by nature	Amount for the current period	Amount for the last period
Amortization of deferred income	7,366,477.97	7,879,029.66
VAT refund upon collection		4,019,870.15
Local government grants	9,983,806.87	2,366,893.51
Tax relief and individual tax refund, etc.	2,425,519.49	93,439.51
Others	5,972.22	182,022.38
Total	19,781,776.55	14,541,255.21

68. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	-19,747,403.96	-15,733,440.98
Investment income from disposal of trading financial assets		371,205.48
Investment income from trading financial assets during the holding period	2,606,273.98	
Gain on debt restructuring	-310,719.95	-420,000.00
Total	-17,451,849.93	-15,782,235.50

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

69. Hedging gains on net exposure

Not Applicable

70. Gains from changes in fair value

Unit: RMB

Source of gains on changes in fair value	Amount for the current period	Amount for the last period
Financial assets held-for-trading	7,029,295.56	48,699,437.40
Total	7,029,295.56	48,699,437.40

71. Gains from disposal of assets

Unit: RMB

Item	Amount for the current period	Amount for the last period
Gains on disposal of fixed assets	1,129,835.04	
Total	1,129,835.04	

72. Credit impairment losses

Unit: RMB

Item	Amount for the current period	Amount for the last period
Losses on bad debts of bills receivable	36,290.00	-100,000.00
Losses on bad debts of accounts receivable	-19,594,579.88	-2,250,573.54
Losses on bad debts of other receivables	-349,105.45	-11,665,780.24
Total	-19,907,395.33	-14,016,353.78

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

73. Impairment losses of assets

Unit: RMB

Item	Amount for the current period	Amount for the last period
I. Impairment losses of contract assets	641,181.60	-33,359.67
II. Impairment losses of inventories and impairment losses on contract performance costs	-16,036,026.31	-23,877,293.74
V. Impairment losses of fixed assets		-510,364.69
Total	-15,394,844.71	-24,421,018.10

74. Non-operating income

Unit: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss for the current period
Others	727,385.64	306,122.81	727,385.64
Total	727,385.64	306,122.81	727,385.64

75. Non-operating expenses

Unit: RMB

Item	Amount for the current period	Amount for the last period	Amount included in non-recurring profit or loss for the current period
Disposal of defective product losses	259,543.84	1,073,626.86	259,543.84
Others	67,304.18	2,349,301.68	67,304.18
Total	326,848.02	3,422,928.54	326,848.02

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

76. Income tax expenses

(1). Income tax expense statement

Unit: RMB

Item	Amount for the current period	Amount for the last period
Current income tax expense	-40,189.92	279,164.96
Deferred income tax expense	-11,243,807.08	-17,882,563.50
Total	-11,283,997.00	-17,603,398.54

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

Unit: RMB

Item	Amount for the current period
Total profit	-181,674,753.85
Income tax expenses calculated at statutory/applicable tax rate	-27,251,213.08
Effect of different tax rates applicable to subsidiaries	-4,175,966.67
Effect of adjustment to income tax of previous periods	-40,189.92
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	1,824,673.08
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	
Effect of deductible losses in deferred income tax assets not recognized in current year or effect of deductible loss	24,415,115.20
Additional deduction of research and development expenses	-6,056,415.62
Income tax expenses	-11,283,997.00

77. Other comprehensive income

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

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items of statement of cash flow

(1). Cash related to operating activities

Other cash received related to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the last period
Government grants received	48,834,147.17	2,569,997.63
Collection of project fees and return of advances	6,104,296.13	2,842,440.00
Deposit and guarantee refund	922,000.00	115,600.00
Interest income	9,003,486.64	8,787,365.51
Recovery of frozen funds	2,617,981.79	
Others	859,061.72	1,680,853.45
Total	68,340,973.45	15,996,256.59

Description of other cash received related to operating activities:
Nil

Other cash paid related to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the last period
Operating expenses	50,670,278.67	38,693,583.66
Prepaid expenses such as rental properties	2,711,172.70	7,260,966.89
Technology development fee, testing expense, transportation fee, etc.	2,535,944.38	3,209,427.14
Others	2,025,933.96	1,727,996.28
Total	57,943,329.71	50,891,973.97

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items of statement of cash flow (Continued)

(2). Cash related to investment activities

Not Applicable

(3). Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the last period
Collection of notes deposits	17,142,570.36	37,487,564.66
Others	5,972.22	
Total	17,148,542.58	37,487,564.66

Other cash paid related to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the last period
Lease related expenses	7,266,927.82	7,731,702.94
Consulting service fee		9,682,315.31
Deposit for acceptance of bills	11,879,909.60	30,823,992.38
Total	19,146,837.42	48,238,010.63

Movement in liabilities arising from financing activities

Unit: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Cash movement	Non-cash movement	Cash movement	Non-cash movement	
Short-term borrowings	586,612,183.58	337,823,334.56	136,193,712.37	230,543,767.36	54,194,103.75	775,891,359.40
Long-term borrowing	19,417,783.32		267,945.02	19,685,728.34		0.00
Long-term payables	10,022,277.05		1,073,744.58	2,028,496.14	253,244.08	8,814,281.41
Lease liabilities	35,517,391.49		15,579,865.89	5,756,805.16	6,579,744.32	38,760,707.90
Total	651,569,635.44	337,823,334.56	153,115,267.86	258,014,797.00	61,027,092.15	823,466,348.71

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information to the statement of cash flows

(1). Supplementary information to the statement of cash flows

Unit: RMB

Supplementary information	Amount for current period	Amount for previous period
1. Adjustment of net profit to cash flows of operating activities:		
Net profit	-170,390,756.85	-103,390,207.85
Add: Provision for impairment of assets	15,394,844.71	24,421,018.10
Credit impairment losses	19,907,395.33	14,016,353.78
Depreciation of fixed assets, consumption of oil and gas assets and depreciation of productive biological assets	27,617,484.78	25,739,878.99
Amortization of right-of-use assets	8,195,894.15	6,541,181.48
Amortization of intangible assets	16,141,637.79	12,290,075.22
Amortization of long-term deferred expenditures	5,819,333.64	4,568,424.93
Loss on disposal of fixed assets, intangible assets and other long-term assets ("—" for gains)	-1,129,835.04	
Losses on retirement of fixed assets ("—" for gains)		
Losses from changes in fair value ("—" for gains)	-7,029,295.56	-48,699,437.40
Financial expenses ("—" for gains)	9,754,752.06	-13,410,129.70
Investment losses ("—" for gains)	17,451,849.93	15,782,235.50
Decrease in deferred income tax assets ("—" for increase)	-13,845,122.77	-20,097,757.12
Increase in deferred income tax liabilities ("—" for decrease)	2,601,315.69	1,852,843.49
Decrease in inventories ("—" for increase)	-48,959,230.79	-97,527,952.60
Decrease in operating receivables ("—" for increase)	-30,417,776.20	-90,539,873.52
Increase in operating payables ("—" for decrease)	-34,232,662.05	-7,913,923.57
Others		
Net cash flows from operating activities	-183,120,171.18	-276,367,270.27
2. Major investment and financing activities not involved cash receipts and payments:		
Conversion of debt to capital		
Convertible corporate bonds due within one year		
Fixed assets held under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	584,679,290.57	767,516,225.22
Less: Opening balance of cash	592,026,461.60	616,790,436.73
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-7,347,171.03	150,725,788.49

SECTION X

FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

(2). Net cash paid for acquisition of subsidiaries in the current period

Not Applicable

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

Not Applicable

(4). Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	584,679,290.57	592,026,461.60
Including: Cash on hand	338,256.54	309,076.84
Bank deposits available for payment	584,340,474.09	576,816,825.39
Other monetary funds available for payment	559.94	14,900,559.37
II. Cash equivalents		
Including: Bond investments due within three months		
III. Cash and cash equivalents at the end of the period	584,679,290.57	592,026,461.60
Including: Restricted cash and cash equivalents of the parent company or subsidiaries of the Group		

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

Not Applicable

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

Unit: RMB

Item	Amount for current period	Amount for previous period	Reason
Other monetary funds	2,288,192.03	4,488,403.70	Deposits for bank acceptance bills
Other monetary funds	41,800.00	41,800.00	Performance bond
Bank deposits		2,617,981.79	Frozen litigation
Other monetary funds	10,716,582.45	10,044,739.72	Certificates of deposit and interest
Total	13,046,574.48	17,192,925.21	/

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

80. Notes to items of statements of changes in owners' equity

Not Applicable

81. Foreign currency monetary items

(1). Foreign currency monetary items

Unit: RMB

Item	Balance of foreign currency at the end of the period	Exchange rate	Balance in RMB equivalent at the end of the period
Cash and cash equivalents	39,608,955.95	7.1268	282,285,107.27
Including: US Dollar	39,608,955.95	7.1268	282,285,107.27
Financial assets held-for-trading	100,441,854.81	7.1268	715,829,010.87
Including: US Dollar	100,441,854.81	7.1268	715,829,010.87

(2). Description of overseas operating entities, including major overseas operating entities, which should disclose their overseas principal places of business, functional currency and basis of selection. Reasons shall be disclosed if there is any change in the functional currency

Not Applicable

82. Lease

(1). As lessee

Variable lease payments not included in the measurement of lease liabilities

Not Applicable

Lease expenses on short-term leases or low-value assets under simplified treatment

Short-term lease expense included in the current profit or loss RMB2,387,974.08.

Sale-leaseback transactions and judgment basis

Interest expense recognized in profit or loss on sale and leaseback transactions RMB199,354.06.

Total cash outflows related to leases RMB11,444,363.55 (Unit: RMB)

SECTION X FINANCIAL STATEMENTS

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Lease (Continued)

(2). As a lessor

Operating lease as lessor

Unit: RMB

Item	Lease income	Including: Income related to variable lease payments not included in lease receipts
Property leasing	27,522.85	
Equipment leasing	567,330.38	
Total	594,853.23	

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

Not Applicable

83. Data resources

Not Applicable

84. Others

Not Applicable

SECTION X FINANCIAL STATEMENTS

V. RESEARCH AND DEVELOPMENT EXPENSES

(1). By nature of expenses

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Accrued payroll	41,136,434.91	38,178,602.20
Material costs	9,234,443.03	19,430,913.61
Commission fees for external development	6,982,075.48	3,096,484.21
Depreciation and amortization expenses, etc.	14,309,742.52	12,034,808.66
Testing and processing fee	4,509,914.47	1,981,330.49
Others	1,448,105.80	1,875,161.71
Total	77,620,716.21	76,597,300.88
Including: Expensed research and development costs	50,534,103.58	55,192,267.56
Capitalized research and development costs	27,086,612.63	21,405,033.32

SECTION X FINANCIAL STATEMENTS

V. RESEARCH AND DEVELOPMENT EXPENSES (Continued)

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

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period			Closing balance
		Internal development expenditure	Recognized as intangible assets	Transferred to the current profit or loss	Recognized as fixed assets	
Ultra-thin graphite bipolar plate and high- performance stack key technologies		32,605.37				32,605.37
Single battery life verification and research on attenuation specification of key components	2,756,437.27	2,740,269.34				5,496,706.61
Development of energy-efficient megawatt-scale fuel cell electricity and heat cogeneration system		825,696.75		127,863.00		697,833.75
Research on the application of high-performance perfluorocarbons membrane in fuel cells	13,410,841.98	56,862.19	12,705,191.91	33,924.25	728,588.01	
Design and development of high consistency high power fuel cells		3,359,093.95		490,240.71		2,868,853.24
R&D of national fuel cell system	3,781,914.56	8,180,915.63		82,605.54		11,880,224.65
Research and development of multi-energy efficient coupling control for hybrid power generation system and key components	1,319,668.04	366,005.86				1,685,673.90
High-power and high-efficiency fuel cell systems development for long- distance and heavy-duty applications	22,760.17	7,072,144.90		857,929.12		6,236,975.95
Forward-looking technology research	7,415,178.52	1,326,153.23	5,160,450.55	396,405.76	3,184,475.44	
Development of fuel cell stack testing equipment	4,140,706.43	501,506.92				4,642,213.35
Development of high performance membrane electrodes and key materials for fuel cells		3,268,472.94		464,094.36		2,804,378.58
Integration and demonstration of fuel cell- hydrogen internal combustion engine hybrid power generation system	34,785.57	4,331.49				39,117.06
Fuel cell system development and vehicle application suitable for low pressure input of vehicle liquid hydrogen storage and supply system – 2023	2,722,661.25	2,032,986.71		261,294.16		4,494,353.80
Total	35,604,953.79	29,767,045.28	17,865,642.46	2,714,356.90	3,913,063.45	40,878,936.26

VI. CHANGES IN CONSOLIDATION SCOPE

1. Business combination not under common control

Not Applicable

2. Business combination under common control

Not Applicable

3. Counter purchase

Not Applicable

4. Disposal of subsidiaries

Not Applicable

5. Changes in scope of consolidation for other reasons

Explanation of changes in the consolidation scope due to other reasons (e.g. establishment of new subsidiaries and liquidation of subsidiaries, etc.) and relevant information:

Subsidiaries newly included in the scope of consolidation during the period

Name of company	Reason for changes
Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd.	Newly established
Guangxi SinoHytec Hydrogen Technology Co., Ltd.	Newly established
Guangxi Zhongdian Huatong New Energy Technology Co., Ltd.	Newly established
Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd.	Newly established

6. Others

Not Applicable

SECTION X FINANCIAL STATEMENTS

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Constitution of enterprise group

Unit: RMB'0,000

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
SinoHytec Power Technology Co., Ltd.	Zhangjiakou	35,966.801	Zhangjiakou	Fuel cell power system	100		Establishment through investment
Shanghai SinoFuelCell Co., Ltd.	Shanghai	8,495.2654	Shanghai	Fuel cell stacks and their components	25.601		Equity Transfer
Shanghai Shenrong New Energy Technology Co., Ltd.	Shanghai	600	Shanghai	Fuel cell stacks and their components	25.601		Equity Transfer
Beijing Shenchuan Technology Co., Ltd.	Beijing	1,000	Beijing	Fuel cell stacks and their components	25.601		Establishment through investment
Tangshan SinoFuelCell Technology Co., Ltd.	Tangshan	3,000	Tangshan	Fuel cell stacks and their components	25.601		Establishment through investment
Beijing SinoHytec Hydrogen Energy Technology Co., Ltd.	Beijing	6,700	Beijing	New energy technology promotion	74.6269		Establishment through investment
Guochuang Hebei Hydrogen Energy Industry Innovation Center Co., Ltd.	Zhangjiakou	3,000	Zhangjiakou	New energy technology promotion	74.6269		Establishment through investment
Hebei Guochuang Hydrogen Energy Technology Co., Ltd.	Zhangjiakou	1,000	Zhangjiakou	New energy technology promotion	74.6269		Establishment through investment
Zhangjiakou Guoqing Technology Co., Ltd.	Zhangjiakou	3,000	Zhangjiakou	New energy technology promotion	74.6269		Establishment through investment
Zhangjiakou Qingtong Technology Co., Ltd.	Zhangjiakou	1,000	Zhangjiakou	New energy technology promotion	74.6269		Establishment through investment
Beijing Future Hydrogen Valley Technology Co., Ltd.	Beijing	10,100	Beijing	New energy technology promotion	100		Establishment through investment
Shanghai Kuitong Technology Co., Ltd.	Shanghai	1,000	Shanghai	New energy technology promotion	100		Establishment through investment
Chengdu SinoHytec Power Technology Co., Ltd.	Chengdu	5,000	Chengdu Economic and Technological Development Zone	Fuel cell power system	100		Establishment through investment
Chengdu Guoqinghuatong Technology Co., Ltd.	Chengdu	4,000	Chengdu Economic and Technological Development Zone	Hydrogen fueling station	70		Establishment through investment
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	Beijing	3,000	Beijing	Fuel cell power system	100		Establishment through investment
Shandong Huaqing Dongli Technology Co., Ltd.	Zibo	3,000	Zibo	Fuel cell power system	100		Establishment through investment
Yifan Hydrogen Technology Co., Ltd.	Beijing	10,000	Beijing	New energy technology promotion	51		Establishment through investment

SECTION X FINANCIAL STATEMENTS

VII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Unit: RMB'0,000

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Tangshan Yitong Hydrogen Technology Co., Ltd.	Tangshan	500	Tangshan	New energy technology promotion		51	Establishment through investment
Tangshan Qianchen New Energy Development Co., Ltd.	Tangshan	5,000	Tangshan	Fuel cell power system	100		Establishment through investment
Zhengzhou SinoHytec Power Technology Co., Ltd.	Zhengzhou	5,000	Zhengzhou	Fuel cell power system	100		Establishment through investment
Guangdong SinoHytec Technology Co., Ltd.	Guangzhou	5,000	Guangzhou	New energy technology promotion	100		Establishment through investment
Guangzhou SinoHytec New Energy Technology Co., Ltd.	Guangzhou	5,000	Guangzhou	Fuel cell power system		70	Establishment through investment
SinoHytec International Limited	Hong Kong	US\$30 million	Hong Kong	New energy technology promotion	100		Establishment through investment
Guangzhou SinoFuelCell Hydrogen Technology Co., Ltd.	Guangzhou	2,000	Guangzhou	Fuel cell stacks and their components	25.601		Establishment through investment
Guangxi SinoHytec Hydrogen Technology Co., Ltd.	Baise City, Guangxi Zhuang Autonomous Region	5,000	Baise City, Guangxi Zhuang Autonomous Region	New energy technology promotion	74.6269		Establishment through investment
Guangxi Zhongdian Huatong New Energy Technology Co., Ltd.	Baise City, Guangxi Zhuang Autonomous Region	500	Baise City, Guangxi Zhuang Autonomous Region	New energy technology promotion	49.2537		Establishment through investment
Guangxi Lingyun Zhongdian Huatong New Energy Technology Co., Ltd.	Baise City, Guangxi Zhuang Autonomous Region	500	Baise City, Guangxi Zhuang Autonomous Region	New energy technology promotion	49.2537		Establishment through investment

Explanation of the shareholding proportion is not equal to the voting right ratio in the subsidiary:

The Company entered into the Voting Rights Proxy Agreement with Shanghai Shenjie New Energy Technology Center (Limited Partnership), a shareholder of Shanghai SinoFuelCell Technology Co., Ltd. (holding 10.8091%). Pursuant to the agreement, Shanghai Shenjie New Energy Technology Center agreed to unconditionally and irrevocably entrust the Company to exercise the voting rights corresponding to the entire equity interests in SinoFuelCell, including the rights to earnings, dividends and disposal, with a term of not less than 5 years.

The basis for holding half or less than half of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

SECTION X FINANCIAL STATEMENTS

VII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

The Company directly holds 25.601% equity interest in Shanghai SinoFuelCell Co., Ltd. (hereinafter referred to as “**Shanghai SinoFuelCell**”). In 2019, the Company entered into the Voting Rights Proxy Agreement with Shanghai Shenjie New Energy Technology Center (Limited Partnership), a shareholder of Shanghai SinoFuelCell Co., Ltd. (holding 10.8091%) in 2019. Pursuant to the agreement, Shanghai Shenjie New Energy Technology Center (L.P.) agreed to unconditionally and irrevocably entrust the Company to exercise its rights to all of its equity interests in Shanghai SinoFuelCell, including voting rights other than income, dividends and disposals. The entrustment period shall be from the effective date of the agreement to the date when both parties unanimously agree to terminate the agreement, and the entrustment period shall not be less than 5 years. In addition, at the governance level, Shanghai SinoFuelCell has a total of 7 members in the board of directors, 4 of which are appointed by the Company and the chairman is a director appointed by the Company. Therefore, the Company can effectively control the decision-making of the board of directors of Shanghai SinoFuelCell.

(2). Significant non-wholly owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding of minority shareholders (%)	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Closing balance of minority interests
Shanghai SinoFuelCell Co., Ltd.	74.399	-27,435,360.44		319,256,196.11

Explanation of the shareholding proportion of minority shareholders is not equal to the voting right ratio in the subsidiary:

For details, please see Note 1. (1) Constitution of enterprise group.

SECTION X FINANCIAL STATEMENTS

VII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

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

Unit: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai SinoFuelCell Co., Ltd.	737,044,710.28	282,563,505.00	1,019,608,215.28	529,776,254.20	55,603,143.72	585,379,397.92	697,412,859.10	293,330,177.33	990,743,036.43	464,010,160.48	56,054,411.15	520,064,571.63

Name of subsidiary	Amount for the current period				Amount for the last period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Shanghai SinoFuelCell Co., Ltd.	89,327,717.21	-37,057,333.57	-37,057,333.57	-19,081,966.98	144,581,715.75	-30,954,405.36	-30,954,405.36	-23,113,426.81

SECTION X FINANCIAL STATEMENTS

VII. INTERESTS IN OTHER ENTITIES (Continued)

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

Not Applicable

3. Interests in joint ventures or associates

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

Unit: RMB

	Closing balance/ amount for the current period	Opening balance/ amount for previous period
Joint ventures:		
Total book value of investments	80,467,883.58	90,736,899.73
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profits	-10,269,016.15	-8,302,342.17
– Other comprehensive income		
– Total comprehensive income	-10,269,016.15	-8,302,342.17
Associates:		
Total book value of investments	226,539,967.89	228,018,355.70
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profits	-9,478,387.81	-7,431,098.81
– Other comprehensive income		
– Total comprehensive income	-9,478,387.81	-7,431,098.81

SECTION X FINANCIAL STATEMENTS

VIII. GOVERNMENT GRANTS

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

Not Applicable

2. Liability items involving government grants

Unit: RMB

Item	Opening balance	New grants in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	109,802,501.42	13,940,000.00		7,207,619.37		116,534,882.05	Government grants related to assets
Deferred income	1,471,488.74	3,726,400.00		158,858.60	60,000.00	4,979,030.14	Government grants related to income
Total	111,273,990.16	17,666,400.00		7,366,477.97	60,000.00	121,513,912.19	/

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

Unit: RMB

Type	Amount for the current period	Amount for the previous period
Related to assets	7,207,619.37	6,613,703.59
Related to income	12,574,157.18	7,927,551.62
Total	19,781,776.55	14,541,255.21

SECTION X

FINANCIAL STATEMENTS

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Risks of various financial instruments

The Company is exposed to risks associated with various financial instruments in the course of its operations, including credit risk, liquidity risk and market risk.

The Company engages in risk management with the objective of striking an appropriate balance between risk and return and seeks to minimize the adverse impact of risk on the Company's operations. The Company has formulated risk management policies to identify and analyze the risks faced by the Company and designed corresponding internal control procedures to monitor the Company's risk level. The Company regularly reviews its risk management policy and related internal control systems to adapt to changes in market conditions or the Company's operating activities.

(1). Various types of risks arising from financial instruments

1). *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk arises mainly from cash and cash equivalents, bills receivable, accounts receivable and other receivables.

Monetary funds held by the Company are mainly deposited in financial institutions such as state-owned banks and other large and medium-sized commercial banks. The management believes that these commercial banks have a high reputation and asset status, and there is no significant credit risk, and will incur virtually no material losses due to the default of the bank. The Company controls the amount of deposits to be placed with reference to various reputable financial institutions according to their market reputation and operating scale with a view to limiting the amount of credit exposure to any single financial institution.

For bills receivable, accounts receivable and other receivables, etc., the credit risk of these financial assets arises from default of the counterparties, and the maximum credit risk exposure is the carrying amount of each financial asset on the balance sheet. The Company has established policies to control the credit risk exposure. The Company evaluates the credit quality of customers based on their financial condition, the possibility of obtaining guarantees from third parties, credit history, and other factors, such as current market conditions, and sets credit periods accordingly. The Company monitors the credit history of its customers on a regular basis. For customers with poor credit history, the Company uses methods such as written reminders, shortened credit periods or canceled credit periods to ensure that the Company's overall credit risk is within a manageable range.

In addition, the Company reviews the recovery of financial assets at each balance sheet date to ensure that adequate provision for expected credit losses has been made for the related financial assets. The Company utilizes the age and content of the accounts and the nature of the customers to assess the impairment loss of accounts receivable and other receivables. The Company calculates the historical actual bad debt rates for different aging periods based on historical data, and adjusts the expected loss rates by taking into account forward-looking information such as current and future economic forecasts.

SECTION X FINANCIAL STATEMENTS

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risks of various financial instruments (Continued)

(1). Various types of risks arising from financial instruments (Continued)

1). Credit risk (Continued)

As of June 30, 2024, the carrying amount and expected credit loss of relevant assets are as follows:

Unit: RMB

Item	Book balance	Provision for impairment
Bills receivable	35,797,825.15	
Accounts receivable	2,096,364,569.76	473,379,785.24
Receivables financing	51,949,064.76	
Other receivables	44,953,145.48	25,437,073.36
Contract assets	17,428,703.00	697,148.12
Total	2,246,493,308.15	499,514,006.72

As of June 30, 2024, the accounts receivable of the Company's top five customers accounted for 81.65% of the Company's total accounts receivable.

2). Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement. Each subsidiary of the Company is responsible for its cash flow forecast. Based on the cash flow forecast results of each subsidiary, the Company continuously monitors the short-term and long-term capital needs of the Company at the company level to ensure that sufficient cash reserves are maintained. At the same time, the Company continuously monitors whether it meets the requirements of the loan agreement and obtains commitments from major financial institutions to provide sufficient reserve funds to meet the short-term and long-term capital needs.

As of June 30, 2024, the undiscounted contractual cash flows of the Company's financial liabilities by maturity date are as follows:

Unit: RMB

Item	Closing balance			Total
	Within 1 year	1-3 years	Over 3 years	
Short-term borrowings	775,891,359.40			775,891,359.40
Bills payable	22,057,165.72			22,057,165.72
Trade payables	411,767,707.68	163,115,663.23	12,012,057.88	586,895,428.79
Other payables	26,302,715.73	194,184.61	384,822.50	26,881,722.84
Other current liabilities	23,440,964.19			23,440,964.19
Long-term payables	4,565,466.76	3,920,642.91	328,171.74	8,814,281.41
Total	1,264,025,379.48	167,230,490.75	12,725,052.12	1,443,980,922.35

SECTION X FINANCIAL STATEMENTS

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risks of various financial instruments (Continued)

(1). Various types of risks arising from financial instruments (Continued)

3). *Market risk*

Market risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate because of the changes in market price. Market risk mainly includes exchange rate risk and interest rate risk.

A. Exchange rate risk

The Company's main operations are located in the PRC and its main businesses are settled in RMB. However, the Company is exposed to foreign exchange risk arising from the recognized assets and liabilities and future transactions denominated in foreign currencies, primarily with respect to US dollars. The finance department of the Company is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities of the Company to minimize the exchange rate risk. In this regard, the Company will pay close attention to the foreign exchange rate on the public website of the SAFE in real time to avoid the exchange rate risk.

Details of the Company's monetary assets and liabilities denominated in foreign currencies at the end of the period are set forth in Note IV. 81. Foreign currency monetary items in the "Section X Financial Statements".

B. Interest rate risk

The Company's interest rate risk mainly arises from bank borrowings. Financial liabilities at floating rates expose the Company to cash flow interest rate risk, and financial liabilities at fixed rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed rate and floating rate contracts based on the prevailing market conditions.

The finance department of the Company continuously monitors the interest rate level of the Company. Increases in interest rates will increase the cost of new interest-bearing borrowings and the interest expenses with respect to the Company's outstanding floating rate interest-bearing borrowings, and adversely affect the Company's financial performance. The management will make timely adjustments according to the latest market conditions.

SECTION X FINANCIAL STATEMENTS

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

2. Hedging

Not applicable

3. Transfer of financial assets

(1). Classification of transfer methods

Unit: RMB

Method of transfer	Nature of transferred financial assets	Amount of transferred financial assets	Status of derecognition	Basis for judging the status of derecognition
Bills endorsements	Bills receivable	6,283,775.99	Not derecognized	Retains substantially all of the risks and rewards, including the associated risk of default
Bills discounting	Bills receivable	9,063,000.00	Not derecognized	Retains substantially all of the risks and rewards, including the associated risk of default
Bills endorsements	Receivables financing	7,665,284.68	Derecognized	Substantially all of the risks and rewards have been transferred
Total	/	23,012,060.67	/	/

(2). Financial assets derecognized due to transfer

Unit: RMB

Item	Method of transfer of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Receivables financing	Bills endorsements	7,665,284.68	
Total	/	7,665,284.68	

SECTION X FINANCIAL STATEMENTS

X. DISCLOSURE OF FAIR VALUE

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

Unit: RMB

Item	Level 1 fair value measurement	Fair value at the end of the period Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held-for-trading			715,829,010.87	715,829,010.87
1. Financial assets at fair value through profit or loss in the current period			715,829,010.87	715,829,010.87
(1) Debt instrument investments				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Debt instrument investments				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			195,510,000.00	195,510,000.00
(IV) Investment property				
1. Land use rights for lease purpose				
2. Leased buildings				
3. Land use rights held for transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
(VI) Receivables financing			51,949,064.76	51,949,064.76
(VII) Other non-current financial assets			2,800,000.00	2,800,000.00
Total assets measured at fair value on a recurring basis			966,088,075.63	966,088,075.63
(VIII) Financial liabilities held-for-trading				
1. Financial liabilities at fair value through profit or loss in the current period				
Including: Held-for-trading bond investments issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on a recurring basis				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				

SECTION X FINANCIAL STATEMENTS

X. DISCLOSURE OF FAIR VALUE (Continued)

2. Basis for determining market price of level-1 fair value measurement items on a recurring or non-recurring basis

Not Applicable

3. Level 2 fair value measurement items on a recurring or non-recurring basis, valuation techniques used and qualitative and quantitative information of important parameters

Not Applicable

4. Level 3 fair value measurement items on a recurring or non-recurring basis, valuation techniques used and qualitative and quantitative information of important parameters

For financial assets held for trading, fair value is determined based on the estimated recoverable amount according to the agreement.

For notes receivable held, the fair value is determined using the nominal amount.

The fair values of unlisted equity instruments and equity investments are mainly determined by the valuation conducted by a third party agency.

5. Level 3 fair value measurement items on a recurring basis, reconciliation information between opening and closing carrying amount and sensitivity analysis of unobservable parameters

Not Applicable

6. Continuous fair value measurement item: if any conversion occurs between levels during the period, reason for the conversion and policy to determine the time point of the conversion

Not Applicable

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

Not Applicable

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

Financial assets and liabilities not measured at fair value mainly include receivables, short-term borrowings, payables, non-current liabilities due within one year and long-term borrowings.

The carrying amounts of the above financial assets and liabilities not measured at fair value are a reasonable approximation of their fair values.

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS

1. Parent company of the Company

Not Applicable

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VII. 1. Interests in subsidiaries in the “Section X Financial Statements”.

3. Joint ventures and associates of the Company

For details of the joint ventures and associates of the Company, please refer to Note VII. 3. Interests in joint ventures or associates in the “Section X Financial Statements”.

Information of other joint ventures or associates which entered into related party transactions with the Company during the current period, or form balance through related party transactions during the previous period

Name of joint venture or associate	Relationship with the Company
Toyota Sinohytec Fuel Cell Co., Ltd.	Joint venture
United Fuel Cell System R&D (Beijing) Co., Ltd.	Associate
Shanghai Maximfuelcell Technology Co., Ltd.	Associate
Zhangjiakou Haiper New Energy Technology Co., Ltd.	Associate

4. Other related parties

Name of other related parties	Relationship between other related parties and the Company
Shanghai Fangshi New Energy Vehicle Rental Co., Ltd.	Others
Beijing Qingneng Huatong Technology Development Co., Ltd.	Others
Beijing Shuimu Tongda Transportation Co., Ltd.	Others
Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	Others
Yihydrogen Technology (Beijing) Co., Ltd.	Others
Beijing Huachuang Huiqing Technology Co., Ltd.	Others
Guangzhou Yiqing New Energy Technology Co., Ltd.	Others

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

5. Related party transactions

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

Purchase of goods/receipt of services

Unit: RMB

Related parties	Description of related party transactions	Amount for the current period	Approved transaction amount (if applicable)	Whether the transaction amount has been exceeded (if applicable)	Amount for the last period
Shanghai Maximfuelcell Technology Co., Ltd.	Procurement of raw materials	1,283,167.26	68,000,000.00	No	129,542.65
Guangzhou Yiqing New Energy Technology Co., Ltd.	Procurement of raw materials	5,950,796.69	—	No	
Beijing Qingneng Huatong Technology Development Co., Ltd.	Water and electricity fee	177,886.64	—	No	121,527.37
Zhangjiakou Haiper New Energy Technology Co., Ltd.	Procurement of gas	1,091,794.83	5,000,000.00	No	
Toyota Sinohytec Fuel Cell Co., Ltd.	Procurement of raw materials	294,261.14	223,600,000.00	No	84,939.12
Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	Water and Electricity fee and property management fee	1,937,671.08	2,500,000.00	No	1,907,124.20
Yihydrogen Technology (Beijing) Co., Ltd.	Procurement of raw materials	26,053.09	—	No	
Beijing Huachuang Huiqing Technology Co., Ltd.	Procurement of raw materials	72,841.19	—	No	
Beijing Shuimu Tongda Transportation Co., Ltd.	Advertising fee		5,500,000.00	No	2,264,150.88
Total		10,834,471.92	/	/	4,507,284.22

Note: Yihydrogen Technology (Beijing) Co., Ltd. and Guangzhou Yiqing New Energy Technology Co., Ltd. are wholly-owned subsidiaries of Shanghai Maximfuelcell Technology Co., Ltd. and the three companies share a transaction amount of RMB68.00 million.

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

5. Related party transactions (Continued)

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

Sales of goods/rendering of services

Unit: RMB

Related parties	Description of related party transactions	Amount for the current period	Amount for the last period
Shanghai Fangshi New Energy Vehicle Rental Co., Ltd.	Sales of gas	460,418.86	
Shanghai Maximfuelcell Technology Co., Ltd.	Sales of equipment and service fees, etc.	131,499.78	176,055.73
United Fuel Cell System R&D (Beijing) Co., Ltd.	Sales of materials and service fees, etc.	2,776,862.60	2,785,287.24
Toyota Sinohytec Fuel Cell Co., Ltd.	Sales of materials and service fees, etc.	4,345,395.09	4,028,149.77
Beijing Shuimu Tongda Transportation Co., Ltd.	Sales of gas	1,546,871.42	
Total		9,261,047.75	6,989,492.74

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

Not Applicable

(3). Leases with related parties

Not Applicable

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4). Related party guarantees

The Company as the guarantor

Unit: RMB

Guaranteed party	Amount guaranteed	Commencement date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
SinoHytec Power Technology Co., Ltd.	10,000,000.00	2023-11-1	2027-10-31	No
SinoHytec Power Technology Co., Ltd.	20,000,000.00	2023-11-15	2027-11-14	No
SinoHytec Power Technology Co., Ltd.	2,328,000.00	2023-11-16	2027-11-15	No
SinoHytec Power Technology Co., Ltd.	1,649,000.00	2023-11-20	2027-11-19	No
SinoHytec Power Technology Co., Ltd.	2,085,500.00	2023-11-29	2027-11-28	No
SinoHytec Power Technology Co., Ltd.	10,000,000.00	2023-12-7	2027-12-6	No
SinoHytec Power Technology Co., Ltd.	35,000,000.00	2024-1-11	2028-1-10	No
SinoHytec Power Technology Co., Ltd.	9,900,000.00	2024-1-19	2028-1-18	No
SinoHytec Power Technology Co., Ltd.	85,200.00	2024-2-1	2028-1-27	No
SinoHytec Power Technology Co., Ltd.	6,999,416.72	2024-4-16	2028-4-16	No
SinoHytec Power Technology Co., Ltd.	10,000,000.00	2023-10-26	2027-10-26	No
Chengdu SinoHytec Power Technology Co., Ltd.	392,104.05	2023-9-18	2024-3-18	Yes
Chengdu SinoHytec Power Technology Co., Ltd.	370,997.00	2024-1-30	2027-7-30	No
Chengdu SinoHytec Power Technology Co., Ltd.	157,815.00	2024-2-5	2027-8-5	No
Chengdu SinoHytec Power Technology Co., Ltd.	8,924,545.00	2024-6-19	2027-12-19	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	15,000,000.00	2023-12-26	2024-6-26	Yes
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	2,225,400.00	2024-4-19	2026-10-19	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	319,915.54	2024-4-26	2026-10-26	No
Beijing Juxinghuatong Hydrogen Energy Technology Co., Ltd.	10,000,000.00	2023-10-16	2027-10-15	No

The Company as the guaranteed party
Not Applicable

Description of related party guarantees
Not Applicable

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Related party borrowings

Unit: RMB

Related parties	Borrowings	Commencement date	Expiry date	Description
Lending				
Zhangjiakou Haiper New Energy Technology Co., Ltd.	23,046,823.87	January 1, 2019	December 31, 2026	
Total	23,046,823.87	/	/	/

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

Not Applicable

(7). Emolument of key management

Unit: RMB

Item	Amount for the current period	Amount for the last period
Emolument of key management	2,776,256.98	2,943,785.96

(8). Other related party transactions

Related parties	Content of related party transactions	Amount for the current period	Amount for the last period
Zhangjiakou Haiper New Energy Technology Co., Ltd.	Interest income	667,780.52	690,047.67
Total	/	667,780.52	690,047.67

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

6. Balance of receivables and payables by related parties

(1). Receivables

Unit: RMB

Item	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Toyota Sinohytec Fuel Cell Co., Ltd.	7,860,334.70	314,413.39	4,036,895.99	161,475.84
	United Fuel Cell System R&D (Beijing) Co., Ltd.	3,061,047.59	122,441.91	2,187,497.44	87,499.90
	Shanghai Fangshi New Energy Vehicle Rental Co., Ltd.	946,311.55	37,852.46	426,038.24	17,041.53
	Shanghai Maximfuelcell Technology Co., Ltd.	26,767.91	1,070.72	86,967.91	3,478.72
Prepayments	Beijing Qingneng Huatong Technology Development Co., Ltd.			20,942.90	
	Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.			8,506.87	
Other receivables	Shanghai Maximfuelcell Technology Co., Ltd.	24,596.42			
	Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	1,128,619.34		1,128,619.34	
	Zhangjiakou Haiper New Energy Technology Co., Ltd.	30,345,004.39	25,137,073.36	30,254,021.13	24,787,967.91
Contract assets	Shanghai Maximfuelcell Technology Co., Ltd.			71,000.00	4,260.00

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

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

(2). Payables

Unit: RMB

Item	Related parties	Closing book balance	Opening book balance
Trade payables	Beijing Huachuang Huiqing Technology Co., Ltd.	23,876,310.55	27,000,000.00
	Beijing Qingneng Huatong Technology Development Co., Ltd.	41,943.74	
	Beijing Shuimu Tongda Transportation Co., Ltd.	1,917,000.00	1,917,000.00
	Guangzhou Yiqing New Energy Technology Co., Ltd.	5,950,796.69	
	Toyota Sinohytec Fuel Cell Co., Ltd.	23,192,642.67	22,890,000.00
	Shanghai Maximfuelcell Technology Co., Ltd.	7,333,431.23	1,627,264.20
	Shuimu Xingchuang (Beijing) Technology Development Co., Ltd.	86,785.47	80,605.95
	Yihydrogen Technology (Beijing) Co., Ltd.	1,078,170.00	1,066,378.95
	Zhangjiakou Haiper New Energy Technology Co., Ltd.	428,074.71	519,805.44
Contract liabilities	Beijing Shuimu Tongda Transportation Co., Ltd.	148,841.95	247,129.55
	Toyota Sinohytec Fuel Cell Co., Ltd.	2,436,650.48	
Other current liabilities	Beijing Shuimu Tongda Transportation Co., Ltd.	19,349.45	
	Toyota Sinohytec Fuel Cell Co., Ltd.	316,764.56	

SECTION X FINANCIAL STATEMENTS

XI. RELATED PARTIES AND RELATED TRANSACTIONS (Continued)

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

(3). Other items
Not Applicable

7. Related party commitments

Not Applicable

8. Others

Not Applicable

XII. SHARE-BASED PAYMENTS

Not Applicable

XIII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant external commitments, nature and amount at the balance sheet date

Lease contracts signed and being performed or to be performed and financial impact

As at June 30, 2024, the Company, as the lessee, is required to aggregate future minimum lease payments under non-cancellable operating leases in respect of rentals and equipment leasing for the following periods:

Unit: RMB

Period	June 30, 2024
One year after the balance sheet date	26,687,382.57

Save for the above commitments, as at June 30, 2024, the Company had no other significant commitments that should be disclosed but not disclosed.

2. Contingencies

Not Applicable

3. Others

Not Applicable

SECTION X FINANCIAL STATEMENTS

XIV. EVENTS AFTER THE BALANCE SHEET DATE

1. Significant non-adjustment items

Unit: RMB

Item	Content	Impact on financial position and operating results	Reasons for impact cannot be estimated
Conversion of capital reserve into share capital	The Company convened the 2023 annual general meeting, 2024 second A share class meeting and 2024 second H share class meeting on June 28, 2024, and has considered and approved the issuance of 0.4 share for every share to all shareholders by way of capitalization of capital reserve, representing a total increase of 66,186,309 shares (including 55,939,177 A Shares and 10,247,132 H Shares), based on the total share capital of the Company of 165,465,772 shares as of March 31, 2024. Upon completion of the capitalization of capital reserve, the total share capital of the Company increased to 231,652,081 shares, including 195,787,119 A Shares and 35,864,962 H Shares. The Company has completed the registration of the relevant conversion shares in July 2024 as mentioned above.	0.00	

2. Profit distribution

Not Applicable

3. Sales return

Not Applicable

4. Explanation of other events after the balance sheet date

Not Applicable

XV. OTHER SIGNIFICANT EVENTS

1. Early correction of accounting error

Not Applicable

2. Significant debt restructuring

Not Applicable

3. Asset replacement

Not Applicable

4. Annuity plan

Not Applicable

5. Discontinued operation

Not Applicable

6 Segment information

(1). Determination basis and accounting policies of reporting segments

Not Applicable

(2). Financial information of reportable segments

Not Applicable

(3). The Company shall explain the reason if there is no reportable segment or it cannot disclose the total assets and total liabilities of each reportable segment

The Company's operating results are mainly derived from the sales of hydrogen fuel cell systems and related technology development services. The Company has not established a specific organizational structure and reporting system for various businesses. Therefore, the Company considers that there is no reportable segment.

(4). Other explanations

Not Applicable

7. Other material transactions and matters affecting investors' decisions

Not Applicable

8. Others

Not Applicable

SECTION X

FINANCIAL STATEMENTS

XVI. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the period

Unit: RMB

Item	Amount	Description
Gain or loss on disposal of non-current assets, including write-off portion of the provision for asset impairment	1,139,476.66	Note 71, Note 74, Note 75
Government grants included in profit or loss for the current period, except for government grants that are closely related to the normal business operations of the Company, and that comply with the provisions of national policies, enjoy in accordance with the standards determined, and have a continuous impact on the profit and loss of the Company	12,574,157.18	Note 51, Note 67
Gain or loss arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gain or loss arising from disposal of financial assets and financial liabilities, except for effective hedging business related to the Company's normal business operations	9,640,125.91	Note 68, Note 70
Other non-operating income and expenses other than the above items	390,896.00	Note 74, Note 75
Other gain or loss items conforming to definition of the non-recurring gain or loss		
Less: Effect of income tax	2,549.38	
Effect of minority interests (after tax)	7,210,237.23	
Total	16,531,869.14	

If the Company identifies the items not listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1– Non-recurring Gains or Losses as non-recurring gain or loss items with significant amount, and if the Company defines the non-recurring gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses as the recurring gain or loss items, it should explain the reasons.

SECTION X FINANCIAL STATEMENTS

XVI. SUPPLEMENTARY INFORMATION (Continued)

2. Net return on assets and earnings per share

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company ("-" for losses)	-4.76	-0.86	-0.86
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss ("-" for losses)	-5.31	-0.96	-0.96

Chairman of the Board: Zhang Guoqiang
Date of approval and delivery by the Board: August 30, 2024

SECTION XI

DOCUMENTS AVAILABLE FOR INSPECTION

Documents available for inspection

Financial statements signed and sealed by the legal representative of the Company, the person-in-charge of accounting affairs and the person-in-charge of the accountant firm;

Full text and summary of the interim report 2024 signed by the present legal representative and sealed by the Company;

Original copies of all documents and announcements of the Company publicly disclosed on the designated websites of the CSRC during the Reporting Period.