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(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2402)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS

- **Total operating income for the six months ended June 30, 2024 was RMB153.8435 million, representing a year-on-year increase of 0.21 %**
- **Net losses attributable to shareholders of the listed company for the six months ended June 30, 2024 were RMB141.4893 million, while net losses attributable to shareholders of the listed company for the same period last year were RMB76.5111 million**
- **Basic loss per share for the six months ended June 30, 2024 was RMB0.86, while basic loss per share for the same period last year was RMB0.47**

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing SinoHytec Co., Ltd. (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2024 (the “**Reporting Period**”) prepared in accordance with the China Accounting Standards for Business Enterprises. The interim results in this announcement have been reviewed and confirmed by the audit committee of the Company.

CONSOLIDATED STATEMENTS OF BALANCE SHEETS AS OF JUNE 30, 2024

(Unless otherwise specified, all amounts are denominated in RMB)

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

**CONSOLIDATED STATEMENTS OF BALANCE SHEETS AS OF JUNE 30, 2024
(CONTINUED)**

(Unless otherwise specified, all amounts are denominated in RMB)

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

**CONSOLIDATED STATEMENTS OF BALANCE SHEETS AS OF JUNE 30, 2024
(CONTINUED)**

(Unless otherwise specified, all amounts are denominated in RMB)

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

**CONSOLIDATED STATEMENTS OF BALANCE SHEETS AS OF JUNE 30, 2024
(CONTINUED)**

(Unless otherwise specified, all amounts are denominated in RMB)

Item	Notes	June 30, 2024	December 31, 2023
Non-current liabilities:			
Reserve fund for insurance contracts		–	–
Long-term borrowings		–	–
Bonds payable		–	–
Including: Preferred shares		–	–
Perpetual bonds		–	–
Lease liabilities		20,598,579.22	21,299,220.60
Long-term payables		4,248,814.65	5,911,814.94
Long-term accrued payroll		–	–
Accrued liabilities		43,800,318.53	44,776,420.37
Deferred income		121,513,912.19	111,273,990.16
Deferred income tax liabilities		35,805,548.92	33,204,233.23
Other non-current liabilities		–	–
Total non-current liabilities		<u>225,967,173.51</u>	<u>216,465,679.30</u>
Total liabilities		<u>1,738,133,203.37</u>	<u>1,538,577,927.24</u>
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)		165,465,772.00	165,465,772.00
Other equity instruments		–	–
Including: Preferred shares		–	–
Perpetual bonds		–	–
Capital reserve		3,236,926,118.73	3,236,926,118.73
Less: Treasury shares		–	–
Other comprehensive income		113,391,271.34	113,391,271.34
Special reserve		9,103,396.61	7,707,807.00
Surplus reserve		9,216,035.02	9,216,035.02
Provision for general risk		–	–
Undistributed profit		-629,346,036.46	-487,856,704.18
Total equity attributable to shareholders of the listed company (or shareholders' equity)		2,904,756,557.24	3,044,850,299.91
Minority interests		333,843,237.27	362,292,549.09
Total owners' equity (or shareholders' equity)		<u>3,238,599,794.51</u>	<u>3,407,142,849.00</u>
Total liabilities and owners' equity (or shareholders' equity)		<u>4,976,732,997.88</u>	<u>4,945,720,776.24</u>

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024
(Unless otherwise specified, all amounts are denominated in RMB)

Item	Notes	For the six months ended June 30, 2024	For the six months ended June 30, 2023
I. Total operating income		153,843,525.55	153,519,255.42
Including: Operating income	4	153,843,525.55	153,519,255.42
Interest income		-	-
Premiums earned		-	-
Handling fee and commission income		-	-
II. Total operating costs		311,105,634.20	280,417,141.31
Including: Operating costs	4	126,594,970.28	97,274,022.69
Interest expense		-	-
Handling fee and commission expenses		-	-
Surrenders value		-	-
Net expenditure for insurance claims settlement		-	-
Net drawing on provision for insurance contracts		-	-
Expenditures for policy dividend		-	-
Reinsurance expenditures		-	-
Tax and surcharges		1,543,812.28	1,648,136.64
Selling expenses		27,921,708.99	30,156,681.44
Administrative expenses		104,470,916.99	117,484,673.21
Research and development expenses		50,534,103.58	55,192,267.56
Financial expenses		40,122.08	-21,338,640.23
Including: Interest expense		11,539,718.24	5,957,051.15
Interest income		10,339,500.53	9,540,738.42

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

(Unless otherwise specified, all amounts are denominated in RMB)

Item	Notes	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Add: Other income		19,781,776.55	14,541,255.21
Investment income (“-” for losses)		-17,451,849.93	-15,782,235.50
Including: Investment income from associates and joint ventures		-19,747,403.96	-15,733,440.98
Gains from derecognition of financial assets at amortized cost (“-” for losses)		-	-
Exchange gains (“-” for losses)		-	-
Gains on net exposure hedges (“-” for losses)		-	-
Gains on change in fair value (“-” for losses)		7,029,295.56	48,699,437.40
Losses on credit impairment (“-” for losses)		-19,907,395.33	-14,016,353.78
Impairment losses on assets (“-” for losses)		-15,394,844.71	-24,421,018.10
Gains from asset disposal (“-” for losses)		1,129,835.04	-
III. Operating profits (“-” for losses)		-182,075,291.47	-117,876,800.66
Add: Non-operating income		727,385.64	306,122.81
Less: Non-operating expenses		326,848.02	3,422,928.54
IV. Total profits (“-” for total losses)		-181,674,753.85	-120,993,606.39
Less: Income tax expenses	7	-11,283,997.00	-17,603,398.54

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

(Unless otherwise specified, all amounts are denominated in RMB)

Item	Notes	For the six months ended June 30, 2024	For the six months ended June 30, 2023
V. Net profits (“-” for net losses)		-170,390,756.85	-103,390,207.85
(1) Classified by continuity of operations			
1. Net profit from continuing operations (“-” for net loss)		-170,390,756.85	-103,390,207.85
2. Net profit from discontinued operations (“-” for net loss)		-	-
(2) Classified by ownership			
1. Net profit attributable to equity shareholders of the listed company (“-” for net loss)		-141,489,332.28	-76,511,130.16
2. Minority interests (“-” for net losses)		-28,901,424.57	-26,879,077.69
VI. Net amount of other comprehensive income after tax		-	-
(1) Net amount of other comprehensive income after tax attributable to shareholders of the listed company		-	-
1. Other comprehensive income that cannot be reclassified to profit or loss		-	-
(1) Re-measurement of changes under defined benefit plan		-	-
(2) Other comprehensive income which cannot be reclassified to profit or loss under equity method		-	-
(3) Change in fair value of other equity instrument investments		-	-
(4) Changes in fair value of the enterprise’s own credit risk		-	-

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

(Unless otherwise specified, all amounts are denominated in RMB)

Item	Notes	For the six months ended June 30, 2024	For the six months ended June 30, 2023
2. Other comprehensive income that will be reclassified to profit or loss		-	-
(1) Other comprehensive income that can be reclassified to profit or loss under equity method		-	-
(2) Changes in fair value of other debt investments		-	-
(3) Amount included in other comprehensive income on reclassification of financial assets		-	-
(4) Credit impairment provision for other debt investments		-	-
(5) Cash flow hedging reserve		-	-
(6) Differences on translation of foreign currency statements		-	-
(7) Others		-	-
(2) Net amount of other comprehensive income after tax attributable to minority shareholders		-	-
VII. Total comprehensive income		-170,390,756.85	-103,390,207.85
(1) Total comprehensive income attributable to owners of the listed company		-141,489,332.28	-76,511,130.16
(2) Total comprehensive income attributable to minority shareholders		<u>-28,901,424.57</u>	<u>-26,879,077.69</u>
VIII. Earnings per share:		-	-
(1) Basic earnings per share (RMB/share) (“-” for losses)	8	-0.86	-0.47
(2) Diluted earnings per share (RMB/share) (“-” for losses)	8	<u>-0.86</u>	<u>-0.47</u>

For the business combination under common control in the current period, the net profit realized by the merged party before the combination was RMB0, and the net profit realized by the merged party in the previous period was RMB0.

1. GENERAL INFORMATION

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

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

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

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

2. BASIS OF PREPARATION

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

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

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

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

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

(1) Accounting period

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

(2) Functional currency

The functional currency is Renminbi.

(3) Preparation of consolidated financial statements

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

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

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

(4) Changes in accounting policies

Nil.

4. OPERATING INCOME AND OPERATING COST

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Income from principal business	152,555,616.42	153,175,910.83
Income from other business	1,287,909.13	343,344.59
Total	<u>153,843,525.55</u>	<u>153,519,255.42</u>
	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Cost of principal business	126,022,987.71	97,038,116.99
Cost of other business	571,982.57	235,905.70
Total	<u>126,594,970.28</u>	<u>97,274,022.69</u>

Breakdown of income from principal business:

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Fuel cell systems	109,418,025.07	118,784,384.55
Parts and components	24,551,506.10	14,742,573.06
Technology development and service	6,825,639.15	7,225,392.96
Others	<u>11,760,446.10</u>	<u>12,423,560.26</u>
Total	<u><u>152,555,616.42</u></u>	<u><u>153,175,910.83</u></u>

5. RECEIVABLES

	June 30, 2024	December 31, 2023
Receivable balance	2,096,364,569.76	2,075,750,677.89
Less: Provision for doubtful debts	473,379,785.24	453,785,205.36
Net receivables	1,622,984,784.52	1,621,965,472.53

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

Item	June 30, 2024	December 31, 2023
Within 1 year	829,013,585.87	836,071,137.99
1 to 2 years	592,969,056.68	660,902,327.88
2 to 3 years	339,815,265.49	228,959,369.45
3 to 4 years	23,581,181.27	38,572,881.27
4 to 5 years	218,810,000.00	224,310,860.85
Over 5 years	<u>92,175,480.45</u>	<u>86,934,100.45</u>
Total	<u><u>2,096,364,569.76</u></u>	<u><u>2,075,750,677.89</u></u>

6. PAYABLES

Payables :

June 30, 2024 December 31, 2023

586,895,428.79 572,538,653.10

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

Item	June 30, 2024	December 31, 2023
Within 1 year	411,767,707.68	371,426,097.41
1 to 2 years	151,033,251.76	166,371,724.77
2 to 3 years	12,082,411.47	30,725,370.92
Over 3 years	12,012,057.88	4,015,460.00
Total	<u>586,895,428.79</u>	<u>572,538,653.10</u>

7. INCOME TAX EXPENSE

Item	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Current income tax expenses	-40,189.92	279,164.96
Deferred income tax expenses	-11,243,807.08	-17,882,563.50
Total	<u>-11,283,997.00</u>	<u>-17,603,398.54</u>

8. EARNINGS (LOSSES) PER SHARE

(1) Basic earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing the consolidated net profit (loss) attributable to ordinary shareholders of the listed company by the weighted average number of ordinary shares outstanding of the listed company

Item	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Consolidated net profit (loss) attributable to ordinary shareholders of the listed company (“-” for loss)	-141,489,332.28	-76,511,130.16
Weighted average number of ordinary shares outstanding of the listed company	165,465,772.00	162,304,288.67
Basic earnings (losses) per share (RMB/share) (“-” for loss)	-0.86	-0.47

Note: The Company completed equity distribution by converting capital reserve into share capital in July 2023, and the indicator of earnings per share during the same period of last year has been adjusted based on the latest share capital.

(2) Diluted earnings (losses) per share

No diluted earnings (losses) per share are presented as there were no dilutive potential ordinary shares for the six months ended June 30, 2024 and for the six months ended June 30, 2023.

9. DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

In the first half of 2024, the Company achieved operating income of RMB153.8435 million, representing a year-on-year increase of 0.21%. The net loss attributable to shareholders of the listed company was RMB141.4893 million, representing a year-on-year increase of RMB64.9782 million, and the net cash outflow from operating activities was RMB183.1202 million, representing a year-on-year decrease in outflow of RMB93.2471 million. The change in performance during the Reporting Period was mainly due to the year-on-year decrease of gross profit as a result of the decrease in selling prices of the Company's products being greater than the decrease in costs during the Reporting Period, the increase in interest expense year-on-year with the increase in bank loans, and the year-on-year decrease of exchange gains recognized due to exchange rate changes during the Reporting Period. As of the end of the Reporting Period, the total assets of the Company amounted to RMB4,976.733 million, representing an increase of 0.63% compared with the end of last year, and the net assets attributable to owners of the listed company amounted to RMB2,904.7566 million, representing a decrease of 4.6% compared with the end of last year.

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

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

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

FINANCIAL REVIEW

Unit: RMB

Item	For the six months ended June 30, 2024	For the six months ended June 30, 2023	Percentage of change (%)
Operating income	153,843,525.55	153,519,255.42	0.21
Operating cost	126,594,970.28	97,274,022.69	30.14
Selling expenses	27,921,708.99	30,156,681.44	-7.41
Administrative expenses	104,470,916.99	117,484,673.21	-11.08
Financial expenses	40,122.08	-21,338,640.23	N/A
R&D expenses	50,534,103.58	55,192,267.56	-8.44
Gains on change in fair value	7,029,295.56	48,699,437.40	-85.57

1. Explanation on changes in operating cost: the Company's operating cost increased by 30.14% year-on-year, which was mainly due to the year-on-year increase in the Company's product sales, which led to the year-on-year increase in the corresponding operating cost during the Reporting Period.
2. Explanation on changes in financial expenses and gains on change in fair value: the Company's financial expenses increased by RMB21.3788 million year-on-year and gains on change in fair value decreased by 85.57% year-on-year, which were mainly due to the decrease in foreign exchange gains recognized during the Reporting Period.

BUSINESS OUTLOOK FOR FUTURE DEVELOPMENT OF THE COMPANY

The Company believes that the PRC government will continue to implement strong supportive policies to facilitate the development of hydrogen-related industries, including the fuel cell industry. We believe that the fuel cell industry has great potential for development. According to the China Society of Automotive Engineers, the number of fuel cell vehicles owned in China is expected to exceed 1 million by 2035. The Company will continue to leverage advanced hydrogen fuel cell technology to empower the development of a green and sustainable fuel cell industry value chain. The Company is committed to becoming the world's leading fuel cell system supplier and the global leader in hydrogen fuel cell technology. In the future, the Company will continue to achieve this goal by implementing the following strategies:

1) *Continue to deepen the R&D of fuel cell systems and core components*

The Company will continue to conduct R&D and the testing activities to improve our products' adaptability to adverse weather conditions, high temperature resistance, durability, reliability, energy conversion efficiency, safety and economy, thereby further optimizing and upgrading our products. The Company intends to leverage our years of experience in the fuel cell system industry and our understanding of the downstream market to improve our R&D capabilities. To further commercialize our fuel cell related researches, the Company plans to collaborate with industrial, educational and research institutions and further build our competitive strengths. The Company also intends to explore overseas R&D opportunities to develop key components for our fuel cell stacks.

2) *Expand the production capacity of fuel cell stacks to meet the growing market demand and achieve economies of scale*

The Company plans to expand our existing production lines at our Shanghai Plant by acquiring new equipment and software systems to further optimize operating efficiency and product quality. Our upgraded plant will house a broader range of functions, including manufacturing and testing facilities for more advanced fuel cell stacks with high power and bipolar plates with higher performance.

3) *Strategically expand our customer base and geographical coverage*

The Company intends to maintain and expand our customer base to increase market share. The Company intends to use our new generation of R&D platform to improve our products and increase our product portfolio and meet the diverse needs of customers. The Company intends to further expand the application scenarios of fuel cell systems in the type of commercial vehicles, such as heavy-duty trucks. The Company intends to promote new products to more vehicle manufacturers and their customers in order to gain a higher market share. The Company will commence marketing based around the development of regional fuel cell system market and the geographical distribution of hydrogen resources in China.

4) *Expand and strengthen the Company's supply chain*

As the Company continues to ramp up production capacity and increase sales volume, supplier relationships are key to our continued success in the future. The Company has established business relationships with many well-known suppliers of fuel cell system related parts and components in the market. The Company intends to further cooperate with them, identify alternative suppliers and pursue the vertical integration of our supply chains and resources to reduce raw material costs, ensuring supply chain stability and improving product quality.

5) *Improve our brand awareness and promote the application of fuel cell system*

The Company believes that brand awareness is critical to our future development and customer base. The Company plans to improve our brand awareness through product promotion and multi-channel marketing. In particular, the Company plans to organize and participate in industry events, product exhibitions and product launch events, and promote the Company's products in conjunction with the latest industry development policies of various regions nationwide, in order to increase the public exposure of the Company's brand and products through more effective marketing activities. Further, the Company intends to promote the application of our fuel cell systems through assisting commercial vehicle manufacturers in their testing of prototypes and production and launch of new fuel cell vehicle models.

CHANGES IN THE SCOPE OF CONSOLIDATION

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

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

AUDIT COMMITTEE AND REVIEW OF FINANCIAL DATA IN THIS ANNOUNCEMENT

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

The Audit Committee has reviewed and confirmed the unaudited interim results announcement for the six months ended June 30, 2024.

CORPORATE GOVERNANCE CODE

Save as disclosed below, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) during the Reporting Period and up to the date of this announcement.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang Guoqiang is our general manager and concurrently serves as the chairman of the Board as he has over ten years of experience in the fuel cell system industry. The Board is of the view that vesting the roles of both chairman and general manager in the same person has the benefit of ensuring consistent leadership within the Group, thus making the overall strategic planning of the Group more effective and efficient.

The Board is committed to achieving high standards of corporate governance. The Board believes that high standard of corporate governance is essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined under the Listing Rules)). As of June 30, 2024, the Company did not hold any treasury shares.

USE OF PROCEEDS FROM GLOBAL OFFERING

The Company offered 17,628,000 H shares in Hong Kong at HK\$60 per ordinary share and over-allotted 670,450 H shares. The aforementioned H shares were listed on the Main Board of the Hong Kong Stock Exchange on January 12, 2023 and February 8, 2023, respectively. The net proceeds received by the Company from 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\$1,022 million, which will be used in accordance with the purposes as set out in the prospectus of the Company dated December 29, 2022 (the “**Prospectus**”). The Group will gradually apply the proceeds from the global offering for the intended purposes as set out in the Prospectus.

DIVIDEND

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

SIGNIFICANT SUBSEQUENT EVENTS

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

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement will be published on the Company's website at <http://www.sinohytec.com/> and the Hong Kong Stock Exchange's website at www.hkexnews.hk. The interim report of the Company for the six months ended June 30, 2024 will be published on the above websites in due course.

By order of the Board
Beijing SinoHytec Co., Ltd.
ZHANG Guoqiang
Chairman of the Board

Beijing, the PRC
August 29, 2024

As of the date of this announcement, the Board comprises Mr. Zhang Guoqiang, Ms. Song Haiying and Ms. Dai Dongzhe as executive Directors, Ms. Teng Renjie and Mr. Song Feng as non-executive Directors, Mr. Liu Xiaoshi, Mr. Ji Xuehong, Mr. Chan So Kuen and Mr. Li Zhijie as independent non-executive Directors.

* *For identification purpose only*