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

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

(Stock Code: 9663)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS HIGHLIGHT OF 2025

- Total revenue for the Reporting Period was approximately RMB299.9 million, representing a year-on-year decrease of approximately 32.2%;
- Gross profit for the Reporting Period was approximately RMB24.7 million, representing a year-on-year decrease of approximately 38.4%;
- Loss attributable to owners of the Company for the Reporting Period were approximately RMB483.8 million, while loss attributable to owners of the Company for the Previous Period was approximately RMB407.2 million;
- Basic loss per share for the Reporting Period was approximately RMB0.94, while basic loss per share for the Previous Period was approximately RMB0.79; and
- No dividends were declared for the Year (Previous Period: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (the "**Group**", "**we**" or "**us**") for the year ended 31 December 2025 (the "**Reporting Period**" or the "**Year**") together with the comparative figures for the year ended 31 December 2024 (the "**Previous Period**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

		Year ended 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**299,871**	442,439
Cost of sales	*7*	**(275,216)**	(402,407)
–Cost of sales of goods and services		**(266,621)**	(384,770)
–Provision of impairment loss of inventories		**(8,595)**	(17,637)
Gross profit		**24,655**	40,032
Selling expenses	*7*	**(44,518)**	(56,993)
Research and development expenses	*7*	**(132,800)**	(130,494)
Administrative expenses	*7*	**(175,677)**	(219,486)
Net impairment losses on financial assets and contract assets		**(172,612)**	(107,412)
Other income	*5*	**14,650**	10,889
Other gains – net	*6*	**19,808**	62,428
Operating loss		**(466,494)**	(401,036)
Finance income	*8*	**3,247**	7,879
Finance costs	*8*	**(21,537)**	(22,594)
Finance costs – net		**(18,290)**	(14,715)
Share of losses of associates and joint ventures accounted for using the equity method		**(371)**	(345)
Loss before income tax		**(485,155)**	(416,096)
Income tax (expenses)/credit	*9*	**(483)**	8,891
Loss for the year		**(485,638)**	(407,205)
Loss for the year attributable to:			
–Owners of the Company		**(483,781)**	(407,176)
–Non-controlling interests		**(1,857)**	(29)
		(485,638)	(407,205)
Basic and diluted loss per share for loss attributable to shareholders of the Company (expressed in RMB per share)	*10*	**(0.94)**	(0.79)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

		Year ended 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Loss for the year		**(485,638)**	(407,205)
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss			
– Currency translation differences		**(1,211)**	205
Total comprehensive loss for the year		**(486,849)**	(407,000)
Total comprehensive loss for the year attributable to:			
– Owners of the Company		**(484,992)**	(406,971)
– Non-controlling interests		**(1,857)**	(29)
		(486,849)	(407,000)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	**As at 31 December 2025** ***RMB'000***	As at 31 December 2024 *RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**638,269**	680,180
Right-of-use assets		**200,092**	200,123
Intangible assets		**21,291**	23,856
Contract assets		**64,733**	64,033
Deferred income tax assets		**55,444**	55,927
Investments accounted for using the equity method		**36,825**	42,469
Financial assets at fair value through other comprehensive income	*11*	**98,967**	99,836
Trade and bills receivables	*12*	**335**	38,879
Other non-current assets		**22,819**	39,470
Total non-current assets		**1,138,775**	1,244,773
Current assets			
Inventories		**138,482**	235,381
Trade and bills receivables	*12*	**1,531,517**	1,685,471
Contract assets		**4,789**	2,423
Other receivables and prepayments		**64,036**	83,363
Financial assets at fair value through profit or loss	*11*	**1,117,971**	1,021,535
Restricted cash		**26,466**	81,592
Cash and cash equivalents		**81,840**	309,603
Total current assets		**2,965,101**	3,419,368
Total assets		**4,103,876**	4,664,141
Equity			
Equity attributable to owners of the Company			
Share capital	*13*	**518,042**	518,042
Share premium	*13*	**3,657,827**	3,657,827
Other reserves		**57,374**	59,454
Treasury shares reserve	*14*	**(34,734)**	(1,171)
Accumulated losses		**(1,746,576)**	(1,262,795)
		2,451,933	2,971,357
Non-controlling interests		**59,714**	17,071
Total Equity		**2,511,647**	2,988,428

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 31 DECEMBER 2025

	Note	**As at 31 December 2025** ***RMB'000***	As at 31 December 2024 *RMB'000*
Liabilities			
Non-current liabilities			
Borrowings		**116,105**	197,326
Lease liabilities		**18,006**	30,302
Deferred income		**70,148**	77,582
Provisions		**3,832**	11,005
Total non-current liabilities		**208,091**	316,215
Current liabilities			
Trade and bills payables	*15*	**763,872**	791,894
Other payables and accruals		**221,713**	169,078
Contract liabilities	*16*	**5,868**	19,776
Borrowings		**335,690**	332,408
Lease liabilities		**37,660**	29,429
Deferred income		**10,589**	8,707
Provisions		**8,746**	8,206
Total current liabilities		**1,384,138**	1,359,498
Total liabilities		**1,592,229**	1,675,713
Total equity and liabilities		**4,103,876**	4,664,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

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

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the research and development, production and sale of hydrogen fuel cell stacks and systems in the PRC. The single largest shareholder of the Company is Guangdong Hongyun Hydrogen Energy Technology Co., Ltd. ("**Hongyun Hydrogen Energy**") which is controlled by Mr. Chen Xiaomin ("**Mr. Chen**") through Foshan Huahui Technology Investment Partnership (Limited Partnership) ("**Huahui Technology**") holding 99.99% equity interest in Hongyun Hydrogen Energy.

The Company's H shares have been listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") since 5 December 2023.

These consolidated financial statements are presented in thousands of RMB ("**RMB'000**") unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 31 March 2026.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("**IFRS Accounting Standards**") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities that are measured at fair value through other comprehensive income ("**FVOCI**") and financial assets at fair value through profit and loss ("**FVPL**").

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2.2 New or amended standards or interpretations

(a) A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

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

(b) Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2025 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volumes 11	1 January 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts referencing nature-dependent electricity	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
IAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

3 SEGMENT INFORMATION

(a) Description of segments and principal activities

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

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

All the non-current assets of the Group are physically located in the PRC. The geographical location of customers is based on the location at which the customers operate, and the revenue of the Group is almost all derived from operations in the PRC during the years ended 31 December 2025 and 2024.

(b) Information about major customers

External customers that have contributed over 10% of total revenue of the Group for the years ended 31 December 2025 and 2024 were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Company A	**141,324**	275,654
Company B	**60,807**	–
Company C	**31,469**	–
Company D	**30,850**	33,346
Company E	**30,150**	–

4 REVENUE

Revenue mainly comprises proceeds from sales of hydrogen fuel cell systems, hydrogen fuel cell system components, hydrogen fuel cell stacks and others. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 are as below:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Sales of goods		
– Hydrogen fuel cell systems	**252,433**	350,379
– Hydrogen fuel cell system components	**13,858**	31,446
– Hydrogen fuel cell stacks	**2,469**	57,772
Maintenance services	**30,019**	–
Others	**1,091**	2,842
	299,871	442,439

"Others" mainly include the related system technology integrated services to the Group's downstream customers on an as-needed basis and rental income. All the Group's revenue was recognised at a point in time during the years ended 31 December 2025 and 2024.

5 OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Government grants and subsidies *(a)*		
– Received and recognised during the year	**14,499**	10,763
Others	**151**	126
	14,650	10,889

(a) Government grants and subsidies mainly represented the government grants to the Group to promote its development and construction. There were no unfulfilled conditions or other contingencies attached to these grants.

6 OTHER GAINS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Gains on disposal of an associated company	**12,071**	-
Fair value gains on financial assets at FVPL	**11,362**	60,216
Net foreign exchange gains	**2,950**	1,719
Losses on disposal of property, plant and equipment, and right-of-use assets	**(3,066)**	(79)
Legal claims	**(2,807)**	-
Others	**(702)**	572
	19,808	62,428

7 EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Changes in inventories of finished goods and work in progress	**74,943**	73,985
Raw materials and consumables used	**169,092**	284,651
Employee benefit expenses	**98,442**	185,293
Depreciation of property, plant and equipment	**93,505**	85,657
Depreciation of right-of-use assets	**12,798**	15,163
Amortisation of intangible assets	**9,724**	6,108
Impairment losses on property, plant and equipment	**5,499**	-
Impairment of inventories	**8,595**	17,637
After-sales service fees	**17,474**	12,864
Professional service fees	**51,911**	30,354
Repair and maintenance fees	**26,760**	2,043
Entertainment fees	**7,247**	15,836
Utilities	**3,531**	9,812
Travelling expenses	**6,416**	10,559
Cooperative research and development expenses	**8,940**	9,809
Marketing fees	**2,389**	10,123
Rental expenses	**4,326**	3,135
Auditors' remuneration		
– Audit services	**2,907**	2,833
– Non-audit services	**264**	214
Others*	**23,448**	33,304
Total	**628,211**	809,380

* "Others" mainly include inspection and testing fees, office expenses, business tax and other transaction taxes.

8 FINANCE COSTS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Finance income		
– Bank interest income	**3,247**	7,879
Finance costs		
– Interest expenses on borrowings	**(18,798)**	(19,681)
– Interest expenses on lease liabilities	**(2,739)**	(2,668)
– Amounts capitalised in construction in progress of property *(a)*	**–**	34
– Cash discount	**–**	(279)
	(21,537)	(22,594)
Finance costs – net	**(18,290)**	(14,715)

(a) The capitalisation rate used to determine the amount of borrowing costs capitalised, which is the weighted average interest rate applicable to the Group's borrowings for the year ended 31 December 2025, was 0.00% per annum (2024: 4.00%).

9 INCOME TAX EXPENSES/(CREDIT)

The amounts of income tax credit charged to profit or loss in the consolidated statement of profit or loss represent:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax	**–**	(100)
Deferred income tax	**483**	(8,791)
Income tax expenses/(credit)	**483**	(8,891)

(a) Numerical reconciliation of income tax expense

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss before income tax	**(485,155)**	(416,096)
Tax calculated at applicable statutory tax rate	**(110,125)**	(103,598)
– Super deduction on research and development expenditure	**(26,020)**	(18,387)
– Effect of preferential tax rate (b)	**6,488**	22,513
– Expenses not deductible for tax purpose	**1,243**	1,893
– Deductible temporary differences for which no deferred income tax asset was recognised	**30,907**	528
– Tax losses not recognised as deferred tax assets	**97,990**	95,852
– Taxable temporary differences for which no deferred tax liabilities was recognised	**–**	(7,592)
– Adjustments for current tax of prior periods	**–**	(100)
Income tax expenses/(credit)	**483**	(8,891)

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

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

The Company and Beijing Guohong Hydrogen Technology Co., Ltd., a subsidiary of the Group, were approved as "High and New Technology Enterprise", and they were subject to a preferential corporate income tax rate of 15% for the Year ended 31 December 2025 and 2024. The certificate of "High and New Technology Enterprise" is subject to renewal for each three -years intervals.

For the year ended 31 December 2025, eighteen subsidiaries of Group (2024: fifteen) were qualified as small and micro enterprises under the PRC CIT regime, which enjoyed a corporate income tax rate of 20%.

For the year ended 31 December 2025, two subsidiaries of Group (2024: two) are subject to a preferential income tax rate of 15% as it was located in western development areas in the PRC.

(c) Hong Kong profit tax

Hong Kong Nation-Synergy Hydrogen Power Technology Co., Limited and Hong Kong Nation-Synergy International Hydrogen Power Technology Co., Limited, both incorporated in Hong Kong, are subject to Hong Kong profits tax at a rate of 16.5% for the year ended 31 December 2025 and 2024.

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

On 5 December 2023, the Company issued 79,520,000 ordinary shares through initial public offering.

	As at 31 December	
	2025	2024
Loss attributable to shareholders of the Company (RMB'000)	**(483,781)**	(407,176)
Weighted average number of ordinary shares in issue ('000)	**516,604**	518,034
Basic loss per share (expressed in RMB per share)	**(0.94)**	(0.79)

(b) Diluted loss per share

For the years ended 31 December 2025 and 2024, the Group had potential dilutive shares throughout the year ended 31 December 2025 and 2024 related to the Share Incentive Scheme. Due to the Group's losses during the year ended 31 December 2025 and 2024, Share Incentive Scheme has anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Current		
Investment in wealth management products *(i)*		
– Managed by investment administrator A *(ii)*	**–**	84,182
– Managed by investment administrator B	**153,197**	150,784
– Managed by investment administrator B	**152,920**	150,500
– Managed by investment administrator B	**152,959**	150,540
– Managed by investment administrator C	**152,345**	149,912
– Managed by investment administrator C	**105,401**	103,740
– Managed by investment administrator D	**229,197**	231,877
– Managed by investment administrator E	**171,952**	-
	1,117,971	1,021,535
	1,117,971	1,021,535

(i) As at 31 December 2025, these investments represented seven (31 December 2024: seven) private investment funds managed by four (31 December 2024: four) experienced investment administrators. The investment objectives were fixed income portfolios such as cash or cash equivalents, national debts, and other monetary market instruments. These investments are principle guaranteed and could be redeemed on demand. Except for the investment in wealth management product managed by investment administrator E, which is denominated by HKD, other investment in wealth management products are denominated by USD.

(ii) In June 2025, the Group has redeemed the investment in wealth management products managed by investment administrators A in full amount.

Amounts recognised in profit or loss

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Fair value gains recognised in profit or loss	**11,362**	60,216

12 TRADE AND BILLS RECEIVABLES

	As at 31 December 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Current		
Trade receivables		
– due from third parties	**2,191,903**	2,174,726
Less: Allowance for expected credit losses	**(660,386)**	(489,262)
	1,531,517	1,685,464
Bills receivables	**–**	7
	1,531,517	1,685,471
Non-current		
Trade receivables *(a)*		
– due from third parties	**788**	39,045
Less: allowance for expected credit losses	**(453)**	(166)
	335	38,879
	1,531,852	1,724,350

The Group applies the simplified approach to provide for expected credit losses which was a lifetime expected loss allowance for all trade and bills receivable as prescribed by IFRS 9.

As at 31 December 2025, the right to receive receivables with book value of RMB51,050,000 was pledged to as the security for the long-term financial leasing company loans of RMB38,507,000.

As at 31 December 2024, the right to receive receivables with book value of RMB51,050,000 was pledged to as the security for the long-term financial leasing company loans of RMB48,740,000.

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

	As at 31 December 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Up to 1 year	**448,929**	546,315
1 to 2 years	**405,034**	671,533
2 to 3 years	**535,941**	637,914
Over 3 years	**802,787**	358,009
	2,192,691	2,213,771

(a) Non-current trade receivables represented the receivables from a customer who signed a contract with a credit period of more than 360 days.

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

13 SHARE CAPITAL

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

	Number of ordinary shares of RMB1.00 each	Share capital *RMB'000*	Share premium *RMB'000*
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	518,041,669	518,042	3,657,827

14 TREASURY SHARES RESERVE AND OTHER RESERVES

		Other reserves			
	Treasury shares reserve *RMB'000*	Share-based payment reserve *RMB'000*	Statutory reserves *RMB'000*	Other reserves *RMB'000*	Total *RMB'000*
As at 1 January 2024	–	46,324	–	102	46,426
Repurchase of treasury shares *(a)*	(1,171)	–	–	–	–
Share-based payment	–	12,823	–	–	12,823
Currency translation differences	–	–	–	205	205
As at 31 December 2024 and 1 January 2025	(1,171)	59,147	–	307	59,454
Repurchase of treasury shares *(a)*	(33,563)	–	–	–	–
Share-based payment	–	–	–	–	–
Currency translation differences	–	–	–	(1,211)	(1,211)
Net losses from changes in fair value through other comprehensive income				(869)	(869)
As at 31 December 2025	(34,734)	59,147	–	(1,773)	57,374

(a) During 2025, the Company repurchased 6,438,500 ordinary shares with the consideration of HKD36,626,000 (approximately RMB33,563,000) and the shares have not been cancelled.

15 TRADE AND BILLS PAYABLES

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Trade payables		
– due to third parties	**709,292**	702,510
Bills payables *(a)*	**54,580**	89,384
	763,872	791,894

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

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

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Within 1 year	**308,189**	517,389
1-2 years	**240,658**	189,631
2-3 years	**150,674**	83,918
Over 3 years	**64,351**	956
	763,872	791,894

(a) As at 31 December 2025, the bank deposit amount of RMB11,335,000 is placed to the issuance of bills payables (2024: RMB68,064,000).

16 CONTRACT LIABILITIES

The Group has recognised the following liabilities related to contracts with customers:

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Current contract liabilities		
– Hydrogen fuel cell systems maintenance service	**–**	18,628
– Hydrogen fuel cell stacks	**1,962**	911
– Hydrogen fuel cell systems	**3,745**	94
– Others	**161**	143
Total contract liabilities	**5,868**	19,776

17 DIVIDEND

No dividends have been paid or declared by the Company or the companies now comprising the Group during the years ended 31 December 2025 and 2024.

18 SUBSEQUENT EVENTS

Other than disclosed elsewhere in this announcement, there was no significant subsequent event after 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company focuses on research and development ("**R&D**"), production and sales of hydrogen energy core equipment, including various series of fuel cell stacks, fuel cell systems, power generation equipment and hydrogen production equipment products. The Group is committed to developing the "production-storage-transportation-utilization" hydrogen energy value chain, with a view to facilitating industrial decarbonisation and green energy transition. Adhering to the core value of "tenacity, innovation, openness and mutual win", and through continuous technological innovation, the Company aims to utilise hydrogen energy technology to promote the green economy, driving the large-scale application and commercialization of hydrogen energy in sectors such as transportation, energy storage, power generation, industry, and the low-altitude economy, so as to integrate into the national "dual carbon" strategic development blueprint and work together to create a clean, sustainable, and prosperous future.

The year of 2025 is the second full fiscal year since our listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). We are dedicated to executing our long-term strategy, focusing on "commercializing technological innovation, integrating a unified hydrogen energy ecosystem, diversifying business operations, and refining lean management." During the Reporting Period, we continued to increase investment in cutting-edge technology R&D, accelerated product series iteration and upgrades, and promoted application of technological advancement in the market. Meanwhile, we actively explored new approaches for hydrogen energy industry development, striving to expand the application of hydrogen fuel cell technology in all aspects. Through reducing costs by technology, business model innovation, and ecosystem synergy, the Company successfully promoted the application of hydrogen energy from demonstration stage to large-scale commercialisation. In addition, we have comprehensively upgraded our corporate governance, optimizing organizational structure and talent development, and undergone reforms to our management mechanisms, thereby laying a solid foundation for sustainable business growth. Details are as follows:

1. Product upgrade

As a critical breakthrough in the transformation of energy structure, hydrogen energy is ushering in significant development opportunities. Technological innovation and product iteration are the continuous forces driving our high-quality business growth. Leveraging our expertise in the industrialization and R&D of hydrogen energy, on top of promoting the application of existing technologies, the Company accelerated the R&D of next-generation technologies and upgraded. During the Reporting Period, we achieved continuous breakthroughs in fuel cell stack product technology. In respect of liquid-cooled stack R&D, the rated point performance of the new version of the high-power Hongxin GIII (鴻芯GIII) stack was further enhanced under laboratory conditions. At the same time, to address the diverse needs of mobile and stationary power generation, we developed a high-power, high-efficiency stack for power generation – the Hongxin GIV (鴻芯GIV) stack. In respect of air-cooled stack R&D, we developed two types of air-cooled stacks tailored for drones and hydrogen-powered two-wheelers, respectively.

Currently, through continuous optimization of our design concepts, the performance and reliability of our fuel cell systems are steadily improving. Meanwhile, our fuel cell system products have completed a power range coverage of 0-300 Kilowatts (kW), enabling compatibility with a wide range of application, including intelligent mining trucks, long-haul logistics heavy-duty trucks, hydrogen-powered locomotives, high-speed trains, maritime vessels, and stationary power generation. In addition, we have deployed hydrogen production equipment products with two different technologies, namely alkaline electrolysers and proton exchange membrane (PEM) electrolysers, with a view to develop megawatt-scale electrolyser technologies independently and achieve localization of advanced hydrogen production equipment.

2. Application expansion

During the Reporting Period, the Company actively expanded new applications and operational models for its products. While continuing to deepen its presence in traditional application areas such as transportation, rail transit and power generation, the Company also expanded into new applications including hydrogen-powered vessels, hydrogen production equipment, hydrogen-powered unmanned aerial vehicles and hydrogen-powered two-wheeled vehicles, further broadening the commercial application landscape of hydrogen energy.

(i) In respect of hydrogen-powered transportation applications in the PRC, in the southwest region, the first batch of 30 hydrogen-powered heavy-duty trucks equipped with the Hongtu H150 system (鴻途 H150 系統) commenced operation on the Chengdu-Chongqing logistics routes. Certain vehicles were used to transport cross-border e-commerce goods for La Poste and connected with the China-Europe Railway Express, marking the first integration of hydrogen-powered heavy-duty trucks with the China-Europe Railway logistics network. In Chongqing, the first "water-rail-road (水鐵公)" multimodal hydrogen transportation corridor commenced operation, with the first batch of 15 heavy-duty trucks equipped with the Company's fuel cell systems deployed, representing the first large-scale application of hydrogen-powered vehicles in an integrated "railway-port-road" logistics system. During the same period, eight 49-ton hydrogen-powered heavy-duty trucks equipped with the Company's fuel cell systems were deployed in the "Hydrogen Corridor (氫走廊)" demonstration project along the Chongqing-Guizhou-Guangxi route (渝黔桂幹線) under the New Western Land-Sea Corridor (西部陸海新通道), marking the commissioning of the first cross-regional hydrogen-powered heavy-duty truck corridor with significant elevation differences.

50 hydrogen-powered heavy-duty trucks were deployed and equipped with fuel cell systems of the Company, establishing a clean transportation network covering industrial materials such as steel slag and steel products. The first batch of hydrogen-powered logistics vehicles equipped with the Company's fuel cell systems was dispatched on the Chengdu-Chongqing Hydrogen Corridor（成渝氫走廊）demonstration line, initiating regular cross-regional operations.

In the northwest region, as at the date of this announcement, over 100 hydrogen-powered vehicles equipped with the Company's systems have been deployed in Ejin Horo Banner, a banner in Ordos City in southwestern Inner Mongolia, the PRC, including hydrogen-powered sanitation vehicles and heavy-duty trucks delivered for operation at coal mines in Ordos, Inner Mongolia, the PRC. A total of 14 units of 49-ton hydrogen-powered heavy-duty trucks equipped with the Company's fuel cell systems have been deployed for daily transportation at Shendong Tianlong (神東天隆) coal mine, supporting the low-carbon transformation of coal logistics in the region. In the eastern region, the 100th hydrogen-powered terminal truck equipped with the Company's fuel cell system was delivered and put into operation at Jiaxing Port, bringing cumulative deliveries in the region to over 100 units.

(ii) In respect of hydrogen-powered rail transit applications in the PRC, the first hydrogen-powered cultural tourism tram in the PRC, "Hydrogen Spring" (氫春號), equipped with the Company's fuel cell system, was delivered and put into operation in Changchun, Jilin Province, the PRC. The Company's system was designed in accordance with rail transit industry standards and demonstrates advantages in reliability, durability, cost efficiency and safety, meeting the requirements of urban transit applications characterised by frequent start-stop operations and high passenger turnover.

In addition, under the "Administrative Measures for the Elimination and Renewal of Old Railway Diesel Locomotives" issued by the National Railway Administration, which provides for the phased elimination of approximately 8,000 outdated locomotives by the end of 2027 in key regions and full phase-out by 2035, the Company has actively captured opportunities arising from the transition to new energy in rail transit. As a core system supplier, the Company successfully won the bid for and participated in the Inner Mongolia autonomous region's key science and technology project, namely the "Application Research of High-density Rare-earth Solid-state Hydrogen Storage in Hydrogen Fuel Cell Locomotives". The Company will supply a consortium led by Baotou Iron and Steel (Group) Co., Ltd. with a 480kW high-power hydrogen fuel cell system, a 600kWh lithium battery power system and a hybrid power energy management system. This represents a new breakthrough of our high-power hydrogen energy technology in the rail transportation sector.

At present, the Company has completed system design and has entered the procurement stage, and expects to deliver the products to customers by mid-2026. This project, as a demonstration of the integration of rare-earth hydrogen storage technology with hydrogen-powered locomotives, validates the commercial viability of hydrogen-electric hybrid solutions in heavy-duty, long-endurance and zero-emission applications and strengthens the Company's positioning in the rail transit new energy market.

(iii) In respect of hydrogen-powered marine applications in the PRC, the first inland 64TEU hydrogen fuel cell-powered container vessel in the PRC, "Dongfang Hydrogen Port" (東方氫港), equipped with the Honghan C240 (鴻瀚 C240) fuel cell system of the Company, was completed and successfully obtained the Domestic Navigation Vessel Classification Certificate issued by China Classification Society (the "**CCS**").

(iv) In respect of overseas hydrogen power generation equipment applications, the Company collaborated with China State Construction Engineering (Hong Kong) Limited and Sinopec (Hong Kong) Limited to deploy the first hydrogen-powered power generation application in Hong Kong's construction sector at the Hong Kong-Shenzhen Innovation and Technology Park project. The project adopts the Company's stationary hydrogen fuel cell power generation system and integrated hydrogen storage system to provide stable power supply to electric construction equipment on site.

During the Reporting Period, the Jiaxing Municipal Bureau of Economy and Information Technology announced the list of the first set of major equipment in the manufacturing industry for 2025, and the Company's Hongtu H150 (鴻途 H150) high-versatility fuel cell power generation system was included. As at the date of this announcement, two of the Company's products have been recognised as the first set of major technical equipment in Jiaxing, Zhejiang Province.

In addition, the Company was selected as a "Leading Enterprise" in future energy by the Department of High and New Technology of the Ministry of Industry and Information Technology of the PRC, and participated in projects including "Development of Green Ports – Large-scale Application of Hydrogen Fuel Cell Terminal Trucks in Ports" and "Demonstration of Full-chain Hydrogen Energy Green Transportation", both of which were selected as "Typical Applications".

Looking ahead, the Company will continue to advance technological innovation and industrial application of hydrogen energy, deepen its domestic market foundation and accelerate global expansion, with a view to contributing to the development of a clean and low-carbon energy system.

3. R&D innovation

We adhered to the independent core technologies and continuously increased R&D investment, with R&D expenditure approximately RMB133 million during the Reporting Period, striving to continuously improve the economical efficiency, reliability and durability of our products.

(i) In respect of fuel cell stack R&D, based on market demand across various application scenarios, the Company continued to enhance the performance of its water-cooled fuel cell stack products and expand its air-cooled fuel cell stack product portfolio for new application scenarios.

For water-cooled stacks, the rated performance of the new high-power Hongxin GIII (鴻芯 GIII) stack was further improved under laboratory conditions. The new high-power Hongxin GIII stack adopts control strategies including low-temperature operation at low load, high-temperature operation at high load, optimal stoichiometric ratio and optimal temperature differential, effectively addressing water management issues during operation and significantly enhancing stack lifespan. In addition, upgrades were made to bipolar plates and sealing materials, with the operating temperature increased to 95°C, thereby reducing liquid water content within the stack, lowering system heat dissipation requirements and improving overall system efficiency. The new high-power Hongxin GIII stack also introduces a single-cell assembly process, significantly improving stack consistency and assembly efficiency.

The new-generation Hongxin GIV (鴻芯 GIV) stack adopts a new flow field forming process, with improved rib forming and reduced internal resistance of bipolar plates. Through optimisation of thickness and flow field design, the new-generation Hongxin GIV (鴻芯 GIV) stack enhances power generation efficiency while maintaining component compatibility and reducing mass production costs. The performance of the new-generation Hongxin GIV (鴻芯 GIV) stack remains stable and meets application requirements for high efficiency, long lifespan, low loss and strong adaptability.

For air-cooled stacks, the Company developed 2-6kW air-cooled stacks for unmanned aerial vehicles ("**UAVs**") and 300-500W air-cooled stacks for two-wheeled vehicle applications.

During the Reporting Period, leveraging its technological advantages and market-leading position, the Company was selected as a "Leading Enterprise" in future energy and participated in projects including "Development of Green Ports – Large-scale Application of Hydrogen Fuel Cell Terminal Trucks in Ports" and "Demonstration of Full-chain Hydrogen Energy Green Transportation", both of which were selected as "Typical Application Scenarios". In addition, the Company was recognised as a "Manufacturing Single-Category Champion Enterprise (製造業單項冠軍企業)" by the Ministry of Industry and Information Technology of the PRC in respect of its "Commercial Vehicle Hydrogen Fuel Cell Stack (商用車氫燃料電池電堆)" products, and was awarded the second prize of the Beijing Science and Technology Progress Award (北京市科學技術進步獎).

(ii) In respect of fuel cell system R&D, the Company continued to improve product performance, environmental adaptability, reliability and durability, and made progress in key technologies including adaptive Fuel Cell Control Unit (FCU) control algorithms, Electrochemical Impedance Spectroscopy (EIS) impedance detection and Prognostics and Health Management (PHM) fault prediction and health management.

The application of such technologies has continuously reduced system failure rates and improved system durability by over 30%, thereby enhancing the economic efficiency of system operations. In the automotive sector, the H150 and H240 platform systems were further upgraded, and a 49-ton hydrogen-powered heavy-duty truck equipped with a 280kW system was successfully rolled out and commissioned. Approximately 500 commercial vehicles were deployed during the Year.

In the rail transit sector, the Company successfully developed high-power fuel cell systems and completed small-batch deliveries. In addition, the Company's projects were approved under the "2024 Science and Technology Support Project for Major Innovation Platforms (Bases) of Ordos Science and Technology Bureau (鄂爾多斯市科學技術局重大創新平台建設科技支撐項目)" and received relevant support.

In small-scale applications, the Company developed a 5kW air-cooled system, laying the foundation for applications in UAVs and two-wheeled vehicles.

(iii) In respect of hydrogen power generation system R&D, the Company optimised its megawatt-level stationary hydrogen fuel cell power generation systems and developed modular solutions comprising fuel cell power generation units, thermal management systems, power transformation systems, power distribution systems, safety systems, exhaust systems, energy storage systems and control systems. Users may select optional configurations such as waste heat utilisation, energy storage and power transformation to suit different application scenarios, including standalone power generation, combined heat and power, grid-connected or off-grid operation, varying operating conditions and AC/DC systems.

In distributed energy applications, the Company adopted compact and modular designs to enable rapid deployment through compact fuel cell stacks and flexible power conversion systems. In backup power scenarios, system reliability was enhanced through integration of energy storage units and millisecond-level switching technology to ensure uninterrupted power supply.

(iv) In respect of marine application R&D, in accordance with the technical standards of the CCS, the Company enhanced the safety design of the C240 (鴻瀚 C240) system, including explosion protection, ventilation, dual power switching, multi-point hydrogen concentration monitoring and insulation isolation. The system was granted a type approval certificate by the CCS.

(v) In respect of innovative technology reserves, the Company is developing megawatt-level proton exchange membrane (PEM) electrolyser technology and new-generation alkaline electrolyser technology with a capacity of 1,000 Nm^3/h. The Company is also developing hydrogen production systems equipped with Safety Instrumented System (SIS). Its alkaline electrolyser system has obtained certification from internationally recognised institutions, demonstrating safety and reliability in line with international standards.

During the Reporting Period, the hydrogen energy R&D centre – testing centre of the Company passed the assessment of the China National Accreditation Service for Conformity Assessment (CNAS) and obtained laboratory accreditation, indicating that its testing capabilities and management systems meet nationally and internationally recognised standards.

4. Governance optimization

In 2025, the Company advanced internal management transformation and upgraded its operational system, focusing on four key areas, namely "upgrading corporate governance, optimising organisational structure, revitalising talent and improving cost efficiency", with a view to strengthening the foundation for its sustainable development. In the context of emerging markets aligned with national strategic priorities, the Company improved resource utilisation efficiency and organisational effectiveness through structural adjustments and the establishment of innovative mechanisms, thereby further enhancing its core competitiveness.

Looking ahead, the Company will further enhance its governance system, with a focus on improving decision-making efficiency and risk control, optimise its governance structure, refine its rights and responsibilities framework and internal control mechanisms, and improve its strategic execution capabilities and compliance standards. Through optimising its organisational structure, breaking down departmental silos and establishing a flatter structure, the Company aims to strengthen its market responsiveness and cross-functional collaboration capabilities. At the same time, the Company will implement a value-driven talent strategy, focusing on talent pipeline development, targeted incentive mechanisms and the optimisation of empowerment systems, so as to stimulate innovation and professional capabilities. In addition, the Company will focus on improving cost efficiency across the entire value chain by rationalising authorisation, streamlining processes, refining resource allocation and enhancing the application of business digitalisation, thereby improving operational efficiency and cost effectiveness.

During the Reporting Period, the Company achieved tangible progress in internal management improvement, with an optimised cost structure, enhanced governance resilience, improved organisational agility and collaboration efficiency, as well as strengthened talent retention and performance indicators.

As at the end of the Reporting Period, the proportion of the Group's R&D personnel has reached about 32% of the total headcount. Looking ahead, the Company will continue to deepen management innovation and the integration of digital technologies, promote the development of efficient and intelligent operating models, and support its high-quality development.

FINANCIAL REVIEW

Revenue

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

For the Reporting Period, the Group's revenue amounted to approximately RMB299.9 million, as compared to approximately RMB442.4 million for the Previous Period, representing a decrease of 32.2%. The decrease was mainly attributable to the fact that (i) the hydrogen fuel cell industry in which the Group's operation remained at an early stage of commercialisation, with incomplete infrastructure, and was undergoing an adaptive transition from a "policy-driven demonstration" model to a "scenario-driven commercialisation" model, resulting in intensified market competition and a decline in market selling prices, which led to a decrease in revenue; and (ii) in response to internal and external environmental pressures, the Company has primarily focused on the expansion of new business applications.

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

	For the year ended	
	2025	2024
	RMB'000	*RMB'000*
Hydrogen fuel cell systems	**252,433**	350,379
Hydrogen fuel cell system components	**13,858**	31,446
Hydrogen fuel cell stacks	**2,469**	57,772
Maintenance services	**30,019**	–
Others *Note*	**1,092**	2,842
Total revenue	**299,871**	442,439

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

Sales Volume and Average Selling Price

	For the year ended			
	2025		2024	
	Sales volume *(kW)*	**Average selling price *(RMB per kW)***	Sales volume *(kW)*	Average selling price *(RMB per kW)*
Hydrogen fuel cell stacks	**2,742.6**	**900.2**	39,325.0	1,469.1
Hydrogen fuel cell systems	**90,485.0**	**2,789.8**	79,775.0	4,392.1

The average selling price of our hydrogen fuel cell stacks decreased from RMB1,469.1/kW for the Previous Period to RMB900.2/kW for the Reporting Period. The average selling price of our hydrogen fuel cell systems decreased from RMB4,392.1/kW for the Previous Period to RMB2,789.8/kW for the Reporting Period, which was mainly due to the development of the hydrogen fuel cell industry and intensified market competition, which led to a continuous decline in the selling prices of hydrogen fuel cell products.

The sales volume of the hydrogen fuel cell stacks decreased from 39,325.0kW for the Previous Period to 2,742.6kW for the Reporting Period, mainly due to the fact that the Company's provision of more highly integrated system products to customers during the Reporting Period. The sales volume of hydrogen fuel cell systems increased from 79,775.0kW for the Previous Period to 90,485.0kW for the Reporting Period, mainly due to the fact that the Company's development of new applications and the provision of higher-power products to its customers.

Cost of Sales

The Group's cost of sales consists primarily of raw materials, employee benefit expenses, depreciation and amortization of the production facilities and other fixed assets used in the production process, and impairment loss of the non-financial assets. The table below sets forth a breakdown of the cost of sales for the years indicated:

	For the year ended 31 December		Year-on-year change compared to 2024
	2025	2024	
	RMB'000	*RMB'000*	*(%)*
Cost of sales of goods and services			
Raw Materials	**234,545**	318,110	-26.27
Depreciation and amortization expenses	**19,833**	21,830	-9.15
Employee benefit expenses	**8,412**	30,726	-72.62
Others	**3,831**	14,104	-72.84
Subtotal	**266,621**	384,770	-30.71
Impairment loss of inventories	**8,595**	17,637	-51.27
Total	**275,216**	402,407	-31.61

Raw materials were the largest component of our cost of sales for both the Previous Period and the Reporting Period. The cost of raw materials decreased by 26.27% from approximately RMB318.1 million for the Previous Period to approximately RMB234.5 million for the Reporting Period, mainly due to the decrease in revenue from the sales of hydrogen fuel cell systems. Employee benefit expenses decreased by 72.62% from approximately RMB30.7 million in the Previous Period to approximately RMB8.4 million in the Reporting Period, mainly due to the Group's implementation of lean production management and enhanced operational efficiency. Depreciation and amortization expenses decreased by 9.15% from approximately RMB21.8 million in the Previous Period to approximately RMB19.8 million in the Reporting Period. The impairment loss of inventories decreased by 51.27% from approximately RMB17.6 million for the Previous Period to approximately RMB8.6 million for the Reporting Period, which is mainly due to the fact that the decrease in the inventory of long-aged and slow-moving raw materials.

Gross Profit and Gross Profit Margin

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

	For the year ended 31 December			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Gross profit and gross profit margin of sales of goods and services				
Hydrogen fuel cell systems	**24,655**	**9.8**	37,779	10.8
Hydrogen fuel cell system components and others	**6,945**	**46.5**	391	1.1
Hydrogen fuel cell stacks	**(808)**	**-32.7**	19,499	33.8
Maintenance services	**7,957**	**26.5**	–	N/A
Subtotal	**38,749**	**12.9**	57,669	13.0
Less: impairment loss of inventories	**(8,595)**	**N/A**	(17,637)	N/A
impairment provisions for property, plant and equipment	**(5,499)**	**N/A**	–	N/A
Total	**24,655**	**8.2**	40,032	9.0

The gross profit of the Group decreased by 38.4% from approximately RMB40.0 million for the Previous Period to approximately RMB24.7 million for the Reporting Period, and the gross profit margin of the Group decreased by 0.8 percentage points from approximately 9.0% for the Previous Period to approximately 8.2% for the Reporting Period, which mainly due to the fact that the decrease in the market prices of the Group's stacks and systems, which led to the decline in gross profit margin, as the decrease in selling prices exceeded the reduction in costs. However, due to the Group's hydrogen fuel cell vehicle maintenance services recorded a relatively high gross profit margin during the Reporting Period.

Other Income

Other income of the Group increased by approximately RMB3.8 million or approximately 34.5% from approximately RMB10.9 million for the Previous Period to approximately RMB14.7 million for the Reporting Period, which was mainly due to the increase in the government grants and subsidies received and recognized during the Year of approximately RMB14.5 million.

Other Gains – Net

Other gains – net of the Group decreased by approximately RMB42.6 million or approximately 68.3% from approximately RMB62.4 million for the Previous Period to approximately RMB19.8 million for the Reporting Period, mainly due to the fact that the decrease in fair value gains on financial assets at FVPL.

Administrative Expenses

The Group's administrative expenses primarily consist of employee benefit expenses, share-based payments, depreciation of right-of-use assets, and depreciation of property, plant and equipment. The Group's administrative expenses decreased from approximately RMB219.5 million for the Previous Period to approximately RMB175.7 million for the Reporting Period, primarily due to the Company's strengthening of organisational structure and optimisation of its talent composition, resulting in a decrease in management remuneration expenses and share-based payment expenses during the Reporting Period.

Selling Expenses

The Group's selling expenses decreased from approximately RMB57.0 million for the Previous Period to approximately RMB44.5 million for the Reporting Period, mainly due to the fact that the decrease in marketing and promotion service fees.

R&D Expenses

The Group's R&D expenses increased from approximately RMB130.5 million for the Previous Period to approximately RMB132.8 million for the Reporting Period, mainly due to the fact that the research and development expenses remained relatively stable in 2025 as compared to 2024.

Net Impairment Losses on Financial Assets and Contract Assets

The Group's impairment losses on financial assets and contract assets increased from approximately RMB107.4 million for the Previous Period to approximately RMB172.6 million for the Reporting Period, primarily due to the increase in the amount of expected credit loss provisions for trade receivables.

Finance (Costs)/Income, Net

The Group's finance costs mainly consist of interest expenses on borrowings. For the Reporting Period, net finance costs of the Group amounted to approximately RMB18.3 million (Previous Period: net finance income of approximately RMB14.7 million), mainly due to the decrease in interest income from bank deposits.

Income Tax Expenses/(Credit)

The Group's income tax expenses/(credit) primarily represents the Group's total current income tax and deferred income tax charges under the relevant income tax rules and regulations in the jurisdictions where we operate during the Reporting Period. For the Reporting Period, the Group recorded an income tax expenses of approximately RMB0.5 million (Previous Period: tax (credit) of approximately (RMB8.9 million)).

Loss Attributable to Owners of the Company

As a result of the foregoing, loss attributable to owners of the Company amounted to approximately RMB483.8 million for the Reporting Period, as compared to approximately RMB407.2 million for the Previous Period.

Liquidity, Financial and Capital Resources

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

As of 31 December 2025, the Group had cash and cash equivalents including restricted cash of approximately RMB108.3 million, representing a decrease of 72.3% compared to approximately RMB391.2 million as of 31 December 2024. As of 31 December 2025, the Group had net current assets of approximately RMB1,581.0 million, as compared to approximately RMB2,059.9 million as of 31 December 2024. The current ratio of the Group decreased to approximately 2.1 as of 31 December 2025 from approximately 2.5 as of 31 December 2024.

Borrowings and Charges on Group Assets

As of 31 December 2025, the Group's outstanding current and non-current borrowings amounted to approximately RMB451.8 million. The maturity groupings of the borrowings are as follows:

	As at 31 December		Year-on-year change compared to
	2025	2024	**2024**
	RMB'000	*RMB'000*	*(%)*
Borrowing terms			
Within one year	**315,185**	332,408	-5.1
Between one and two years	**85,400**	82,921	3.0
Between two and five years	**51,210**	114,405	-55.2
Total	**451,795**	529,734	-14.7

As of 31 December 2025, the Group's loans were approximately RMB451.8 million. As at 31 December 2025, the Group has guaranteed borrowings including (i) short-term bank borrowing of approximately RMB34.0 million guaranteed by deposit; (ii) long-term bank borrowings of approximately RMB28.0 million secured by the Group's land use rights with net book value of approximately RMB50.9 million; (iii) long-term bank borrowings of approximately RMB124.3 million secured by the Group's property, plant and equipment and land use rights with a net book value of approximately RMB25.6 million; (iv) finance lease borrowings of approximately RMB38.5 million secured by the Group's production lines with net book value of approximately RMB78.6 million, pledged of the right to receive receivables with book value of RMB51.1 million and the right to receive future receivables with book value of RMB82.1 million, and (v) the two third party borrowings of approximately RMB95.0 million and 20.5 million secured by the Group's land use rights and two production lines with net book value of approximately RMB74.9 million and 20.5 million, separately. The proportion of the Group's long-term borrowings in the total borrowings is approximately 25.7% as of 31 December 2025, ensuring the healthy and stable cash flow of the Group in the future. The Directors believed that the Group's debt level and financial structure had laid a solid foundation for the Group to withstand market volatility and diminish financial risks. The weighted average effective interest rates for the Group's bank borrowings and third-party borrowings as of 31 December 2025 were 3.69% and 3.56%, respectively. All bank borrowings or loans were all denominated in RMB.

Gearing Ratio

The gearing ratio is calculated by dividing total borrowings by total equity. As of 31 December 2025, the gearing ratio was approximately 0.2 (as of 31 December 2024: approximately 0.2).

Capital Commitments

The Group's capital expenditure during the Reporting Period represented the acquisition of property, plant and equipment. As of 31 December 2025, the Group had contracted but not provided for capital commitments for acquisition of property, plant and equipment of approximately RMB356.3 million (as of 31 December 2024: approximately RMB269.1 million).

Capital Expenditures

The Group's capital expenditures primarily relate to payments of property, plant and equipment and land lease. For the Reporting Period, the Group's capital expenditures were approximately RMB117.0 million (Previous Period: approximately RMB50.4 million).

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rates between RMB and other currencies relating to the Group's business. The Group is subject to foreign currency risk attributable to the bank balances that are denominated in currencies other than RMB. The Group seeks to limit the exposure to foreign currency risk by minimizing its net foreign currency position. The Group did not enter into any hedging transactions in respect of foreign currency risk as of 31 December 2025. The Directors expect that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

Future Development and Outlook of the Group

Since its establishment, the Company has experienced multiple stages of development in hydrogen energy technologies, including industrialisation breakthroughs, technological self-reliance and control, commercial ecosystem development and financial capitalisation. Looking ahead to the next stage of development, the Company will continue to adhere to its core strategies of "commercialisation of technological innovation, integrated hydrogen energy ecosystem, business diversification and lean management", accelerate advancements in core technologies and upgrades of its product portfolio, promote the development of an integrated hydrogen energy ecosystem and value chain, and expand into emerging applications of hydrogen energy, with a view to strengthening its foundation for sustainable development, improving cost efficiency and enhancing its overall competitiveness and sustainable development capabilities.

1. Commercialisation of Technological Innovation

The Company will continue to focus on technological innovation and increase investment in the R&D of its core products, drive coordinated upgrades across the industry chain, strengthen independent technological development and integration with the industry ecosystem, attract domestic and international talent and deepen industry-academia-research collaboration, with a view to achieving further breakthroughs in key technologies, including flexible graphite bipolar plates, high-efficiency and high-power hydrogen fuel cell stacks, high-power fuel cell systems, multi-scenario fuel cell power generation equipment and hydrogen production equipment.

The Company will focus on enhancing the power density and environmental adaptability of fuel cell stacks, strengthening the modular integration and multi-scenario adaptability of fuel cell systems, overcoming key technological challenges and cost reduction bottlenecks in hydrogen production equipment, and continuously improving product performance in terms of adaptability, durability, reliability, power density, energy conversion efficiency, safety and cost-effectiveness, thereby accelerating technological iteration and providing efficient and reliable products and services to support the commercial application of hydrogen energy technologies.

2. Integrated Hydrogen Energy Ecosystem

The Company will focus on developing an innovative commercial ecosystem for the hydrogen energy industry and advancing an integrated "equipment + scenario + finance" development model. By leveraging high-end manufacturing, diversified applications and financial capital, the Company aims to promote the development of the hydrogen energy industry from demonstration stage to large-scale commercialisation, build an integrated ecosystem across the hydrogen energy value chain and accelerate the commercialisation of hydrogen fuel cell applications.

3. Business Diversification

The Company will implement a "hydrogen energy+" diversification strategy. While consolidating its position in hydrogen-powered vehicle equipment, the Company will expand into applications in transport such as rail transit, shipping and two-wheeled vehicles. In addition, the Company will focus on hydrogen production through water electrolysis and distributed power generation, and develop technologies for multi-scenario energy supply. The Company will also explore emerging applications, including unmanned aerial vehicles, in line with developments in the low-altitude economy.

4. Lean Management

The Company will implement internal optimisation strategies focusing on talent efficiency enhancement and management system upgrades.

In terms of talent development, the Company will continue to recruit technical talent and deepen cooperation with domestic universities to cultivate interdisciplinary hydrogen energy professionals, optimise its talent structure and enhance its training system.

In terms of management systems, the Company will further improve its management framework and operational efficiency through refined management and process optimisation, enhance cross-functional collaboration and strengthen its risk management mechanisms to ensure compliance and efficient allocation of resources.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment and events which could have material impact on our operating and financial performance for the Year. As of 31 December 2025, the Company had no specific plans for significant investments or acquisitions of capital assets.

MATERIAL ACQUISITION AND DISPOSAL

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

EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2025, the Group had a total of 303 full-time employees (2024: 511) and all of them were based in China. We primarily recruit our personnel through recruitment agencies, on-campus job fairs, referrals, and online channels including our corporate website and social networking platforms. We place a strong emphasis on training our employees to develop their skills. Pursuant to our employee training policy, we provide our employees with opportunities to participate in training sessions and seminars on safety production, fire safety and emergency care, as well as team-building activities to cultivate our corporate culture. In terms of remuneration, our employees' remuneration varies according to the functions: (i) our sales personnel's remuneration includes base salary and bonuses based on their total sales amount; (ii) our administration personnel's remuneration includes basic salary, subsidies and performance-based bonuses; and (iii) our production personnel's remuneration includes base salary and bonuses. Employee benefit expenses consist of (i) salaries, wages and bonuses; (ii) pension cost – defined contribution plans; (iii) housing fund, medical insurance and other social insurance; and (iv) share-based payments expense. Employee benefits expenses were approximately RMB98.4 million during the Year (2024: approximately RMB185.3 million).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued H Shares at HK$19.66 per share and offered 79,520,000 H Shares in Hong Kong, which were listed on the Main Board of the Stock Exchange on 5 December 2023 (the "**Listing**" and the "**Listing Date**", respectively). The net proceeds received by the Company from the global offering of its H Shares (the "**Global Offering**"), after deducting underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$1,456.3 million. As of 31 December 2025, the net proceeds from the Global Offering were used as follows:

	Approximate percentage of the total net proceeds *(%)*	Net proceeds from the Listing *(HKD million)*	Remaining net proceeds as of 31 December 2024 *(HKD million)*	Net proceeds utilized during the Reporting Period *(HKD million)*	Remaining net proceeds as of 31 December 2025 *(HKD million)*	Expected time to utilize the remaining net proceeds in full[Note 1]
Expand the production capabilities of the Group's hydrogen fuel cell stacks and hydrogen fuel cell systems	40	582.6	531.9	21.7	510.2	By the end of the year ending 2026
Research and development of hydrogen fuel cell stacks, hydrogen fuel cell systems and hydrogen production equipment	20	291.3	270.0	60.0	210.0	By the end of the year ending 2026
Investment in, the potential acquisition of, or the alliance with companies in the Group's upstream industry	10	145.6	145.6	0	145.6	By the end of the year ending 2026
Development of downstream transit and stationary applications of the Group's product portfolios and development of domestic applications and the increase of local demands for the Group's products by establishing joint ventures with the local governments and companies	10	145.6	129.5	6.5	123.0	By the end of the year ending 2026
Team building, talents recruitment and training, as well as enhanced compensation and incentives to key personnel	10	145.6	134.6	21.1	113.5	By the end of the year ending 2026
Working capital and other general corporate purposes	10	145.6	124.8	57.7	67.1	By the end of the year ending 2026
Total[Note 2]	**100**	**1,456.3**	**1,336.4**	**167.0**	**1,169.4**	

Notes:

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

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

EVENTS DURING THE REPORTING PERIOD

Full Circulation of H Shares

The Company completed the conversion of 41,303,978 Domestic Shares into H Shares on 16 October 2025. The listing of the converted H Shares commenced trading on 17 October 2025. For details, please refer to the announcements of the Company dated 27 March 2025, 10 April 2025, 21 August 2025 and 26 September 2025.

Appointment of New Senior Management Team, Change of General Manager and Non-compliance with the Corporate Governance Code (the "CG Code")

On 28 February 2025, the Board has announced the appointment of senior management team with Mr. Chen Xiaomin ("**Mr. Chen**") , the chairman of the Board (the "**Chairman**"), as the general manager of the Company (the "**General Manager**") and Mr. Liu Zhixiang, Mr. Yan Xiqiang, Ms. Li Jing, Mr. Wang Jun and Mr. Xiao Xin as the deputy general managers of the Company, with effect from the same date. For details, please refer to the Company's announcement dated 28 February 2025.

According to the code provision C.2.1 of Part 2 in the CG Code as set out in Appendix C1 ("**Code C.2.1**") of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") which provides that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Since the appointment of Mr. Chen as the General Manager on 28 February 2025, the Company has become failed in complying with the provision of the Code C.2.1. However, the Board believes that, with the support of the management team, Mr. Chen serving as both the Chairman and General Manager helps to implement the Company's business strategy and enhance its operational efficiency. In addition, the Board comprises two executive Directors, four non-executive Directors, and three independent non-executive Directors, who, under the Board's supervision, can fully and fairly represent the interests of the shareholders of the Company (the "**Shareholders**"). In addition, since Mr. Chen is well acquainted with the Company's business operations and possesses extensive knowledge and experience in the Company's business, his dual roles as the Chairman and the General Manager are beneficial to improving the overall strategic planning efficiency of the Company.

EVENTS AFTER REPORTING PERIOD

Resignation of Non-executive Director

Reference is made to the Company's announcement dated 24 March 2026 (the "**Resignation Announcement**"), Mr. Yang Zeyun (**"Mr. Yang"**) tendered his resignation as a non-executive Director with effect from 24 March 2026, as he intended to devote more time to his other personal commitments. Upon his resignation, he also ceased to serve as a member of the strategy committee of the Board (the **"Strategy Committee"**). Mr. Ye Jiajie, an executive Director, was appointed as a member of the Strategy Committee in place of Mr. Yang with effect from the same date. For details, please refer to the Resignation Announcement.

Mr. Yang confirmed that he had no disagreement with the Board and that there was no other matter relating to his resignation that needed to be brought to the attention of the Shareholders or the Stock Exchange.

Change of Composition of the Nomination Committee

The nomination committee of the Board (the "**Nomination Committee**") has been reconstituted with effect from 31 March 2026 (the "**NC Reconstitution**").

Ms. Wong Yan Ki, Angel ("**Ms. Wong**"), an independent non-executive Director, has been appointed as a member of the Nomination Committee.

Following the above change, the Nomination Committee will comprise four members, namely Mr. Chen, an executive Director and chairman of the Nomination Committee, Mr. Liu Xin, an independent non-executive Director, Dr. Xing Wei, an independent non-executive Director, and Ms. Wong.

The above appointment is made to comply with the requirements under Code B.3.5 of the CG Code. The Board believes that such appointment will enhance the diversity of the Nomination Committee and further improve the overall corporate governance of the Company.

For details of the NC Reconstitution, please refer to the Company's announcement to be issued on 31 March 2026.

Amendments to the Terms of Reference of the Nomination Committee

The terms of reference of the Nomination Committee (the "**NC TOR**") has been amended on 31 March 2026 in order to align with the latest provision of the CG Code. The revised terms of reference will be published on the websites of the Company and the Stock Exchange on the same date.

DIVIDEND

No dividends were declared for the Year, nor have any dividend been proposed subsequent to 31 December 2025.

This decision reflects the Board's commitment to preserving funds for future strategic initiatives and operational needs, ensuring the Company remains well-positioned for long-term growth and resilience.

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance its corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed above, during the Reporting Period, the Company has complied with all applicable code provisions set out in Part 2 of Appendix C1 of the Listing Rules from the Listing Date to 31 December 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year and up to the date of this announcement, the Company repurchased a total of 7,928,500 H Shares on the Stock Exchange. Details of the repurchase of H Shares are as follows:

Month of repurchase	Number of H Shares repurchased	Price per share		Aggregate consideration
		Highest	Lowest	
		HK$	*HK$*	*HK$'000*
January 2025	586,000	10.50	9.45	5,878.81
March 2025	26,500	9.09	8.80	237.89
April 2025	282,000	9.10	7.81	2,443.15
July 2025	56,000	8.11	7.92	448.73
November 2025	2,621,000	5.33	4.65	12,898.53
December 2025	2,867,000	5.16	4.96	14,616.81
January 2026	1,490,000	4.83	4.76	7,173.61
Total	7,928,500			43,697.53

The above repurchases of the H Shares were effected by the Directors, pursuant to the mandates approved by the Shareholders at the AGMs held on 19 June 2024 and 26 June 2025, with a view to demonstrate the Company's confidence in its business outlook and prospects and would, in the long term, benefit the Company and create value to the Shareholders.

All the repurchased H Shares were held as treasury Shares of the Company and are intended to be used for purposes including but not limited to employee incentives, sale or transfer to obtain liquid funds, which are to be determined by the Board.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Company's 2025 annual general meeting (the "**AGM**") is scheduled to be held at No. 1-6 Longwang Road, Zhapu Town, Pinghu City, Jiaxing City, Zhejiang Province, the PRC on Monday, 29 June 2026 at 9:00 a.m..

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 24 June 2026 to Monday, 29 June 2026, both days inclusive, during which period no transfer of the Shares will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 23 June 2026. The record date for determining the eligibility of Shareholders to attend and vote at the AGM is Monday, 29 June 2026.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS ("PwC")

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out above in this preliminary announcement have been agreed by the Group's auditor, PwC, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by PwC in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by PwC on this announcement.

PUBLICATION OF AUDITED 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.sinosynergypower.com), and the 2025 annual report of the Company containing all the information required by the Listing Rules will be made available on the above websites and will be disseminated and dispatched to the Shareholders in due course.

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

Jiaxing, the PRC
31 March 2026

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