GUOFUHEE

Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.
江蘇國富氫能技術裝備股份有限公司

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

(Stock Code: 02582)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024; PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

ANNUAL RESULTS HIGHLIGHT OF FY2024

- Total revenue for the FY2024 was approximately RMB458.6 million, representing a year-on-year decrease of approximately 12.2%;
- Gross profit for the FY2024 was approximately RMB45.9 million, representing a year-on-year decrease of approximately 50.8%;
- Loss attributable to owners of the Company for the FY2024 was approximately RMB210.3 million, while loss attributable to owners of the Company for the FY2023 was approximately RMB73.3 million;
- Basic loss per share for the FY2024 was approximately RMB2.12, while basic loss per share for the FY2023 was approximately RMB0.81; and
- No dividends were declared for the FY2024.

The board (the "**Board**") of directors (the "**Director(s)**") of Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd. (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**", "**we**", "**us**" or "**our**") for the year ended December 31, 2024 (the "**FY2024**") together with the comparative figures for the year ended December 31, 2023 (the "**FY2023**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTES	**Year ended 31/12/2024** *RMB'000*	Year ended 31/12/2023 *RMB'000*
Revenue	*4*	**458,609**	522,442
Cost of sales		**(412,672)**	(429,077)
Gross profit		**45,937**	93,365
Other income		**15,949**	25,288
Other gains and losses		**371**	318
Impairment losses under expected credit loss model, net of reversal		**(21,999)**	(6,125)
Selling expenses		**(46,894)**	(43,530)
Research and development expenses		**(43,760)**	(39,063)
Administrative expenses		**(140,600)**	(90,888)
Listing expenses		**(26,164)**	(3,223)
Share of results of associates		**(2,662)**	(2,105)
Finance costs	*5*	**(32,807)**	(22,846)
Loss before tax	*6*	**(252,629)**	(88,809)
Income tax credit	*7*	**44,001**	13,766
Loss for the year		**(208,628)**	(75,043)
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instrument at fair value through other comprehensive income ("**FVTOCI**")		**2,233**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(200)**	(495)
Fair value gain on debt instruments at FVTOCI, net of income tax		**67**	238
		(133)	(257)
Other comprehensive income (expense) for the year, net of income tax		**2,100**	(257)
Total comprehensive expense for the year		**(206,528)**	(75,300)

	NOTE	**Year ended 31/12/2024** *RMB'000*	Year ended 31/12/2023 *RMB'000*
Loss for the year attributable to:			
– Owners of the Company		**(210,280)**	(73,303)
– Non-controlling interests		**1,652**	(1,740)
		(208,628)	(75,043)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		**(208,180)**	(73,560)
– Non-controlling interests		**1,652**	(1,740)
		(206,528)	(75,300)
Loss per share			
– Basic *(RMB)*	*8*	**(2.12)**	(0.81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	NOTES	**31/12/2024**	31/12/2023
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**816,144**	690,023
Right-of-use assets		**78,533**	55,310
Intangible assets		**11,024**	12,787
Investments in associates		**155,390**	36,277
Investment in a joint venture		**469**	–
Equity instrument at FVTOCI		**36,566**	34,333
Contract assets		**16,428**	11,644
Deferred tax assets		**112,959**	68,970
Prepayment for acquisition of property, plant and equipment		**4,335**	21,455
Loan receivables		**1,320**	1,760
Trade and other receivables	*9*	**65,081**	12,938
		1,298,249	945,497
Current assets			
Inventories		**128,753**	178,387
Loan receivables		**1,430**	10,440
Trade and other receivables	*9*	**623,962**	486,611
Contract assets		**10,370**	24,310
Debt instruments at FVTOCI		**28,697**	33,530
Amounts due from associates		**85,487**	63,816
Amount due from a related party		**–**	427
Other financial asset		**18,502**	–
Financial asset at fair value through profit or loss ("**FVTPL**")		**28,803**	–
Restricted bank deposits		**4,413**	21,219
Cash and cash equivalents		**335,863**	333,298
		1,266,280	1,152,038
Current liabilities			
Trade and other payables	*10*	**547,694**	626,492
Borrowings		**520,977**	447,989
Lease liabilities		**495**	770
Provisions		**3,735**	3,718
Contract liabilities		**6,230**	13,850
Amounts due to an associate		**118**	–
Amounts due to related parties		**2,395**	1,777
Deferred income		**49,882**	1,341
		1,131,526	1,095,937
Net current assets		**134,754**	56,101
Total assets less current liabilities		**1,433,003**	1,001,598

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**104,710**	92,829
Reserves	**886,315**	472,562
Equity attributable to owners of the Company	**991,025**	565,391
Non-controlling interests	**1,883**	231
Total equity	**992,908**	565,622
Non-current liabilities		
Borrowings	**405,602**	389,160
Lease liabilities	**519**	372
Provisions	**7,771**	6,810
Deferred income	**26,203**	39,634
	440,095	435,976
	1,433,003	1,001,598

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company 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 Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since November 15, 2024 (the "**Listing**"). The address of the registered office and the principal place of business of the Company is No. 236, Guotai North Road, Zhangjiagang City, Jiangsu Province, PRC.

The principal activities of the Company and its subsidiaries (the "**Group**") are production and sale of hydrogen equipment.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
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 application of IFRS 18 has impact on presentation of the consolidated statement of profit or loss and other comprehensive income and no impact on the Group's financial positions and performance. Except for IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards 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.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
At a point in time recognition:		
– vehicle-mounted high-pressure hydrogen supply systems and related products	**279,089**	301,060
– equipment for hydrogen refueling stations and related products	**147,945**	123,036
– water electrolysis hydrogen production equipment and related products	**31,575**	15,564
– equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen	**–**	82,782
	458,609	522,442

(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.

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.

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. 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.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	*RMB'000*
Customer A	**105,930**	54,785
Customer B	**45,864**	79,981
Customer C	**N/A**[1]	85,969
Customer D	**N/A**[1]	57,476

[1] The corresponding revenue did not contribute over 10% of total revenue of the Group.

5. FINANCE COSTS

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	*RMB'000*
Interest on borrowings	**33,091**	29,447
Interest on lease liabilities	**73**	29
	33,164	29,476
Less: amounts capitalised in the cost of construction in progress	**(357)**	(6,630)
	32,807	22,846

Borrowing costs capitalised during the year arose on the specific borrowings and are calculated by applying a capitalisation rate of 3.95% (2023: 3.90%) per annum to expenditure on qualifying assets.

6. LOSS BEFORE TAX

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

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	*RMB'000*
Directors' and supervisors' emoluments	**21,887**	5,386
Other staff costs:		
– salaries and other benefits	**79,699**	70,723
– discretionary bonuses	**1,382**	4,072
– retirement benefit scheme contributions	**17,668**	12,825
– equity-settled share-based payments	**42,640**	3,425
Total staff costs	**163,276**	96,431
Capitalised in inventories	**(28,768)**	(21,323)
	134,508	75,108
Depreciation of property, plant and equipment	**51,914**	28,738
Depreciation of right-of-use assets	**3,696**	2,448
Amortisation of intangible assets	**1,763**	1,761
Total depreciation and amortization	**57,373**	32,947
Capitalised in inventories	**(25,529)**	(12,781)
Capitalised in property, plant and equipment	**–**	(1,077)
	31,844	19,089
Auditors' remuneration	**2,300**	1,575
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB1,791,000 (2023: RMB488,000))	**412,672**	429,077

7. INCOME TAX CREDIT

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Current tax	**–**	–
Deferred tax	**(44,001)**	(13,766)
	(44,001)	(13,766)

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% for both years.

The Company was accredited as a "High and New Technical Enterprise" ("**HNTE**") in November 2021 and November 2024, respectively. 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**") was accredited as a HNTE in November 2023. So the Company and Hydrogen Cloud Research Institute were both entitled to a preferential income tax rate of 15% for both years.

Beijing Guofu Wanjia Hydrogen Energy Technology Co., Ltd. (北京國富萬家氫能科技有限公司), Sichuan Guofu Hydrogen Energy Technology Co., Ltd. (四川國富氫能科技有限公司), Shanghai Guofu Hydrogen Energy Technology Equipment Co., Ltd. (上海國富氫能技術裝備有限公司), Shanghai Qingping Technology Equipment Co., Ltd. (上海氫平技術裝備有限公司) and Shanghai Qingmai Engineering Technology Co., Ltd. (上海氫邁工程技術有限公司), 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. 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 for both years.

The tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Loss before tax	**(252,629)**	(88,809)
Income tax expense calculated at 25%	**(63,157)**	(22,202)
Tax effect of expenses that are not deductible for tax purpose	**1,435**	3,052
Tax effect of additional deduction of research and development expenses *(Note)*	**(11,770)**	(8,634)
Tax effect of deductible temporary differences not recognised	**(74)**	35
Tax effect of tax losses not recognised	**2,836**	4,767
Utilisation of tax losses previously not recognised	**(3,026)**	–
Income tax at concessionary rates	**29,755**	9,216
	(44,001)	(13,766)

Note: Pursuant to Caishui 2023 circular No. 7, the Group are entitled to claim 200% qualified research and development expenses incurred as tax deductible expenses when determining their assessable profit for both years.

8. LOSS PER SHARE

	Year ended 31/12/2024	Year ended 31/12/2023
Loss *(RMB'000)*:		
Loss for the purpose of calculating basic loss per share	**(210,280)**	(73,303)
Number of shares *('000)*:		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	**99,406**	90,075
Loss per share *(RMB)*		
– Basic	**(2.12)**	(0.81)

No diluted loss per share for both 2024 and 2023 were presented as there was no potential ordinary shares in issue for both 2024 and 2023.

9. TRADE AND OTHER RECEIVABLES

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Current		
Trade receivables – contract with customers	**679,433**	523,109
Less: Allowance for credit losses	**(88,208)**	(74,443)
	591,225	448,666
Prepayment to suppliers	**15,104**	27,414
Value added tax recoverable	**11,369**	3,993
Deposits for bidding	**4,112**	2,633
Receivables for disposal of an associate	**500**	500
Deferred issue costs	**–**	1,443
Prepayments for listing expenses and issue costs	**–**	429
Others	**2,217**	1,845
Less: Allowance for credit losses	**(565)**	(312)
	623,962	486,611

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Non-current		
Trade receivables – contract with customers *(Note)*	**79,435**	19,360
Less: Allowance for credit losses	**(15,792)**	(6,422)
	63,643	12,938
Advance payment of investment in an associate	**1,438**	–
	65,081	12,938

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 January 1, 2023, the carrying amount of trade receivables net of allowance for expected credit loss from contracts with customers amounted to RMB355,461,000.

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

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Within 90 days	**287,012**	220,832
91 to 180 days	**37,347**	21,204
181 to 365 days	**34,171**	45,634
1 to 2 years	**185,011**	110,907
2 to 3 years	**55,219**	23,687
More than 3 years	**56,108**	39,340
	654,868	461,604

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.

10. TRADE AND OTHER PAYABLES

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Trade payables	**241,250**	198,369
Trade payables under supplier finance arrangements *(Note i)*	**105,822**	69,470
Bills payables	**9,398**	12,064
	356,470	279,903
Payables for property, plant and equipment	**147,821**	105,645
Accrued staff costs and benefits	**13,432**	16,162
Other tax payables	**2,658**	3,293
Accrued service fee	**10,428**	9,347
Deposits from vendors	**2,035**	1,879
Payables to staff	**2,304**	1,236
Advanced receipt of investment *(Note ii)*	**–**	200,000
Accrued listing expenses	**6,697**	1,957
Accrued issue costs	**280**	876
Others	**5,569**	6,194
	191,224	346,589
	547,694	626,492

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% 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 RMB120,000,000 per month during the year ended December 31, 2024 (2023: RMB90,000,000), and the maximum amount used in a month were RMB36,414,000 during the year ended December 31, 2024 (2023: RMB27,083,000). As at December 31, 2024, 30.49% of trade payables were amounts owed under these arrangements (2023: 25.94%).

(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:

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Within 90 days	**156,057**	188,764
91 – 180 days	**66,266**	22,591
181 – 365 days	**75,379**	5,373
1 to 2 years	**39,465**	44,337
2 to 3 years	**6,759**	5,454
More than 3 years	**3,146**	1,320
	347,072	267,839

The following is an aging analysis of bills payables based on the bill issuance dates:

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
0 – 180 days	**9,398**	12,064

The Group's bills payables were issued by banks and were secured by the Group's restricted bank deposits and debt instruments at FVTOCI for both years.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview and Outlook of the Group

Hydrogen energy is one of the important catalysts for the global energy transformation and its development will change the global energy structure and contribute to new growth prospects for sustainable economic development. Governments around the world have been actively pursuing the "carbon neutral" objective and have implemented, including those in Europe, Asia, America, the Middle East and Australia, policies and initiatives to promote the development of clean energy in their respective countries. Favorable national and regional policy support contributes to rapid growth of hydrogen fuel cell vehicles in China. With the popularization of hydrogen fuel cell vehicles, the demand for the construction of supporting facilities, such as hydrogen refueling stations, is expected to grow.

Since its inception, the Group has primarily focused on the transportation sector in China by developing and manufacturing core components for hydrogen fuel cell vehicles (i.e., vehicle-mounted high-pressure hydrogen supply systems) and equipment for hydrogen energy transportation infrastructure (i.e., hydrogen refueling stations). By developing core equipment for water electrolysis hydrogen production, hydrogen liquefaction, and storage and transportation of liquid hydrogen, the Group expanded its business to the upstream and midstream stages of hydrogen energy industrial value chain with multiple application scenarios.

On November 15, 2024, the H shares of the Company (the "**H Shares**") were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), marking a significant milestone towards international capitalization and providing robust support for the Group's future development and expansion.

The Group's mission is to provide integrated solutions of hydrogen energy equipment covering the entire industrial value chain of hydrogen energy to expedite the development of the hydrogen energy industry, including the production of green hydrogen, large-scale high-efficiency storage, transportation and use of hydrogen energy, as well as transportation using green energy. The Group is committed to becoming a leader in the advancement of hydrogen energy technologies and equipment and making sizeable contributions to the transformation of green energy, energy saving and carbon reduction and realization of the objective of "Carbon Peaking and Carbon Neutrality".

The Group currently provides four types of hydrogen energy equipment products to our customers, including: (i) vehicle-mounted high-pressure hydrogen supply systems and related products; (ii) equipment for hydrogen refueling stations and related products; (iii) equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen; and (iv) water electrolysis hydrogen production equipment and related products.

China's hydrogen energy industry is still in the early stages of commercialization, characterized by evolving infrastructure and a competitive market. These factors have led to fluctuations in customer demand and orders. Customers' purchasing decisions have been influenced by various elements, including their business success, planning, financial performance, and budgetary policies. The impact of the overall market environment and customer demand contributed to the decrease in the Group's overall revenue for FY2024 by approximately 12.2% to approximately RMB458.6 million and the increase in the loss for the year by approximately 178.0% to approximately RMB208.6 million. In FY2024, the majority of the Company's revenue was generated from vehicle-mounted high-pressure hydrogen supply systems and related products and equipment for hydrogen refueling stations and related products. Revenue from vehicle-mounted high-pressure hydrogen supply systems and related products accounted for approximately 60.9% of the Company's total revenue, while revenue from equipment for hydrogen refueling stations and related products accounted for approximately 32.3% of the Company's total revenue. Due to lower selling prices driven by customer demand, no revenue from liquid hydrogen equipment, and lack of economies of scale, the Group's gross profit in FY2024 also declined as compared to that of FY2023.

Despite the decrease in the Group's revenue for FY2024, the Company is actively expanding its overseas cooperation and business layout. The Company aims to promote the implementation and application of green hydrogen projects in relevant regions over the next year through technological and product improvements and full cooperation with its overseas partners. The Company also aims to reduce manufacturing cost and improve production efficiency by setting cost reduction and efficiency improvement targets in order to gradually achieve economies of scale to reduce the production costs and improve the profitability of the Company.

The Company will continue to enhance its competitive advantages in hydrogen energy core equipment that is used for green energy transportation, and continue to leverage the synergies generated from business lines such as vehicle-mounted hydrogen supply systems (including high pressure and liquid hydrogen), equipment for hydrogen refueling stations (including high pressure and liquid hydrogen). By developing and demonstrating innovative liquid hydrogen products, the Company aims to promote the commercialization of fuel cell vehicles and hydrogen refueling stations.

While maintaining and further increasing the Company's market share and competitive advantage in the segment of vehicle-mounted high-pressure hydrogen supply systems and related products and equipment for hydrogen refueling stations and related products, the Company will focus on the research, development, and iteration of core technologies for equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen, and water electrolysis hydrogen production equipment. Among the current four types of hydrogen energy equipment products, the Company shall strive to increase the promotion and sales of upstream hydrogen production, storage, and transportation equipment. The Company aims to gradually increase the proportion of revenue generated from hydrogen liquefaction and liquid hydrogen storage and transportation equipment, as well as water electrolysis hydrogen production equipment and related products.

To achieve the Group's objective, the Group plans to implement the following key strategies: (i) generate synergy of the Group's existing business lines and build an ecosystem for the development of the hydrogen energy industry; (ii) adhere to the R&D-driven strategy and promote technology upgrades and product iterations; (iii) expedite the Group's globalization strategy to realize the expansion of our international presence; (iv) strengthen the Group's manufacturing capabilities and increase production capacity; (v) actively participate in the formulation of policies and standards of hydrogen energy and capitalize on the opportunities brought by favorable government policies; and (vi) continue to attract and cultivate professional talents and improve the Group's operational efficiency with the support of comprehensive talent training and team building.

Looking ahead, the Group aims to continue to solidify its position as a leading hydrogen energy storage and transport equipment manufacturer in the People's Republic of China (the "**PRC**"), by driving growth through innovation and expanding the Group's product offerings.

Financial Review

Revenue

The Group's revenue mainly consists of the sales derived from its four major product types: (i) vehicle-mounted high-pressure hydrogen supply systems and related products; (ii) equipment for hydrogen refueling stations and related products; (iii) equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen; and (iv) water electrolysis hydrogen production equipment and related products.

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

	For the year ended December 31,		Year-on-year
	2024	2023	**change**
	RMB'000	*RMB'000*	
Vehicle-mounted high-pressure hydrogen supply systems and related products	**279,089**	301,060	(7.3)%
Equipment for hydrogen refueling stations and related products	**147,945**	123,036	20.2%
Water electrolysis hydrogen production equipment and related products	**31,575**	15,564	102.9%
Equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen	**Nil**	82,782	(100.0)%
Total	**458,609**	522,442	(12.2)%

For the FY2024, the Group's revenue amounted to approximately RMB458.6 million, as compared to approximately RMB522.4 million for the FY2023, representing a decrease of approximately 12.2%, which was mainly attributable to (i) no sales revenue from equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen was recorded within FY2024 due to the current domestic market of liquid hydrogen equipment has yet to achieve scale demand and generate stable revenue; and (ii) the decrease in sales of vehicle-mounted high-pressure hydrogen supply systems and related products due to cancellation or delay of some of the orders particularly in December 2024.

Cost of Sales

The Group's cost of sales consists primarily of (i) raw material costs, which mainly include the procurement costs for carbon fiber, pipes and valves, electrical instrumentation, aluminum tubes, compressors and compressor skids, among others; (ii) direct labor costs, which mainly represent the manpower used in the production activities; and (iii) manufacturing expenses, which mainly include utility expenses, low value consumables and depreciation of manufacturing expenses relating to the plants, machinery and equipment used in connection with its production activities.

Cost of sales of the Group decreased by approximately 3.8% from RMB429.1 million for FY2023 to approximately RMB412.7 million for FY2024, primarily due to the decrease in raw material costs.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by approximately 50.8% from approximately RMB93.4 million for FY2023 to approximately RMB45.9 million for FY2024. Gross profit margin decreased from approximately 17.9% for FY2023 to approximately 10.0% for FY2024. The decrease in gross profit was primarily due to (i) the overall lower selling prices of certain products driven by customers' demand; (ii) the decrease in the gross profit of equipment for hydrogen liquefaction and the storage and transportation of liquid hydrogen as no sales revenue from liquid hydrogen equipment was recognised within FY2024; and (iii) the majority of the water electrolysis hydrogen production equipment sold during the FY2024 were small-scale trial products, resulting in high labor and manufacturing expenses.

Other Income

Other income of the Group decreased by approximately 36.9% from approximately RMB25.3 million for FY2023 to approximately RMB15.9 million for FY2024. Such decrease was primarily due to the decrease in government grants.

Other Gains and Losses

Other gains of the Group increased by approximately 16.7% from approximately RMB0.3 million for FY2023 to approximately RMB0.4 million for FY2024. Such increase was primarily due to the increase in net foreign exchange gains.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Impairment losses under expected credit loss model, net of reversal of the Group increased by approximately 259.2% from approximately RMB6.1 million for FY2023 to approximately RMB22.0 million for FY2024. Such increase was primarily due to the increase in provisions for impairment of trade receivables, as the trade receivables grew in size and aged during FY2024.

Selling Expenses

Selling expenses of the Group increased by approximately 7.7% from approximately RMB43.5 million for FY2023 to approximately RMB46.9 million for FY2024. Such increase was primarily due to the increase in the share-based payment expenses recorded in the selling expenses.

Research and Development Expenses

Research and development expenses of the Group increased by approximately 12.0% from approximately RMB39.1 million for FY2023 to approximately RMB43.8 million for FY2024. Such increase was primarily due to (i) the increase in equipment depreciation of the workshops of Type-IV cylinders and liquid hydrogen tankers due to the failure to achieve large-scale mass production; and (ii) the increase in compensation of research and development personnel.

Administrative Expenses

Administrative expenses of the Group increased by approximately 54.7% from approximately RMB90.9 million for FY2023 to approximately RMB140.6 million for FY2024. Such increase was primarily due to (i) the increase in the share-based payment expenses recorded in the administrative expenses; (ii) the increase in consulting service fees; and (iii) the increase in employee compensation and benefits due to the increase in the number of management personnel.

Listing Expenses

Listing expenses of the Group increased by approximately 711.8% from approximately RMB3.2 million for FY2023 to approximately RMB26.2 million for FY2024. Such increase was primarily due to an increase in professional fees incurred in connection with the completion of the initial public offering and listing of the H Shares on the Stock Exchange.

Share of Results of Associates

Share of results of associates of the Group increased by approximately 26.5% from approximately negative RMB2.1 million for FY2023 to approximately negative RMB2.7 million for FY2024. Such increase was primarily due to the increase in the number of associates during FY2024.

Finance Costs

Finance costs of the Group increased by approximately 43.6% from approximately RMB22.8 million for FY2023 to approximately RMB32.8 million for FY2024. Such increase was primarily due to (i) the increase in interest due to the expansion of the Company's loan amounts; and (ii) a reduction in capitalized interest amounts due to the conversion to fixed assets of the Zhangjiagang Factory Phase III.

Income Tax Credit

Income tax credit of the Group increased by approximately 219.6% from approximately RMB13.8 million for FY2023 to approximately RMB44.0 million for FY2024. Such increase was primarily due to the increases in tax losses, share-based payment expenses, government subsidies and expected credit losses provision.

Loss for the Year

As the result of the foregoing, the loss for the year of the Group increased by approximately 178.0% from approximately RMB75.0 million for FY2023 to approximately RMB208.6 million for FY2024.

Liquidity, Financial and Capital Resources

The Group's primary sources of liquidity consist of cash generated from operating activities, bank borrowings and proceeds from the listing of H Shares on the Stock Exchange on November 15, 2024. The Group may require additional cash for future growth and/or incur additional capital expenditures for the development of its business, including any expansion plan of its production facilities to meet increasing customer demand and to manufacture more advanced hydrogen energy equipment. If the Group's cash is insufficient to satisfy its working capital requirements, the Group may seek to issue additional equity or debt securities or obtain new or expanded credit facilities.

As of December 31, 2024, the Group had restricted bank deposits and cash and cash equivalents of approximately RMB340.3 million, representing a decrease of 4.0% as compared to approximately RMB354.5 million as of December 31, 2023. As of December 31, 2024, the Group had net current assets of approximately RMB134.8 million as compared to approximately RMB56.1 million as of December 31, 2023. The current ratio of the Group remained stable at approximately 1.1 as of December 31, 2024 and December 31, 2023.

Borrowings and Charges on Group Assets

As of December 31, 2024, the Group's borrowings primarily consisted of bank loans and the transfer proceeds received from sale leaseback transactions amounted to approximately RMB884.1 million and RMB42.5 million, respectively. As of December 31, 2024, the Group has secured borrowings of approximately RMB518.1 million; the range of effective interest rates per annum of the borrowings for fixed-rate borrowings and variable-rate borrowings are 3.05%-7.78% and 3.90%-5.00%, respectively.

As of December 31, 2024, the Group pledged (i) the buildings and construction in progress with carrying amounts of approximately RMB504.0 million and equipment with carrying amounts of approximately RMB22.4 million; and (ii) the leasehold lands with carrying amounts of approximately RMB77.4 million, to secure general banking facilities.

Gearing Ratio

The gearing ratio (calculated as total liabilities divided by total assets) as of December 31, 2024 was approximately 61.3% (December 31, 2023: 73.0%). Such decrease was primarily due to the increase in equity attributable to owners of the Company as a result of listing of the Company by the end of FY2024.

Capital Commitments

The Group's capital expenditure during the FY2024 was mainly related to purchase of property, plant and equipment. As of December 31, 2024, the Group had capital commitments of approximately RMB52.6 million (December 31, 2023: approximately RMB69.0 million).

Capital Expenditures

The Group's capital expenditures during the FY2024 mainly consisted of property, plant and equipment and right-of-use assets. For the FY2024, the Group's capital expenditures amounted to approximately RMB229.0 million (FY2023: approximately RMB222.6 million).

Contingent Liabilities

The Group had no material contingent liabilities as of December 31, 2024 and December 31, 2023.

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rates between Renminbi and other currencies as certain financial liabilities are denominated in foreign currency. 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.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment and events which could have material impact on its operating and financial performance for FY2024. Save as disclosed in the prospectus of the Company's initial public offering dated November 7, 2024 (the "**Prospectus**"), as of December 31, 2024, the Company had no specific plans for significant investments or acquisitions of capital assets.

MATERIAL ACQUISITION AND DISPOSAL

During the FY2024, the Group did not have any material acquisition or disposal of subsidiaries, associates, or assets.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2024, the Group had a total of 543 employees (December 31, 2023: 510). The total staff cost for FY2024 was approximately RMB163.3 million, as compared to approximately RMB96.4 million for FY2023. The remuneration packages of the Group's employees are determined with reference to individual qualification, experience, performance, contribution to the Group and prevailing market rate, which include salaries, bonuses, benefits and share-based payments.

The Group has an effective training system, including orientation and continuous on-the-job training, to accelerate the learning progress and improve the knowledge and skill levels of our workforce. The orientation process covers subjects such as corporate culture and policies, work ethics and occupational safety. The periodic on-the-job training covers environmental, health and safety management systems and mandatory training required by applicable laws and regulations.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued H Shares at HK$65.0 per share and offered 6,000,000 H Shares in Hong Kong, which were listed on the Main Board of the Stock Exchange on November 15, 2024 (the "**Listing Date**"). The net proceeds received by the Company from the global offering of its H Shares (the "**Global Offering**"), after deducting underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$339.7 million, equivalent to approximately RMB314.5 million. As of December 31, 2024, the net proceeds from the Global Offering were used as follows:

	Approximate percentage of the total net proceeds *Approximate %*	Net proceeds from the Global Offering *RMB million*	Net proceeds utilized as of December 31, 2024 *RMB million*	Unutilized net proceeds as of December 31, 2024 *RMB million*	Expected timeline to utilize the unutilized net proceeds in full(1)
Expand the production capacity for certain products	56.1	176.5	3.9	172.6	By the end of the year ending December 31, 2026
Enhance the R&D capabilities and pursue continuous technology upgrades and product iterations	33.9	106.6	1.8	104.8	By the end of the year ending December 31, 2026
Working capital and general corporate purposes to support the Group's business operation and growth	10.0	31.5	31.2	0.2	By the end of the year ending December 31, 2025
Total	**100**	**314.5**	**36.9**	**277.6**	

Note:

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

Details of the use of net proceeds from the Global Offering are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The net proceeds received by the Company from the Global Offering will be allocated and utilized in accordance with the purposes set out in the Prospectus.

DIVIDEND

No dividends were declared for the FY2024, nor have any dividend been proposed subsequent to December 31, 2024.

CORPORATE GOVERNANCE CODE

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

The Company has complied with all applicable code provisions set out in Part 2 of the CG Code from the Listing Date to December 31, 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including treasury shares) of the Company from the Listing Date to December 31, 2024. The Company did not hold any treasury shares as of December 31, 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for the trading of securities by the Directors and supervisors of the Company (the "**Supervisors**").

Since the H Shares were listed on the Main Board of the Stock Exchange on November 15, 2024, the Model Code was not applicable to the Company before the Listing Date. Having made specific reasonable inquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code throughout the period from the Listing Date to December 31, 2024.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "**Audit Committee**") has been established with written terms of reference in compliance with the Listing Rules and the CG Code. The Audit Committee currently comprises two independent non-executive Directors, Ms. Tong Sze Wan and Dr. Zou Jiasheng, and one non-executive Director, Mr. Gu Yanjun. Ms. Tong Sze Wan is the chairlady of the Audit Committee.

The Audit Committee has reviewed the Group's audited consolidated annual results for FY2024, including the accounting principles and practices adopted by the Group, and has met with the independent auditor, Messrs. Deloitte Touche Tohmatsu. The Audit Committee is in the opinion that the applicable accounting principles, standards and requirements have been complied with and that adequate disclosures have been made.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Company's 2024 annual general meeting (the "**AGM**") is scheduled to be held at Multimedia Conference Room, 2nd Floor, Office Building, No. 236, Guotai North Road, Zhangjiagang City, Jiangsu Province, the PRC on Tuesday, May 20, 2025 at 10:00 a.m.

For determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of H Shares will be closed from Thursday, May 15, 2025 to Tuesday, May 20, 2025, both dates inclusive, during which period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the AGM, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, May 14, 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 27, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

EVENT AFTER THE FY2024

No significant events effecting the Group occurred subsequent to December 31, 2024 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.guofuhee.com), and the 2024 annual report of the Company containing all the information required by the Listing Rules will be made available to the Shareholders and published on the above websites in due course.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (THE "ARTICLES OF ASSOCIATION")

The Board hereby announces that at the meeting of the Board held on March 27, 2025, the Board considered and approved, among other things, the resolution on amendments to certain provisions of the Articles of Association, and it was agreed that such resolution be submitted to the Shareholders for their consideration and approval at the AGM.

The proposed amendments to the Articles of Association are mainly intended to reflect the recent changes to, and ensure compliance with, the latest PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) as well as the amendments to the Listing Rules in relation to the further expansion of the paperless listing regime and other rule amendments.

A notice convening the AGM and a circular containing, among others, details of the proposed amendments to the Articles of Association will be made available to the Shareholders in due course.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board announces that with effect from March 27, 2025, Dr. Zou Jiasheng, an independent non-executive Director, ceased to be a member of the nomination committee of the Company (the "**Nomination Committee**"), and Ms. Tong Sze Wan, an independent non-executive Director, was appointed as a member of the Nomination Committee in order to enhance the corporate governance of the Company and to fulfil the new gender diversity requirement of the Nomination Committee under the Listing Rules. Immediately following the change in composition of the Nomination Committee, the Nomination Committee consists of Mr. Zhang Yongjun (chairman), Mr. Shi Jian and Ms. Tong Sze Wan.

Dr. Zou Jiasheng will remain as an independent non-executive Director and a member of the Audit Committee and the chairman of the remuneration and review committee of the Company. Dr. Zou Jiasheng has confirmed that he has no disagreement with the Board and is not aware of other matters about his cessation as a member of the Nomination Committee that need to be brought to the attention of the Shareholders and the Stock Exchange.

By Order of the Board
Jiangsu Guofu Hydrogen Energy Equipment Co., Ltd.
Wu Pinfang
Chairman of the Board and Executive Director

Jiangsu, the PRC, March 27, 2025

As at the date of this announcement, the executive Directors are Mr. Wu Pinfang, Mr. Wang Kai and Mr. Shi Jian; the non-executive Directors are Mr. Gu Yanjun, Mr. Zhou Lin and Ms. Liu Yilin; and the independent non-executive Directors are Ms. Tong Sze Wan, Mr. Zhang Yongjun and Dr. Zou Jiasheng.