JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
江蘇國富氫能技術裝備股份有限公司

Report and Consolidated Financial Statements
For each of the three years ended December 31, 2023
and the five months ended May 31, 2024

JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
江蘇國富氫能技術裝備股份有限公司

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 2023 AND THE FIVE MONTHS ENDED MAY 31, 2024

Deloitte. 德勤

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
(江蘇國富氫能技術裝備股份有限公司)
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (江蘇國富氫能技術裝備股份有限公司) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 4 to 98, which comprise the consolidated statements of financial position of the Group as at December 31, 2021, 2022 and 2023 and May 31, 2024, the statements of financial position of the Company as at December 31, 2021, 2022 and 2023 and May 31, 2024, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2023 and the five months ended May 31, 2024, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements of the Group for each of the three years ended December 31, 2023 and the five months ended May 31, 2024 are prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the consolidated financial statements.

Basis for Opinion

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

Other Matter

The comparative financial information for the five months ended May 31, 2023 has not been audited.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to notes 2 and 4 to the consolidated financial statements, which describe the basis of accounting. The consolidated financial statements are prepared solely for the purpose of inclusion in the financial information to be incorporated in the prospectus of the Company dated November 7, 2024 in connection with the initial public offering of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company without our prior written consent. All duties and liabilities (including, without limitation, those arising from negligence or otherwise) to any third party are specifically disclaimed. As explained in our engagement letter governing this engagement, the Contracts (Rights of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter have any rights under it.

TO THE BOARD OF DIRECTORS OF JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
(江蘇國富氫能技術裝備股份有限公司)
(established in the People's Republic of China with limited liability)

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements in accordance with the basis of preparation set out in note 2 to the consolidated financial statements, this includes determining that the basis of accounting is an acceptable basis for the preparation of the consolidated financial statements in the circumstances, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

TO THE BOARD OF DIRECTORS OF JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
(江蘇國富氫能技術裝備股份有限公司)
(established in the People's Republic of China with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - continued

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
November 7, 2024

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 2023 AND THE FIVE MONTHS ENDED MAY 31, 2024

	NOTES	Year ended December 31,			Five Months ended May 31,	
		2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Revenue	6	329,278	359,492	522,442	45,155	64,289
Cost of sales		(297,506)	(320,470)	(429,077)	(42,537)	(63,035)
Gross profit		31,772	39,022	93,365	2,618	1,254
Other income	7	16,176	13,112	25,288	3,732	3,100
Other gains and losses	8	(957)	(213)	318	294	(393)
Impairment losses under expected credit loss model, net of reversal	9	(21,549)	(2,378)	(6,125)	5,141	(14,723)
Selling expenses		(20,518)	(22,185)	(43,530)	(9,462)	(16,485)
Research and development expenses		(41,724)	(42,740)	(39,063)	(9,955)	(17,050)
Administrative expenses		(47,153)	(88,405)	(90,888)	(32,445)	(49,365)
Listing expenses		-	-	(3,223)	-	(8,060)
Share of results of associates	20	(419)	(333)	(2,105)	(951)	(1,761)
Finance costs	10	(5,177)	(11,970)	(22,846)	(11,118)	(13,532)
Loss before tax	11	(89,549)	(116,090)	(88,809)	(52,146)	(117,015)
Income tax credit	12	14,300	19,872	13,766	7,928	20,179
Loss for the year/period		(75,249)	(96,218)	(75,043)	(44,218)	(96,836)
Other comprehensive income (expense)						
Item that will not be reclassified to profit or loss:						
Fair value gain on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		-	16,333	-	-	714
Items that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations		-	-	(495)	(27)	(48)
Fair value (loss)/gain on debt instruments at fair value through other comprehensive income, net of income tax		-	(493)	238	-	-
		-	(493)	(257)	(27)	(48)
Other comprehensive income (expense) for the year/period, net of income tax		-	15,840	(257)	(27)	666
Total comprehensive expense for the year/period		(75,249)	(80,378)	(75,300)	(44,245)	(96,170)
Loss for the year/period attributable to						
- Owners of the Company		(71,187)	(93,857)	(73,303)	(43,676)	(96,548)
- Non-controlling interests		(4,062)	(2,361)	(1,740)	(542)	(288)
		(75,249)	(96,218)	(75,043)	(44,218)	(96,836)
Total comprehensive expense for the year/period attributable to:						
- Owners of the Company		(71,187)	(78,017)	(73,560)	(43,703)	(95,882)
- Non-controlling interests		(4,062)	(2,361)	(1,740)	(542)	(288)
		(75,249)	(80,378)	(75,300)	(44,245)	(96,170)
Loss per share						
- Basic (RMB)	14	(0.87)	(1.04)	(0.81)	(0.49)	(0.98)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021, 2022 AND 2023 AND MAY 31, 2024

		At December 31,			At May 31,
	NOTES	2021	2022	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	16	271,247	565,722	690,023	705,352
Right-of-use assets	17	20,282	56,516	55,310	81,205
Intangible assets	18	16,309	14,548	12,787	12,052
Investments in associates	20	22,000	25,212	36,277	146,763
Equity instruments at FVTOCI	22	3,000	34,333	34,333	35,047
Contract assets	27	6,373	13,646	11,644	8,393
Deferred tax assets	23	35,284	55,246	68,970	89,179
Prepayment for acquisition of property, plant and equipment		12,578	21,548	21,455	30,619
Prepayment for acquisition of non-controlling interests		2,174	-	-	-
Loan receivables	25	-	-	1,760	1,320
Trade receivables	26	4,296	5,850	12,938	18,636
		393,543	792,621	945,497	1,128,566
Current assets					
Inventories	24	167,596	290,615	178,387	197,228
Loan receivables	25	-	-	10,440	11,109
Trade and other receivables	26	320,589	395,109	486,611	426,489
Contract assets	27	13,975	11,048	24,310	26,428
Debt instruments at FVTOCI	28	15,601	69,662	33,530	40,573
Amounts due from associates	34	12,546	2,468	63,816	62,862
Amount due from a related party	34	432	430	427	427
Restricted bank deposits	29	16,862	26,471	21,219	9,840
Cash and cash equivalents	29	168,153	76,897	333,298	135,762
		715,754	872,700	1,152,038	910,718
Current liabilities					
Trade and other payables	30	211,243	444,258	626,492	393,984
Borrowings	31	54,922	233,629	447,989	480,111
Lease liabilities		452	204	770	1,253
Provisions	33	-	2,619	3,718	3,348
Contract liabilities	32	8,780	17,721	13,850	10,927
Amounts due to associates	34	7,080	9,002	-	-
Amounts due to related parties	34	167	167	1,777	1,087
Amount due to a shareholder	34	826	-	-	-
Deferred income	35	-	3,882	1,341	12,104
		283,470	711,482	1,095,937	902,814
Net current assets		432,284	161,218	56,101	7,904
Total assets less current liabilities		825,827	953,839	1,001,598	1,136,470

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - continued
AS AT DECEMBER 31, 2021, 2022 AND 2023 AND MAY 31, 2024

		At December 31,			At May 31,
	NOTES	2021	2022	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000
Capital and reserves					
Share capital	36	90,044	90,044	92,829	98,710
Reserves		604,489	521,823	472,562	620,175
Equity attributable to owners of the Company		694,533	611,867	565,391	718,885
Non-controlling interests		(1,643)	(29)	231	(57)
Total equity		692,890	611,838	565,622	718,828
Non-current liabilities					
Borrowings	31	113,060	300,620	389,160	372,660
Lease liabilities		438	150	372	888
Provisions	33	3,364	2,753	6,810	6,704
Deferred income	35	16,075	38,478	39,634	37,390
		132,937	342,001	435,976	417,642
		825,827	953,839	1,001,598	1,136,470

The consolidated financial statements on pages 4 to 98 were approved and authorised for issue by the board of directors on November 7, 2024 and are signed on its behalf by:

WANG KAI
DIRECTOR

CAI XUBIN
CHIEF FINANCIAL OFFICER

JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
江蘇國富氫能技術裝備股份有限公司

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY AS AT DECEMBER 31, 2021, 2022 AND 2023 AND MAY 31, 2024

	NOTES	At December 31, 2021 RMB'000	At December 31, 2022 RMB'000	At December 31, 2023 RMB'000	At May 31, 2024 RMB'000
Non-current assets					
Property, plant and equipment	16	237,152	523,817	651,609	653,484
Right-of-use assets	17	20,143	56,516	55,310	54,082
Intangible assets	18	14,691	13,059	11,427	10,747
Investments in associates	20	22,000	25,212	30,636	129,562
Investments in subsidiaries	21	30,162	39,806	77,746	114,046
Contract assets	27	6,373	13,646	11,644	8,393
Deferred tax assets	23	35,284	55,246	68,970	89,179
Prepayment for acquisition of property, plant and equipment		11,842	18,677	21,455	30,619
Prepayment for acquisition of non-controlling interests		2,174	-	-	-
Loan receivables	25	-	-	1,760	1,320
Trade receivables	26	4,296	5,850	12,938	18,636
		384,117	751,829	943,495	1,110,068
Current assets					
Inventories	24	167,552	290,348	178,431	197,645
Loan receivables	25	-	-	10,440	11,109
Trade and other receivables	26	316,987	389,826	477,384	420,116
Contract assets	27	13,975	11,048	24,310	26,428
Debt instruments at FVTOCI	28	15,601	69,662	33,530	40,573
Amounts due from associates	34	12,546	2,468	63,816	62,862
Amounts due from subsidiaries	34	56,000	88,623	55,378	74,919
Restricted bank deposits	29	16,862	26,471	21,219	7,760
Cash and cash equivalents	29	142,550	43,214	300,934	103,331
		742,073	921,660	1,165,442	944,743
Current liabilities					
Trade and other payables	30	208,347	438,349	614,844	384,476
Borrowings	31	54,922	233,629	447,989	480,111
Lease liabilities		399	204	770	643
Provisions	33	-	2,619	3,718	3,348
Contract liabilities	32	8,780	17,721	13,850	10,927
Amounts due to associates	34	7,080	9,002	-	-
Amounts due to related parties	34	167	167	1,777	1,087
Amount due to a shareholder	34	826	-	-	-
Amounts due to subsidiaries	34	1,962	2,941	5,233	5,979
Deferred income	35	-	3,594	1,341	12,104
		282,483	708,226	1,089,522	898,675
Net current assets		459,590	213,434	75,920	46,068
Total assets less current liabilities		843,707	965,263	1,019,415	1,156,136
Capital and reserves					
Share capital	36	90,044	90,044	92,829	98,710
Reserves	47	621,097	536,718	494,642	644,582
Total equity		711,141	626,762	587,471	743,292
Non-current liabilities					
Borrowings	31	113,060	300,620	389,160	372,660
Lease liabilities		355	150	372	122
Provisions	33	3,364	2,753	6,810	6,704
Deferred income	35	15,787	34,978	35,602	33,358
		132,566	338,501	431,944	412,844
		843,707	965,263	1,019,415	1,156,136

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 2023 AND THE FIVE MONTHS ENDED MAY 31, 2024

	Attributable to owners of the Company									
	Share capita RMB'000	Share premium RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2021	72,217	304,441	(609)	-	-	-	(55,329)	320,720	919	321,639
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(71,187)	(71,187)	(4,062)	(75,249)
Issue of shares *(Note 36)*	17,827	427,173	-	-	-	-	-	445,000	-	445,000
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	1,500	1,500
At December 31, 2021	90,044	731,614	(609)	-	-	-	(126,516)	694,533	(1,643)	692,890
Loss for the year	-	-	-	-	-	-	(93,857)	(93,857)	(2,361)	(96,218)
Other comprehensive income for the year	-	-	-	15,840	-	-	-	15,840	-	15,840
Total comprehensive income (expense) for the year	-	-	-	15,840	-	-	(93,857)	(78,017)	(2,361)	(80,378)
Acquisition of noncontrolling interests *(Note)*	-	-	(4,902)	-	-	-	-	(4,902)	2,728	(2,174)
Capital contribution from non-controlling shareholders	-	-	253	-	-	-	-	253	1,247	1,500
At December 31, 2022	90,044	731,614	(5,258)	15,840	-	-	(220,373)	611,867	(29)	611,838
Loss for the year	-	-	-	-	-	-	(73,303)	(73,303)	(1,740)	(75,043)
Other comprehensive income (expense) for the year	-	-	-	238	(495)	-	-	(257)	-	(257)
Total comprehensive income (expense) for the year	-	-	-	238	(495)	-	(73,303)	(73,560)	(1,740)	(75,300)
Issue of restricted shares *(Note 36)*	2,785	19,495	-	-	-	-	-	22,280	-	22,280
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	2,000	2,000
Recognition of equity-settled share-based payments *(Note 37)*	-	-	-	-	-	4,804	-	4,804	-	4,804
At December 31, 2023	92,829	751,109	(5,258)	16,078	(495)	4,804	(293,676)	565,391	231	565,622
Loss for the period	-	-	-	-	-	-	(96,548)	(96,548)	(288)	(96,836)
Other comprehensive income (expense) for the period	-	-	-	714	(48)	-	-	666	-	666
Total comprehensive income (expense) for the period	-	-	-	714	(48)	-	(96,548)	(95,882)	(288)	(96,170)
Issue of shares *(Note 36)*	5,881	219,480	-	-	-	-	-	225,361	-	225,361
Recognition of equity-settled share-based payments *(Note 37)*	-	-	-	-	-	24,015	-	24,015	-	24,015
At May 31, 2024	98,710	970,589	(5,258)	16,792	(543)	28,819	(390,224)	718,885	(57)	718,828
At January 1, 2023	90,044	731,614	(5,258)	15,840	-	-	(220,373)	611,867	(29)	611,838
Loss for the period (unaudited)	-	-	-	-	-	-	(43,676)	(43,676)	(542)	(44,218)
Other comprehensive expense for the period (unaudited)	-	-	-		(27)	-	-	(27)	-	(27)
Total comprehensive expense for the period (unaudited)	-	-	-	-	(27)	-	(43,676)	(43,703)	(542)	(44,245)
At May 31, 2023 (unaudited)	90,044	731,614	(5,258)	15,840	(27)	-	(264,049)	568,164	(571)	567,593

Note: In January 2022, the Company acquired non-controlling interests of Zhangjiagang Hydrogen Cloud New Energy Research Institute Co., Ltd. (張家港氫雲新能源研究院有限公司) ("Hydrogen Cloud Research Institute"), a subsidiary of the Company, with a total consideration of RMB2,174,000 from one of the non-controlling shareholders. On the acquisition date, the non-controlling deficit was RMB2,728,000 and the difference of RMB4,902,000 between the non-controlling deficit and the consideration was recorded in capital reserve.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 2023 AND
THE FIVE MONTHS ENDED MAY 31, 2024

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
OPERATING ACTIVITIES					
Loss before tax	(89,549)	(116,090)	(88,809)	(52,146)	(117,015)
Adjustments for:					
Bank interest income	(1,609)	(1,341)	(1,397)	(562)	(890)
Interest income on loan receivables	-	-	-	-	(229)
Finance costs	5,177	11,970	22,846	11,118	13,532
Loss on disposal/write-off of property, plant and equipment	978	711	-	-	-
Loss on termination of lease contract	-	6	-	-	7
Depreciation of property, plant and equipment	11,758	22,097	28,738	10,588	18,039
Depreciation of right-of-use assets	896	2,408	2,448	908	1,428
(Reversal of) write-down of inventories	(224)	(261)	488	1,125	3,103
Amortisation of intangible assets	1,626	1,761	1,761	735	735
Release of assets-related government subsidies	(574)	(624)	(621)	(259)	(721)
Impairment losses under expected credit loss model, net of reversal	21,549	2,378	6,125	(5,141)	14,723
Share of results of associates	419	333	2,105	951	1,761
Unrealised gains relating to transactions with associates, net of reversal	122	8	7,471	-	5
Gain on disposal of an associate	-	(178)	-	-	-
Equity-settled share-based payment expenses	-	-	4,804	-	24,015
Operating cash flow before movements in working capital	(49,431)	(76,822)	(14,041)	(32,683)	(41,507)
(Increase) decrease in inventories	(73,130)	(122,758)	111,740	(26,316)	(21,944)
(Increase) decrease in debt instruments at FVTOCI	(624)	(54,641)	36,412	(53,621)	(7,043)
(Increase) decrease in trade and other receivables	(133,237)	(78,373)	(103,620)	111,276	43,790
(Increase) decrease in contract assets	(6,509)	(4,323)	(10,717)	6,780	990
Decrease in amount due from a related party	358	-	-	-	-
(Increase) decrease in amounts due from associates	(8,982)	10,578	(62,185)	230	55
Decrease in tax recoverable	172	-	-	-	-
Increase (decrease) in provisions	277	2,008	5,156	(1,680)	(476)
Increase (decrease) in trade and other payables	21,219	112,688	57,643	(98,926)	(20,815)
(Decrease) increase in amounts due to related parties	(39)	-	1,610	119	(690)
Increase (decrease) in amount due to an associate	7,080	1,922	(9,002)	37,260	-
(Decrease) increase in contract liabilities	(12,889)	8,941	(3,871)	14,926	(2,923)
Increase (decrease) in deferred income	1,375	26,909	(764)	(289)	9,240
Cash (used in) from operations	(254,360)	(173,871)	8,361	(42,924)	(41,323)
Income tax paid	(2)	(3)	-	-	(30)
Net cash (used in) from operating activities	(254,362)	(173,874)	8,361	(42,924)	(41,353)

JIANGSU GUOFU HYDROGEN ENERGY EQUIPMENT CO., LTD.
江蘇國富氫能技術裝備股份有限公司

CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 2023 AND
THE FIVE MONTHS ENDED MAY 31, 2024

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
INVESTING ACTIVITIES					
Interest received from banks	1,609	1,341	1,397	562	890
Proceeds on disposal of an associate	-	-	100	-	-
Purchase of equity instruments at FVTOCI	(3,000)	(15,000)	-	-	-
Purchase of property, plant and equipment	(112,738)	(204,854)	(222,601)	(50,354)	(55,241)
Payments for right-of-use assets	(8,746)	(38,771)	-	-	(25,925)
Proceeds from disposal of property, plant and equipment	524	1,706	-	-	-
Investments in associates	(18,100)	(3,975)	(20,641)	-	(112,252)
Placement of restricted bank deposits	(100,200)	(47,730)	(121,964)	(53,360)	(11,799)
Withdraw of restricted bank deposits	91,268	38,121	127,216	68,025	23,178
Loan to a third party	-	-	(10,000)	-	-
Loan to a staff	-	-	(2,200)	(2,200)	-
Net cash used in investing activities	(149,383)	(269,162)	(248,693)	(37,327)	(181,149)
FINANCING ACTIVITIES					
Interest paid	(7,794)	(14,672)	(29,291)	(8,221)	(10,210)
Deposit for acquisition of partial interest of a subsidiary	(2,174)	-	-	-	-
Contribution from non-controlling shareholders	1,500	1,500	2,000	-	-
Proceeds from issue of restricted shares	7,500	-	22,280	-	-
Proceeds from issue of shares	445,000	-	-	-	28,600
Payments for transaction costs for the issue of new ordinary shares	-	-	-	-	(3,239)
New borrowing raised	122,000	445,060	576,715	307,675	185,000
Repayment of borrowings	(79,901)	(78,869)	(274,000)	(101,000)	(172,675)
Advanced receipt of investment	-	-	200,000	-	-
Repayment of loan from a shareholder	-	(826)	-	-	-
Payments of lease liabilities	(371)	(413)	(454)	(106)	(431)
Issue cost paid	-	-	(700)	-	(1,995)
Net cash from financing activities	485,760	351,780	496,550	198,348	25,050
Net increase (decrease) in cash and cash equivalents	82,015	(91,256)	256,218	118,097	(197,452)
Cash and cash equivalents at beginning of the year/period	86,138	168,153	76,897	76,897	333,298
Effect of foreign exchange rate changes	-	-	183	76	(84)
Cash and cash equivalents at the end of the year/period	168,153	76,897	333,298	195,070	135,762

1. GENERAL INFORMATION

The Company, formerly known as Jiangsu Guofu Hydrogen Energy Technology Equipment Company Limited(江蘇國富氫能技術裝備有限公司) and Zhangjiagang Furui Hydrogen Energy Equipment Company Limited (張家港富瑞氫能裝備有限公司), was established in the People’s Republic of China (the “PRC”) on June 13, 2016 as a limited liability company. On August 31, 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The respective address of the registered office and the principal place of business of the Company are No. 236 Guotai North Road, Zhangjiagang City Jiangsu Province, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are production and sale of hydrogen equipment. Particulars and principal activities of the subsidiaries are disclosed in Note 45.

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared based on the accounting policies set out in Note 4 which conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

The statutory financial statements of the Company for the year ended December 31, 2021 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by 致同會計師事務所(特殊普通合夥), a certified public accountant registered in the PRC.

The consolidated financial statements of the Group for each of the three years ended December 31, 2023 and the five months ended May 31, 2024 have been prepared solely for the purpose of inclusion in the financial information of the Group to be incorporated in the prospectus of the Company dated November 7, 2024 in connection with the initial public offering proposed listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose and no comparative figures for the year ended December 31,2021 were presented.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

For the purpose of preparing and presenting the consolidated financial statements for each of the three years ended December 31, 2023 and the five months ended May 31, 2024, the Group has consistently applied the accounting policies which conform with IFRSs, amendments to IFRSs and the related interpretations issued by the IASB, which are effective for the accounting periods beginning on or after January 1, 2024, throughout the three years ended December 31, 2023 and the five months ended May 31, 2024.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs - continued

New and amendments to IFRSs in issue but not yet effective

At the date of this report, the following new and amendments to IFRSs have been issued which are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Lack of Exchangeability[2]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after January 1, 2025.
[3] Effective for annual periods beginning on or after January 1, 2026.
[4] Effective for annual periods beginning on or after January 1, 2027.

The directors of the Company anticipate that the application of these new and amendments to IFRSs will have no material impact on the Group's financial position and performance in foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

Basis of consolidation

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Basis of consolidation - continued

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

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

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

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

Changes in the Group's interests in existing subsidiaries

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

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

Investments in subsidiaries

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

Investments in associates

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Investments in associates - continued

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

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

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

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

Changes in the Group's interests in associates

Acquisition of additional interests in associates

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 6, 27 and 32.

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Property, plant and equipment

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

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

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

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

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

Inventories

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Leases - continued

The Group as a lessee - continued

Refundable rental deposits

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

Lease liabilities

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

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

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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

Lease modifications

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Sale and leaseback transactions

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

The Group as a seller-lessee

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

Intangible assets

Intangible assets acquired separately

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

Research and development expenditures

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

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

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

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Government grants

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

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

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

Cash and cash equivalents

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

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

Employee benefits

Retirement benefit costs

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

Short-term employee benefits

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Share-based payments

Equity-settled share-based payment transactions

Restricted shares granted to employees

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

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

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

Taxation

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Taxation - continued

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

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

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

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

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

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

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

Provisions

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments

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

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Classification and subsequent measurement of financial assets - continued

(i) Amortised cost and interest income

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

(ii) Debt instruments classified as at FVTOCI

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

(iii) Equity instruments designated as at FVTOCI

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

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

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

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

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

(i) Significant increase in credit risk

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

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

(v) Measurement and recognition of ECL - continued

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

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

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

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

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

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

Derecognition of financial assets

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Derecognition of financial assets - continued

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

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortized cost

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

Derecognition of financial liabilities

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

4. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Borrowing costs

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

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

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

Foreign currencies

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

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

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting periods, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months, are described below.

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

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

Detail of the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 16, 17 and 18 respectively, and no impairment loss was recognized by the management of the Group during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

Provision of ECL for trade receivables and contract assets

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

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 26, Note 27, and Note 43 respectively.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

Deferred tax assets

As at December 31, 2021, 2022 and 2023 and May 31, 2024, deferred tax assets of RMB35,284,000, RMB55,246,000, RMB68,970,000 and RMB86,770,000 in relation to deductible temporary differences and unused tax losses for certain operating subsidiaries have been recognized in the consolidated statement of financial position. No deferred tax asset has been recognized on the tax losses of RMB34,250,000, RMB54,891,000, RMB73,960,000 and RMB84,093,000, respectively, for certain subsidiaries due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

6. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
At a point in time recognition:					
- vehicle-mounted high-pressure hydrogen supply systems and related products	189,424	275,835	301,060	32,420	26,247
- equipment for hydrogen refueling stations and related products	139,854	83,657	123,036	10,939	38,042
- equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen	-	-	82,782	-	-
- water electrolysis hydrogen production equipment and related products	-	-	15,564	1,796	-
	329,278	359,492	522,442	45,155	64,289

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

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

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

6. REVENUE AND SEGMENT INFORMATION - continued

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

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

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

Sales-related warranties can not be purchased separately and they serve as an assurance type of warranty that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37. Please refer to Note 33 for details.

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

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

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

(iv) Segment information

Information is reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment focuses on revenue analysis of all products as a whole. The accounting policies are the same as the Group's accounting policies described in Note 4. No other discrete financial information is provided to the CODM for review other than the Group's results and financial position as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

Geographical information

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

6. REVENUE AND SEGMENT INFORMATION - continued

(iv) Segment information - continued

Information about major customers

During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, revenue from customers of the corresponding years/periods contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Customer A	43,679	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Customer B	N/A[1]	94,467	57,476	8,413	N/A[1]
Customer C	N/A[1]	N/A[1]	79,981	N/A[1]	N/A[1]
Customer D	N/A[1]	N/A[1]	54,785	N/A[1]	11,215
Customer E	N/A[1]	N/A[1]	85,969	N/A[1]	N/A[1]
Customer F	N/A[1]	N/A[1]	N/A[1]	N/A[1]	20,814
Customer G	N/A[1]	N/A[1]	N/A[1]	6,947	N/A[1]
Customer H	N/A[1]	N/A[1]	N/A[1]	6,487	N/A[1]
Customer I	N/A[1]	N/A[1]	N/A[1]	N/A[1]	6,476

[1] The corresponding revenue did not contribute over 10% of total revenue of the Group for the relevant year/period.

7. OTHER INCOME

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Government grants *(Note)*	14,205	10,133	22,135	2,860	1,780
Interest income on bank deposits	1,609	1,341	1,397	562	890
Rental income	362	-	44	44	-
Sales of scrap materials	-	1,638	1,712	266	201
Interest income on loan receivables	-	-	-	-	229
	16,176	13,112	25,288	3,732	3,100

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

8. OTHER GAINS AND LOSSES

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Loss on disposal/write off of property, plant and equipment	(978)	(711)	-	-	-
Net foreign exchange gains (losses)	55	307	98	214	(348)
Gain on disposal of an associate *(Note 20)*	-	178	-	-	-
Others	(34)	13	220	80	(45)
	(957)	(213)	318	294	(393)

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

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Impairment losses, net of reversal, recognised on:					
trade receivables	20,099	3,481	5,566	(5,855)	13,492
contract assets	587	(23)	(543)	728	143
other receivables	223	(582)	262	16	189
amounts due from associates	590	(500)	837	(30)	899
amount due from a related party	50	2	3	-	-
	21,549	2,378	6,125	(5,141)	14,723

Details of impairment assessment are set out in Note 43.

10. FINANCE COSTS

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Interest on borrowings	7,832	14,724	29,447	14,177	13,507
Interest on lease liabilities	18	24	29	6	25
	7,850	14,748	29,476	14,183	13,532
Less: amounts capitalised in the cost of construction in progress	(2,673)	(2,778)	(6,630)	(3,065)	-
	5,177	11,970	22,846	11,118	13,532

10. FINANCE COSTS - continued

Borrowing costs capitalised during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2023 (unaudited) and 2024 arose on the specific borrowings and are calculated by applying a capitalisation rate of 5.00%, 4.20%, 3.90%, 3.90% (unaudited) and Nil per annum to expenditure on qualifying assets respectively.

11. LOSS BEFORE TAX

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

	Year ended December 31,			Five Months ended May 31,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Directors' and supervisors' Emoluments *(Note 13)*	3,394	3,825	5,386	1,640	8,581
Other staff costs:					
- salaries and other benefits	44,765	60,773	70,723	26,419	29,325
- discretionary bonuses	4,661	4,988	4,072	1,658	848
- retirement benefit scheme contributions	6,160	11,634	12,825	5,278	6,579
- equity-settled share-based payments	-	-	3,425	-	17,117
Total staff costs	58,980	81,220	96,431	34,995	62,450
Capitalised in inventories	(15,201)	(18,835)	(21,323)	(7,460)	(9,255)
	43,779	62,385	75,108	27,535	53,195
Depreciation of property, plant and equipment	11,758	22,097	28,738	10,588	18,039
Depreciation of right-of-use asset	896	2,408	2,448	908	1,428
Amortisation of intangible assets	1,626	1,761	1,761	735	735
Total depreciation and amortization	14,28	26,266	32,950	12,231	20,202
Capitalised in inventories	(7,639)	(12,763)	(12,781)	(5,061)	(5,250)
Capitalised in property, plant and equipment	(535)	(1,101)	(1,077)	(538)	-
	6,106	12,402	19,092	6,632	14,952
Auditors' remuneration	1,677	3,941	1,575	872	1,252
Cost of inventories recognized as expenses (including (reversal) write-down of inventories amounting to RMB(224,000),RMB(261,000), RMB488,000, RMB1,125,000 (unaudited) and RMB1,345,000 for the years ended December 31, 2021, 2022 and 2023 and and five months ended May 31, 2023 and 2024, respectively)	297,506	320,470	429,077	42,537	63,035

12. INCOME TAX CREDIT

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Current tax	2	3	-	-	30
Deferred tax *(Note 23)*	(14,302)	(19,875)	(13,766)	(7,928)	(20,209)
	(14,300)	(19,872)	(13,766)	(7,928)	(20,179)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company and the PRC subsidiaries is 25% during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

The Company was accredited as a "New and High Technical Enterprise" in October 2018 and renewed its qualification in November 2021. Hydrogen Cloud Research Institute was accredited as a "New and High Technical Enterprise" in December 2020 and renewed the certificate in November 2023. So the Company and Hydrogen Cloud Research Institute were both entitled to a preferential income tax rate of 15% during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2018 onwards, enterprise engaging in research and development activities are entitled to claim 175% and 200% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for the period from January 1, 2021 to September 30, 2022 and for the period from October 1, 2022 to May 31, 2024, respectively.

Guofu Hydrogen Technology Equipment (Zhangjiakou) Co., Ltd. (國富氫能技術裝備(張家口)有限公司) ("Zhangjiakou Guofu"), Beijing Guofu Wanjia Hydrogen Energy Technology Co., Ltd. (北京國富萬家氫能科技有限公司) ("Beijing Guofu"), Sichuan Guofu Hydrogen Energy Technology Co., Ltd. (四川國富氫能科技有限公司) ("Sichuan Guofu"), Shanghai Guofu Hydrogen Energy Technology Equipment Co., Ltd. (上海國富氫能技術裝備有限公司) ("Shanghai Guofu"), Shanghai Qingping Technology Equipment Co., Ltd. (上海氫平技術裝備有限公司) ("Shanghai Qingping") and Shanghai Qingmai Engineering Technology Co., Ltd. (上海氫邁工程技術有限公司) ("Shanghai Qingmai"), subsidiaries of the Group, were subject to "small and thin-profit enterprises" and would benefit from a preferential tax rate of 20% under the EIT Law. For the years ended December 31, 2021, 2022 and 2023 and five months ended May 31, 2023 and 2024, the qualifying group entities enjoyed 87.5% reduction on annual taxable income on first RMB1,000,000 and 50% reduction between the annual taxable income of RMB1,000,000 to RMB3,000,000, respectively.

12. INCOME TAX CREDIT - continued

The tax credit for each of three years ended December 31, 2023 and the five months ended May 31, 2023 (unaudited) and 2024 can be reconciled to the loss before tax as follows:

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Loss before tax	(89,549)	(116,090)	(88,809)	(52,146)	(117,015)
Income tax expense calculated at 25%	(22,387)	(29,023)	(22,202)	(13,037)	(29,254)
Tax effect of expenses that are not deductible for tax purpose	2,755	1,396	3,052	453	809
Additional deduction of research and development expenses and other qualified expenditures	(9,626)	(10,766)	(8,634)	(2,240)	(4,087)
Tax effect of deductible temporary differences not recognized	(169)	83	35	16	2
Tax effect of tax losses not recognized	5,637	5,160	4,767	2,219	1,563
Income tax at concessionary rates	9,490	13,278	9,216	4,661	10,788
	(14,300)	(19,872)	(13,766)	(7,928)	(20,179)

13. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Executive and non-executive directors and supervisors

Name	Position	Date of appointment
Mr. Wu	Executive Director	March 23, 2020
Mr. Wang	Executive Director	October 13, 2017
Mr. Shi Jian	Executive director	April 10, 2021
Mr. Zhou Lin	Non-executive director	September 18, 2019
Mr. Gu Yanjun	Non-executive director	October 13, 2017
Ms. Liu Yilin	Non-executive director	January 2, 2024
Mr. He Guangliang	Supervisor	August 12, 2020
Mr. Fu Jiong	Supervisor	August 12, 2020 (Resigned on February 21, 2023)
Ms. Cai Yan	Supervisor	August 12, 2020 (Resigned on February 21, 2023)
Ms. Zhao Jing	Supervisor	February 21, 2023
Mr. Kuang Kaifeng	Supervisor	February 21, 2023
Mr. Zhang Yongjun	Independent non-executive director	August 20, 2021
Mr. Zou Jiasheng	Independent non-executive director	August 20,2021
Mr. Chen Heping	Independent non-executive director	April 20, 2021 (Resigned on February 18, 2024)
Ms. Tong Sze Wan	Independent non-executive director	February 18, 2024

13. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES - continued

Executive and non-executive directors and supervisors - continued

Details of the emoluments paid or payable to the directors and supervisors of the Company for the service provided to the Group during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2023 (unaudited) and 2024 are as follows:

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended December 31, 2021					
Executive directors:					
Mr. Wu	558	-	-	200	758
Mr. Wang	554	34	-	200	788
Mr. Shi Jian	416	34	-	208	658
Non-executive directors:					
Mr. Zhou Lin	52	-	-	-	52
Mr. Gu Yanjun	52	-	-	-	52
Independent non-executive directors:					
Mr. Zhang Yongjun	33	-	-	-	33
Mr. Zou Jiasheng	33	-	-	-	33
Mr. Chen Heping	60	-	-	-	60
Supervisors:					
Mr. He Guangliang	213	21	-	116	350
Mr. Fu Jiong	338	29	-	36	403
Ms. Cai Yan	175	22	-	10	207
	2,484	140	-	770	3,394

13. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES - continued

Executive and non-executive directors and supervisors - continued

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended December 31, 2022					
Executive directors:					
Mr. Wu	675	-	-	200	875
Mr. Wang	622	72	-	200	894
Mr. Shi Jian	422	72	-	52	546
Non-executive directors:					
Mr. Zhou Lin	70	-	-	-	70
Mr. Gu Yanjun	70	-	-	-	70
Independent non-executive directors:					
Mr. Zhang Yongjun	80	-	-	-	80
Mr. Zou Jiasheng	80	-	-	-	80
Mr. Chen Heping	80	-	-	-	80
Supervisors:					
Mr. He Guangliang	199	39	-	162	400
Mr. Fu Jiong	371	61	-	26	458
Ms. Cai Yan	207	39	-	26	272
	2,876	283	-	666	3,825

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended December 31, 2023					
Executive directors:					
Mr. Wu	671	-	742	200	1,613
Mr. Wang	623	109	-	100	832
Mr. Shi Jian	422	109	17	50	598
Non-executive directors:					
Mr. Zhou Lin	70	-	-	-	70
Mr. Gu Yanjun	70	-	-	-	70
Independent non-executive directors:					
Mr. Zhang Yongjun	80	-	-	-	80
Mr. Zou Jiasheng	80	-	-	-	80
Mr. Chen Heping	80	-	-	-	80
Supervisors:					
Mr. He Guangliang	200	60	431	81	772
Mr. Fu Jiong	62	16	-	-	78
Ms. Cai Yan	35	10	-	-	45
Ms. Zhao Jing	240	79	172	55	546
Mr. Kuang Kaifeng	360	80	17	65	522
	2,993	463	1,379	551	5,386

13. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES - continued

Executive and non-executive directors and supervisors - continued

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the five months ended May 31, 2023 (unaudited)					
Executive directors:					
Mr. Wu	280	-	-	83	363
Mr. Wang	260	30	-	42	332
Mr. Shi Jian	176	30	-	21	227
Non-executive directors:					
Mr. Zhou Lin	29	-	-	-	29
Mr. Gu Yanjun	29	-	-	-	29
Independent non-executive directors:					
Mr. Zhang Yongjun	33	-	-	-	33
Mr. Zou Jiasheng	33	-	-	-	33
Mr. Chen Heping	33	-	-	-	33
Supervisors:					
Mr. He Guangliang	83	16	-	34	133
Mr. Fu Jiong	26	7	-	-	33
Ms. Cai Yan	15	4	-	-	19
Ms. Zhao Jing	103	26	-	23	152
Mr. Kuang Kaifeng	171	26	-	27	224
	1,271	139	-	230	1,640

	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the five months ended May 31, 2024					
Executive directors:					
Mr. Wu	280	-	3,708	71	4,059
Mr. Wang	260	31	-	39	330
Mr. Shi Jian	176	31	86	20	313
Non-executive directors:					
Mr. Zhou Lin	29	-	-	-	29
Mr. Gu Yanjun	29	-	-	-	29
Ms. Liu Yilin	29	-	-	-	29
Independent non-executive directors:					
Mr. Zhang Yongjun	33	-	-	-	33
Mr. Zou Jiasheng	33	-	-	-	33
Mr. Chen Heping	33	-	-	-	33
Ms. Tong Sze Wan	48	-	-	-	48
Supervisors:					
Mr. He Guangliang	109	18	2,156	45	2,328
Ms. Zhao Jing	180	30	862	15	1,087
Mr. Kuang Kaifeng	102	17	86	25	230
	1,341	127	6,898	215	8,581

13. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES - continued

Executive and non-executive directors and supervisors - continued

The executive director's emoluments shown above were for his services in connection with the management of the affairs of the Company and the Group during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024. The discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group. None of the directors of the Company waived or agreed to waive any emoluments during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, certain directors and supervisors were granted restricted shares, in respect of their services to the Group, details are set out in Note 37 to the consolidated financial statements.

Five highest paid employees

The five highest paid individuals of the Group included 3, 2 and 2 directors of the Company during the years ended December 31, 2021, 2022 and 2023 respectively; 2 directors (unaudited), 1 director and 2 supervisors of the Company during the five months ended May 31, 2023 and 2024, respectively. Details of whose remuneration are set out above. Details of the remuneration for the remaining 2, 3, 3, 3 (unaudited) and 2 highest paid employees for the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2023 (unaudited) and 2024 are as follows:

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Salaries and other benefits	1,072	1,683	795	522	438
Discretionary bonuses	167	387	968	403	39
Retirement benefit scheme contributions	110	223	231	68	74
Share-based payments	-	-	824	-	4550
	1,349	2,293	2,818	993	5,101

The emoluments of the five highest paid individuals for the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2023 (unaudited) and 2024 are within the following bands:

	Year ended December 31,			Five Months ended May 31,	
	2021 No. of individuals	2022 No. of individuals	2023 No. of individuals	2023 No. of individuals (unaudited)	2024 No. of individuals
Nil to HK$1,000,000	5	2	2	5	1
HK$1,000,001 to HK$1,500,000	-	3	2	-	1
HK$1,500,001 to HK$2,000,000	-	-	1	-	1
HK$4,000,001 to HK$4,500,000	-	-	-	-	1
HK$4,500,001 to HK$5,000,000	-	-	-	-	1
	5	5	5	5	5

13. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES - continued

Five highest paid employees - continued

During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, no emoluments were paid by the Group to any of the executive director, non-executive directors, independent non-executive directors, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. LOSS PER SHARE

	Year ended December 31,			Five Months ended May 31,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss:					
Loss for the year/period attributable to the owners of the Company (RMB'000)	(71,187)	(93,857)	(73,303)	(43,676)	(96,548)
Number of shares ('000):					
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	81,774	90,044	90,075	90,044	98,532
Loss per share (RMB)					
- Basic	(0.87)	(1.04)	(0.81)	(0.49)	(0.98)

No diluted loss per share for the years ended December 31, 2021, 2022 and 2023 and five months ended May 31, 2023 (unaudited) and 2024 was presented as there was no potential ordinary shares in issue for the years ended December 31, 2021, 2022 and 2023 and five months ended May 31, 2023 (unaudited) and 2024.

15. DIVIDENDS

No dividend was paid or declared by the Company during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, nor has any dividend been proposed since May 31, 2024.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings and structures RMB'000	Machinery and equipment RMB'000	Furniture and fixture RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At January 1, 2021	75,496	37,654	4,060	1,636	55,096	173,942
Additions	31,113	7,825	7,353	2,867	67,021	116,179
Transfers	51,918	14,925	-	-	(66,843)	-
Disposals	(43)	(1,027)	(25)	(646)	-	(1,741)
At December 31, 2021	158,484	59,377	11,388	3,857	55,274	288,380
Additions	2,561	19,498	4,862	474	291,594	318,989
Transfers	56,035	2,991	3,456	-	(62,482)	-
Disposals	-	(2,884)	(8)	(487)	-	(3,379)
At December 31, 2022	217,080	78,982	19,698	3,844	284,386	603,990
Additions	3,906	11,315	3,028	77	134,713	153,039
Transfers	321,256	7,129	372	-	(328,757)	-
At December 31, 2023	542,242	97,426	23,098	3,921	90,342	757,029
Additions	190	203	451	-	32,524	33,368
Transfers	-	1,522	-	-	(1,522)	-
At May 31, 2024	542,432	99,151	23,549	3,921	121,344	790,397
DEPRECIATION						
At January 1, 2021	(484)	(4,017)	(833)	(280)	-	(5,614)
Provided for the year	(5,343)	(4,700)	(1,371)	(344)	-	(11,758)
Eliminated on disposal	9	214	6	10	-	239
At December 31, 2021	(5,818)	(8,503)	(2,198)	(614)	-	(17,133)
Provided for the year	(10,235)	(7,653)	(3,550)	(659)	-	(22,097)
Eliminated on disposal	-	935	7	20	-	962
At December 31, 2022	(16,053)	(15,221)	(5,741)	(1,253)	-	(38,268)
Provided for the year	(14,652)	(8,131)	(5,241)	(714)	-	(28,738)
At December 31, 2023	(30,705)	(23,352)	(10,982)	(1,967)	-	(67,006)
Provided for the period	(11,497)	(4,080)	(2,162)	(300)	-	(18,039)
At May 31, 2024	(42,202)	(27,432)	(13,144)	(2,267)	-	(85,045)
CARRYING AMOUNT						
At December 31, 2021	152,666	50,874	9,190	3,243	55,274	271,247
At December 31, 2022	201,027	63,761	13,957	2,591	284,386	565,722
At December 31, 2023	511,537	74,074	12,116	1,954	90,342	690,023
At May 31, 2024	500,230	71,719	10,405	1,654	121,344	705,352

16. PROPERTY, PLANT AND EQUIPMENT - continued

The Company

	Buildings and structures RMB'000	Machinery and equipment RMB'000	Furniture and fixture RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At January 1, 2021	75,496	37,608	3,443	1,636	54,303	172,486
Additions	1,748	7,828	7,043	704	64,229	81,552
Transfers	51,918	14,092	-	-	(66,010)	-
Disposals	(43)	(171)	-	-	-	(214)
At December 31, 2021	129,119	59,357	10,486	2,340	52,522	253,824
Additions	2,561	19,614	2,214	473	284,042	308,904
Transfers	49,187	2,991	-	-	(52,178)	-
Disposals	-	(2,884)	(8)	(389)	-	(3,281)
At December 31, 2022	180,867	79,078	12,692	2,424	284,386	559,447
Additions	4,199	11,262	2,905	77	134,449	152,892
Transfers	321,256	7,129	372	-	(328,757)	-
At December 31, 2023	506,322	97,469	15,969	2,501	90,078	712,339
Additions	190	203	294	-	17,689	18,376
Transfers	-	1,522	-	-	(1,522)	-
At May 31, 2024	506,512	99,194	16,263	2,501	106,245	730,715
DEPRECIATION						
At January 1, 2021	(484)	(4,017)	(738)	(280)	-	(5,519)
Provided for the year	(5,227)	(4,493)	(1,283)	(209)	-	(11,212)
Eliminated on disposal	9	50	-	-	-	59
At December 31, 2021	(5,702)	(8,460)	(2,021)	(489)	-	(16,672)
Provided for the year	(8,783)	(7,613)	(3,146)	(378)	-	(19,920)
Eliminated on disposal	-	935	7	20	-	962
At December 31, 2022	(14,485)	(15,138)	(5,160)	(847)	-	(35,630)
Provided for the year	(12,609)	(8,423)	(3,619)	(449)	-	(25,100)
At December 31, 2023	(27,094)	(23,561)	(8,779)	(1,296)	-	(60,730)
Provided for the period	(10,538)	(4,063)	(1,710)	(190)	-	(16,501)
At May 31, 2024	(37,632)	(27,624)	(10,489)	(1,486)	-	(77,231)
CARRYING AMOUNT						
At December 31, 2021	123,417	50,897	8,465	1,851	52,522	237,152
At December 31, 2022	166,382	63,940	7,532	1,577	284,386	523,817
At December 31, 2023	479,228	73,908	7,190	1,205	90,078	651,609
At May 31, 2024	468,880	71,570	5,774	1,015	106,245	653,484

16. PROPERTY, PLANT AND EQUIPMENT - continued

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Buildings and structures	10 - 20 years
Machinery and equipment	8 - 10 years
Motor vehicles	5 years
Furniture and fixture	3 - 5 years

As at December 31, 2021, 2022 and 2023 and May 31, 2024, the Group has pledged buildings with carrying amounts of RMB117,699,000, RMB158,930,000, RMB457,224,000 and RMB448,480,000 respectively, and equipment with carrying amounts of RMB40,567,000, RMB12,470,000, Nil and Nil respectively to secure general banking facilities granted to the Group.

17. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
At January 1, 2021	11,133	380	11,513
Addition for the year	8,746	919	9,665
Depreciation charge for the year	(632)	(264)	(896)
At December 31, 2021	19,247	1,035	20,282
Addition for the year	38,771	-	38,771
Termination of lease contract	-	(129)	(129)
Depreciation charge for the year	(1,867)	(541)	(2,408)
At December 31, 2022	56,151	365	56,516
Addition for the year	-	1,242	1,242
Depreciation charge for the year	(1,973)	(475)	(2,448)
At December 31, 2023	54,178	1,132	55,310
Addition for the period	25,925	1,525	27,450
Termination of lease contract	-	(127)	(127)
Depreciation charge for the period	(1,038)	(390)	(1,428)
At May 31, 2024	79,065	2,140	81,205

17. RIGHT-OF-USE ASSETS - continued

The Company

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
At January 1, 2021	11,133	380	11,513
Addition for the year	8,746	757	9,503
Depreciation charge for the year	(632)	(241)	(873)
At December 31, 2021	19,247	896	20,143
Addition for the year	38,771	-	38,771
Depreciation charge for the year	(1,867)	(531)	(2,398)
At December 31, 2022	56,151	365	56,516
Addition for the year	-	1,242	1,242
Depreciation charge for the year	(1,973)	(475)	(2,448)
At December 31, 2023	54,178	1,132	55,310
Addition for the period	-	28	28
Termination of lease contract	-	(127)	(127)
Depreciation charge for the period	(822)	(307)	(1,129)
At May 31, 2024	53,356	726	54,082

	Year ended December 31,			Five Months ended May 31,	
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2023 RMB'000 (unaudited)	2024 RMB'000
Expenses relating to short-term leases	647	382	242	192	165
Total cash outflow for leases	1,036	819	725	304	621

During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, the leasehold lands of the Group represented the prepaid lease payment for lands located in the PRC with the fixed period of 30 years to 50 years. The remaining lease term is 26 years to 48 years as at May 31, 2024.

During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, the Group leased various properties for its operating activities. Lease contracts were entered into for fixed terms of 14 months to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at December 31, 2021, 2022 and 2023 and May 31, 2024, the Group has pledged leasehold lands with carrying amounts of RMB19,247,000, RMB45,798,000, RMB54,178,000 and RMB53,356,000 respectively to secure general banking facilities granted to the Group.

17. RIGHT-OF-USE ASSETS - continued

As at December 31, 2021, 2022 and 2023 and May 31, 2024, the Group's lease liabilities of RMB890,000, RMB354,000, RMB1,142,000 and RMB2,141,000 are recognized with related right-of-use assets of RMB1,035,000, RMB365,000, RMB1,132,000 and RMB2,140,000 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Except for the leasehold lands, leased assets may not be used as security for borrowing purposes.

The Group regularly entered into short-term leases for various properties. As at 31 December 2021, 2022 and 2023 and May 31, 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Sale and leaseback transactions - seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the years ended December 31, 2021, 2022 and 2023 and five months ended May 31, 2024, the Group has raised borrowings of RMB9,869,000, Nil, Nil and Nil respectively in respect of such sale and leaseback arrangements. Details of the borrowings are set out in Note 31.

18. INTANGIBLE ASSETS

The Group

	Non-patented technologies RMB'000	Patent RMB'000	Total RMB'000
COST			
At January 1, 2021 and December 31, 2021, 2022 and 2023 and May 31, 2024	16,324	1,941	18,265
AMORTISATION			
At January 1, 2021	(136)	(194)	(330)
Charge for the year	(1,497)	(129)	(1,626)
At December 31, 2021	(1,633)	(323)	(1,956)
Charge for the year	(1,632)	(129)	(1,761)
At December 31, 2022	(3,265)	(452)	(3,717)
Charge for the year	(1,632)	(129)	(1,761)
At December 31, 2023	(4,897)	(581)	(5,478)
Charge for the period	(680)	(55)	(735)
At May 31, 2024	(5,577)	(636)	(6,213)
CARRYING AMOUNTS			
At December 31, 2021	14,691	1,618	16,309
At December 31, 2022	13,059	1,489	14,548
At December 31, 2023	11,427	1,360	12,787
At May 31, 2024	10,747	1,305	12,052

18. INTANGIBLE ASSETS - continued

The Company

	Non-patented technologies RMB'000
COST	
At January 1, 2021 and December 31, 2021, 2022 and 2023 and May 31, 2024	16,324
AMORTISATION	
At January 1, 2021	(136)
Charge for the year	(1,497)
At December 31, 2021	(1,633)
Charge for the year	(1,632)
At December 31, 2022	(3,265)
Charge for the year	(1,632)
At December 31, 2023	(4,897)
Charge for the period	(680)
At May 31, 2024	(5,577)
CARRYING AMOUNTS	
At December 31, 2021	14,691
At December 31, 2022	13,059
At December 31, 2023	11,427
At May 31, 2024	10,747

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Non-patented technologies	10 years
Patent	15 years

19. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

For the purpose of impairment testing, property, plant and equipment, right-of-use assets and intangible assets as set out in Note 16, 17 and 18 respectively, belong to a single cash-generating unit ("CGU") according to the operating segment the Group has identified.

Due to the loss of the CGU throughout the years ended December 31, 2021, 2022 and 2023, the management of the Group concluded there was indication of impairment loss and conducted impairment assessment on property, plant and equipment, right-of-use assets and intangible assets with carrying amounts of RMB307,838,000, RMB636,786,000, and RMB758,120,000 as at December 31, 2021, 2022 and 2023 respectively.

19. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS - continued

The recoverable amount of the CGU has been determined based on a value in use calculation, which uses cash flow projections based on financial budgets approved by the management of the Group. The financial budgets covered a seven-year period (the "Period") since the management anticipated a longer time for the Group to reach a stable growth state, especially taking into account the fact that the hydrogen energy industry is in its early developing stage with fast growth and the Group is going to develop rapidly in the coming years. The key assumptions of the financial budgets included annual growth rates within the Period, growth rate to extrapolate cash flows beyond the Period and pre-tax discount rate. The values to the assigned key assumptions were determined based on the CGU's past performance and management expectations for the market development. During the Period, the annual growth rates ranged from 2.88% to 55.50%, 5.77% to 72.80% and 6.33% to 76.65% as at December 31, 2021, 2022 and 2023 respectively. The cash flows beyond the Period are extrapolated using 2% growth rate, which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Pre-tax discount rate of 12.81%, 12.57% and 12.52% were used to reflect market assessment of time value and the specific risks relating to the CGU for the impairment review as at December 31, 2021, 2022 and 2023 respectively.

As at December 31, 2021, 2022 and 2023, management of the Group determined that there was no impairment on the CGU. The recoverable amount of the CGU exceeded its carrying amount by RMB35,510,000, RMB78,032,000 and RMB359,758,000 as at December 31, 2021, 2022 and 2023 respectively.

As at May 31, 2024, management of the Group was not aware of any significant adverse changes on the respective property, plant and equipment, right-of-use assets and intangible assets, that indicated the carrying amounts of these assets exceeded their recoverable amounts. As a result, no impairment assessments as at May 31, 2024 was performed.

20. INVESTMENTS IN ASSOCIATES

The Group

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investments in associates	23,100	26,475	47,116	159,368
Share of loss and total comprehensive expenses	(978)	(1,133)	(3,238)	(4,999)
Unrealised gains relating to transactions with associates, net of reversal	(122)	(130)	(7,601)	(7,606)
	22,000	25,212	36,277	146,763

20. INVESTMENTS IN ASSOCIATES - continued

The Group - continued

Details of each of the Group's principal associates during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 are as follows:

Name of associate	Country of incorporation	Principal place of business	Proportion of ownership interest and voting rights held by the Group				Principal activity
			As at December 31,			As at May 31,	
			2021	2022	2023	2024	
Jiangsu Jiahua hydrogen Technology Co., Ltd. (江蘇嘉化氫能科技有限公司) ("Jiahua Hydrogen") *(Note i)*	China	Jiangsu	10%	10%	10%	10%	Sales of hydrogen-related equipment
Qilu Hydrogen Energy (Shandong) Development Co., Ltd. (齊魯氫能(山東)發展有限公司) ("Qilu Hydrogen") *(Note ii)*	China	Shandong	15%	15%	22.50%	22.50%	Sales of hydrogen-related equipment
Huajiu Hydrogen Energy (Henan) Co., Ltd. (華久氫能源(河南)有限公司) ("Huajiu Hydrogen") *(Note iii)*	China	Henan	12.66%	13.02%	13.02%	13.02%	Sales of chemical products
Manas Longshengda Yudu Hydrogen Technology Co., Ltd. (瑪納斯隆盛達玉都氫能科技有限公司) ("Yudu Hydrogen") *(Note iv)*	China	Xinjiang	-	-	40.00%	40.00%	Sales of hydrogen-related equipment
Shenzhen Pufa hydrogen Technology Co., Ltd. (深圳普發氫能科技有限公司) ("Shenzhen Pufa") *(Note v)*	China	Shenzhen	15%	-	-	-	Sales of hydrogen refueling stations equipment and related products
Inner Mongolia Mengfa Guofu Hydrogen Energy Technology Co., Ltd. (内蒙古蒙发国富氢能科技有限公司) ("Mengfa Guofu") *(Note vi)*	China	Inner Mongolia	-	-	-	40.00%	Sales of hydrogen refueling stations equipment and related products
Broaden Energy Hydrogen Solutions-L.L.C ("Broaden Energy") *(Note vii)*	Arab	Abu Dhabi	-	-	-	20%	Sales of hydrogen related equipment

20. INVESTMENTS IN ASSOCIATES - continued

The Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investments in associates	23,100	26,475	41,475	141,475
Share of loss and total comprehensive expenses	(978)	(1,133)	(3,238)	(4,307)
Unrealised gains relating to transactions with associates, net of reversal	(122)	(130)	(7,601)	(7,606)
	22,000	25,212	30,636	129,562

Details of each of the Company's principal associates during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 are as follows:

Name of associate	Country of incorporation	Principal place of business	Proportion of ownership interest and voting rights held by the Group				Principal activity
			As at December 31,			As at May 31,	
			2021	2022	2023	2024	
Jiahua Hydrogen *(Note i)*	China	Jiangsu	10%	10%	10%	10%	Sales of hydrogen-related equipment
Qilu Hydrogen *(Note ii)*	China	Shandong	15%	15%	22.50%	22.50%	Sales of hydrogen-related equipment
Huajiu Hydrogen *(Note iii)*	China	Henan	12.66%	13.02%	13.02%	13.02%	Sales of hydrogen chemical products
Shenzhen Pufa *(Note v)*	China	Shenzhen	15%	-	-	-	Sales of hydrogen refueling stations equipment and related products
Mengfa Guofu (*Note vi*)	China	Inner Mongolia	-	-	-	40.00%	Sales of hydrogen refueling stations equipment and related products

Notes:

i. The Company is able to exercise significant influence over Jiahua Hydrogen because it has the power to appoint one out of the five directors of Jiahua Hydrogen under the articles of association of Jiahua Hydrogen.

ii. The Company is able to exercise significant influence over Qilu Hydrogen because it has the power to appoint one out of the seven directors of Qilu Hydrogen under the articles of association of Qilu Hydrogen. During the year ended December 31, 2023, the Company contributed cash of RMB15,000,000 as additional capital injection in Qilu Hydrogen, and the Company's effective interest in Qilu Hydrogen increased from 15% to 22.5%.

20. INVESTMENTS IN ASSOCIATES - continued

Notes: - continued

iii. The Company is able to exercise significant influence over Huajiu Hydrogen because it has the power to appoint two out of the five directors of Huajiu Hydrogen under the articles of association of Huajiu Hydrogen. In addition, pursuant to the capital increase agreement in July 2022, the Company contributed cash of RMB3,575,000 as additional capital injection in Huajiu Hydrogen, and the Company' effective interest in Huajiu Hydrogen increased from 12.66% to 13.02%.

iv. In September 2023, Xinjiang Guofu Hydrogen Energy Technology Service Co., Ltd. (新疆國富氫能科技服務有限公司) ("Xinjiang Guofu"), a subsidiary of the Group, entered into an agreement with an independent third party to acquire 40% subscription interest in Yudu Hydrogen with a consideration of Nil. The net assets of Yudu were Nil on the acquisition date as it had no operation since incorporation. Upon completion of the acquisition, Xinjiang Guofu contributed cash of RMB4,240,000 as capital injection in Yudu Hydrogen by December 2023. In January and April 2024, Xinjiang Guofu contributed cash of RMB7,760,000 in total as additional capital injection in Yudu Hydrogen.

v. During the year ended December 31, 2021, the Company is able to exercise significant influence over Shenzhen Pufa because it has the power to appoint one out of the three directors of Shenzhen Pufa under the articles of association of Shenzhen Pufa. In March 2022, the Group disposed of its total interest in Shenzhen Pufa to a third party with proceeds of RMB600,000. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows.

	RMB'000
Proceeds of disposal	600
Less: carrying amount of the investment on the date of loss of significant influence	(422)
Gain recognised	178

vi. In February 2024, the Company contributed cash of RMB100,000,000 as capital injection in Mengfa Guofu and held 40% of its voting rights as at May 31, 2024.

vii. In May 2024, Guofuhee Holdings Pte. Ltd., a subsidiary of the Group, contributed cash of United States dollars ("USD") 600,000 (equivalent to RMB4,267,000) as capital injection in Broaden Energy and held 20% of its voting rights as at May 31, 2024.

All of these associates are accounted for using the equity method in these consolidated financial statements.

20. INVESTMENTS IN ASSOCIATES - continued

Summarised financial information of a material associate

Mengfa Guofu

	At December 31, 2021 RMB'000	At December 31, 2022 RMB'000	At December 31, 2023 RMB'000	At May 31, 2024 RMB'000
Current assets	-	-	-	205,260
Non-current assets	-	-	-	44,575
Current liabilities	-	-	-	365

	Year ended December 31, 2021 RMB'000	Year ended December 31, 2022 RMB'000	Year ended December 31, 2023 RMB'000	Five months ended May 31, 2024 RMB'000
Reevenue	-	-	-	-
Loss and total comprehensive expense for the year/period	-	-	-	530

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements.

	At December 31, 2021 RMB'000	At December 31, 2022 RMB'000	At December 31, 2023 RMB'000	At May 31, 2024 RMB'000
Net assets of Mengfa Guofu	-	-	-	249,470
Proportion of the Group's ownership interest in Mengfa Guofu	-	-	-	40%
The Group's share of net assets of Mengfa Guofu	-	-	-	99,788
Carrying amount of the Group's interest in Mengfa Guofu	-	-	-	99,788

Aggregate information of associates that are not individually material

The Group

	Year ended December 31, 2021 RMB'000	Year ended December 31, 2022 RMB'000	Year ended December 31, 2023 RMB'000	Five months ended May 31, 2024 RMB'000
The Group's share of loss and total comprehensive expenses	419	333	2,105	1,549
Aggregate carrying amount of the Group's interests in these associates	22,000	25,212	36,277	46,975

20. INVESTMENTS IN ASSOCIATES - continued

Aggregate information of associates that are not individually material - continued

The Company

	Year ended December 31,			Five months ended May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
The Company's share of loss and total comprehensive expenses	419	333	2,105	857
Aggregate carrying amount of the Group's interests in these associates	22,000	25,212	30,636	29,774

21. INVESTMENTS IN SUBSIDIARIES

The Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investments	30,162	39,806	77,746	114,046

22. EQUITY INSTRUMENT AT FVTOCI

The Group

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted equity investments, at fair value - Lingniu New Energy Technology (Shanghai) Co., Ltd. (羚牛新能源科技(上海)有限公司) ("Lingniu")	3,000	34,333	34,333	35,047

On September 13, 2021, Shanghai Qingping, a wholly-owned subsidiary of the Company, entered into an agreement with the founding shareholder parties, for the injection of new capital to Lingniu. Upon the completion of capital contribution of RMB3,000,000 by Shanghai Qingping on September 29, 2021, the Group held 4.80% of equity interest of Lingniu as at December 31, 2021.

On December 31, 2021, Shanghai Qingping entered into an agreement with the shareholders of Lingniu, for additional capital injection to Lingniu. Upon the completion of capital contribution of RMB5,000,000 and RMB10,000,000 by Shanghai Qingping on March 23, 2022 and June 1, 2022, the Group held 15.61% of equity interest of Lingniu as at December 31, 2022.

22. EQUITY INSTRUMENT AT FVTOCI - continued

The Group - continued

As at December 31, 2023, the Group's equity interest in Lingniu was diluted to 14.31% due to additional capital contribution from its investors.

The above investment is not held for trading but for long-term strategic purposes. The directors of the Company have elected to designate the investment in equity instrument at FVTOCI as they believed that recognizing short-term fluctuations in these investment's fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising it's performance potential in the long run.

The fair value of the unlisted equity instruments as at December 31, 2021, 2022 and 2023 were determined with reference to the issue price included in Lingniu's investment agreements with independent investors in each year.

The fair value of the unlisted equity instruments as at May 31, 2024 was determined by directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer.

23. DEFERRED TAX ASSETS

The Group and the Company

The followings are the major deferred tax assets recognised and movements thereon during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024:

	Fair value change of debt instruments RMB'000	ECL provision RMB'000	Tax losses RMB'000	Accrued expenses RMB'000	Deferred income RMB'000	Share based payment RMB'000	Others RMB'000	Total RMB'000
At January 1, 2021	-	8,309	586	3,765	2,128	5,889	305	20,982
(Charge) credit to profit or loss	-	3,225	10,182	751	240	-	(96)	14,302
At December 31, 2021	-	11,534	10,768	4,516	2,368	5,889	209	35,284
(Charge) credit to profit or loss	-	357	15,399	740	3,418	-	(39)	19,875
Credit to the other comprehensive income	87	-	-	-	-	-	-	87
At December 31, 2022	87	11,891	26,167	5,256	5,786	5,889	170	55,246
(Charge) credit to profit or loss	-	917	11,541	772	(244)	720	60	13,766
Credit to the other comprehensive income	(42)	-	-	-	-	-	-	(42)
At December 31, 2023	45	12,808	37,708	6,028	5,542	6,609	230	68,970
Credit to profit or loss	-	2,207	12,142	515	1,277	3,602	466	20,209
At May 31, 2024	45	15,015	49,850	6,543	6,819	10,211	696	89,179

As at December 31, 2021, 2022 and 2023 and May 31, 2024, the Group had unused tax losses of approximately RMB106,309,000, RMB229,343,000, RMB325,353,000 and RMB412,548,000, respectively, available for offsetting against future profits. No deferred tax asset has been recognised in respect of tax losses of RMB34,250,000, RMB54,891,000, RMB73,960,000 and RMB80,210,000 due to the unpredictability of future profit streams.

23. DEFERRED TAX ASSETS - continued

The Group and the Company - continued

The unrecognized tax losses of the Group will be carried forward and expire in years as follows:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
2025	499	-	-	-
2026	8,821	7,510	7,510	7,291
2027	1,886	19,743	19,743	19,743
2028	5,114	5,114	23,991	23,991
2029	57	57	57	6,526
2030	4,144	4,144	4,144	4,144
2031	13,729	13,729	13,729	13,729
2032	-	4,594	4,594	4,594
2034	-	-	192	192
	34,250	54,891	73,960	80,210

At December 31, 2021, 2022 and 2023 and May 31, 2024, the Group and the Company had no other material unrecognised deductible temporary differences.

24. INVENTORIES

The Group

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	65,107	107,285	55,868	61,382
Work in progress	41,440	83,378	85,412	87,021
Finished goods	61,049	99,952	37,107	48,825
	167,596	290,615	178,387	197,228

The Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	65,063	107,017	55,912	61,546
Work in progress	41,440	83,378	85,412	87,021
Finished goods	61,049	99,952	37,107	49,078
	167,552	290,348	178,431	197,645

24. **INVENTORIES** - continued

The reversal of write down of inventories of the Group and the Company recognised as cost of sales amounted to RMB224,000 and RMB261,000 during the years ended December 31, 2021 and 2022.

The write down of inventories of the Group and the Company recognised as cost of sales amounted to RMB488,000 and RMB3,103,000 during the year ended December 31, 2023 and the five months ended May 31, 2024.

25. LOAN RECEIVABLES

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate loan receivables	-	-	12,200	12,429
Analysed as				
current	-	-	10,440	11,109
non-current	-	-	1,760	1,320
	-	-	12,200	12,429

In May 2023, the Company entered into a loan agreement with a staff. Pursuant to the loan agreement, the staff borrowed RMB2,200,000 from the Company with fixed interest rate of 4.75% per annum. The amount would be repaid in a series of five successive equal yearly installments starting from the borrowing date. The installments of RMB1,760,000 and RMB1,320,000 that would be due after one year as at December 31, 2023 and May 31, 2024 were recorded as non-current asset.

In November 2023, the Company entered into a loan agreement with an independent third party. Pursuant to the loan agreement, the third party borrowed RMB10,000,000 from the Company with fixed interest rate of 4% per annum. The amount would be due in full in November 2024, and were guaranteed by the borrower's controlling shareholder.

Details of impairment assessment of loan receivables are set out in Note 43.

26. TRADE AND OTHER RECEIVABLES

The Group

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Trade receivables - contract with customers	341,899	421,545	523,109	469,526
Less: Allowance for credit losses	(69,885)	(71,934)	(74,443)	(86,383)
	272,014	349,611	448,666	383,143
Prepayment to suppliers	34,358	26,911	27,414	21,065
Value added tax recoverable	8,778	14,522	3,993	13,452
Deposits for bidding	5,323	2,795	2,633	2,339
Receivables for disposal of an associate	-	600	500	500
Deferred issue costs	-	-	1,443	4,473
Prepayments for listing expense and issue costs	-	-	429	367
Others	748	720	1,865	1,651
Less: Allowance for credit losses	(632)	(50)	(312)	(501)
	320,589	395,109	486,611	426,489

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Trade receivables - contract with customers *(Note)*	6,229	9,215	19,360	26,610
Less: Allowance for credit losses	(1,933)	(3,365)	(6,422)	(7,974)
	4,296	5,850	12,938	18,636

Note: According to the payment terms in the sales contracts with certain customers, certain part of the sales consideration will be collected after one year.

As at 1 January 2021, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB177,554,000.

26. TRADE AND OTHER RECEIVABLES - continued

The Group - continued

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on invoice dates:

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 90 days	158,407	149,113	220,832	26,749
91 to 180 days	9,667	42,088	21,204	142,535
181 to 365 days	25,194	44,266	45,634	68,321
1 to 2 years	32,999	58,626	110,907	93,869
2 to 3 years	36,356	17,690	23,687	30,228
More than 3 years	13,687	43,678	39,340	40,077
	276,310	355,461	461,604	401,779

The normal credit term to the customers is within one year. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 43.

The Company

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Current				
Trade receivables - contract with customers	341,861	421,545	523,081	469,336
Less: Allowance for credit losses	(69,885)	(71,934)	(74,443)	(86,381)
	271,976	349,611	448,638	382,955
Prepayment to suppliers	34,189	26,022	22,202	20,398
Value added tax recoverable	5,614	10,216	91	8,152
Deposits for bidding	5,190	2,730	2,575	2,143
Receivables for disposal of an associate	-	600	500	500
Deferred issue costs	-	-	1,443	4,473
Prepayments for listing expense and issue costs	-	-	429	367
Others	650	698	1,819	1,624
Less: Allowance for credit losses	(632)	(51)	(313)	(496)
	316,987	389,826	477,384	420,116

26. TRADE AND OTHER RECEIVABLES - continued

The Company - continued

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Trade receivables - contract with customers	6,229	9,215	19,360	26,610
Less: Allowance for credit losses	(1,933)	(3,365)	(6,422)	(7,974)
	4,296	5,850	12,938	18,636

As at 1 January 2021, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB176,994,000.

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on invoice dates:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	158,407	149,113	220,804	26,591
91 to 180 days	9,667	42,088	21,204	142,505
181 to 365 days	25,194	44,266	45,634	68,321
1 to 2 years	32,961	58,626	110,907	93,869
2 to 3 years	36,356	17,690	23,687	30,228
More than 3 years	13,687	43,678	39,340	40,077
	276,272	355,461	461,576	401,591

27. CONTRACT ASSETS

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Retention receivables	23,991	28,314	39,031	38,041
Less: allowance for credit losses	(3,643)	(3,620)	(3,077)	(3,220)
	20,348	24,694	35,954	34,821
Analysed as				
Current	13,975	11,048	24,310	26,428
Non-current	6,373	13,646	11,644	8,393
	20,348	24,694	35,954	34,821

27. CONTRACT ASSETS - continued

The Group and the Company - continued

As at 1 January 2021, contract assets of the Group and the Company amounted to RMB15,529,000.

Contract assets of the Group and the Company are unsecured and interest-free and details are set out in Note 6. Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as non-current asset based on expected settlement dates.

Details of impairment assessment of contract assets of the Group and the Company are set out in Note 43.

28. DEBT INSTRUMENTS AT FVTOCI

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivables	15,601	69,662	33,530	40,573

As at December 31, 2021, 2022 and 2023 and May 31, 2024, certain bills which were held by the Group for the practice of endorsing to suppliers before the bills due for payment were classified as "debt instruments at FVTOCI". All the bills receivables are with a maturity period of less than one year.

The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

Details of impairment assessment are set out in Note 43.

29. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

The Group

Restricted bank deposits and cash and cash equivalents carry interest at prevailing market interest rates ranging from 0.30% to 0.35%, 0.25% to 0.35%, 0.10% to 0.20% and 0.10% to 0.20% per annum as at the end of each reporting period. As at 31 December 2021, 2022 and 2023 and May 31, 2024, the Group holds time deposits amounting to Nil, RMB22,532,000, RMB149,022,000 and Nil with an original maturity of three months or less and carry interests at prevailing market rated which was from Nil, 1.75% to 1.80%, 1.50% to 1.80% and Nil per annum, respectively, included in the cash and cash equivalents.

The Group's restricted bank deposits were pledged to banks for issuing bills.

Details of impairment assessment of bank balances are set out in Note 43.

29. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS - continued

The Company

Restricted bank deposits and cash and cash equivalents carry interest at prevailing market interest rates ranging from 0.30% to 0.35%, 0.25% to 0.35%, 0.10% to 0.20% and 0.10% to 0.20% per annum as at the end of each reporting period. As at 31 December 2021, 2022 and 2023 and May 31, 2024, the Company holds time deposits amounting to Nil, RMB5,522,000, RMB149,022,000 and Nil with an original maturity of three months or less and carry interests at prevailing market rated which was from Nil, 1.75% to 1.80%, 1.50% to 1.80% and Nil , respectively, included in the cash and cash equivalents.

The Company's restricted bank deposits were pledged to banks for issuing bills.

Details of impairment assessment of bank balances are set out in Note 43.

30. TRADE AND OTHER PAYABLES

The Group

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	107,517	120,908	198,369	147,407
Trade payables under supplier finance arrangements (*Note i*)	-	43,672	69,470	102,180
Bills payables	12,187	63,359	12,064	21,432
	119,704	227,939	279,903	271,019
Payables for property, plant and equipment	61,603	181,930	105,645	92,936
Accrued staff costs and benefits	13,272	15,439	16,162	10,325
Other tax payables	7,776	4,503	3,293	291
Accrued service fee	4,243	5,106	9,347	5,359
Deposits from vendors	1,388	1,769	1,879	1,227
Payables to staff	113	963	1,236	1,459
Payables to research institutions	-	2,666	912	252
Advanced receipt of investment (Note ii)	-	-	200,000	-
Accrued listing expenses	-	-	1,957	4,366
Accrued issue costs	-	-	876	1,892
Others	3,144	3,943	5,282	4,858
	91,539	216,319	346,589	122,965
	211,243	444,258	626,492	393,984

30. TRADE AND OTHER PAYABLES - continued

The Group - continued

Notes:

(i) In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Group has entered into reverse factoring arrangements. The contractual arrangements in place permit the suppliers to obtain the amounts billed less 3.40 per cent discount with the amounts paid by the relevant bank. The Group will repay bank the full invoice amounts on the scheduled payment dates as required by the invoices. As the arrangements do not permit the group to extend finance from bank by paying bank later than the group would have paid its supplier, the Group considers amounts payable to the bank should be classified as trade payables. The reverse factoring arrangements permit the bank to early settle invoices equal to Nil, RMB60,000,000, RMB90,000,000 and RMB120,000,000 per month during the year ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 respectively, and the maximum amount used in a month were Nil, RMB15,417,000, RMB27,083,000 and RMB20,763,000 respectively, during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024. As at December 31, 2021, 2022 and 2023 and May 31, 2024, Nil, 26.54%, 25.94% and 40.94% of trade payables were amounts owed under these arrangements.

(ii) The amounts represented advanced receipt from an independent investor related to issue of ordinary shares in January 2024.

The normal credit term to the Group is ranged within one year.

The following is an aging analysis of trade payables/trade payables under supplier finance arrangements of the Group based on the invoice dates at the end of each reporting period:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	66,232	97,695	188,764	66,142
91 - 180 days	14,767	41,765	22,591	103,845
181 - 365 days	16,070	18,222	5,373	47,583
1 to 2 years	8,485	5,520	44,337	26,407
2 to 3 years	1,262	656	5,454	1,311
More than 3 years	701	722	1,320	4,299
	107,517	164,580	267,839	249,587

The following is an aging analysis of bills payable based on the bill issuance dates at the end of each reporting period.

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
0 - 180 days	12,187	63,359	12,064	21,432

At the end of each reporting period, the Group's bills payables were issued by banks and were secured by the Group's restricted bank deposits and debt instruments at FVTOCI.

30. TRADE AND OTHER PAYABLES - continued

The Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	107,203	119,697	195,082	144,464
Trade payables under supplier Finance arrangements	-	43,672	69,470	102,180
Bills payables	12,187	63,359	11,607	21,368
	119,390	226,728	276,159	268,012
Payables for property, plant and equipment	61,603	180,313	105,378	91,642
Accrued staff costs and benefits	10,814	12,723	11,049	7,018
Other tax payables	7,743	4,502	3,361	141
Accrued service fee	4,243	5,106	7,877	5,350
Deposits from vendors	1,359	1,769	1,879	1,227
Payables to staff	92	911	1,176	1,459
Payables for research institutions	-	2,666	912	252
Advanced receipt of investment	-	-	200,000	-
Accrued listing expenses	-	-	1,957	4,366
Accrued issue costs	-	-	876	1,892
Others	3,103	3,631	4,220	3,117
	88,957	211,621	338,685	116,464
	208,347	438,349	614,844	384,476

The following is an aging analysis of trade payables/trade payables under supplier finance arrangements of the Company based on the invoice dates at the end of each reporting period:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	66,230	96,888	186,467	66,077
91 - 180 days	14,767	41,687	22,422	103,539
181 - 365 days	15,951	18,100	5,090	47,221
1 to 2 years	8,439	5,515	44,250	24,210
2 to 3 years	1,115	608	5,219	1,298
More than 3 years	701	571	1,104	4,299
	107,203	163,369	264,552	246,644

The following is an aging analysis of bills payables based on the bill issuance dates at the end of each reporting period:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
0 - 180 days	12,187	63,359	11,607	21,368

At the end of each reporting period, the Company's bills payables were issued by banks and were secured by the Company's restricted bank deposits and debt instruments at FVTOCI.

31. BORROWINGS

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	158,113	534,249	837,149	852,771
Other borrowings *(Note i)*	9,869	-	-	-
	167,982	534,249	837,149	852,771
Secured *(Note ii)*	132,982	254,738	407,555	407,032
Unsecured *(Note iii)*	35,000	279,511	429,594	445,739
	167,982	534,249	837,149	852,771
Fixed-rate borrowings	167,982	329,527	477,665	490,860
Variable-rate borrowings	-	204,722	359,484	361,911
	167,982	534,249	837,149	852,771
Carrying amount repayable: (based on scheduled payment terms)				
Within one year	54,922	233,629	447,989	480,111
More than one year, but not exceeding two years	12,000	124,600	149,600	191,600
More than two years, but not exceeding five years	101,060	176,020	239,560	181,060
	167,982	534,249	837,149	852,771
Less: Amount due for settlement within 12 months shown under current liabilities	54,922	233,629	447,989	480,111
Amount due for settlement after 12 months shown under non-current liabilities	113,060	300,620	389,160	372,660

Notes:

(i) As at December 31, 2021, other borrowings of the Group and the Company represented for the transfer proceeds received from sale leaseback transactions in 2020. The effective interest rate of other borrowing ranged from 3.65% to 5.71% per annum and were fully repaid in July 2022.

(ii) As at December 31, 2021, 2022 and 2023, the Group's borrowings of RMB106,164,000, RMB62,022,000 and RMB54,139,000 were pledged by the buildings and leasehold lands as disclosed in Note 16 and Note 17, and guaranteed by Hydrogen Cloud Research Institute, a subsidiary of the Company, and New Cloud Technology, a shareholder of the Company. In May 2024, the aforementioned guarantee from Hydrogen Cloud Research Institute and New Cloud Technology were released.

(iii) As at December 31, 2021, the Group's borrowings of RMB5,000,000 was guaranteed by New Cloud Technology, a shareholder of the Company.

31. BORROWINGS - continued

The Group and the Company - continued

The ranges of effective interest rates per annum on the Group's and the Company's borrowings are as follows:

	At December 31,			At May 31,
	2021	2022	2023	2024
Effective interest rate per annum:				
Fixed-rate borrowings	4.30%-6.00%	3.65%-5.00%	3.65%-4.50%	3.45%-4.20%
Variable-rate borrowings	-	3.90%-4.20%	3.90%-5.00%	3.80%-5.00%

32. CONTRACT LIABILITIES

The Group and the Company

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Vehicle-mounted high-pressure hydrogen supply systems and related products	123	319	514	856
Equipment for hydrogen refueling stations and related products	8,657	6,925	12,754	7,583
Water electrolysis hydrogen Production equipment and related products	-	477	582	2,488
	8,780	17,721	13,850	10,927

As at 1 January 2021, contract liabilities of the Group and the Company amounted to RMB21,669,000.

Contract liabilities are expected to be settled within the Group's and the Company's normal operating cycle and are classified as current liability based on the Group's and the Company's earliest obligation to transfer goods to the customers.

The contract liabilities of the Group and the Company as at January 1, 2021, 2022, 2023 and 2024, amounted of RMB21,669,000, RMB8,780,000, RMB17,721,000 and RMB13,850,000 were recognized as revenue during the years ended December 31, 2021, 2022 and 2023 and five months ended May 31, 2024, respectively.

The Group usually receives 20% to 30% of the contract value as deposits from customers for majority of the contracts related to vehicle-mounted high-pressure hydrogen supply systems and related products, equipment for hydrogen refueling stations and related products, equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen and water electrolysis hydrogen production equipment and related products when they sign the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of those products.

33. PROVISIONS

The Group and the Company

	2021 RMB'000	2022 RMB'000	2023 RMB'000	Aa at May 31,2024 RMB'000
Warranty provision				
At beginning of the year/period	3,087	3,364	5,372	10,528
Additional provision	7,098	6,617	11,115	1,520
Utilization	(6,821)	(4,609)	(5,959)	(1,996)
At end of the year/period	3,364	5,372	10,528	10,052

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Analyzed as				
current	-	2,619	3,718	3,348
non-current	3,364	2,753	6,810	6,704
	3,364	5,372	10,528	10,052

The warranty provision represents management's best estimate of the Group's liability under assurance-type warranty granted on products sold which were still under warranty at the end of the reporting period, based on prior experience for defective products.

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/SUBSIDIARIES/AMOUNT(S) DUE TO ASSOCIATES/RELATED PARTIES/A SHAREHOLDER/SUBSIDIARIES

Amounts due from associates

The Group and the Company

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Trade related				
Huajiu Hydrogen	840	120	120	120
Shenzhen Pufa	9,958	*	*	*
Jiahua Hydrogen	1,115	1,115	888	888
Qilu Hydrogen	-	-	59,477	59,477
Suzhou Changjia Hydrogen Energy Technology Co., Ltd. (蘇州常嘉氫能源科技有限公司) ("Suzhou Changjia") *(Note i)*	1,440	1,440	1,495	1,440
Huajiu New Energy (Luoyang) Co., Ltd. (華久新能源(洛陽)有限公司) ("Huajiu New Energy") *(Note ii)*	-	100	2,980	2,980
	13,353	2,775	64,960	64,905
Less: Allowance for credit losses	(807)	(307)	(1,144)	(2,043)
	12,546	2,468	63,816	62,862

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/SUBSIDIARIES/AMOUNT(S) DUE TO ASSOCIATES/RELATED PARTIES/A SHAREHOLDER/SUBSIDIARIES - continued

Amounts due from associates - continued

The Group and the Company - continued

* Shenzhen Pufa was disposed to a third party in March 2022, and details are disclosed in Note 20. No transactions incurred between the Group and Shenzhen Pufa from January 1, 2022 to the disposal date.

Notes:

(i) The entity is a wholly-owned subsidiary of Jiahua Hydrogen.
(ii) The entity is a wholly-owned subsidiary of Huajiu Hydrogen.

As at 1 January 2021, the carrying amount of amounts due from associates net of allowance for ECL from contracts with customers amounted to RMB4,154,000.

The amounts due from associates are trade in nature and from contract with customers. The following is an aged analysis of amounts due from associates of the Group and the Company, presented based on invoice dates, at the end of each reporting period:

	At December 31,			At May 31,
	2021 RMB’000	2022 RMB’000	2023 RMB’000	2024 RMB’000
Within 90 days	8,920	-	58,839	-
91 - 180 days	24	97	-	56,809
181 - 365 days	1,530	-	2,730	3,967
1 to 2 years	2,072	319	97	97
2 to 3 years	-	2,052	118	112
More than 3 years	-	-	2,032	1,877
	12,546	2,468	63,816	62,862

Amount due from a related party

The Group

	At December 31,			At May 31,
	2021 RMB’000	2022 RMB’000	2023 RMB’000	2024 RMB’000
Trade related				
Jiangsu Huade Hydrogen Energy Technology Co.,Ltd. (江蘇鏵德氫能源科技有限公司) (“Jiangsu Huade”) (*Note*)	575	575	575	575
Less: Allowance for credit losses	(143)	(145)	(148)	(148)
	432	430	427	427

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/SUBSIDIARIES/AMOUNT(S) DUE TO ASSOCIATES/RELATED PARTIES/A SHAREHOLDER/SUBSIDIARIES - continued

Amount due from a related party - continued

The Group - continued

Note: The entity is significantly influenced by Zhangjiagang Yongyuan Share Equity Investment Partnership (Limited partnership) (張家港涌源鏵能股權投資合夥企業(有限合夥)), a shareholder of the Company.

As at 1 January 2021, the carrying amount of amount due from a related party net of allowance for ECL from contracts with customers amounted to RMB840,000.

The amount due from a related party are in trade nature and from contract with customers. The following is an aged analysis of amount due from a related party based on invoice dates, at the end of each reporting period:

The Group

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
2 to 3 years	432	-	-	-
More than 3 years	-	430	427	427
	432	430	427	427

Amounts due to associates

The Group and the Company

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Trade related				
Qilu Hydrogen	7,080	7,824	-	-
Huajiu New Energy	-	1,178	-	-
	7,080	9,002	-	-

The amount represented contract liability recognised for sales in which revenue has yet been recognised. The contract liabilities of the Group and the Company as at January 1, 2021, 2022 and 2023, amounted of Nil, RMB7,080,000 and RMB9,002,000 were recognized as revenue during the year ended December 31, 2023. The Group usually receives 20% to 30% of the contract value as deposits from associates when they sign the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of those products.

The amount was trade in nature, unsecured, interest-free and repayable on demand.

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/SUBSIDIARIES/AMOUNT(S) DUE TO ASSOCIATES/RELATED PARTIES/A SHAREHOLDER/SUBSIDIARIES - continued

Amounts due to associates - continued

The Group and the Company - continued

The following is an aged analysis of trade related balances presented based on the invoice dates:

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 90 days	7,080	1,378	-	-
181 - 365 days	-	544	-	-
1 - 2 years	-	7,080	-	-
	7,080	9,002	-	-

Amounts due to related parties

The Group and the Company

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Trade related				
Shanghai Huajing Hydrogen Energy Technology Co., Ltd. (上海華敬氫能科技有限公司) ("Shanghai Huajing") *(Note)*	167	167	167	167
Jiangsu Huade	-	-	1,610	920
	167	167	1,777	1,087

Note: The spouse of Mr. Gu Yanjun, one of the non-executive directors of the Group, is the executive director of Shanghai Huajing.

The amount was trade in nature, unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade related balances presented based on the invoice dates:

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 90 days	-	-	1,610	-
91 - 180 days	-	-	-	920
1 - 2 years	167	-	-	-
2 - 3 years	-	167	-	-
More than 3 years	-	-	167	167
	167	167	1,777	1,087

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/SUBSIDIARIES/AMOUNT(S) DUE TO ASSOCIATES/RELATED PARTIES/A SHAREHOLDER/SUBSIDIARIES - continued

Amount due to a shareholder

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade related				
Unsecured loan from New Cloud Technology *(Note)*	826	-	-	-

Note: The loan was unsecured, with the fixed interest rate of 6% per annum, and repaid in full in January 2022. The maximum outstanding balance during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 were RMB826,000, RMB826,000, Nil and Nil, respectively.

The Company

Amounts due from subsidiaries

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade related				
Hydrogen Cloud Research Institute	2,249	5,557	5,628	5,630
Shanghai Qingmai	-	14	-	-
	2,249	5,571	5,628	5,630

The amounts due from subsidiaries were trade in nature, unsecured, interest free and repayable on demand. The following is an aged analysis of trade related balances presented based on invoice dates, at the end of each reporting period:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
0 - 90 days	1,488	3,322	15	2
91 - 180 days	-	-	-	15
181 - 365 days	-	-	1,641	-
1 - 2 years	761	1,488	2,661	3,149
2 - 3 years	-	761	550	1,703
More than 3 years	-	-	761	761
	2,249	5,571	5,628	5,630

34. AMOUNT(S) DUE FROM ASSOCIATES/A RELATED PARTY/SUBSIDIARIES/AMOUNT(S) DUE TO ASSOCIATES/RELATED PARTIES/A SHAREHOLDER/SUBSIDIARIES - continued

The Company - continued

Amounts due from subsidiaries - continued

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-trade related				
Hydrogen Cloud Research Institute	43,751	83,052	49,750	63,729
Shanghai Qingmai	10,000	-	-	-
Shanghai Qingping	-	-	-	5,560
	53,751	83,052	49,750	69,289

The balances of non-trade in nature are unsecured, non-interest bearing and repayable on demand. The maximum outstanding balance during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 were RMB53,751,000, RMB90,811,000, RMB110,158,000 and RMB92,750,000, respectively, and the opening balance as at January 1, 2021 was RMB11,031,000.

Amounts due to subsidiaries

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Hydrogen Cloud Research Institute	1,962	2,940	1,609	1,641
Shanghai Qingping	-	1	3,624	-
Shanghai Qingmai	-	-	-	4,338
	1,962	2,941	5,233	5,979

The amounts due to subsidiaries were trade in nature, unsecured, interest free and repayable on demand.

35. DEFERRED INCOME

The Group

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Subsidies related to assets *(Note i)*	8,941	8,317	7,696	15,614
Subsidies related to research and development activities *(Note ii)*	7,134	34,043	33,279	33,880
	16,075	42,360	40,975	49,494
Less: current portion	-	(3,882)	(1,341)	(12,104)
Non-current portion	16,075	38,478	39,634	37,390

35. DEFERRED INCOME - continued

The Group - continued

Notes:

(i) The Group recorded government subsidies related to acquisition of property, plant and equipment as deferred income and amortised it on a systematic basis over the useful lives of the relevant assets.

(ii) During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, the Group received RMB2,175,000, RMB27,129,000, RMB2,497,000 and RMB601,000 in relation to its research and development activities. The amounts were recorded as deferred income and released to profit or loss upon certain conditions are fulfilled. During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, subsidy income of approximately RMB800,000, RMB220,000, RMB3,261,000 and Nil was released to profit or loss.

As at December 31, 2021, 2022 and 2023 and May 31, 2024, subsidy income of approximately Nil, RMB3,882,000, RMB1,341,000 and RMB12,104,000 was categorized as current liabilities because the fulfilment date are reasonably estimated within one year.

The Company

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Subsidies related to assets	8,941	8,317	7,696	15,614
Subsidies related to research and development activities *(Note)*	6,846	30,255	29,247	29,848
	15,787	38,572	36,943	45,462
Less: current portion	-	(3,594)	(1,341)	(12,104)
Non-current portion	15,787	34,978	35,602	33,358

Note: During the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024, the Company received RMB2,175,000, RMB23,629,000, RMB1,965,000 and RMB601,000 in relation to its research and development activities. The amounts were recorded as deferred income and released to profit or loss upon certain conditions are fulfilled. During the years ended 31 December 2021, 2022 and 2023 and the five months ended May 31, 2024, subsidy income of approximately Nil, RMB220,000, RMB2,973,000 and Nil was released to profit or loss.

As at December 31, 2021, 2022 and 2023 and May 31, 2024, and subsidy income of approximately Nil, RMB3,594,000, RMB1,341,000 and RMB12,104,000 was categorized as current liabilities because the fulfilment date are reasonably estimated within one year.

36. SHARE CAPITAL

	Number of shares	Nominal value of shares RMB'000
Authorized and issued		
As at January 1, 2021	72,217,577	72,217
Issue of shares *(Note i)*	17,826,911	17,827
As at December 31, 2021 and 2022	90,044,488	90,044
Issue of restricted shares *(Note ii)*	2,784,881	2,785
As at December 31, 2023	92,829,369	92,829
Issue of shares *(Note iii)*	5,881,191	5,881
As at May 31, 2024	98,710,560	98,710

(i) In March and April 2021, the Company entered into investment agreements with several independent investors, respectively and issued a total of 17,826,911 ordinary shares at the consideration of RMB445,000,000 to them. RMB17,827,000 were credited to the Company's share capital and the remaining balance was credited as share premium. The Company had received all financing proceeds by May 2021.

(ii) In December 2023, the Company granted 2,784,881 restricted shares to certain eligible employees and directors through two employee stock ownership platforms with total consideration of RMB22,280,000. The Company received all of the subscription amounts in December 2023, in which, RMB2,785,000 was recognised in share capital and RMB19,495,000 was recognised in share premium. Details of the grant of shares are set out in Note 37.

(iii) During the five months ended May 31, 2024, the Company issued a total of 5,881,191 ordinary shares at the consideration of RMB228,600,000 to several independent investors. RMB5,881,000 were credited to the Company's share capital and the remaining balance, after deducting issue cost of RMB3,239,000, was credited as share premium. The Company had received all financing proceeds by February 2024.

37. SHARE-BASED PAYMENT TRANSACTIONS

(a) Restricted Shares Scheme in 2019

To provide incentives to eligible employees and directors of the Group, an employee share incentive plan (the "2019 RS Scheme") was adopted in September 2019. An employee stock ownership platform, namely Zhangjiagang Hydrogen Jie New Energy Technology Partnership (Limited Partnership) (張家港氫捷新能源科技合夥企業(有限合夥) ("Hydrogen Jie"), was established on January 17, 2019 and directly held 1,500,000 ordinary shares of the Company. Eligible employees and directors subscribed for partnership interest of the Hydrogen Jie at a consideration price of RMB1 for RMB1 partnership interest and RMB4 partnership interest of Hydrogen Jie represented 1 ordinary share of the Company.

37. SHARE-BASED PAYMENT TRANSACTIONS - continued

(a) Restricted Shares Scheme in 2019 - continued

Details of the restricted shares and share options issued under the 2019 RS Scheme are as follows:

Grant date	Quantity of restricted shares	Grantee	Vesting schedule defined in contract term	Sell back/ repurchase right
January 17, 2019	750,000	Directors and employees	100% fulfillment of requisite service conditions and completion of a qualified initial public offering ("IPO")	Note
November 3, 2019	750,000	Directors and employees	100% fulfillment of requisite service conditions and completion of a qualified IPO	Note

Note: If the grantees voluntarily or involuntarily terminate the labor relationship with the Company within three years since grant date, the general partner of Hydrogen Jie has the right to repurchase the granted shares from the grantees at original consideration or original consideration plus interest at rate of 8% per annum, respectively. If the grantees terminate the labor relationship with the Company after three years from grant date but before completion of IPO, the general partner of Hydrogen Jie has the right to repurchase the granted shares from the grantees at the higher of original consideration plus interest at rate of 8% per annum and 50% of fair value of the Company indirectly held by the grantees. The fair value of the Company would be determined with reference to the latest issue price to independent investors during its financing activities.

The following table summarized the movement of the Group's unvested restricted shares:

	Unvested registered capital '000	Weighted average grant date fair value per registered capital RMB
As at January 1, 2021 and December 31, 2021	1,500	6.75
Forfeited	(135)	9.16
Granted	135	34.98
As at December 31, 2022 and 2023 and May 31, 2024	1,500	9.08

Included in the 2019 RS Scheme, 185,000 restricted shares ("RS") were granted to Mr. He Guangliang, 25,000 RSs were granted to Mr. Shi Jian, and 25,000 RSs were granted to Ms. Cai Yan.

37. SHARE-BASED PAYMENT TRANSACTIONS - continued

(a) Restricted Shares Scheme in 2019 - continued

The total fair value of restricted shares granted under 2019 RS Scheme in January 2019, November 2019 and January 2022 was RMB3,000,000, RMB6,870,000 and RMB4,718,000 at the grant date, respectively. The fair value of restricted shares granted in January 2019, November 2019 and January 2022 were determined with reference to the equity transfer price set out in the equity transfer agreements between the shareholders of the Company and independent third parties in January 2019, the issue price set out in the Company's investment agreements with independent investors in October 2019 and the equity transfer price set out in the equity transfer agreements between the shareholders of the Company and independent third parties in February 2022, respectively. The Group didn't recognise share-based payment expenses during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 as the vesting conditions were not fulfilled.

(b) Restricted Shares Scheme in 2020

In October 2020, the Company granted 3,425,987 restricted shares to Mr. Wu, the executive director of the Company, with a consideration price of RMB4.38 per share ("2020 RS Scheme"). All of the restricted shares issued have been vested upon issuance in October 2020.

The total fair value of restricted shares granted under 2020 RS Scheme was RMB37,652,000 at the grant date which were determined with reference to the issue price set out in the Company's investment agreements with independent investors in December 2020. Share-based payment expenses of RMB22,652,000 were fully recognized during the year ended December 31, 2020.

(c) Restricted Shares Scheme in 2023

To provide incentives to eligible employees and directors of the Group, an employee share incentive plan (the "2023 RS Scheme") was adopted in December 2023. Two employee stock ownership platforms, namely Zhangjiagang Hydrogen Win New Energy Industry Partnership (Limited Partnership) (張家港氫贏新能源產業合夥企業(有限合夥)) ("Hydrogen Win") and Zhangjiagang Hydrogen Ying New Energy Industry Partnership (Limited Partnership) (張家港氫盈新能源產業合夥企業(有限合夥)) ("Hydrogen Ying") were established on December 14, 2023 and directly held 2,784,881 ordinary shares of the Company. Eligible employees and directors subscribed for partnership interest of the Hydrogen Win and Hydrogen Ying at a consideration price of RMB1 for RMB1 partnership interest and RMB8 partnership interest of Hydrogen Jie represented 1 ordinary share of the Company.

Details of the restricted shares issued under the 2023 RS Scheme are as follows:

Grant date	Quantity of restricted shares	Grantee	Vesting schedule defined in contract term	Sell back/ repurchase right
December 1, 2023	992,639	Directors and employees	50% 13 months after grant date; 30% 25 months after grant date; 20% 37 months after grant date with the achievement of the Group's performance conditions	Note
December 1, 2023	1,792,242	Directors and employees	50% 13 months after grant date; 30% 25 months after grant date; 20% 37 months after grant date with the achievement of certain individual and the Group's performance conditions	Note

37. SHARE-BASED PAYMENT TRANSACTIONS - continued

(c) Restricted Shares Scheme in 2023 - continued

Note: If the grantees voluntarily terminate the labor relationship with the Company, the ultimate controlling shareholders of the Company has the right to repurchase the unvested shares from the grantees at original consideration plus interest at loan prime rate ("LPR") of similar period.

The following table summarized the movement of the Group's unvested restricted shares:

	Unvested registered capital '000	Weighted average grant date fair value per registered capital RMB
As at January 1, 2023	-	-
Granted	2,785	38.87
As at December 31, 2023	2,785	38.87
Forfeited	(63)	38.87
Granted	63	38.87
As at May 31, 2024	2,785	38.87

Included in the 2023 RS Scheme, 430,000 RSs were granted to Mr. Wu, 10,000 RSs were granted to Mr. Shi Jian, and 250,000 RSs were granted to Mr. He Guangliang.

The total fair value of restricted shares granted under 2023 RS Scheme was RMB108,247,000 at the grant date which were determined with reference to the issue price set out in the Company's investment agreements with independent investors in January 2024. Share-based payment expenses of RMB4,804,000 and RMB24,015,000 were recognised during the year ended December 31, 2023 and the five months ended May 31, 2024.

38. RELATED PARTY TRANSACTIONS

The Group has the following transactions and balances with the related parties during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

38. RELATED PARTY TRANSACTIONS - continued

(a) Related party transactions

Sales of products to associates

	Year ended December 31,			Five months ended May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Pufa	9,707	*	*	*
Huajiu Hydrogen	928	-	40	127
Jiahua Hydrogen	181	-	-	-
Qilu Hydrogen	-	-	85,969	-
Suzhou Changjia	-	102	91	10
Huajiu New Energy	-	-	5,542	-
	10,816	102	91,642	137

* Shenzhen Pufa was disposed to a third party in March 2022, and details are disclosed in Note 20. No transactions incurred between the Group and Shenzhen Pufa from January 1, 2022 to the disposal date.

(b) Related party balances

Details of the outstanding balances with related parties are set out in Note 34.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024 were as follows:

	Year ended December 31,			Five months ended May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Salaries and other benefits	3,612	4,150	3,792	1,640
Discretionary bonuses	1,103	1,029	701	274
Retirement benefit scheme contributions	254	526	679	189
Share-based payments	-	-	1,544	7,718
	4,969	5,705	6,716	9,821

39. CAPITAL COMMITMENTS

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements:				
- Property, plant and equipment	22,942	32,122	68,994	63,175
- An investment in a joint venture	-	-	-	522
	22,942	32,122	68,994	63,697

40. PLEDGE OF OR RESTRICTIONS ON ASSETS

At the end of each reporting period, the Group and the Company had pledged the following assets to banks as securities against general banking facilities, including banks borrowings and bills payables granted to the Group and the Company:

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	158,266	171,400	457,224	448,480
Right-of-use assets	19,247	45,798	54,178	53,356
Restricted bank deposits	16,862	26,471	21,219	9,840
Debt instruments at FVTOCI	3,000	2,953	-	22,149
	197,375	246,622	532,621	533,825

41. TRANSFER OF FINANCIAL ASSETS

(i) Transferred financial assets that were derecognized in their entirety

The bills accepted by banks with high credit quality were derecognized when they were endorsed to certain suppliers for settlement of trade payables. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated statements of financial position. As at December 31, 2021, 2022 and 2023 and May 31, 2024, the Group had derecognised bills endorsed to certain suppliers amounting to RMB9,728,000, RMB9,338,000, RMB16,444,000 and RMB32,918,000, respectively.

41. TRANSFER OF FINANCIAL ASSETS - continued

(ii) Transferred financial assets that were not derecognized in their entirety

At December 31, 2021, 2022 and 2023 and May 31, 2024, bills receivable with a total carrying amount of RMB1,920,000, RMB1,776,000, RMB550,000 and RMB868,000 were endorsed to certain suppliers for settlement of trade payables. If the bills are not paid on maturity, the suppliers have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the bills receivables to its suppliers upon endorsement, it continues to recognise the full carrying amount of bills receivables and has recognised the payables from the endorsement of the bills with full recourse.

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

The capital structure of the Group consists of net debt, which includes the borrowings, amount due to a shareholder, and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt.

43. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	At December 31,			At May 31,
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Financial assets				
Amortized cost (including cash and cash equivalents)	479,742	465,792	897,230	627,088
Equity instruments at FVTOCI	3,000	34,333	34,333	35,047
Debt instruments at FVTOCI	15,601	69,662	33,530	40,573
	498,343	569,787	965,093	702,708
Financial liabilities				
Amortized cost	366,250	967,734	1,445,963	1,237,226

43. FINANCIAL INSTRUMENTS - continued

(a) Categories of financial instruments - continued

The Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Amortized cost (including cash and cash equivalents)	509,438	520,223	919,703	666,663
Debt instruments at FVTOCI	15,601	69,662	33,530	40,573
	525,039	589,885	953,233	707,236
Financial liabilities				
Amortized cost	367,807	967,483	1,444,593	1,237,436

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, debt instruments at FVTOCI, equity instrument at FVTOCI, amounts due from associates, restricted bank deposits, cash and cash equivalents, trade and other payables, borrowings, amount due to an associate/a shareholder, amounts due to related parties. The Company's major financial instruments include trade and other receivables, loan receivables, debt instruments at FVTOCI, amounts due from associates, restricted bank deposits, cash and cash equivalents, trade and other payables, borrowings and amounts due to subsidiaries and amount due to an associate/related parties/a shareholder. Details of the financial instruments are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's and the Company's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's and the Company's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign exchange hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Market risk - continued

(i) Currency risk - continued

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets at the end of each reporting period are mainly as follows:

The Group and the Company

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
USD	10,472	542	15,072	4,850
Singapore dollar ("SGD")	-	-	-	4,689
Euro ("EUR")				3,351
	10,472	542	15,072	12,890

Sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies, the foreign currency with which the Group and the Company may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates a decrease in loss where RMB strengthens 5% against USD. For a 5% weakening of RMB against USD, there would be an equal and opposite impact on loss for the year/period.

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Impact on profit or loss				
The Group and the Company				
USD	(445)	(23)	(641)	(206)
SGD	-	-	-	(199)
EUR	-	-	-	(142)
	(445)	(23)	(641)	(547)

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Market risk - continued

(ii) Interest rate risk

The Group and the Company are primarily exposed to fair value interest rate risk in relation to debt instruments at FVTOCI, borrowings, amount due to a shareholder, lease liabilities and cash flow interest rate risk in relation to cash and cash equivalents and pledged bank deposits. The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group considers that the exposure of cash flow interest rate risk arising from variable-rate cash and cash equivalents, pledged bank deposits and variable-rate bank borrowings is insignificant because the current market interest rates are relatively low and stable, therefore no sensitivity analysis on such risk has been prepared.

Credit risk

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposures are primarily attributable to loan receivables, trade and other receivables, contract assets, restricted bank deposits, amounts due from associates, debt instruments at FVTOCI. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and contract assets (including amounts due from associates and amount due from a related party)

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 100%, 100%, 98.83% and 99.34% of all trade receivables and contract assets as at December 31, 2021, 2022 and 2023 and May 31, 2024, respectively.

In addition, the Group performs impairment assessment under ECL model on all trade receivables and contract assets with credit-impaired individually, and the remaining trade receivables and contract assets are grouped based on shared credit risk characteristics by reference to past due exposure and nature, size and industry for the customers.

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk - continued

Trade receivables and contract assets (including amounts due from associates and amount due from a related party) - continued

The table below detail the credit loss allowance provided by the Group based on collective assessment during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	2,410	5,549	6,759	7,539
Contract assets	230	374	544	818
Amounts due from associates	807	307	1,144	2,043
Amount due from a related party	143	145	148	148

The table below detail the credit loss allowance provided by the Group based on individual assessment during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024:

	At December 31,			At May 31,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	69,408	69,750	74,106	86,818
Contract assets	3,413	3,246	2,533	2,402

As at December 31, 2021, 2022 and 2023 and May 31, 2024, the Group individually assessed trade receivables with gross carrying amount of RMB161,845,000, RMB152,338,000, RMB171,612,000 and RMB214,973,000 respectively, and contract assets with gross carrying amount of RMB8,402,000, RMB8,635,000, RMB7,255,000 and RMB7,336,000 respectively.

Other receivables and loan receivables

For other receivables and loan receivables, the management makes periodic individual assessment on the recoverability of other receivables and loan receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk - continued

Debt instruments at FVTOCI

Debt instruments at FVTOCI were all bank-issued notes. Since the issuers were reputable banks of good credit quality, the management of the Group considered the credit risk of these bank issued bills is insignificant and no impairment was provided on them at the year end.

Restricted bank deposits and cash and cash equivalents

The credit risk on restricted bank deposits and cash and cash equivalents are limited because the counterparties are reputable banks with high credit ratings assigned by credit-rating agencies.

The Group assessed 12m ECL for restricted bank deposits and cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits and cash and cash equivalents is considered to be insignificant and therefore no loss allowance was recognized.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets/ trade-related amount due from a related party	Other financial assets/other items
Low risk	The counterparty has a low risk of default	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk - continued

The tables below detail the credit risk exposures of the Group's and the Company's financial assets, which are subject to ECL assessment:

The Group

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at December 31, 2021 RMB'000	2022 RMB'000	2023 RMB'000	As at May 31, 2024 RMB'000
Financial assets at amortised cost							
Cash and cash equivalents	29	N/A	12m ECL	168,153	76,897	333,298	135,762
Restricted bank deposits	29	N/A	12m ECL	16,862	26,471	21,219	9,840
Amounts due from associates	34	Note	Lifetime ECL (collective assessment)	13,353	2,775	64,960	64,905
Amount due from a related party	34	Note	Lifetime ECL (collective assessment)	575	575	575	575
Trade receivables	26	Note	Lifetime ECL (collective assessment)	186,283	278,422	370,857	281,163
			Credit impaired	161,845	152,338	171,612	214,973
Other receivables	26	Low risk	12m ECL	6,071	4,115	4,998	4,490
Loan receivables	25	Low risk	12m ECL	-	-	12,200	12,429
Contract assets	27	Note	Lifetime ECL (collective assessment)	15,589	19,679	31,776	30,705
			Credit impaired	8,402	8,635	7,255	7,336
Financial assets at FVTOCI							
Debt instruments at FVTOCI	28	N/A	12m ECL	15,601	69,662	33,530	40,573

The Company

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at December 31, 2021 RMB'000	2022 RMB'000	2023 RMB'000	As at May 31, 2024 RMB'000
Financial assets at amortised cost							
Cash and cash equivalents	29	N/A	12m ECL	142,550	43,214	300,934	103,331
Restricted bank deposits	29	N/A	12m ECL	16,862	26,471	21,219	7,760
Amounts due from associates	34	Note	Lifetime ECL (collective assessment)	13,353	2,775	64,960	64,905
Trade receivables	26	Note	Lifetime ECL (collective assessment)	186,245	278,422	370,829	280,973
			Credit impaired	161,845	152,338	171,612	214,973
Other receivables	26	Low risk	12m ECL	5,840	4,028	4,894	4,267
Loan receivables	25	Low risk	12m ECL	-	-	12,200	12,429
Contract assets	27	Note	Lifetime ECL (collective assessment)	15,589	19,679	31,776	30,705
			Credit impaired	8,402	8,635	7,255	7,336
Financial assets at FVTOCI							
Debt instruments at FVTOCI	28	N/A	12m ECL	15,601	69,662	33,530	40,573

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk - continued

Note: For trade receivables, contract assets, amounts due from associates and amount due from a related party, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by internal credit rating.

Internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its business operation. The following table provides information about the exposure to credit risk for all trade receivables and contract assets which are assessed on a collective basis within lifetime ECL (not credit-impaired) as at December 31, 2021, 2022 and 2023 and May 31, 2024. Debtors with credit-impaired with gross carrying amounts of RMB170,247,000, RMB160,973,000, RMB178,867,000 and RMB222,309,000 respectively as at December 31, 2021, 2022 and 2023 and May 31, 2024 were assessed individually.

Gross carrying amount

The Group

	Gross carrying amount							
	As at December 31,						As at May 31,	
	2021		2022		2023		2024	
	Average loss rate	Trade receivables and contract assets RMB'000	Average loss rate	Trade receivables and contract assets RMB'000	Average loss rate	Trade receivables and contract assets RMB'000	Average loss rate	Trade receivables and contract assets RMB'000
Internal credit rating								
Low risk	1.25%	174,054	1.60%	157,835	1.39%	242,087	1.29%	51,620
Doubtful	2.00%	27,818	2.43%	140,266	2.45%	160,546	2.95%	260,248

The Company

	Gross carrying amount							
	As at December 31,						As at May 31,	
	2021		2022		2023		2024	
	Average loss rate	Trade receivables and contract assets RMB'000	Average loss rate	Trade receivables and contract assets RMB'000	Average loss rate	Trade receivables and contract assets RMB'000	Average loss rate	Trade receivables and contract assets RMB'000
Internal credit rating								
Low risk	1.25%	174,016	1.60%	157,835	1.39%	242,059	1.29%	51,430
Doubtful	2.00%	27,818	2.43%	140,266	2.45%	160,546	2.95%	260,248

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk - continued

Internal credit rating - continued

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts.

In the opinion of the directors of the Company, all trade receivables and contract assets within Group low risk and doubtful at the end of the reporting period which have been past due over 90 days are not considered as in default by considering the historical and expected subsequent repayment from the trade debtors.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables, contract assets, amounts due from associates and amount due from a related party under the simplified approach.

The Group

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2021	1,415	53,670	55,085
Transfer to credit-impaired	(4,468)	4,468	-
Impairment loss recognised	7,787	16,625	24,412
Impairment loss reversed	(1,144)	(1,942)	(3,086)
As at 31 December 2021	3,590	72,821	76,411
Transfer to credit-impaired	(674)	674	-
Impairment loss recognised	5,028	8,262	13,290
Impairment loss reversed	(1,569)	(8,761)	(10,330)
As at 31 December 2022	6,375	72,996	79,371
Transfer to credit-impaired	(4,583)	4,583	-
Impairment loss recognised	9,015	11,390	20,405
Impairment loss reversed	(2,212)	(12,330)	(14,542)
As at 31 December 2023	8,595	76,639	85,234
Transfer to credit-impaired	(909)	909	-
Impairment loss recognised	3,557	12,533	16,090
Impairment loss reversed	(695)	(861)	(1,556)
As at May 31, 2024	10,548	89,220	99,768

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Credit risk - continued

Internal credit rating - continued

The Company

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2021	1,322	53,670	54,992
Transfer to credit-impaired	(4,468)	4,468	-
Impairment loss recognised	7,737	16,625	24,362
Impairment loss reversed	(1,144)	(1,942)	(3,086)
As at 31 December 2021	3,447	72,821	76,268
Transfer to credit-impaired	(674)	674	-
Impairment loss recognised	5,026	8,262	13,288
Impairment loss reversed	(1,569)	(8,761)	(10,330)
As at 31 December 2022	6,230	72,996	79,226
Transfer to credit-impaired	(4,583)	4,583	-
Impairment loss recognised	9,012	11,390	20,402
Impairment loss reversed	(2,212)	(12,330)	(14,542)
As at 31 December 2023	8,447	76,639	85,086
Transfer to credit-impaired	(909)	909	-
Impairment loss recognised	3,555	12,533	16,088
Impairment loss reversed	(695)	(861)	(1,556)
As at May 31, 2024	10,398	89,220	99,618

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the utilizations of bank borrowings and relies on issuance of ordinary shares and bank borrowings as significant sources of liquidity.

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Liquidity risk - continued

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
The Group						
At December 31, 2021						
Trade and other payables	-	190,195	-	-	190,195	190,195
Amounts due to associates	-	7,080	-	-	7,080	7,080
Amounts due to related parties	-	167	-	-	167	167
Amount due to a shareholder	-	826	-	-	826	826
Borrowings - fixed rate	5.21	60,285	15,399	113,523	189,207	167,982
Lease liabilities	4.83	481	272	181	934	890
		259,034	15,671	113,704	388,409	367,140

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
The Group						
At December 31, 2022						
Trade and other payables	-	424,316	-	-	424,316	424,316
Amounts due to associates	-	9,002	-	-	9,002	9,002
Amounts due to related parties	-	167	-	-	167	167
Bank borrowings - fixed rate	4.05	231,913	41,438	70,895	344,246	329,527
Borrowings - variable rate	4.12	16,764	94,863	122,218	233,845	204,722
Lease liabilities	4.41	215	153	-	368	354
		682,377	136,454	193,113	1,011,944	968,088

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
The Group						
At December 31, 2023						
Trade and other payables	-	607,037	-	-	607,037	607,037
Amounts due to related parties	-	1,777	-	-	1,777	1,777
Borrowings - fixed rate	3.91	371,743	61,932	59,637	493,312	477,665
Borrowings - variable rate	4.12	101,430	102,663	200,979	405,072	359,484
Lease liabilities	4.00	798	373	-	1,171	1,142
		1,082,785	164,968	260,616	1,508,369	1,447,105

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Liquidity risk - continued

	Weighted Average Effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Group						
At May 31, 2024						
Trade and other payables	-	383,368	-	-	383,368	383,368
Amounts due to related parties	-	1,087	-	-	1,087	1,087
Borrowings - fixed rate	3.80	402,008	102,246	-	504,254	490,860
Borrowings - variable rate	4.12	103,817	102,663	200,585	407,065	361,911
Lease liabilities	4.00	1,324	520	398	2,242	2,141
		891,604	205,429	200,983	1,298,016	1,239,367

	Weighted Average Effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Company						
At December 31, 2021						
Trade and other payables	-	189,790	-	-	189,790	189,790
Amounts due to associates	-	7,080	-	-	7,080	7,080
Amounts due to related parties	-	167	-	-	167	167
Amount due to a shareholder	-	826	-	-	826	826
Amounts due to subsidiaries	-	1,962	-	-	1,962	1,962
Borrowings - fixed rate	5.21	60,285	15,399	113,523	189,207	167,982
Lease liabilities	4.83	423	210	151	784	754
		260,533	15,609	113,674	389,816	368,561

	Weighted Average Effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Company						
At December 31, 2022						
Trade and other payables	-	421,124	-	-	421,124	421,124
Amounts due to associates	-	9,002	-	-	9,002	9,002
Amounts due to related parties	-	167	-	-	167	167
Amounts due to subsidiaries	-	2,941	-	-	2,941	2,941
Bank borrowings - fixed rate	4.05	231,913	41,438	70,895	344,246	329,527
Borrowings - variable rate	4.12	16,764	94,863	122,218	233,845	204,722
Lease liabilities	4.41	215	153	-	368	354
		682,126	136,454	193,113	1,011,693	967,837

43. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

Liquidity risk - continued

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
The Company						
At December 31, 2023						
Trade and other payables	-	600,434	-	-	600,434	600,434
Amounts due to related parties	-	1,777	-	-	1,777	1,777
Amounts due to subsidiaries	-	5,233	-	-	5,233	5,233
Borrowings - fixed rate	3.91	371,743	61,932	59,637	493,312	477,665
Borrowings - variable rate	4.12	101,430	102,663	200,979	405,072	359,484
Lease liabilities	4.00	798	373	-	1,171	1,142
		1,081,415	164,968	260,616	1,506,999	1,445,735

	Weighted Average Effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
The Company						
At May 31, 2024						
Trade and other payables	-	377,599	-	-	377,599	377,599
Amounts due to related parties	-	1,087	-	-	1,087	1,087
Amounts due to subsidiaries	-	5,979	-	-	5,979	5,979
Borrowings - fixed rate	3.80	402,008	102,246	-	504,254	490,860
Borrowings - variable rate	4.12	103,817	102,663	200,585	407,065	361,911
Lease liabilities	4.00	660	122	-	782	765
		891,150	205,031	200,585	1,296,766	1,238,201

(c) Fair value measurements of financial instruments

Some of the Group's and the Company's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group and the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and the Company engage third party qualified valuers to perform the valuation and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

43. FINANCIAL INSTRUMENTS - continued

(c) Fair value measurements of financial instruments - continued

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's and the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

The Group and the Company

	Fair value as at December 31, 2021 RMB'000	Fair value as at December 31, 2022 RMB'000	Fair value as at December 31, 2023 RMB'000	Fair value as at May 31, 2024 RMB'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Debt instruments at FVTOCI	15,601	69,662	33,530	40,573	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market	N/A	N/A
Equity instruments at FVTOCI	3,000	34,333	34,333	35,047	As at December 31, 2021, 2022 and 2023: Level 2;	Recent transaction price	N/A	N/A
					As at May 31, 2024: Level 3	Market approach	Discounts for lack of marketability ("DLOM")	The higher the DLOM, the lower the fair value (Note)

Note: A 1% increase or decrease in DLOM holding all other variables keep constant would decrease or increase the carrying amount of the equity instruments at FVTOCI as at May 31, 2024 by RMB487,000.

There were no transfers between level 1 and level 2 during the years ended December 31, 2021, 2022 and 2023 and the five months ended May 31, 2024.

The Group owns 4.80%, 15.61%, 14.31% and 14.31% equity interest in Lingniu as at December 31, 2021, 2022 and 2023 and May 31, 2024 respectively that is classified as investment at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at December 31, 2021, 2022 and 2023 and May 31, 2024 amounted to RMB3,000,000, RMB34,333,000, RMB34,333,000 and RMB35,047,000 respectively. The fair value of the investment as at December 31, 2021, 2022 and 2023 were measured using recent transaction price and hence were classified as Level 2 of the fair value hierarchy. Recent transaction price of Lingniu was not available for its fair value determination as at May 31, 2024, therefore, the fair value of the investment as at May 31, 2024 was determined based on market approach and was classified as Level 3 of the fair value hierarchy.

43. FINANCIAL INSTRUMENTS - continued

(c) Fair value measurements of financial instruments - continued

(ii) Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI
	RMB'000
At December 31, 2023	-
Total gains in other comprehensive income	714
Transfers into level 3 due to change of valuation technique	34,333
At May 31, 2024	35,047

Included in other comprehensive income is an amount of RMB714,000 gain relating to unlisted equity investments classified as equity instruments at FVTOCI held as at May 31, 2024 and is reported as changes of FVTOCI reserve.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's and the Company's financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate to their fair values.

44. RETIREMENT BENEFIT PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB6,301,000, RMB11,917,000, RMB13,288,000, RMB5,417,000 (unaudited) and RMB6,706,000 for the year ended December 31, 2021, 2022 and 2023 and May 31, 2023 and 2024, respectively.

45. PARTICULARS OF SUBSIDIARIES

As at December 31, 2021, 2022 and 2023 and May 31, 2024 and the date of this report, the Group's subsidiaries are as follows:

Name of subsidiaries	Place and date of establishment/ incorporation	Issued and fully paid-in/ registered capital	Equity interest attributable to the Company December 31, 2021 %	December 31, 2022 %	December 31, 2023 %	May 31, 2024 %	Date of the report %	Principal activities
Directly held								
Hydrogen Cloud Research Institute	PRC August 10, 2017	RMB20,341,100	70.79	90.46	90.46	90.46	90.46	Research and development activities
Zhangjiakou Guofu *(Note i)*	PRC April 24, 2020	RMB1,929,500	100	-	-	-	-	Sales of hydrogen equipment
Beijing Guofu	PRC April 25, 2021	RMB1,240,000	100	100	100	100	100	Special equipment manufacturing
Shanghai Qingping	PRC January 14, 2021	RMB56,600,000	100	100	100	100	100	Special equipment manufacturing
Sichuan Guofu	PRC August 13, 2021	Nil	100	100	100	100	100	Science and technology application services
Inner Mongolia Guofu Hydrogen Energy Technology Co., Ltd. (內蒙古國富氫能科技有限公司)	PRC November 29, 2022	Nil	-	100	100	100	100	Sales of hydrogen equipment
Shanghai Guofu	PRC January 25, 2022	RMB24,000,000	-	100	100	100	100	Special equipment manufacturing
Xinjiang Guofu *(Note ii)*	PRC January 25, 2022	RMB13,600,000	-	N/A	90	90	90	Sales of hydrogen equipment services
GF Hydrogen Europe GmbH *(Note v)*	Germany July 11, 2022	USD99,999 and EUR200,000	-	-	-	100	100	International wholesale and retail trade, including import and export of hydrogen energy products and equipment, e-commerce and commercial agency services
Indirectly held								
Shanghai Qingmai *(Note ii)*	PRC January 4, 2021	RMB30,000,000	64	81	81	81	81	Science and technology application services
GF Hydrogen Europe GmbH *(Note v)*	Germany July 11, 2022	USD99,999 and EUR200,000	-	100	100	-	-	International wholesale and retail trade, including import and export of hydrogen energy products and equipment, e-commerce and commercial agency services
Guofuhee Holdings Pte. Ltd. *(Note iv)*	Singapore December 4, 2023	USD1,800,000	-	-	100	100	100	Research and experimental development in environmental and clean technologies (excluding biotechnology)
GFH2 Dubai *(Note iv)*	United Arab Emirates October 10, 2023	Nil	-	-	100	100	100	Renewable energy consultancy

45. PARTICULARS OF SUBSIDIARIES - continued

Notes:

i. Zhangjiakou Guofu was deregistered in March, 2022.

ii. In September 2023, the Group acquired 70% equity interest of Xinjiang Guofu from an independent third party, Urumqi Longshengda Environmental Protection Technology Co., Ltd. (烏魯木齊市隆盛達環保科技有限公司), with a total consideration of RMB400,000. Upon the completion of this acquisition, Company held 90% equity interest of Xinjiang Guofu as at December 31, 2023.

iii. Shanghai Qingmai is a subsidiary of Hydrogen Cloud Research Institute.

vi. GF Hydrogen Europe GmbH and GFH2 Dubai are subsidiaries of Shanghai Guofu.

v For the years ended December 31, 2022 and 2023, GF Hydrogen Europe GmbH was a subsidiary of Shanghai Guofu. On March 21, 2024, Shanghai Guofu entered into an agreement with the Company to transfer 100% equity interest of GF Hydrogen Europe GmbH to the Company with a consideration of Nil. Upon the completion of the equity transfer, GF Hydrogen Europe GmbH became a wholly-owned subsidiary of the Company.

No statutory financial statements have been prepared for all of the subsidiaries for the years ended December 31, 2021, 2022 and 2023 as there are no statutory audit requirements.

46. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings RMB'000	Amount due to a shareholder RMB'000	Lease liabilities RMB'000	Accrued/ Prepaid issue costs RMB'000	Advanced receipt of investment RMB'000	Total RMB'000
At January 1, 2021	125,867	786	342	-	-	126,995
Financing cash flows	34,323	-	(389)	-	-	33,934
Non-Cash changes:						
New leases entered	-	-	919	-	-	919
Finance costs	7,792	40	18	-	-	7,850
At December 31, 2021	167,982	826	890	-	-	169,698
Financing cash flows	351,543	(826)	(437)	-	-	350,280
Non-Cash changes						
Termination of lease contract	-	-	(123)	-	-	(123)
Finance costs	14,724	-	24	-	-	14,748
At December 31, 2022	534,249	-	354	-	-	534,603
Financing cash flows	273,453	-	(483)	(700)	200,000	472,270
Non-Cash changes						
Issue costs incurred	-	-	-	1,443	-	1,443
New leases entered	-	-	1,242	-	-	1,242
Finance costs	29,447	-	29	-	-	29,476
At December 31, 2023	837,149	-	1,142	743	200,000	1,039,034
Financing cash flows	2,115	-	(431)	(1,995)	-	(311)
Non-Cash changes						
Issue costs incurred	-	-	-	3,030	-	3,030
New leases entered	-	-	1,525	-	-	1,525
Termination of lease contract	-	-	(120)	-	-	(120)
Issue of shares	-	-	-	-	(200,000)	(200,000)
Finance costs	13,507	-	25	-	-	13,532
At May 31, 2024	852,771	-	2,141	1,778	-	856,690
At December 31, 2022	534,249	-	354	-	-	534,603
Financing cash flows	198,460	-	(112)	-	-	198,348
Non-Cash changes						
Finance costs	11,112	-	6	-	-	11,118
At May 31, 2023 (unaudited)	743,821	-	248	-	-	744,069

47. RESERVES OF THE COMPANY

	Share premium RMB'000	FVTOCI reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2021	304,441	-	-	(49,321)	255,120
Loss and total comprehensive expense for the year	-	-	-	(61,196)	(61,196)
Issue of shares (*Note 36*)	427,173	-	-	-	427,173
At December 31, 2021	731,614	-	-	(110,517)	621,097
Loss for the year	-	-	-	(83,886)	(83,886)
Other comprehensive expense for the year	-	(493)	-	-	(493)
Total comprehensive expense for the year	-	(493)	-	(83,886)	(84,379)
At December 31, 2022	731,614	(493)	-	(194,403)	536,718
Loss for the year	-	-	-	(66,613)	(66,613)
Other comprehensive expense for the year	-	238	-	-	238
Total comprehensive expense for the year	-	238	-	(66,613)	(66,375)
Issue of restricted Shares (*Note 36*)	19,495	-	-	-	19,495
Recognition of equity settled share-based payments (*Note 37*)	-	-	4,804	-	4,804
At December 31, 2023	751,109	(255)	4,804	(261,016)	494,642
Loss and total comprehensive expense for the period	-	-	-	(93,555)	(93,555)
Issue of shares (*Note 36*)	219,480	-	-	-	219,480
Recognition of equity-settled share-based payments (*Note 37*)	-	-	24,015	-	24,015
At May 31, 2024	970,589	(255)	28,819	(354,571)	644,582

48. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Company or by the Group after May 31, 2024 and up to the date of this report.