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

**POSSIBLE TRANSACTIONS INVOLVING
THE PROPOSED ACQUISITION
AND THE PROPOSED ISSUANCE OF A SHARES
AND
RESUMPTION OF TRADING IN A SHARES**

**POSSIBLE TRANSACTIONS INVOLVING THE PROPOSED ACQUISITION AND
THE PROPOSED ISSUANCE OF A SHARES**

On March 12, 2025 (after trading hours), the Company entered into the Framework Agreement with Risun Group, pursuant to which (i) the Company conditionally agreed to purchase, and Risun Group conditionally agreed to sell, the entire equity interests in the Target Company by way of issuance of Consideration Shares; and (ii) the Company intends to issue the New A Shares to Risun Group to raise ancillary funds.

The Proposed Acquisition

The final consideration for the Proposed Acquisition will be determined with reference to the appraised value of the Target Company after arm's length negotiation between the Company and Risun Group and confirmed by way of entering into the Supplemental Agreement which shall be considered and approved by another Board meeting to be held in due course. The total consideration for the Proposed Acquisition shall be satisfied by the Company by the allotment and issuance of the Consideration Shares.

Further announcement(s) in respect of, among other things, the appraised value of the Target Company, the final consideration for the Proposed Acquisition, the number of the Consideration Shares to be issued and any subsequent arrangements, will be made by the Company as and when appropriate.

The Proposed Issuance of A Shares

The total amount of ancillary funds to be raised shall not exceed RMB550,000,000 and 100% of the final consideration for the Proposed Acquisition. The number of New A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to the completion of the Possible Transactions. The final number of New A Shares to be issued under the Proposed Issuance of A Shares will be finalized after the Proposed Issuance of A Shares has been approved by the SSE and registered by the CSRC.

The Proposed Issuance of A Shares is conditional upon completion of the Proposed Acquisition while the Proposed Acquisition is not conditional upon completion of the Proposed Issuance of A Shares.

IMPLICATIONS UNDER THE LISTING RULES

It is expected that the Possible Transactions, if materialized, may constitute a major transaction of the Company under the Listing Rules which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As the final consideration and certain detailed terms of the Possible Transactions have not been finalized, the classification of the Possible Transactions under Chapter 14 of the Listing Rules is yet to be finalized. The Company will comply with the requirements under Chapter 14 of the Listing Rules as and when appropriate.

Upon confirmation of the final consideration of the Proposed Acquisition, the Company will enter into the Supplemental Agreement with Risun Group. The Company will timely comply with the reporting, announcement and Shareholders' approval requirements (if applicable) under Chapter 14 of the Listing Rules.

GENERAL

As of the date of this announcement, the audit and valuation work for the Proposed Acquisition has not been completed. Following completion of the aforementioned audit and valuation work, the final consideration for the Proposed Acquisition will be confirmed by way of entering into the Supplemental Agreement, and the Company will convene another Board meeting to consider and approve the Supplemental Agreement.

The Consideration Shares and the New A Shares will be allotted and issued pursuant to the Specific Mandate to be granted by the Shareholders at the Shareholders' Meeting(s). The Board anticipates that the Company will continue to maintain sufficient public float to meet the requirements under the Listing Rules upon completion of the Possible Transactions.

RESUMPTION OF TRADING IN A SHARES

At the request of the Company, trading in A Shares on the SSE has been suspended with effect from February 27, 2025. An application has been made by the Company to the SSE for the resumption of trading in A Shares on the SSE with effect from March 13, 2025.

As the Possible Transactions are subject to the satisfaction and/or waiver of the relevant conditions precedent, and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

POSSIBLE TRANSACTIONS INVOLVING THE PROPOSED ACQUISITION AND THE PROPOSED ISSUANCE OF A SHARES

References are made to the announcements of the Company dated February 27, 2025 and March 5, 2025, in relation to, among others, the agreement of cooperation intent to acquire the target asset from Risun Group and raise ancillary funds by way of issuance of A Shares.

On March 12, 2025 (after trading hours), the Company entered into the Framework Agreement with Risun Group, pursuant to which (i) the Company conditionally agreed to purchase, and Risun Group conditionally agreed to sell, the entire equity interests in the Target Company by way of issuance of Consideration Shares; and (ii) the Company intends to issue the New A Shares to Risun Group to raise ancillary funds.

Details of the Framework Agreement are set out below:

Date

March 12, 2025

Parties

- (1) Risun Group (as the seller); and
- (2) the Company (as the purchaser)

To the best of knowledge, information and belief of the Directors, and after making all reasonable enquiries, as of the date of this announcement, Risun Group is an Independent Third Party.

The Proposed Acquisition

The Company has conditionally agreed to acquire, and Risun Group has conditionally agreed to sell, the entire equity interests of the Target Company.

Considerations and payment method

The final consideration for the Proposed Acquisition will be determined with reference to the appraised value of the Target Company after arm's length negotiation between the Company and Risun Group and confirmed by way of entering into the Supplemental Agreement which shall be considered and approved by another Board meeting to be held in due course.

The total consideration for the Proposed Acquisition shall be payable by the Company to Risun Group by way of allotment and issuance of the Consideration Shares.

The Consideration Shares

The Pricing Benchmark Date for the issuance of the Consideration Shares shall be the date of announcement of the first meeting of the Board to consider the Possible Transactions, i.e. March 12, 2025. The issue price of the Consideration Shares shall be RMB18.53 per Consideration Share based on the arm's length negotiation between the Company and Risun Group, which shall not be less than 80% of the average trading price of the A Shares in the last 20 SSE Trading Days prior to the Pricing Benchmark Date (the average trading price of the A shares in 20 SSE Trading Days prior to the Pricing Benchmark Date = the total trading amount of the A Shares in 20 SSE Trading Days prior to the Pricing Benchmark Date/the total trading number of the A Shares in 20 SSE Trading Days prior to the Pricing Benchmark Date).

During the period between the Pricing Benchmark Date and the issuance date of the Consideration Shares, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividends, issue of bonus shares, conversion of capital reserves into share capital or shares allotment, the issue price of the Consideration Shares will be adjusted according to the relevant laws and regulations.

The specific number of the Consideration Shares issued = the total consideration of the Proposed Acquisition \div the issue price per Consideration Shares. The number of Consideration Shares to be issued to Risun Group shall be a whole number and to the nearest single digit. Risun Group shall waive the fraction of the Consideration Shares equivalent to less than one Share voluntarily. The final number of Consideration Shares issued shall be subject to the documents to be registered by the CSRC.

Lock-up period of the Consideration Shares

Risun Group shall not transfer the Consideration Shares within 36 months from the date of issuance of the Consideration Shares in any manner. Where the closing price of the A Shares is lower than the issue price of the Consideration Shares for 20 SSE Trading Days consecutively during six months after completion of the issuance of the Consideration Shares, or the closing price is lower than the issue price at the end of six months after completion of the issuance of the Consideration Shares, the above-mentioned lock-up period for the A Shares to be issued to Risun Group will be automatically extended for six months.

The above-mentioned lock-up period shall also be applicable to any Shares acquired by Risun Group through the issuance of the Consideration Shares after completion of the issuance of the Consideration Shares, such as issue of bonus share or share capital conversion by the Company.

After the expiration of the lock-up period, any transfer of Shares by Risun Group shall comply with the relevant laws and regulations, including regulations of the CSRC, the SSE and the Stock Exchange.

Subsequent arrangements

The transitional period shall be from the assessment benchmark date of the valuation of the Target Company to the completion of the Proposed Acquisition. As of the date of this announcement, the audit and valuation work of the Target Company has not been completed. The attribution of gains or losses realized by the Target Company during the transitional period and performance compensation undertakings (if any) will be specified in the Supplemental Agreement after completion of the audit and valuation work.

Further announcement(s) in respect of, among other things, the appraised value of the Target Company, the final consideration for the Proposed Acquisition, the number of the Consideration Shares to be issued and any subsequent arrangements, will be made by the Company as and when appropriate.

The Proposed Issuance of A Shares

The Company intends to issue the New A Shares at the price of RMB18.53 per A Share to Risun Group, which is not be less than 80% of the average trading price of the A Shares in 20 SSE Trading Days prior to the Pricing Benchmark Date.

The total amount of ancillary funds to be raised shall not exceed RMB550,000,000 and 100% of the final consideration for the Proposed Acquisition. The number of New A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to completion of the Possible Transactions. The final number of the New A Shares to be issued under the Proposed Issuance of A Shares will be finalized after the Proposed Issuance of A Shares has been approved by the SSE and registered by the CSRC.

The Proposed Issuance of A Shares is conditional upon completion of the Proposed Acquisition while the Proposed Acquisition is not conditional upon completion of the Proposed Issuance of A Shares.

In the event of any adjustment to the latest regulatory opinions of the securities regulatory authorities, the Company may adjust the Proposed Issuance of A Shares in accordance with the latest regulatory opinions of the relevant securities regulatory authorities.

Lock-up period of the New A Shares

Risun Group shall not transfer the A Shares acquired under the Proposed Issuance of A Shares within 18 months from the date of issuance of the New A Shares in any manner. During the said lock-up period, the lock-up arrangement shall also be applicable to any Shares issued by the Company to Risun Group through the issuance of New A Shares, such as issue of bonus shares or share capital conversion.

After the expiration of lock-up period, transfer of the Shares by Risun Group shall comply with the relevant laws and regulations, including regulations of the CSRC, the SSE and the Stock Exchange.

Conditions precedent

Pursuant to the Framework Agreement, the Possible Transactions are subject to the fulfillment of the following conditions precedent:

- (1) the Possible Transactions have been approved in accordance with the relevant laws and regulations, the articles of associations and the internal governance policies of the parties, including but not limited to the Shareholders' approval, and approval(s) from the board of directors and/or shareholders of Risun Group; and
- (2) the Possible Transactions have obtained all necessary approvals from the relevant governmental authorities, including but not limited to approvals or consents of the SSE, the Stock Exchange, the CSRC and other relevant laws and regulations, provided that such approvals or consents do not require modifications, additions or create additional obligations to the Framework Agreement that are not mutually acceptable by the parties.

In the event of failure to fulfill any of the conditions precedent, the Framework Agreement shall become null and void.

INFORMATION OF THE PARTIES

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

Risun Group is a company with limited liability established in the PRC and principally engaged in investment holding. Risun Group is a wholly-owned subsidiary of China Risun, an exempt company incorporated in the Cayman Islands with limited liability and listed on the Stock Exchange (stock code: 1907). China Risun is a leading integrated coke, coking chemicals and refined chemicals (including hydrogen-energy products) producer and supplier as well as relevant operation management services provider in the PRC with customers located in both the PRC and abroad.

The Target Company is a company with limited liability established in the PRC and a subsidiary of Risun Group. It is principally engaged in the R&D of new energy technology. As of the date of this announcement, the Target Company is owned as to 68.75% by Risun Group and 31.25% by Hebei Risun, a subsidiary of Risun Group. Pursuant to a separate share transfer agreement between Risun Group and Hebei Risun dated March 11, 2025, Hebei Risun agreed to, among others, transfer all of its equity interests in the Target Company to Risun Group. Risun Group undertakes to complete the said transfer as soon as possible in accordance with the laws and regulations and shall not affect the Possible Transactions.

To the best of knowledge, information and belief of the Directors, and after making all reasonable enquiries, as of the date of this announcement, Risun Group, China Risun, Hebei Risun and the Target Company are Independent Third Parties.

REASONS AND BENEFITS OF THE POSSIBLE TRANSACTIONS

The Proposed Acquisition

In June 2024, the CSRC issued the “Eight Measures on Deepening the Reform of the SSE STAR Market and Serving the Development of Scientific and Technological Innovation and New Productivity” (《關於深化科創板改革服務科技創新和新質生產力發展的八條措施》), which promulgated the integration of industrial chains by companies listed on the SSE STAR Market through mergers and acquisitions to enhance industrial synergies, and encouraged the use of diverse financing methods, including shares, cash, and convertible bonds, to facilitate mergers, acquisitions, and restructurings.

The Company is principally engaged in the design, development and manufacturing of fuel cell systems and stacks. The Target Company, on the other hand, specializes in the production, sales and R&D of new energy technology, such as high-purity hydrogen and synthetic ammonia, which are essential for hydrogen-based applications.

In line with the CSRC’s policy objectives, the Proposed Acquisition is expected to create synergies for the Group across the hydrogen energy value chain, including preparation, storage, transportation, dissipation and application of hydrogen energy. By integrating the production and R&D capabilities of the Target Company with the Company’s expertise in fuel cell technology, the Group will strengthen its competitive position in the hydrogen energy industry. The Directors believe that this acquisition represents a strategic opportunity to enhance operational efficiency, thereby fostering the long-term development and sustainability of the Group.

The Proposed Issuance of A Shares

The ancillary funds to be raised from the Proposed Issuance of A Shares are intended to be allocated to (i) cover expenses associated with the Possible Transactions, (ii) finance project construction of the Target Company following the Proposed Acquisition, and (iii) replenish the working capital of the Company. The Proposed Issuance of A Shares will strengthen the financial position of the Company and facilitate the future development of the Group.

In view of the above, the Directors are of the view that the Possible Transactions are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As of the date of this announcement, the audit results and valuation work of the Target Company have not been completed and the final consideration of the Proposed Acquisition has yet to be determined, thus the number of Consideration Shares and New A Shares to be issued have not been determined. It is expected that Risun Group may become the single largest Shareholder of the Company upon completion of the Possible Transactions, subject to the finalized terms under the Supplemental Agreement. The impact on the shareholding structure of the Company will be set out in further announcement(s) of the Company.

FINANCIAL IMPACT OF THE POSSIBLE TRANSACTIONS

Upon completion of the Proposed Acquisition, the Target Company will become a subsidiary of the Company and its financial statements will be consolidated into the financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

It is expected that the Possible Transactions, if materialized, may constitute a major transaction of the Company under the Listing Rules which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As the final consideration and certain detailed terms of the Possible Transactions have not been finalized, the classification of the Possible Transactions under Chapter 14 of the Listing Rules is yet to be finalized. The Company will comply with requirements under Chapter 14 of the Listing Rules as and when appropriate.

Upon confirmation of the final consideration of the Proposed Acquisition, the Company will enter into the Supplemental Agreement with Risun Group. The Company will timely comply with the reporting, announcement and Shareholders' approval requirements (if applicable) under Chapter 14 of the Listing Rules.

FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund-raising activities during the period of 12 months preceding the date of this announcement.

GENERAL

As of the date of this announcement, the audit and valuation work for the Proposed Acquisition has not been completed. Following the completion of the aforementioned audit and valuation work, the final consideration for the Proposed Acquisition will be confirmed by way of entering into the Supplemental Agreement, and the Company will convene another Board meeting to consider and approve the Supplemental Agreement.

The Consideration Shares and the New A Shares will be allotted and issued pursuant to the Specific Mandate to be granted by the Shareholders at the Shareholders' Meeting(s). The Board anticipates that the Company will continue to maintain sufficient public float to meet the requirements under the Listing Rules upon completion of the Possible Transactions.

RESUMPTION OF TRADING IN A SHARES

At the request of the Company, trading in A Shares on the SSE has been suspended with effect from February 27, 2025. An application has been made by the Company to the SSE for the resumption of trading in A Shares on the SSE with effect from March 13, 2025.

OTHER MATTERS

For the purpose of the A Share Listing, Mr. Zhang Guoqiang, an executive Director and the single largest Shareholder of the Company, provided an undertaking on August 10, 2020 to the Company that, within 60 months following the A Share Listing, he shall, among others, (i) not voluntarily give up his actual control over the Group; (ii) endeavour to maintain his control by all lawful means in accordance with the relevant laws and regulations; and (iii) not give up his Shareholders' rights in disguise through entrustment, agreement, arrangement or other means.

In view of the possible change of the single largest Shareholder of the Company from Mr. Zhang Guoqiang to Risun Group upon completion of the Possible Transactions which is subject to the finalized terms under the Supplemental Agreement, Mr. Zhang Guoqiang sought to waive the abovementioned undertaking, subject to approval by the Shareholders at the Shareholders' Meeting(s).

As the Possible Transactions are subject to the satisfaction and/or waiver of the relevant conditions precedent, and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meanings set forth below:

“A Share(s)”	the domestic ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the SSE STAR Market and subscribed for and traded in RMB
“A Share Listing”	the listing of the A Shares of the Company on the SSE STAR Market on August 10, 2020
“Board”	the board of Directors
“China Risun”	China Risun Group Limited (中國旭陽集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability and listed on the Stock Exchange (stock code: 1907)
“Company”	Beijing SinoHytec Co., Ltd. (北京億華通科技股份有限公司), a joint stock company with limited liability incorporated in the PRC, the A Shares of which are listed on the SSE STAR Market and the H Shares of which are listed on the Main Board of the Stock Exchange
“Consideration Shares”	A Shares to be issued by the Company to Risun Group under the Proposed Acquisition
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement entered into between the Company and Risun Group dated March 12, 2025 in relation to the Proposed Acquisition and the Proposed Issuance of A Shares

“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) having a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars
“Hebei Risun”	Hebei Risun Energy Co., Ltd. (河北旭陽能源有限公司), a company established in the PRC with limited liability and is owned as to 92.61% by Risun Group as of the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an independent third party who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“New A Shares”	A Shares of the Company to be issued under the Proposed Issuance of A Shares
“Possible Transactions”	the Proposed Acquisition and the Proposed Issuance of A Shares
“PRC”	The People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pricing Benchmark Date”	the pricing benchmark date of the issuance of the Consideration Shares, which is the publication date of the resolution announcement of the first meeting of the Board to consider and approve the Possible Transactions, i.e. March 12, 2025 by the Company
“Proposed Acquisition”	the proposed acquisition of the entire equity interests of the Target Company by way of issuance of Consideration Shares under the Framework Agreement

“Proposed Issuance of A Shares”	the proposed issuance of the New A Shares by the Company to Risun Group under the relevant PRC laws and regulations
“Risun Group”	Risun Group Co., Ltd. (旭陽集團有限公司), a company established in the PRC with limited liability and is a subsidiary of China Risun as of the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Meeting(s)”	the general meeting and (if applicable) class meetings of the Shareholders held by the Company to consider and approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Issuance of A Shares; and (iii) the Specific Mandate
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the Shareholders’ Meeting(s) to issue (i) the Consideration Shares under the Proposed Acquisition; and (ii) the New A Shares under the Proposed Issuance of A Shares
“SSE”	the Shanghai Stock Exchange
“SSE STAR Market”	the Shanghai Stock Exchange Science and Technology Innovation Board (上海證券交易所科創板)
“SSE Trading Day(s)”	a day(s) on which the SSE is open for dealing or trading in securities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to be entered into between the Company and Risun Group for the purpose of confirming the final consideration and other specific terms for the Proposed Acquisition

“Target Company”

Dingzhou Risun Hydrogen Energy Co., Ltd. (定州旭陽氫能有限公司), a company established in the PRC with limited liability and is owned as to 68.75% and 31.25% by Risun Group and Hebei Risun as of the date of this announcement, respectively. Pursuant to a separate share transfer agreement between Risun Group and Hebei Risun dated March 11, 2025, Hebei Risun agreed to, among others, transfer all of its equity interests in the Target Company to Risun Group

“%”

per cent.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this announcement for identification purposes only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese names prevail.

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

Beijing, the PRC
March 12, 2025

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; and Mr. Liu Xiaoshi, Mr. Ji Xuehong, Mr. Chan So Kuen and Mr. Li Zhijie as independent non-executive Directors.