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河南金源氢化化工股份有限公司

**Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\***

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

**(Stock Code: 2502)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

### **FINANCIAL HIGHLIGHTS**

Revenue	:	RMB2,598.6 million
Loss attributable to shareholders	:	RMB34.3 million
Basic loss per share	:	RMB0.04

### **RESULTS**

The board (the “**Board**”) of directors (the “**Director**”) of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\* (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) of the reporting period (the “**Reporting Period**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024.

Presented below are the reportings with regard to Group’s consolidated financial statements, management discussion and analysis, corporate governance and related matters.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	5	2,598,599	3,102,000
Cost of sales		<u>(2,567,719)</u>	<u>(3,030,362)</u>
Gross profit		30,880	71,638
Other income	6	9,299	21,619
Other gains and losses	7	(2,640)	(3,950)
Selling and distribution expenses		(13,371)	(16,275)
Administrative expenses		(38,132)	(44,938)
Finance costs	8	(14,420)	(16,472)
Share of result of a joint venture		<u>(1,824)</u>	<u>386</u>
(Loss) Profit before tax	9	(30,208)	12,008
Income tax credit (expense)	10	<u>12,679</u>	<u>(469)</u>
(Loss) Profit for the year		<u><u>(17,529)</u></u>	<u><u>11,539</u></u>
Other comprehensive income:	11		
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>			
Fair value gain on bills receivables at fair value through other comprehensive income (“FVTOCI”), net of income tax		<u>42</u>	<u>402</u>
Total comprehensive (expense) income for the year		<u><u>(17,487)</u></u>	<u><u>11,941</u></u>
(Loss) Profit for the year attributable to:			
– Owners of the Company		(34,277)	(16,038)
– Non-controlling interests		<u>16,748</u>	<u>27,577</u>
(Loss) Profit for the year		<u><u>(17,529)</u></u>	<u><u>11,539</u></u>
Total comprehensive (expense) income for the year attributable to:			
– Owners of the Company		(34,235)	(15,771)
– Non-controlling interests		<u>16,748</u>	<u>27,712</u>
Total comprehensive (expense) income for the year		<u><u>(17,487)</u></u>	<u><u>11,941</u></u>
<b>Loss per share (RMB)</b>			
– Basic	14	<u><u>(0.04)</u></u>	<u><u>(0.02)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>NOTES</i>	<b>31/12/2025</b> <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>15</i>	<b>779,562</b>	843,436
Right-of-use assets	<i>16</i>	<b>105,134</b>	108,780
Intangible assets	<i>17</i>	<b>20,154</b>	21,605
Goodwill	<i>19</i>	<b>10,669</b>	10,669
Interest in a joint venture	<i>20</i>	<b>74,773</b>	81,497
Deferred tax assets	<i>21</i>	<b>43,170</b>	19,726
		<b>1,033,462</b>	1,085,713
<b>CURRENT ASSETS</b>			
Inventories	<i>22</i>	<b>51,343</b>	144,987
Trade and other receivables	<i>23</i>	<b>31,383</b>	30,722
Tax recoverable		–	4,493
Amount due from a related party	<i>24</i>	<b>23,411</b>	23,411
Bills receivables at FVTOCI	<i>25</i>	<b>19,223</b>	34,457
Time deposits	<i>26</i>	<b>215,150</b>	215,843
Bank balances and cash	<i>26</i>	<b>142,249</b>	136,772
		<b>482,759</b>	590,685
<b>CURRENT LIABILITIES</b>			
Borrowings	<i>27</i>	<b>220,313</b>	231,395
Trade and other payables	<i>28</i>	<b>111,934</b>	193,106
Amount due to a shareholder	<i>29</i>	<b>2,668</b>	1,975
Amount due to a related party	<i>30</i>	<b>917</b>	296
Contract liabilities	<i>31</i>	<b>32,332</b>	20,885
Lease liabilities	<i>32</i>	<b>656</b>	1,135
Tax payable		<b>7,189</b>	7,987
		<b>376,009</b>	456,779
<b>NET CURRENT ASSETS</b>		<b>106,750</b>	133,906
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,140,212</b>	1,219,619

	<i>NOTES</i>	<b>31/12/2025</b> <b><i>RMB'000</i></b>	31/12/2024 <b><i>RMB'000</i></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	34	<b>955,640</b>	955,640
Reserves		<b>(4,502)</b>	29,733
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>951,138</b>	985,373
Non-controlling interests		<b>100,075</b>	106,177
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>1,051,213</b>	1,091,550
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	27	<b>66,332</b>	102,645
Lease liabilities	32	<b>2,635</b>	3,097
Deferred revenue	35	<b>18,595</b>	20,782
Deferred tax liabilities	21	<b>1,437</b>	1,545
		<hr/>	<hr/>
		<b>88,999</b>	128,069
		<hr/>	<hr/>
		<b>1,140,212</b>	1,219,619
		<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Capital reserve	FVTOCI reserve	Statutory surplus reserve fund	Retained profits	Special reserve	Sub-total		
	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note i)</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note ii)</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note iii)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
1 January 2024	955,640	(8,585)	(410)	422	38,337	36,371	1,021,775	105,665	1,127,440
(Loss) profit for the year	-	-	-	-	(16,038)	-	(16,038)	27,577	11,539
Other comprehensive income for the year	-	-	267	-	-	-	267	135	402
Total comprehensive income (expense) for the year	-	-	267	-	(16,038)	-	(15,771)	27,712	11,941
Transaction costs attributable to issue of shares	-	(1,518)	-	-	-	-	(1,518)	-	(1,518)
Dividends recognised as distribution ( <i>Note 12</i> )	-	-	-	-	(19,113)	-	(19,113)	(27,200)	(46,313)
Transfer	-	-	-	-	(186)	186	-	-	-
At 31 December 2024 and 1 January 2025	<u>955,640</u>	<u>(10,103)</u>	<u>(143)</u>	<u>422</u>	<u>3,000</u>	<u>36,557</u>	<u>985,373</u>	<u>106,177</u>	<u>1,091,550</u>
Loss for the year	-	-	-	-	(34,277)	-	(34,277)	16,748	(17,529)
Other comprehensive income for the year	-	-	42	-	-	-	42	-	42
Total comprehensive income (expense) for the year	-	-	42	-	(34,277)	-	(34,235)	16,748	(17,487)
Dividends recognised as distribution ( <i>Note 12</i> )	-	-	-	-	-	-	-	(22,850)	(22,850)
Transfer	-	-	-	-	(2,329)	2,329	-	-	-
At 31 December 2025	<u>955,640</u>	<u>(10,103)</u>	<u>(101)</u>	<u>422</u>	<u>(33,606)</u>	<u>38,886</u>	<u>951,138</u>	<u>100,075</u>	<u>1,051,213</u>

*Notes:*

- (i) The balance mainly comprises (i) reserves arose from corporate reorganisation of the Company (the “**Reorganisation**”) prior to the listing of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”) and the share premium, net with transaction costs, arising from the issue of H shares for the Listing in year 2023 and (ii) the difference between the carrying amount of consideration paid and 10% of the net assets value of Henan Jinrui Energy Co., Ltd.\* 河南金瑞能源有限公司 (“**Jinrui Energy**”) when acquiring the non-controlling interest of Jinrui Energy from Henan Hongkong (Jiyuan) Coking Group Co., Ltd.\* 豫港(濟源)焦化集團有限公司 (“**Yugang Coking**”) in year 2023.
- (ii) Pursuant to the relevant laws in the People’s Republic of China (the “**PRC**”), each of the entities established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements (as determined by the management of the group entities) to the reserve fund. The reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years’ losses or, expand the existing operations or can be converted into additional capital of the entity.
- (iii) The Group is required to make appropriations based on its revenue in accordance with CaiQi [2006] No. 478 and CaiZi [2022] No. 136 “Administrative measures for the accrual and use of expenses for work safety by enterprises” that is issued by the Ministry of Finance and the Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

\* *For identification purpose only*

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>Year ended 31/12/2025 RMB'000</b>	<b>Year ended 31/12/2024 RMB'000</b>
<b>OPERATING ACTIVITIES</b>		
(Loss) Profit before tax	<b>(30,208)</b>	12,008
Adjustments for:		
Interest income on bank deposits	<b>(3,704)</b>	(8,703)
Interest income on a loan to a related party	–	(933)
Interest income on bills receivables at FVTOCI	<b>(772)</b>	(891)
Loss (gain) from disposal of property, plant and equipment	<b>1,599</b>	(588)
Gain from disposal of right-of-use assets	–	(351)
Depreciation of property, plant and equipment	<b>74,783</b>	75,510
Depreciation of right-of-use assets	<b>3,671</b>	3,428
Amortisation of intangible assets	<b>1,451</b>	1,451
Allowance for inventories	<b>3,760</b>	1,089
Share of result of a joint venture	<b>1,824</b>	(386)
Finance costs	<b>14,420</b>	16,472
Release of assets-related government subsidies	<b>(2,187)</b>	(1,650)
Net foreign exchange loss (gain)	<b>227</b>	(5,469)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	<b>64,864</b>	90,987
Decrease (increase) in inventories	<b>89,884</b>	(28,592)
Decrease in bills receivables at FVTOCI	<b>16,062</b>	35,691
(Increase) decrease in trade and other receivables	<b>(661)</b>	1,312
(Decrease) increase in trade and other payables	<b>(51,289)</b>	17,690
Increase (decrease) in amount due to a shareholder	<b>693</b>	(2)
Increase (decrease) in amount due to a related party	<b>621</b>	(767)
Increase (decrease) in contract liabilities	<b>11,447</b>	(7,949)
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Cash generated from operations	<b>131,621</b>	108,370
Income tax paid	<b>(7,192)</b>	(11,515)
	<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>124,429</b>	96,855

	Year ended 31/12/2025 <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
<b>INVESTING ACTIVITIES</b>		
Interest on bank balances received	4,397	6,783
Interest on a loan to a related party received	–	933
Assets-related government subsidy received	–	7,919
Purchase of property, plant and equipment	(43,224)	(83,031)
Refundable deposit returned to constructors	–	(150)
Refundable deposit received from constructors	482	–
Proceeds from disposal of property, plant and equipment	530	1,158
Purchase of right-of-use assets	–	(1,000)
Loan to a related party	–	(30,000)
Repayment from a related party	–	30,000
Proceeds from disposal of right-of-use assets	–	2,655
Dividend received from a joint venture	4,900	9,800
Placement of time deposits	(213,923)	(213,923)
Withdrawal from time deposits	213,923	–
	<u>(32,915)</u>	<u>(268,856)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>FINANCING ACTIVITIES</b>		
Interest paid	(14,599)	(16,415)
Bank borrowings raised	283,800	224,516
Repayment of bank borrowings	(331,195)	(149,238)
Repayment of lease liabilities	(966)	(995)
Dividends paid to shareholders	–	(19,217)
Dividends paid to non-controlling shareholders of subsidiaries	(22,850)	(27,200)
Transaction costs attributable to issue of shares	–	(8,961)
	<u>(85,810)</u>	<u>2,490</u>
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	5,704	(169,511)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	136,772	300,710
Effect of foreign exchange rate changes	(227)	5,573
	<u>142,249</u>	<u>136,772</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY</b>		
Bank balances and cash	<u>142,249</u>	<u>136,772</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. GENERAL INFORMATION

Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\*河南金源氢化化工股份有限公司(the “**Company**”) was established in the PRC on 13 February 2003 as a limited liability company under the Company Law of the PRC. Its parent is Henan Jinma Energy Co., Ltd.\* 河南金馬能源股份有限公司(“**Jinma Energy**”) (incorporated in the PRC).

The principal activities of the Company and its subsidiaries (Note 18) (the “**Group**”) are mainly engaged in the production and sales of hydrogenated benzene-based chemicals, coal gas, liquefied natural gas (“**LNG**”), hydrogen, trading of LNG, refined oil and hydrogen and provision of other services, including provision of steam (“**Other Services**”).

The address of the registered office and the principal place of business of the Company is West First Ring Road South, Jiyuan, Henan Province, the PRC. The Company established a place of business in Hong Kong at Unit 2801, 28th Floor, 88 Hing Fat Street, Causeway Bay, Hong Kong. It was registered as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Cap. 622) on 21 August 2023.

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

\* *For identification purpose only*

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied following amendments to an IFRS Accounting Standard issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to the IFRS Accounting Standard in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The directors of the Company anticipate that the application of IFRS 18 will affect the structure and presentation of the consolidated statement of profit or loss and disclosures in future consolidated financial statements, but will have no material impact on the financial position and performance of the Group given it will not impact the recognition or measurement of items in the consolidated financial statements.

## **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION**

### **3.1 Basis of preparation of consolidated financial statements**

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

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

### **3.2 Material accounting policy information**

#### ***Basis of consolidation***

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

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

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

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

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

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

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

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

### ***Goodwill***

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

### ***Investment in a joint venture***

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of the joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in the joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

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

### ***Revenue from contracts with customers***

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Information about the Group’s accounting policies relating to contracts with customers is provided in Note 5.

### ***Leases***

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### *The Group as a lessee*

##### Short-term leases

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

##### Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

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

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

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

##### Lease liabilities

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

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

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

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

### ***Borrowing costs***

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

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

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

### ***Government grants***

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

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

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

### ***Employee benefits***

#### *Retirement benefit costs*

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### *Short-term employee benefits*

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

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

### ***Taxation***

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

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

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

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

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

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

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

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

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

### ***Property, plant and equipment***

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

Buildings and structures, machinery and equipment and office equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

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

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

## ***Intangible assets***

### ***Intangible assets acquired in a business combination***

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

## ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in selling and distribution.

## ***Financial instruments***

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

## ***Financial assets***

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## Classification and subsequent measurement of financial assets

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

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

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

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

### (i) Amortised cost and interest income

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

### (ii) Bills receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for bills receivables at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these bills receivables had been measured at amortised cost. All other changes in the carrying amount of these bills receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these bills receivables. When these bills receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

## Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and other receivables, amount due from a related party, time deposits, bank balances and cash and bills receivables at FVTOCI) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and amount due from a related party in trade nature (“**Trade-related Receivables**”).

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a bill receivable has not increased significantly since initial recognition if the bill receivable is determined to have low credit risk at the reporting date. A bill receivable is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a bill receivable to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

Lifetime ECL for Trade-related Receivables which are not credit-impaired are assessed on a collective basis, whereas debtors which is considered credit-impaired are assessed on individual basis, taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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

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

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

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

Except for bills receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of Trade-related Receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For bills receivables classified as at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these bills receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

On derecognition of an investment in a bill receivable at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

#### *Financial liabilities and equity*

##### Classification as debt or equity

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

##### Equity instruments

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

##### Financial liabilities at amortised cost

All financial liabilities including borrowings, trade and other payables, amount due to a shareholder/a related party are subsequently measured at amortised cost using the effective interest method.

##### Derecognition of financial liabilities

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

#### **4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### **Key sources of estimation uncertainty**

The followings are the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### ***Deferred tax asset***

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of the year. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves several assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years. Details of deferred tax assets are set out in Note 21.

#### ***Fair value measurement of bills receivables at FVTOCI***

As at 31 December 2025, the Group's bills receivables at FVTOCI amounting to RMB19,223,000 (2024: RMB34,457,000) are measured at fair values with fair values being determined based on observable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques which is reflective of the current market conditions and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Details of fair value measurement of financial instruments are set out in Note 40.

#### ***Allowance for inventories***

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimated costs of completion and costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period.

During the year ended 31 December 2025, an allowance of RMB3,760,000 (2024: RMB1,089,000) was recognised based on estimated net realisable value and as at 31 December 2025, the carrying amount of inventories is RMB51,343,000 (2024: RMB144,987,000) (net of allowance for inventories of RMB3,760,000 (2024: RMB1,089,000)).

## 5. REVENUE AND SEGMENT INFORMATION

### Disaggregation of revenue from contracts with customers

Segments*	For the year ended 31 December 2025				Total RMB'000
	Refined chemicals RMB'000	Energy products RMB'000	Trading# RMB'000	Other Services RMB'000	
<b>Types of goods or service</b>					
<i>Sales of goods</i>					
Hydrogenated benzene-based chemicals	1,956,165	–	–	–	1,956,165
Coal gas	–	423,124	–	–	423,124
LNG	–	248,488	52,109	–	300,597
Refined oil	–	–	59,268	–	59,268
Hydrogen	–	6,120	45,085	–	51,205
Others	–	–	–	63	63
	<u>1,956,165</u>	<u>677,732</u>	<u>156,462</u>	<u>63</u>	<u>2,790,422</u>
<i>Providing services</i>					
Energy supply	–	–	–	8,721	8,721
<b>Total</b>	<u><b>1,956,165</b></u>	<u><b>677,732</b></u>	<u><b>156,462</b></u>	<u><b>8,784</b></u>	<u><b>2,799,143</b></u>

# Included in trading segment represented intra-group retail sales of LNG, refined oil and hydrogen amounting to approximately RMB189,000 through gas stations operated by the Group. The Group recognised revenue from retail sales of LNG, refined oil and hydrogen to external customers amounting to approximately RMB137,691,000 through gas stations.

\* Each of segments are defined in segment information as follows.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 December 2025		
	Segment revenue RMB'000	Eliminations RMB'000	Consolidated RMB'000
Refined chemicals	1,956,165	–	1,956,165
Energy products	677,732	(123,965)	553,767
Trading	156,462	(73,504)	82,958
Other Services	8,784	(3,075)	5,709
Revenue from contracts with customers	<u>2,799,143</u>	<u>(200,544)</u>	<u>2,598,599</u>

Segments*	For the year ended 31 December 2024				Total RMB'000
	Refined chemicals RMB'000	Energy products RMB'000	Trading# RMB'000	Other Services RMB'000	
<b>Types of goods or service</b>					
<i>Sales of goods</i>					
Hydrogenated benzene-based chemicals	2,377,194	–	–	–	2,377,194
Coal gas	–	444,008	–	–	444,008
LNG	–	292,367	65,764	–	358,131
Refined oil	–	–	100,600	–	100,600
Hydrogen	–	5,676	24,250	–	29,926
Others	–	–	–	27	27
	<u>2,377,194</u>	<u>742,051</u>	<u>190,614</u>	<u>27</u>	<u>3,309,886</u>
<i>Providing services</i>					
Energy supply	–	–	180	10,898	11,078
<b>Total</b>	<u><u>2,377,194</u></u>	<u><u>742,051</u></u>	<u><u>190,794</u></u>	<u><u>10,925</u></u>	<u><u>3,320,964</u></u>

# Included in trading segment represented intra-group retail sales of LNG, refined oil and hydrogen amounting to approximately RMB181,000 through gas stations operated by the Group. The Group recognised revenue from retails sales of LNG, refined oil and hydrogen to external customers amounting to approximately RMB171,261,000 through gas stations.

\* Each of segments are defined in segment information as follows.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 December 2024		
	Segment revenue RMB'000	Eliminations RMB'000	Consolidated RMB'000
Refined chemicals	2,377,194	–	2,377,194
Energy products	742,051	(137,562)	604,489
Trading	190,794	(80,365)	110,429
Other Services	<u>10,925</u>	<u>(1,037)</u>	<u>9,888</u>
Revenue from contracts with customers	<u><u>3,320,964</u></u>	<u><u>(218,964)</u></u>	<u><u>3,102,000</u></u>

## Performance obligations for contracts with customers and revenue recognition policies

The Group is mainly engaged the production and sales of hydrogenated benzene-based chemicals, coal gas, LNG, hydrogen, trading of LNG, refined oil and hydrogen and provision of Other Services, for which revenue is recognised at point in time.

For sales of hydrogenated benzene-based chemicals and energy products, revenue is recognised when control of the products has transferred, being when the products have been delivered to the location specified in the sales contract. Following the delivery, the customer has ability to direct the use of the products and bears the risks of obsolescence and loss in relation to the products.

In general, for some customers with long-term relationships, the normal credit term is within 60 days upon delivery. For other general customers, non-refundable prepayment from these customers is required in advance according to the contracts entered and recognised as a contract liability until the products have been delivered to the customer.

For trading of products to retail customers, revenue is recognised when control of the goods has been transferred, being at the point the customer purchases the goods at the gas station. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For providing steam, which is the major services provided in Other Services segment, revenue is recognised when control of the goods has been transferred, being when the steam have been transmitted through the boundary of port specified in the sales contract.

Performance obligation of sales of goods or providing services is part of a contract that has an original expected duration of one year or less. Applying the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the Group's revenue and profit for the year. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group's operating segments under IFRS 8 "Operating Segments" are (i) sales of hydrogenated benzene based chemicals ("**Refined chemicals**"), (ii) sales of energy products, mainly coal gas, LNG and hydrogen ("**Energy products**"), (iii) trading of refined oil, LNG and hydrogen through gas stations ("**Trading**"), and (iv) provision of Other Services.

## Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

### For the year ended 31 December 2025

	Refined chemicals <i>RMB'000</i>	Energy products <i>RMB'000</i>	Trading <i>RMB'000</i>	Other Services <i>RMB'000</i>	Total <i>RMB'000</i>
SEGMENT REVENUE					
External sales	1,956,165	553,767	82,958	5,709	2,598,599
Inter-segment sales	–	123,965	73,504	3,075	200,544
	<u>1,956,165</u>	<u>677,732</u>	<u>156,462</u>	<u>8,784</u>	<u>2,799,143</u>
Segment profit	<u>(23,314)</u>	<u>48,741</u>	<u>4,882</u>	<u>5,064</u>	35,373
Other income					9,299
Other gains and losses					(2,640)
Selling and distribution expenses					(13,371)
Administrative expenses					(38,132)
Finance costs					(14,420)
Share of result of a joint venture					(1,824)
Unallocated expenses					<u>(4,493)</u>
Loss before tax					<u>(30,208)</u>

### For the year ended 31 December 2024

	Refined chemicals <i>RMB'000</i>	Energy products <i>RMB'000</i>	Trading <i>RMB'000</i>	Other Services <i>RMB'000</i>	Total <i>RMB'000</i>
SEGMENT REVENUE					
External sales	2,377,194	604,489	110,429	9,888	3,102,000
Inter-segment sales	–	137,562	80,365	1,037	218,964
	<u>2,377,194</u>	<u>742,051</u>	<u>190,794</u>	<u>10,925</u>	<u>3,320,964</u>
Segment profit	<u>(39,806)</u>	<u>97,372</u>	<u>6,161</u>	<u>8,537</u>	72,264
Other income					21,619
Other gains and losses					(3,950)
Selling and distribution expenses					(16,275)
Administrative expenses					(44,938)
Finance costs					(16,472)
Share of result of a joint venture					386
Unallocated expenses					<u>(626)</u>
Profit before tax					<u>12,008</u>

The accounting policies of the operating segments are the same as the Group's accounting policies described as above and in Note 3. Segment results represent the gross profit from each segment without allocation of other income, other gains and losses, selling and distribution expenses, administrative expenses, finance costs and share of result of a joint venture. Sales related taxes are classified as unallocated expenses.

Inter-segment sales are charged at prevailing market rates.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to or reviewed by the chief operating decision maker.

### Other segment information

	<b>Refined chemicals RMB'000</b>	<b>Energy products RMB'000</b>	<b>Trading RMB'000</b>	<b>Other Services RMB'000</b>	<b>Unallocated RMB'000</b>	<b>Total RMB'000</b>
<b><i>For the year ended</i></b>						
<b><i>31 December 2025</i></b>						
Amounts included in measure of segment results:						
Depreciation and amortisation	<u>46,511</u>	<u>23,598</u>	<u>5,939</u>	<u>13</u>	<u>3,844</u>	<u>79,905</u>
	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Services RMB'000	Unallocated RMB'000	Total RMB'000
<b><i>For the year ended</i></b>						
<b><i>31 December 2024</i></b>						
Amounts included in measure of segment results:						
Depreciation and amortisation	<u>45,580</u>	<u>23,968</u>	<u>6,852</u>	<u>121</u>	<u>3,868</u>	<u>80,389</u>

### Entity-wide disclosures

#### ***Geographical information***

During the years ended 31 December 2025 and 2024, all of the Group's revenue from external customers, from continuing operations, were generated from the PRC whereas all non-current assets are located in the PRC.

#### ***Information about major customers***

Revenue from customers contributing over 10% of total revenue of the Group for the corresponding year is as below:

	<b>Year ended</b>	
	<b>31/12/2025</b>	31/12/2024
	<b>RMB'000</b>	RMB'000
Customer A ( <i>Note</i> )	<u>560,978</u>	<u>883,116</u>

*Note:* Revenue from sales of hydrogenated benzene-based chemicals.

## 6. OTHER INCOME

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Interest income on bank deposits	3,704	8,703
Interest income on a loan to a related party	–	933
Interest income on bills receivables at FVTOCI	772	891
Release of assets-related government subsidies ( <i>Note 35</i> )	2,187	1,650
Government grants ( <i>Note</i> )	1,581	8,613
Rental income	1,055	826
Others	–	3
	<u>9,299</u>	<u>21,619</u>

*Note:* The government grants recognised directly as other income are the grants related to income or expenses already incurred or for the purpose of giving immediate financial support to the Group.

## 7. OTHER GAINS AND LOSSES

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Net loss arising on bills receivables at FVTOCI	(2,034)	(4,016)
(Loss) gain on disposal of property, plant and equipment	(1,599)	588
Gain on disposal of right-of-use assets	–	351
Foreign exchange (loss) gain, net	(227)	5,469
Gain on disposal of scrap steel	83	801
Others	1,137	(7,143)
	<u>(2,640)</u>	<u>(3,950)</u>

## 8. FINANCE COSTS

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Interest expense on:		
– bank borrowings	14,220	16,227
– lease liabilities	200	245
	<u>14,420</u>	<u>16,472</u>

## 9. (LOSS) PROFIT BEFORE TAX

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
(Loss) profit before tax has been arrived at after charging:		
Staff costs		
Directors', chief executive's and supervisors' remuneration ( <i>Note 13</i> )	1,532	1,505
Other staff costs	35,094	34,878
Other staff benefits	6,348	6,277
	<u>42,974</u>	<u>42,660</u>
Total staff costs	42,974	42,660
Capitalised in inventories	(26,577)	(26,992)
	<u>16,397</u>	<u>15,668</u>
Depreciation of property, plant and equipment	74,783	75,510
Capitalised in inventories	(72,444)	(70,429)
	<u>2,339</u>	<u>5,081</u>
Depreciation of right-of-use assets	3,671	3,428
Amortisation of intangible assets included in cost of sales	1,451	1,451
Auditor's remuneration	870	870
Cost of inventories recognised as expenses (including allowance for inventories amounting to RMB3,760,000 (2024: RMB1,089,000))	2,563,227	2,988,892
	<u><u>2,563,227</u></u>	<u><u>2,988,892</u></u>

## 10. INCOME TAX CREDIT (EXPENSE)

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
PRC Enterprise Income Tax ("EIT")		
– current tax	10,588	13,742
– under-provision in prior years	299	1,637
Deferred tax ( <i>Note 21</i> )	(23,566)	(14,910)
	<u>(12,679)</u>	<u>469</u>
	<u><u>(12,679)</u></u>	<u><u>469</u></u>

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the group entities established in the PRC is 25% for both years.

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

	<b>Year ended 31/12/2025 RMB'000</b>	Year ended 31/12/2024 RMB'000
(Loss) Profit before tax	<b>(30,208)</b>	12,008
Tax charge at the applicable income tax rate of 25% (2024: 25%)	<b>(7,552)</b>	3,002
Tax effect of income not taxable for tax purpose (Note)	<b>(6,212)</b>	(7,579)
Tax effect of expenses not deductible for tax purposes	<b>136</b>	2,286
Tax effect of share of result of a joint venture	<b>456</b>	(96)
Tax effect of tax losses not recognised	<b>262</b>	1,298
Under-provision in prior years	<b>299</b>	1,637
Income tax at concessionary rate	<b>(68)</b>	(79)
Income tax (credit) expense	<b>(12,679)</b>	469

*Note:* Pursuant to the relevant tax rules and regulation in the PRC, 10% revenue from Comprehensive Utilisation of Resources (“資源綜合利用”) is exempted from EIT. During the year ended 31 December 2025, the Group had tax deduction under the scheme of RMB6,212,000 (2024: RMB7,579,000).

## 11. OTHER COMPREHENSIVE INCOME

	<b>Year ended 31/12/2025 RMB'000</b>	Year ended 31/12/2024 RMB'000
Other comprehensive income includes:		
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>		
Fair value change arising from bills receivables at FVTOCI	<b>5,543</b>	10,199
Reclassification to profit or loss during the year upon derecognition of bills receivables at FVTOCI	<b>(5,501)</b>	(9,797)
	<b>42</b>	402

### Income tax effect relating to other comprehensive income

	Year ended 31/12/2025			Year ended 31/12/2024		
	Before-tax amount RMB'000	Tax charge RMB'000	Net-of- income tax amount RMB'000	Before-tax amount RMB'000	Tax charge RMB'000	Net-of- income tax amount RMB'000
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Fair value gain on:						
– bills receivables at FVTOCI	<b>56</b>	<b>(14)</b>	<b>42</b>	<b>536</b>	<b>(134)</b>	<b>402</b>

## 12. DIVIDENDS

Subsequent to the end of the reporting period, no final dividend in respect of the year ended 31 December 2025 (2024: Nil) has been proposed by the directors of the Company.

The dividends declared by subsidiaries of the Company to the non-controlling shareholders amounted to RMB22,850,000(2024: RMB27,200,000) during the year ended 31 December 2025.

## 13. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

### Directors', Chief Executive's and Supervisors' emoluments

Details of the emoluments paid to the individuals who were appointed as the directors, chief executive and supervisors are as follows:

	Fees <i>RMB'000</i>	Salaries, allowance and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Retirement benefit <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 31 December 2025</b>					
Executive directors:					
Mr. Wang Zengguang	–	360	45	40	445
Mr. Qiao Erwei	–	279	–	24	303
Non-executive directors:					
Mr. Yiu Chiu Fai	–	–	–	–	–
Mr. Wang Kaibao	–	–	–	–	–
Mr. Wang Lijie	–	–	–	–	–
Independent non-executive directors:					
Mr. Di Zhigang	120	–	–	–	120
Ms. Wong Yan Ki Angel	278	–	–	–	278
Ms. Leung Sin Yeng Winnie	216	–	–	–	216
Supervisors:					
Mr. Wong Tsz Leung	–	–	–	–	–
Mr. Wu Zhiqiang	–	–	–	–	–
Mr. Li Hebao	–	136	10	24	170
	<b>614</b>	<b>775</b>	<b>55</b>	<b>88</b>	<b>1,532</b>

	Fees <i>RMB'000</i>	Salaries, allowance and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Retirement benefit <i>RMB'000</i>	Total <i>RMB'000</i>
<b>For the year ended 31 December 2024</b>					
Executive directors:					
Mr. Wang Zengguang	–	419	–	40	459
Mr. Qiao Erwei	–	279	–	24	303
Non-executive directors:					
Mr. Yiu Chiu Fai	–	–	–	–	–
Mr. Wang Kaibao	–	–	–	–	–
Mr. Wang Lijie	–	–	–	–	–
Independent non-executive directors:					
Mr. Di Zhigang	120	–	–	–	120
Ms. Wong Yan Ki Angel	251	–	–	–	251
Ms. Leung Sin Yeng Winnie	200	–	–	–	200
Supervisors:					
Mr. Wong Tsz Leung	–	–	–	–	–
Mr. Wu Zhiqiang	–	–	–	–	–
Mr. Li Hebao	–	148	–	24	172
	<u>571</u>	<u>846</u>	<u>–</u>	<u>88</u>	<u>1,505</u>

Certain directors and supervisors who did not receive emoluments from the Group during both years, also held positions in the corporate shareholders of the Company and their subsidiaries (“**Shareholder’s Entities**”) and the emoluments were borne by the respective Shareholder’s Entities for the services rendered for the Shareholder’s Entities. In the opinion of the directors of the Company, it is not practicable to allocate their remunerations to the Group.

Mr. Wang Zengguang is the general manager of the Company and his emolument disclosed above include those for services in connection with the management of affairs of the Group rendered by him as the general manager.

The emoluments of executive directors shown above were mainly for their services in connection with the management of the affairs of the Company and the Group whereas those paid to non-executive directors and independent non-executive directors were for their services as directors of the Company.

The performance related bonuses were determined by the management of the Group by reference to the performance and market trend as relevant.

### Five individuals with the highest emoluments

Of the five individuals with the highest emoluments in the Group, three (2024: two) were directors of the Company for the year ended 31 December 2025, whose emoluments is included in the disclosures above. The emoluments of the remaining individuals are as follows:

	Year ended 31/12/2025 <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
Salaries, allowance and benefits in kind	354	663
Performance related bonuses	59	–
Retirement benefit	39	87
	<u>452</u>	<u>750</u>

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Number of employees 2025	2024
Nil to Hong Kong Dollar (“ <b>HK\$</b> ”) 1,000,000	<u>2</u>	<u>3</u>

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office during both years. None of the directors waived any emoluments during both years.

### 14. LOSS PER SHARE

The calculation of the loss per share attributable to the owners of the Company is based on the following analysis:

	Year ended 31/12/2025 <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(34,277)</u>	<u>(16,038)</u>
	<i>'000</i>	<i>'000</i>
<b>Weighted average number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>955,640</u>	<u>955,640</u>

No diluted loss per share is presented as there was no dilutive potential ordinary share in issue for the both years.

## 15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Cost</b>						
At 1 January 2024	195,308	888,163	2,314	36,771	24,104	1,146,660
Additions	1,985	11,760	364	3,235	31,567	48,911
Transfer	2,050	52,245	–	605	(54,900)	–
Disposals	(112)	(608)	(1,578)	(65)	–	(2,363)
At 31 December 2024	199,231	951,560	1,100	40,546	771	1,193,208
Additions	947	3,472	210	355	8,054	13,038
Disposals	–	(3,866)	–	(61)	–	(3,927)
At 31 December 2025	200,178	951,166	1,310	40,840	8,825	1,202,319
<b>Depreciation</b>						
At 1 January 2024	40,770	208,851	1,308	25,126	–	276,055
Provided for the year	9,945	62,730	418	2,417	–	75,510
Eliminated on disposals	(28)	(521)	(1,182)	(62)	–	(1,793)
At 31 December 2024	50,687	271,060	544	27,481	–	349,772
Provided for the year	9,630	62,400	187	2,566	–	74,783
Eliminated on disposals	–	(1,740)	(58)	–	(1,798)	–
At 31 December 2025	60,317	331,720	731	29,989	–	422,757
<b>Carrying values</b>						
At 31 December 2025	<u>139,861</u>	<u>619,446</u>	<u>579</u>	<u>10,851</u>	<u>8,825</u>	<u>779,562</u>
At 31 December 2024	<u>148,544</u>	<u>680,500</u>	<u>556</u>	<u>13,065</u>	<u>771</u>	<u>843,436</u>

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Buildings and structures	5%-19%
Machinery and equipment	5%-20%
Motor vehicles	19%
Office equipment	6%-19%

### Impairment assessment

As at 31 December 2025, considering the continued losses of the Company, the management of the Group concluded there was indication for impairment and conducted impairment assessment on the Company's plant and equipment, and right-of-use assets with finite useful lives ("**Tested Assets**") with carrying amounts of RMB490,836,000 and RMB56,201,000, respectively.

The recoverable amounts of the Tested Assets have been determined based on their value in use as a CGU. That calculation uses cash flow projections based on forecasts approved by the management of the Company covering the following 20 years, comprising of a 5-year-period financial budgets and an extrapolation of cash flows covering the remaining useful life of the CGU of 15 years, with a pre-tax discount rate of 13.8% as at 31 December 2025. The cash flows beyond the 5-year period are extrapolated using 1.5% growth rate. The annual growth rate used is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Another key assumption for the value in use calculated is the forecasted gross margin, which is determined based on past performance and management expectations for the market development of the CGU.

Based on the result of the assessment, the carrying amount of the relevant assets does not exceed the recoverable amount based on value in use and no impairment has been recognised.

## 16. RIGHT-OF-USE ASSETS

	<b>Leasehold lands</b> <i>RMB'000</i>	<b>Office premises</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>As at 1 January 2024</b>	108,684	3,807	112,491
Additions	1,000	1,021	2,021
Depreciation charged during the year	(2,655)	(773)	(3,428)
Disposal	(2,304)	–	(2,304)
	<u>104,725</u>	<u>4,055</u>	<u>108,780</u>
Additions	25	–	25
Depreciation charged during the year	(2,643)	(1,028)	(3,671)
Disposal	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
<b>As at 31 December 2025</b>	<u><u>102,107</u></u>	<u><u>3,027</u></u>	<u><u>105,134</u></u>

The above items of right-of-use-assets are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Leasehold lands	2%-5%
Office premises	10%-50%

	<b>Year ended 31/12/2025</b> <i>RMB'000</i>	Year ended 31/12/2024 <i>RMB'000</i>
Expense relating to short-term leases ( <i>Note</i> )	<b>99</b>	24
Total cash outflow for leases	<b>1,265</b>	2,264

*Note:* The short-term leases are mainly office premises and machinery. The Group has elected the recognition exemption on short-term leases and recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The Group leases offices and plants for its operations. Lease contracts are entered into for fixed term of 2 years to 10 years during the year (2024: 2 years to 10 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has obtained the land use right certificates for all leasehold lands except for four (2024: three) leasehold lands with carrying amount of RMB175,000 (2024: RMB173,000) in which the Group obtains the right of use under long-term lease contracts as at 31 December 2025.

## Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

## 17. INTANGIBLE ASSETS

	<b>Franchise right</b> <i>RMB'000</i> <i>(Note i)</i>	<b>Operating license</b> <i>RMB'000</i> <i>(Note ii)</i>	<b>Total</b> <i>RMB'000</i>
<b>Cost</b>			
At 1 January 2024, 31 December 2024 and 2025	93,502	29,019	122,521
<b>Amortisation</b>			
At 1 January 2024	93,502	5,963	99,465
Charge for the year	–	1,451	1,451
At 31 December 2024	93,502	7,414	100,916
Charge for the year	–	1,451	1,451
At 31 December 2025	93,502	8,865	102,367
<b>Carrying values</b>			
At 31 December 2025	–	20,154	20,154
At 31 December 2024	–	21,605	21,605

### Notes:

- (i) Franchise right represents the concession agreement that Jinning Energy entered into with the local government whereby it was granted the exclusive right to transport coal gas to the industrial enterprises in the vicinity of Huancheng Road (環城路) and the residents of Du Village (杜村) in Chengliu town (承留鎮), Jiyuan city.
- (ii) Operating license represents the license for sale of refined oil, which was acquired from business acquisition in prior year.

The total useful life of the franchise right on sales of coal gas is 6.3 years and that of the operating license of refined oil is 20 years. The franchise right on sales of coal gas had reached its useful life and was fully amortised in 2023, and the operating license of refined oil are amortised on a straight-line basis over the useful life and have remaining useful lives listed as below:

	<b>31/12/2025</b> <i>years</i>	31/12/2024 <i>years</i>
Operating license of refined oil	<b>13.3</b>	14.3

## 18. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries are set out below.

Name of subsidiary*	Place and date of establishment/ incorporation/ operation	Class of shares held	Equity interest attributable to the Group		Issued/authorised share capital	Principal activities
			2025	2024		
<i>Directly held:</i>						
Jinning Energy	PRC 2 July 2017	Ordinary shares	51%	51%	RMB10,000,000	Distribution and sale of coal gas
Jinrui Energy	PRC 24 May 2016	Ordinary shares	81%	81%	RMB100,000,000	Manufacturing and sale of LNG
Jinma Qingneng	PRC 18 February 2021	Ordinary shares	100%	100%	RMB19,000,000/ RMB200,000,000 (2024: RMB15,000,000/ RMB200,000,000)	Provision of multimodal transportation, warehouse and distribution services for coal products
<i>Indirectly held:</i>						
河南金瑞燃氣有限公司 (Henan Jinrui Gas Co., Ltd.) ("Jinrui Gas")	PRC	Ordinary shares	81%	81%	RMB25,500,000	Sales and retail of LNG, refined oil and hydrogen
濟源市歐亞加油站有限公司 (Jiyuan Ouya Gas Station Co., Ltd.) ("Ouya Gas Station")	PRC	Ordinary shares	81%	81%	RMB500,000	Sales and retail of refined oil

\* English name for identification only

All the subsidiaries of the Company are domestic limited liability companies. None of the subsidiaries had any debt securities outstanding at 31 December 2025 and 2024 or at any time during both years.

The table below shows details of non-wholly-owned subsidiaries of the Company:

Name of subsidiary	Proportion ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	At 31 December		Year ended 31 December		At 31 December	
	2025	2024	2025	2024	2025	2024
	%	%	RMB'000	RMB'000	RMB'000	RMB'000
Jinning Energy	49	49	15,205	20,678	60,695	62,640
Jinrui Energy and its subsidiary	19	19	1,543	6,899	39,380	43,537
			<b>16,748</b>	<b>27,577</b>	<b>100,075</b>	<b>106,177</b>

Summarised financial information in respect of each of the Company's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

**Jinning Energy**

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Current assets	<b>64,560</b>	94,474
Non-current assets	<b>73,825</b>	81,086
Current liabilities	<b>13,233</b>	46,341
Non-current liabilities	<b>1,285</b>	1,383
Net equity	<b>123,867</b>	127,836
Equity attributable to owners of the Company	<b>63,172</b>	65,196
Equity attributable to non-controlling interests	<b>60,695</b>	62,640
	<b>Year ended</b> <b>31/12/2025</b> <b>RMB'000</b>	Year ended 31/12/2024 <i>RMB'000</i>
Revenue	<b>406,575</b>	427,938
Expenses ( <i>Note</i> )	<b>375,544</b>	385,739
Profit for the year	<b>31,031</b>	42,199
Profit attributable to		
– the owners of the Company	<b>15,826</b>	21,521
– the non-controlling interests	<b>15,205</b>	20,678
Profit for the year	<b>31,031</b>	42,199
Other comprehensive income (expense) attributable to		
– the owners of the Company	–	141
– the non-controlling interests	–	135
Other comprehensive income (expense) for the year	–	276
Total comprehensive income attributable to		
– the owners of the Company	<b>15,826</b>	21,662
– the non-controlling interests	<b>15,205</b>	20,813
Total comprehensive income for the year	<b>31,031</b>	42,475
Dividends declared and paid to non-controlling interests	<b>17,150</b>	19,600

	<b>Year ended 31/12/2025 RMB'000</b>	Year ended 31/12/2024 RMB'000
Net cash from operating activities	<b>36,908</b>	69,413
Net cash (used in) from investing activities	<b>(15,710)</b>	1,007
Net cash used in financing activities	<b>(65,943)</b>	(10,863)
	<hr/>	<hr/>
Net cash (outflow) inflow	<b>(44,745)</b>	59,557
	<hr/> <hr/>	<hr/> <hr/>

*Note:* The expenses include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

### **Jinrui Energy and its subsidiaries**

	<b>31/12/2025 RMB'000</b>	31/12/2024 RMB'000
Current assets	<b>54,282</b>	51,438
	<hr/> <hr/>	<hr/> <hr/>
Non-current assets	<b>286,075</b>	290,414
	<hr/> <hr/>	<hr/> <hr/>
Current liabilities	<b>105,446</b>	97,263
	<hr/> <hr/>	<hr/> <hr/>
Non-current liabilities	<b>27,318</b>	15,116
	<hr/> <hr/>	<hr/> <hr/>
Net equity	<b>207,593</b>	229,473
	<hr/> <hr/>	<hr/> <hr/>
Equity attributable to owners of the Company	<b>168,213</b>	185,936
	<hr/> <hr/>	<hr/> <hr/>
Equity attributable to non-controlling interests	<b>39,380</b>	43,537
	<hr/> <hr/>	<hr/> <hr/>

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	<u>347,026</u>	<u>425,579</u>
Expenses (Note)	<u>338,906</u>	<u>389,265</u>
Profit and total comprehensive income for the year	<u>8,120</u>	<u>36,314</u>
Profit and total comprehensive income attributable to		
– the owners of the Company	6,577	29,415
– the non-controlling interests	<u>1,543</u>	<u>6,899</u>
Profit and total comprehensive income for the year	<u>8,120</u>	<u>36,314</u>
Dividends declared and paid to non-controlling interests	<u>5,700</u>	<u>7,600</u>
Net cash from operating activities	23,879	57,530
Net cash used in investing activities	(4,558)	(12,029)
Net cash used in financing activities	<u>(17,103)</u>	<u>(52,121)</u>
Net cash inflow (outflow)	<u>2,218</u>	<u>(6,620)</u>

Note: The expenses include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

## 19. GOODWILL

	Jinning Energy RMB'000	Gas Stations RMB'000	Total RMB'000
<b>Cost</b>			
At 1 January 2024, 31 December 2024 and 2025	<u>8,001</u>	<u>4,835</u>	<u>12,836</u>
<b>Impairment</b>			
At 1 January 2024, 31 December 2024 and 2025 (Note)	<u>–</u>	<u>2,167</u>	<u>2,167</u>
<b>Carrying values</b>			
At 31 December 2024 and 2025	<u>8,001</u>	<u>2,668</u>	<u>10,669</u>

Note: The impairment of goodwill related to Unit B (as defined below) amounting to RMB2,167,000 was recognised before 1 January 2022.

For the purposes of impairment testing, goodwill has been allocated to numbers of individual CGUs setting out as follows:

	<b>Number of CGUs</b>	
	<b>31/12/2025</b>	31/12/2024
Subsidiary engaged in distribution and sales of coal gas	<b>1</b>	1
Gas stations engaged in retail of refined oil	<b>3</b>	3
	<b>4</b>	4

The carrying amounts of goodwill (net of accumulated impairment losses) allocated to these units are as follows:

	<b>31/12/2025</b>	31/12/2024
	<b>RMB'000</b>	RMB'000
Sales of coal gas – Jinning Energy (Unit A)	<b>8,001</b>	8,001
Retail of refined oil – Ouya Gas Station (Unit B)	<b>253</b>	253
Retail of refined oil – Liandong Gas Station (Unit C)	<b>648</b>	648
Retail of refined oil – Jidong Gas Station (Unit D)	<b>1,767</b>	1,767
	<b>10,669</b>	10,669

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGUs for the purpose of impairment assessment. The carrying values of the operating license of refined oil are determined and allocated to Unit B, Unit C and Unit D based on the the purchase price allocation exercise. Unit C and Unit D are included in Jinrui Gas.

The recoverable amount of Unit A has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period and pre-tax discount rate listed as follows:

	<b>31/12/2025</b>	31/12/2024
Discount rate	<b>28.5%</b>	28.5%

Cash flows beyond the 5-year period are extrapolated using a steady 2% growth rate for the year ended 31 December 2025 (2024: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Pre-tax discount rate applied reflects the current market assessments of the time value of money and the risks specific to Unit A.

The management of the Group determines that there is no impairment of Unit A during the year (2024: Nil) and believes that any reasonably possible changes in any of these assumptions would not cause the carrying amount of Unit A to exceed its recoverable amount. Also management of the Group determines that there is no further impairment on Unit B and no impairment on other units during the year after impairment assessment.

## 20. INTEREST IN A JOINT VENTURE

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Cost of unlisted investment in associates	<b>87,763</b>	87,763
Share of post-acquisition results, net of dividends received	<b>(12,990)</b>	(6,266)
	<b>74,773</b>	81,497

Details of the Group's joint venture at the end of the reporting period are set out below:

Name of joint venture*	Place of registration and operations	Fully paid registered capital	Proportion of ownership interest/ voting rights attributable to the Group		Principal activities
			2025	2024	
Henan Jinjiang Refinery Co., Ltd. ("Jinjiang Refinery") 河南金江炼化有限公司	PRC	RMB100,000,000	49%	49%	Manufacture and sale of hydrogen

\* English name for identification only

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards.

The joint venture is accounted for using the equity method in the consolidated financial statements.

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Current assets	<b>98,187</b>	87,840
Non-current assets	<b>64,782</b>	87,190
Current liabilities	<b>7,972</b>	6,249
Non-current liabilities	<b>2,400</b>	2,461
The above amounts of assets and liabilities include the followings:		
Cash and cash-equivalents	<b>16,076</b>	62,601

	<b>Year ended 31/12/2025 RMB'000</b>	Periods from acquisition date to 31/12/2024 RMB'000
Revenue	<u><u>155,775</u></u>	<u><u>165,649</u></u>
(Loss) Profit and total comprehensive (expense) income for the year/period	<u><u>(3,723)</u></u>	<u><u>786</u></u>
Dividends received from Jinjiang Refinery during the year/period	<u><u>4,900</u></u>	<u><u>9,800</u></u>
The above profit for the year/period includes the following:		
Depreciation	<u><u>22,278</u></u>	<u><u>22,142</u></u>
Interest income	<u><u>1,965</u></u>	<u><u>893</u></u>
Interest expense	<u><u>3</u></u>	<u><u>190</u></u>
Income tax (credit) expense	<u><u>(117)</u></u>	<u><u>141</u></u>
Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in consolidated financial statements:		
	<b>31/12/2025 RMB'000</b>	31/12/2024 RMB'000
Net assets	<u><u>152,597</u></u>	166,320
Proportion of the Group's ownership interest in the joint venture	<u><u>49%</u></u>	49%
Carrying amounts of the Group's interest in the joint venture	<u><u>74,773</u></u>	<u><u>81,497</u></u>

## 21. DEFERRED TAX ASSETS/LIABILITIES

The followings are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Allowance for inventories <i>RMB'000</i>	Accelerated tax depreciation <i>RMB'000</i>	Fair value change of bills receivables at FVTOCI <i>RMB'000</i>	Unrealised profits <i>RMB'000</i>	Fair value adjustments upon acquisition of business <i>RMB'000</i>	Deferred revenue <i>RMB'000</i>	Tax losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	–	(1,708)	177	–	883	3,628	425	3,405
Credit (charge) to profit or loss	272	(28,827)	(3)	(10)	(158)	1,568	42,068	14,910
Charge to the other comprehensive income	–	–	(134)	–	–	–	–	(134)
At 31 December 2024	272	(30,535)	40	(10)	725	5,196	42,493	18,181
Credit (charge) to profit or loss	668	25,061	6	(32)	(158)	(546)	(1,433)	23,566
Charge to the other- comprehensive income	–	–	(14)	–	–	–	–	(14)
At 31 December 2025	940	(5,474)	32	(42)	567	4,650	41,060	41,733

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Deferred tax assets	43,170	19,726
Deferred tax liabilities	(1,437)	(1,545)
	<u>41,733</u>	<u>18,181</u>

As at 31 December 2025, the Group had total tax losses of RMB170,572,000(2024: RMB175,256,000) available to offset against future profits. Deferred tax asset of RMB41,060,000 (2024: RMB42,493,000) has been recognised in respect of tax losses of RMB164,239,000 (2024: RMB169,974,000). All tax losses will expire within 5 years (2024: 5 years) from the year of origination. No deferred tax asset has been recognised in respect of the remaining losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB6,333,000 (2024: RMB5,282,000) with expiry dates as disclosed in the following table.

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
2028	92	92
2029	5,190	5,190
2030	1,051	–
	<u>6,333</u>	<u>5,282</u>

At 31 December 2025 and 2024, the Group had no other material unrecognised deductible temporary differences.

## 22. INVENTORIES

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Raw materials	<b>22,678</b>	85,215
Finished goods	<b>28,665</b>	59,772
	<b>51,343</b>	144,987

## 23. TRADE AND OTHER RECEIVABLES

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Trade receivables – contract with customers	<b>11,450</b>	7,792
Other receivables	<b>395</b>	389
Prepayments to suppliers	<b>12,332</b>	12,293
Prepaid other taxes and charges	<b>7,206</b>	10,248
	<b>31,383</b>	30,722

As at 1 January 2024, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB32,034,000.

The following is an aging analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date at the end of the reporting period:

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Within 90 days	<b>9,104</b>	7,792
181 – 365 days	<b>2,346</b>	–
	<b>11,450</b>	7,792

The normal credit term to the customers is within 60 days. At the end of each reporting period, the amount of debtors included in the Group's trade receivables balances that are past due as at the reporting date is insignificant and the Group is satisfied with the subsequent settlements and the credit quality of these customers had not been deteriorated.

The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 40.

## 24. AMOUNT DUE FROM A RELATED PARTY

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
<b>Trade nature</b>		
Xinyang Steel Jingang Energy Co., Ltd.* 信陽鋼鐵金港能源有限公司(“Xinyang Jingang”) (Note)	<u>23,411</u>	<u>23,411</u>
	<u><b>23,411</b></u>	<u><b>23,411</b></u>

\* English name for identification only

Note: The entity is controlled by Jinma Energy. In the opinion of the directors of the Company, the amount is expected to be settled within normal operating cycle and accordingly, the amount is classified as current.

The amounts in trade nature are from contract with customers. The following is an aging analysis of amount due from a related party presented based on invoice date at the end of the reporting period.

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Over 365 days	<u>23,411</u>	<u>23,411</u>
	<u><b>23,411</b></u>	<u><b>23,411</b></u>

The normal credit term to the customers is within 60 days and extended credit term is granted to the related party as stated in Note above.

The Group does not hold any collateral over these balances.

Detail of impairment assessment of amount due from a related party are set out in Note 40.

## 25. BILLS RECEIVABLES AT FVTOCI

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Bills receivables	<u>19,223</u>	<u>34,457</u>

Under IFRS 9, certain bills which were held by the Group for the practice of discounting/endorsing to financial institutions/suppliers before the bills due for payment were classified as “bills receivables at FVTOCI”. At 31 December 2025 and 2024, all the bills are with a maturity period of less than one year.

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

Details of impairment assessment are set out in Note 40.

## 26. TIME DEPOSITS/BANK BALANCES AND CASH

Time deposits and bank balances carry interest at prevailing market interest rates ranging from 0.01% to 1.50% (2024: from 0.01% to 1.80%) per annum as at 31 December 2025.

The terms of the Group’s time deposits ranges from 6 months to 1 year.

Details of impairment assessment of bank balances are set out in Note 40.

## 27. BORROWINGS

	<b>31/12/2025</b> <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Bank borrowings	<b>286,645</b>	334,040
Secured	<b>102,645</b>	148,040
Unsecured	<b>184,000</b>	186,000
	<b>286,645</b>	334,040
Fixed-rate borrowings	<b>34,800</b>	65,000
Floating-rate borrowings	<b>251,845</b>	269,040
	<b>286,645</b>	334,040
Carrying amount repayable: (based on scheduled payment terms)		
Within one year	<b>220,313</b>	231,395
More than one year, but not more than two years	<b>56,832</b>	46,013
More than two years, but not more than five years	<b>9,500</b>	56,632
	<b>286,645</b>	334,040
Less: Amount due for settlement within 12 months shown under current liabilities	<b>(220,313)</b>	(231,395)
Amount due for settlement after 12 months shown under non-current liabilities	<b>66,332</b>	102,645
The ranges of effective interest rate of the Group's bank borrowings are:		
	<b>31/12/2025</b>	31/12/2024
Effective interest rate per annum:		
– Fixed-rate borrowings	<b>3.40%-4.10%</b>	3.50%-4.10%
– Floating-rate borrowings	<b>3.25%-5.60%</b>	3.41%-5.60%

## 28. TRADE AND OTHER PAYABLES

	<b>31/12/2025</b> <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Trade payables	9,194	13,881
Bills payables	–	5,000
	<u>9,194</u>	<u>18,881</u>
Salaries and wages payables	4,301	3,469
Other tax payables	9,217	47,079
Consideration payable for purchase of property, plant and equipment	84,324	114,510
Interest payable	638	817
Refundable deposit from suppliers	2,483	1,501
Other payables	1,777	6,849
	<u>102,740</u>	<u>174,225</u>
	<u><u>111,934</u></u>	<u><u>193,106</u></u>

The normal credit term to the Group is within 60 days.

The following is an aging analysis of trade payables/bills payables presented based on the invoice date/issuance date at the end of the reporting period:

	<b>31/12/2025</b> <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Within 90 days	6,684	12,015
91 – 180 days	1,537	6,095
181 – 365 days	389	590
Over 1 year	584	181
	<u>9,194</u>	<u>18,881</u>

At the end of the reporting period, the Group's bills payables were issued by banks with maturities within 6 months and were unsecured.

## 29. AMOUNT DUE TO A SHAREHOLDER

	<b>31/12/2025</b> <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
<b>Trade nature</b>		
Jinma Energy	<u>2,668</u>	<u>1,975</u>

The normal credit term to the Group is within 60 days.

The following is an aging analysis of amount due to a shareholder of trade payables presented based on the invoice date at the end of the reporting period:

	<b>31/12/2025</b> <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Within 90 days	<u>2,668</u>	<u>1,975</u>

### 30. AMOUNT DUE TO A RELATED PARTY

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Trade nature		
Jinjiang Refinery	<u>917</u>	<u>296</u>

The normal credit term to the Group is within 60 days.

The following is an aging analysis of amount due to a related party in trade nature presented based on the invoice date at the end of the reporting period:

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Within 90 days	<u>917</u>	<u>296</u>

### 31. CONTRACT LIABILITIES

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Sales of goods	<u>32,332</u>	<u>20,885</u>

As at 1 January 2024, contract liabilities amounted to RMB28,834,000.

Contract liabilities are all expected to be settled within the Group's normal operating cycle, and are classified as current based on the Group's earliest obligation to transfer goods to the customers. Revenue of RMB20,885,000 (2024: RMB28,834,000) recognised in the current year with performance obligation satisfied includes whole contract liabilities balance at the beginning of the year.

### 32. LEASE LIABILITIES

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <i>RMB'000</i>
Within one year	656	1,135
Within a period of more than one year but not more than two years	449	619
Within a period of more than two years but not more than five years	1,166	1,174
Within a period of more than five years	<u>1,020</u>	<u>1,304</u>
	<b>3,291</b>	4,232
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(656)</u>	<u>(1,135)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>2,635</u>	<u>3,097</u>

The weighted average incremental borrowing rates applied to lease liabilities range from 3.99% to 5.96% (2024: from 3.99% to 5.96%) per annum.

### 33. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans recognised as employee benefit charged to profit or loss and capitalised as production costs or construction in progress as incurred for the year ended 31 December 2025 under such arrangement are RMB3,245,000 (2024: RMB3,258,000).

### 34. SHARE CAPITAL

Ordinary shares of RMB1 each	Number of shares '000	Share capital RMB'000
Authorised and issued and fully paid At beginning and end of year 2024 and 2025	955,640	955,640

### 35. DEFERRED REVENUE

	31/12/2025 RMB'000	31/12/2024 RMB'000
Assets-related government subsidies	18,595	20,782

Incentives received for certain plants and equipment acquired by the Group were recorded as deferred revenue and released to profit or loss on a systematic basis over the useful lives of the relevant assets. During the year ended 31 December 2025, subsidy income of approximately RMB2,187,000 (2024: RMB1,650,000) was released to profit or loss.

### 36. PLEDGE OF ASSETS

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

	31/12/2025 RMB'000	31/12/2024 RMB'000
Property, plant and equipment	–	118,502
Right-of-use assets	30,789	47,027
	30,789	165,529

### 37. TRANSFER OF FINANCIAL ASSETS

The Group (i) endorsed certain bills receivables for the settlement of trade and other payables; and (ii) discounted certain bills receivables to banks for raising of cash. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed and discounted bills receivable is low because all endorsed and discounted bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivables at the end of the reporting period are as follows:

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <b>RMB'000</b>
Endorsed bills for settlement of payables	<b>56,683</b>	72,285
Discounted bills for raising cash	<b>97,684</b>	174,508
	<hr/>	<hr/>
Outstanding endorsed and discounted bills receivables	<b>154,367</b>	246,793
	<hr/> <hr/>	<hr/> <hr/>

The outstanding endorsed and discounted bills receivables are with maturities no more than 6 months.

### 38. RELATED PARTIES' TRANSACTIONS

Details of transactions between the Group and other related parties are disclosed below.

#### (a) Transactions with related parties

Other than the transactions and balances with related parties disclosed elsewhere in the consolidated financial statements, the Group entered into the following transactions with its related parties during the year:

	<b>Year ended</b> <b>31/12/2025</b> <b>RMB'000</b>	Year ended 31/12/2024 <b>RMB'000</b>
<b>Sales of products and provision of services to:</b>		
Jinma Energy	<b>8,833</b>	14,451
Bohigh Chemicals ( <i>Note i</i> )	<b>19,066</b>	27,318
Jinma Zhongdong ( <i>Note ii</i> )	<b>393</b>	527
Xinyang Jingang	<b>2</b>	1
Jinjiang Refinery	<b>88,817</b>	86,779
Shanghai Jinma	<b>–</b>	1
Yugang Coking	<b>49</b>	–
	<hr/> <hr/>	<hr/> <hr/>
<b>Purchase of raw materials and provision of services from:</b>		
Jinma Energy	<b>163,980</b>	344,780
Jinma Zhongdong	<b>374,372</b>	393,061
Jinjiang Refinery	<b>21,719</b>	21,125
	<hr/> <hr/>	<hr/> <hr/>
<b>Sale of right-of-use assets to Jinjiang Refinery</b>	<b>–</b>	820
	<hr/> <hr/>	<hr/> <hr/>
<b>Lease contracts with Jinma Energy:</b>		
Lease liabilities ( <i>Note iii</i> )	<b>3,166</b>	3,629
Interest expense on lease liabilities	<b>174</b>	198
	<hr/> <hr/>	<hr/> <hr/>
Interest income from loan to Xinyang Jingang ( <i>Note iv</i> )	<b>–</b>	933
	<hr/> <hr/>	<hr/> <hr/>

*Notes:*

- (i) Henan Bohigh Chemicals Co., Ltd.\* 河南博海化工有限公司(“**Bohigh Chemicals**”) is a wholly owned subsidiary of Jinma Energy.
- (ii) Henan Jinma Zhongdong Energy Co., Ltd.\* 河南金馬中東能源有限公司(“**Jinma Zhongdong**”) is controlled by Jinma Energy.
- (iii) The Group entered into several lease agreements for the use of offices and properties with Jinma Energy for 3 to 10 years during the year ended 31 December 2023.
- (iv) During the year ended 31 December 2024, Jinning Energy entered into a loan agreement with Xinyang Jingang, pursuant to which Jinning Energy agreed to provide an unsecured loan in the amount of RMB30,000,000 to Xinyang Jingang for a term from 2 January 2024 to 31 December 2024 at an annual interest rate of 5%. As at 15 August 2024, Xinyang Jingang has repaid the loan and corresponding interest in advance.

\* English name for identification only

**(b) Compensation of key management personnel**

The remuneration of key management personnel of the Group during the year was as follows:

	<b>Year ended</b> <b>31/12/2025</b> <b>RMB'000</b>	Year ended 31/12/2024 RMB'000
Salaries and allowance	<b>1,743</b>	1,849
Performance related bonuses	<b>103</b>	–
Retirement benefit	<b>138</b>	144
	<b>1,984</b>	1,993

Key management represents the directors of the Company disclosed in Note 13 and other senior management personnel of the Group. The remuneration of key management is determined with reference to the performance of the Group and the individuals.

**39. CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

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

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issue of new shares, new debts or the redemption of existing debts.

## 40. FINANCIAL INSTRUMENTS

### Categories of financial instruments

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Financial assets</b>		
Bills receivables at FVTOCI	19,223	34,457
Financial assets at amortised cost		
– Bank balances and cash	142,249	136,772
– Time deposits	215,150	215,843
– Trade and other receivables*	11,845	8,181
– Amount due from a related party	23,411	23,411

\* Excluded prepayments to suppliers and prepaid other taxes and charges.

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Financial liabilities</b>		
Amortised cost		
– Borrowings	286,645	334,040
– Trade and other payables*	98,416	142,558
– Amount due to a shareholder	2,668	1,975
– Amount due to a related party	917	296

\* Excluded salaries and wages payables, other tax payables.

### Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from a related party, amount due to a shareholder/a related party, bills receivables at FVTOCI, time deposits, bank balances and cash, trade and other payables, borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to certain interest-bearing time deposits, bills receivables at FVTOCI, borrowings and lease liabilities, all bear fixed interest rates. The Group is also exposed to cash flow interest rate risk in relation to certain bank balances and cash and borrowings at floating interest rates. The Group currently does not have an interest rate hedging policy. There are no concentration on the Group's interest rate risks. However, the management will consider hedging significant interest rate risk should the need arise.

### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to cash flow interest rate for the floating-rate (depends on Loan Prime Rate) borrowings, assuming that the floating-rate borrowings outstanding at the end of the reporting period was outstanding for the whole relevant period. If the interest rate on the floating-rate borrowings had been 50 basis points higher/lower, and all other variables were held constant, the Group's profit after tax would decrease/increase by approximately RMB944,000 (2024: RMB1,009,000) for the year ended 31 December 2025. This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings as at 31 December 2025 and 2024.

No sensitivity analysis on bank balances is presented as the directors of the Company consider that the exposure of cash flow interest rate risk arising from bank balances is minimal.

In the directors' opinion, the sensitivity analysis above is unrepresentative for the interest rate risk as the exposure at the end of reporting period does not reflect the exposure during the year.

### **Foreign currency risk**

The Company have foreign currency bank balances which expose the Group to foreign currency risk. The carrying amounts of the Group's monetary assets denominated in foreign currencies, which are mainly bank balances, at the end of the reporting period are as follows:

	<b>31/12/2025</b> <b>RMB'000</b>	31/12/2024 <b>RMB'000</b>
Assets		
Bank balances and cash – HK\$	<b>8,245</b>	<b>10,084</b>

### ***Sensitivity analysis***

The following table details the Group's sensitivity to 5% appreciation of HK\$ against RMB which represents the management's assessment of the possible change in foreign exchange rate. The sensitivity analysis of the Group includes the outstanding foreign currencies denominated monetary items and adjusts for 5% appreciation of foreign exchange rates at the end of the reporting period.

	<b>Year ended</b> <b>31/12/2025</b> <b>RMB'000</b>	Year ended 31/12/2024 <b>RMB'000</b>
Increase in post-tax profit	<b>309</b>	<b>378</b>

There would be an equal and opposite impact on the above post-tax results, should HK\$ be weakened against RMB in the above sensitivity analysis.

In the directors' opinion, the sensitivity analysis above is unrepresentative for the foreign currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

### **Credit risk and impairment assessment**

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

#### ***Trade-related Receivables arising from contracts with customers***

The Group mainly conducts transactions with customers with good quality and long-term relationship. When accepting new customers, the Group requests advanced payment before the goods delivered. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard and considering the long-term relationships with its customers and the financial position of these customers, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2025, the Group has concentration of credit risk resulting from the Group's the five largest customers contributed to the Group's revenue during the year. The percentage of Trade-related Receivables attributable to these five largest customers amounted to 18% (2024: 19%).

As at 31 December 2025, the Group also has concentration of credit risk in respect of the five largest outstanding balances, i.e. approximately 96% (2024: 98%) of total Trade-related Receivables outstanding balances.

The Group had concentration of credit risk by geographical location as Trade-related Receivables, bills receivables at FVTOCI, time deposits and bank balances comprise various debtors which are all located in the PRC as at 31 December 2025 and 2024.

All Trade-related Receivables are assessed collectively following lifetime ECL (not credit-impaired) based on shared credit risk characteristics by reference to the Group's internal credit ratings. ECL on Trade-related Receivables was insignificant during the years ended 31 December 2025 and 2024.

### ***Other receivables***

For other receivables, the Group makes individual assessment on recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information that is available without undue cost or effort. ECL on other receivables was insignificant for the years ended 31 December 2025 and 2024.

### ***Bank balances and cash and time deposits***

The Group's credit risk on bank balances and cash and time deposits is low and there is no significant concentration of credit risk because all bank deposits are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies. ECL on bank balances and cash and time deposits was insignificant for the years ended 31 December 2025 and 2024.

### ***Bills receivables at FVTOCI***

The Group only accepts bills receivables with low credit risk. The Group's bills receivables at FVTOCI are bank acceptance bills and therefore are considered to be low credit risk financial instruments. During the years ended 31 December 2025 and 2024, ECL on bills receivables at FVTOCI was insignificant in the profit or loss.

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

<b>Internal credit rating</b>	<b>Description</b>	<b>Trade-related Receivables</b>	<b>Other receivables</b>
Low risk	The counterparty has a low risk of default and does not have any past-due amount	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

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

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				31/12/2025 RMB'000	31/12/2024 RMB'000
<b>Bills receivables at FVTOCI</b>					
Bills receivables	AAA – A	N/A	12m ECL	19,223	34,457
<b>Financial assets at amortised cost</b>					
Trade-related Receivables	N/A	Low risk	Lifetime ECL (not credit-impaired)	34,861	31,203
Bank balances and cash and time deposits	AAA – AA+	N/A	12m ECL	357,399	352,615
Other receivables	Note	Low risk	12m ECL	395	389

*Note:* For other receivables, the external credit ratings are not available for each individual to be assessed.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to sales of goods. The following table provides information about the exposure to credit risk for not credit-impaired Trade-related Receivables which are assessed based on a collective basis under lifetime ECL model. There is no credit-impaired debtors as at 31 December 2025 (2024: Nil).

### **Gross carrying amount**

Internal credit rating	Average loss rate	31/12/2025	ECL (not credit-impaired) RMB'000	Average loss rate	31/12/2024	ECL (not credit-impaired) RMB'000
		Trade-related Receivables RMB'000			Trade-related Receivables RMB'000	
Low risk	0.16%	9,104	–	0.20%	31,203	– *
Watch list	1.93%	25,757	–	1.40%	–	– *
		<u>34,861</u>	<u>–</u>		<u>31,203</u>	<u>– *</u>

\* The amount of ECL loss is immaterial for the years ended 31 December 2025 and 2024.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

### **Liquidity risk**

In the management of the liquidity risk, the Group closely monitors its cash position resulting from its operations and maintains a level of cash and cash equivalents deemed adequate by the management to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2025, the Group had no unutilised bank facilities (2024: RMB93,000,000).

The following tables detail the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

## Liquidity tables

	Interest rate	Carrying amounts RMB'000	As at 31 December 2025				Total RMB'000
			On demand or within 6 months RMB'000	6 months to 1 year RMB'000	1 year to 5 years RMB'000	>5 years RMB'000	
Bank borrowings	3.25%-5.60%	286,645	110,973	116,640	68,099	-	295,712
Lease liabilities	3.99%-5.96%	3,291	471	193	1,855	1,424	3,943
Trade and other payables	N/A	98,416	98,416	-	-	-	98,416
Amount due to a shareholder	N/A	2,668	2,668	-	-	-	2,668
Amount due to a related party	N/A	917	917	-	-	-	917
		<u>391,937</u>	<u>213,445</u>	<u>116,833</u>	<u>69,954</u>	<u>1,424</u>	<u>401,656</u>

  

	Interest rate	Carrying amounts RMB'000	As at 31 December 2024				Total RMB'000
			On demand or within 6 months RMB'000	6 months to 1 year RMB'000	1 year to 5 years RMB'000	>5 years RMB'000	
Bank borrowings	3.41%~5.60%	334,040	172,862	71,882	108,148	-	352,892
Lease liabilities	3.99%-5.96%	4,232	468	695	2,047	1,869	5,079
Trade and other payables	N/A	142,558	142,558	-	-	-	142,558
Amount due to a shareholder	N/A	1,975	1,975	-	-	-	1,975
Amount due to a related party	N/A	296	296	-	-	-	296
		<u>483,101</u>	<u>318,159</u>	<u>72,577</u>	<u>110,195</u>	<u>1,869</u>	<u>502,800</u>

### Fair value measurements of financial instruments

#### *Fair value of the Group's financial assets that are measured at fair value on a recurring basis.*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31/12/2025	31/12/2024		
Bills receivables at FVTOCI	Assets- <b>RMB19,223,000</b>	Assets- RMB34,457,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.

#### **Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)**

The management considers that the carrying amounts of financial assets and financial liabilities at amortised cost recognised in the consolidated financial statements approximate their fair values.

#### 41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	<b>Bank borrowings</b>	<b>Dividend payable</b>	<b>Lease liabilities</b>	<b>Interest payables</b>	<b>Share issue costs payable</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	258,762	–	4,206	760	7,443	271,171
Financing cash flows ( <i>Note</i> )	75,278	(46,417)	(1,240)	(16,170)	(8,961)	2,490
Dividend declared	–	46,313	–	–	–	46,313
Exchange adjustments	–	104	–	–	–	104
Share issue cost incurred	–	–	–	–	1,518	1,518
New leases entered	–	–	1,021	–	–	1,021
Finance costs recognised	–	–	245	16,227	–	16,472
	<u>334,040</u>	<u>–</u>	<u>4,232</u>	<u>817</u>	<u>–</u>	<u>339,089</u>
At 31 December 2024	<b>334,040</b>	<b>–</b>	<b>4,232</b>	<b>817</b>	<b>–</b>	<b>339,089</b>
Financing cash flows ( <i>Note</i> )	(47,395)	(22,850)	(1,166)	(14,399)	–	(85,810)
Dividend declared	–	22,850	–	–	–	22,850
New leases entered	–	–	25	–	–	25
Finance costs recognised	–	–	200	14,220	–	14,420
	<u>286,645</u>	<u>–</u>	<u>3,291</u>	<u>638</u>	<u>–</u>	<u>290,574</u>
At 31 December 2025	<b>286,645</b>	<b>–</b>	<b>3,291</b>	<b>638</b>	<b>–</b>	<b>290,574</b>

*Note:* The cash flows represent new bank borrowings raised, the repayment of bank borrowings, interest paid, repayments of lease liabilities, share issue costs and dividend paid in the consolidated statement of cash flows.

## 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	490,836	534,678
Right-of-use assets	56,201	58,360
Investments in subsidiaries	325,607	321,607
Deferred tax assets	37,248	19,260
	<u>909,892</u>	<u>933,905</u>
<b>CURRENT ASSETS</b>		
Inventories	35,877	129,649
Trade and other receivables	17,103	22,637
Tax recoverable	–	3,260
Bills receivables at FVTOCI	18,653	32,827
Time deposits	215,150	215,843
Cash and cash equivalents	97,206	52,488
	<u>383,989</u>	<u>456,704</u>
<b>CURRENT LIABILITIES</b>		
Borrowings	195,113	166,395
Trade and other payables	66,293	143,552
Amount due to a shareholder	985	686
Amounts due to related parties	–	296
Amounts due to a subsidiary	322	–
Contract liabilities	22,715	11,230
Lease liabilities	497	980
	<u>285,925</u>	<u>323,139</u>
<b>NET CURRENT ASSETS</b>	<u>98,064</u>	<u>133,565</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u><u>1,007,956</u></u>	<u><u>1,067,470</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	955,640	955,640
Reserves	(17,816)	(5,796)
<b>TOTAL EQUITY</b>	<u>937,824</u>	<u>949,844</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	56,632	102,645
Lease liabilities	2,537	2,873
Deferred revenue	10,963	12,108
	<u>70,132</u>	<u>117,626</u>
	<u><u>1,007,956</u></u>	<u><u>1,067,470</u></u>

**Movement in the Company's reserves:**

	<b>Special reserve</b> <i>RMB'000</i>	<b>Capital reserve</b> <i>RMB'000</i>	<b>Statutory surplus reserve fund</b> <i>RMB'000</i>	<b>Retained profits (accumulated losses)</b> <i>RMB'000</i>	<b>FVTOCI reserve</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 1 January 2024	16,027	27,235	422	(18,985)	(270)	24,429
Loss for the year	-	-	-	(9,721)	-	(9,721)
Other comprehensive income for the year	-	-	-	-	127	127
Total comprehensive (expense) income for the year	-	-	-	(9,721)	127	(9,594)
Transaction costs attributable to issue of shares	-	(1,518)	-	-	-	(1,518)
Dividends declared	-	-	-	(19,113)	-	(19,113)
Transfer	(5,904)	-	-	5,904	-	-
At 31 December 2024	<b>10,123</b>	<b>25,717</b>	<b>422</b>	<b>(41,915)</b>	<b>(143)</b>	<b>(5,796)</b>
Loss for the year	-	-	-	(12,062)	-	(12,062)
Other comprehensive income for the year	-	-	-	-	42	42
Total comprehensive (expense) income for the year	-	-	-	(12,062)	42	(12,020)
Transfer	<b>1,959</b>	-	-	(1,959)	-	-
At 31 December 2025	<b><u>12,082</u></b>	<b><u>25,717</u></b>	<b><u>422</u></b>	<b><u>(55,936)</u></b>	<b><u>(101)</u></b>	<b><u>(17,816)</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a supplier of hydrogenated benzene-based chemicals and energy products in Henan Province. It mainly obtains raw materials (crude benzene and crude coking coal gas) from the upstream of the coking industry, and focuses on (i) the production and processing of hydrogenated benzene-based chemicals (mainly including pure benzene, toluene and xylene); (ii) the production and processing of energy products (including LNG and coal gas); and (iii) hydrogen purification and operation of hydrogen refuelling station. We have established a diversified customer base, with (i) in respect of hydrogenated benzene-based chemicals, our major customers being nylon and fertilizer manufacturers, refined oil product manufacturers and other chemical companies; (ii) in respect of LNG, our major customers being industrial users, trading customers and retail customers of our self-operated oil and gas stations; and (iii) in respect of coal gas, our major customers are certain industrial enterprises (including Jinjiang Refinery, a joint venture company of the Group that separates the hydrogen component of coal gas for the purpose of hydrogen production) and resident users located in the industrial park where we are situated, namely, the Jiyuan High-tech Industrial Development Zone (Chemical Industry Park), and the nearby areas. In addition, operation of hydrogen refuelling stations has begun since the fourth quarter of 2023.

In response to the PRC government's commitment to encourage the development of circular economy and "dual carbon target", and to meet the needs of a green and low-carbon transition, we are taking steps to expand our energy business to include hydrogen.

In 2025, the Group's revenue was mainly derived from the following major business segments:

- **Hydrogenated benzene-based chemicals:** involving the processing via hydrogenation of crude benzene, a coking by-product, into a range of benzene-based chemicals and the sale of these by-products;
- **Energy products:** involving the processing of crude coking coal gas into coal gas, the refining of coal gas into LNG and hydrogen, and the sale of coal gas, LNG and hydrogen; and
- **Trading:** mainly the trading of LNG, hydrogen and refined oil products through the oil and gas filling stations operated by the Group.

### FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE GROUP

The Group's results of operations are affected by a number of factors. Set forth below is a discussion of the most significant factors that may affect the Group's results of operations.

## **General Economic Conditions and Demand in Downstream Industries**

The Group sells all of its products in the PRC. The general economic conditions in the PRC have affected the market price and demand for the Group's products as well as the prices of raw materials, namely crude benzene and crude coking coal gas, which are the major raw materials for the Group's production of hydrogenated benzene-based chemicals and energy products. During an economic downturn, the average selling price of the Group's products may decrease and the Group may need to adjust the Group's purchasing and selling strategies to cope with such situation, such as reducing the purchases of raw materials or commencing more financing activities to strengthen the Group's working capital. When the economic condition recovers, the Group may increase the selling prices of the Group's products in response to the increase in market demand and the rise of raw materials' prices. In addition, the Group's prepayments for raw materials may increase to secure the supply of raw materials. As a result, the Group's results of operations, working capital position and operating cash flow changed correspondingly.

Sale of the Group's hydrogenated benzene-based chemicals and energy products (mainly LNG and coal gas) depend primarily on the consumption of these products by the domestic chemical industry in the PRC. Benzene-based chemicals are mainly used as raw materials in downstream industries such as rubber and textile, while LNG is mainly supplied to the neighbouring industrial parks for production use and at gas filling stations to provide gas supply services to logistics customers, heavy trucks and buses. In the PRC, thanks to abundant coal resources, hydrogenated benzene-based chemicals produced from crude benzene, a by-product of coking, are cost-competitive substitutes for benzene-based chemicals obtained from petroleum processing, but their prices are also affected by the prices of petroleum and the development of the petroleum industry. As for LNG products, as the PRC is highly dependent on LNG imports, fluctuations in global LNG prices will affect the PRC. Therefore, the prices of LNG in the PRC will maintain a trend similar to that of international LNG prices. As for hydrogen, it is transported from joint venture company to customers via pipelines for oil refining and through gas filling stations for hydrogen-powered vehicles, which will be developed in tandem with the popularisation of hydrogen-powered vehicles.

## **Prices of the Group's Raw Materials and Products**

The Group is exposed to the risk of movements in the market prices of the Group's products and raw materials, as well as changes in the spread between those prices. The Group's raw materials are mainly by-products of the upstream of the coking industry (crude benzene and crude coking coal gas), and therefore the prices of the upstream raw material, coal, affect the Group's prices of raw materials. The Group generally determines the selling prices of its products based on the prevailing market prices in the regions where the products are sold with reference to a number of factors applicable to individual customers. Market forces of supply and demand generally determine the pricing of the Group's products. The prices of the Group's products are affected by a number of factors including:

- supply of and demand for the Group's products are mainly affected by the demand of the chemical industry and the PRC domestic as well as global economic cycles;
- changes in the prices of crude benzene and crude coking coal gas, the principal raw materials of the Group, are affected by the supply and demand of coal, the principal raw material for the upstream coking industry, as well as the PRC domestic and global economic cycles;
- the Group's product characteristics and quality;

- prices of chemicals in the international market; and
- the Group's transportation costs, the availability of transportation capacity and means of transportation.

The following table sets forth the average selling and purchase prices (net of VAT) of each of the Group's principal products and the raw materials during 2025 and 2024 according to the Group's internal records.

	Year ended 31 December	
	2025	2024
	Average selling price <sup>(1)</sup> RMB/tonne (except coal gas in RMB/m <sup>3</sup> )	Average selling price <sup>(1)</sup> RMB/tonne (except coal gas in RMB/m <sup>3</sup> )
<b>Principal Products</b>		
Hydrogenated benzene-based Chemicals	<b>5,266.23</b>	6,734.73
Pure benzene	<b>5,540.68</b>	7,270.64
Toluene	<b>4,381.61</b>	6,395.48
Energy Products		
Coal gas	<b>0.83</b>	0.83
LNG	<b>3,890.58</b>	4,197.57

- (1) Calculated by dividing the revenue of each relevant product by the sales volume of such product (except that the average selling price of the hydrogenated benzene-based chemicals represent the weighted average price of relevant products in the segment or category, respectively), after intra-group elimination.

	Year ended 31 December	
	2025	2024
	Average purchase price	Average purchase price
<b>Major Raw Materials</b>		
Crude benzene (RMB/tonne)	<b>4,756.01</b>	6,249.04
Crude coking coal gas (RMB/m <sup>3</sup> )	<b>0.63</b>	0.60

#### Crude benzene:

We purchase crude benzene from a number of suppliers located in Henan, Shanxi and other regions (including the Jinma Group which accounted for approximately 9.0% of our total purchases of crude benzene during the year). We generally enter into annual supply contracts for crude benzene with our suppliers, which mainly set out the quality requirements, payment and delivery methods, but the actual quantity and prices of the products are based on orders placed by us from time to time. In most cases, we pay all or a portion of the purchase price in advance. The purchase price of crude benzene is generally based on the prevailing market price at the time of purchase. Because the price of crude benzene fluctuates rapidly, we generally recognize our purchases on the basis of weekly purchase orders.

## **Crude coking coal gas:**

We purchase substantially all of our crude coking coal gas from the Jinma Group. We acquired the coke granule coal gas facilities from the Jinma Group in August 2023 in order to better delineate our business with the Jinma Group, to diversify our sources of raw material for the production of LNG and to reduce our long-term dependence on the Jinma Group. The coke granule coal gas facilities produce coke granule coal gas as its primary product by heating small coke granules in an oxygen atmosphere. The coke granule coal gas does not require further purification and can be stored and subsequently transported and sold to third parties and be used by the Group for further processing into LNG.

## **Production Capacity and Sales Volume**

The Group's results of operations were mainly driven by the changes in the average selling price and average purchase price of products, while the product sales volume was mainly determined by production capacity. The Group's business remained stable in 2025 with the capacity utilization rate of each of its principal products generally maintained and the sales of the Group's products were basically at full capacity. The production capacity of the Group's hydrogenated benzene-based chemicals increased from approximately 200,000 tonnes per annum to 400,000 tonnes per annum in the fourth quarter of 2023, in 2025, the production capacity of the LNG production facilities was approximately 75,000 tonnes per annum and the production capacity of hydrogen was 317.0 million cubic meters (including the production capacity of the joint venture company, Jinjiang Refinery).

## **Access to and Cost of Financing**

In addition to cash generated from the Group's operations, the Group financed the Group's operations and capital expenditures primarily through bank and financial institution borrowings during the period. The Group's interest-bearing borrowings for the years ended 31 December 2025 and 2024 were approximately RMB286.6 million and RMB334.0 million, respectively. The Group's finance costs for the years ended 31 December 2025 and 2024 were approximately RMB14.4 million and RMB16.5 million, respectively, accounting for approximately 0.55% and 0.53% of the Group's total revenue for the respective periods. The Group's ability to pay the interest incurred with respect to the borrowings, or repay or refinance the Group's borrowings could have an impact on the financial position and operation results of the Group.

## **OPERATING PERFORMANCE**

The following is the consolidated statement of profit or loss and other comprehensive income of the Group, which should be read in conjunction with its consolidated financial information.

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

	Year ended 31 December 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i>
<b>Revenue</b>	<b>2,598,599</b>	3,102,000
Cost of sales	<u>(2,567,719)</u>	<u>(3,030,362)</u>
<b>Gross profit</b>	<b>30,880</b>	71,638
Other income	<b>9,299</b>	21,619
Other gains and losses	<b>(2,640)</b>	(3,950)
Selling and distribution expenses	<b>(13,371)</b>	(16,275)
Administrative expenses	<b>(38,132)</b>	(44,938)
Finance costs	<b>(14,420)</b>	(16,472)
Share of result of a joint venture	<u><b>(1,824)</b></u>	<u>386</u>
<b>(Loss) Profit before tax</b>	<b>(30,208)</b>	12,008
<b>Income tax credit (expense)</b>	<u><b>12,679</b></u>	<u>(469)</u>
<b>(Loss) Profit for the year</b>	<u><b>(17,529)</b></u>	<u>11,539</u>
<b>Other comprehensive income</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Fair value gain on bills receivables at fair value through other comprehensive income (“FVTOCI”), net of income tax	<u><b>42</b></u>	<u>402</u>
<b>Total comprehensive (expense) income for the year</b>	<u><b>(17,487)</b></u>	<u>11,941</u>
<b>(Loss) Profit for the year attributable to:</b>		
– Owners of the Company	<b>(34,277)</b>	(16,038)
– Non-controlling interests	<u><b>16,748</b></u>	<u>27,577</u>
	<u><b>(17,529)</b></u>	<u>11,539</u>
<b>Total comprehensive (expense) income for the year attributable to:</b>		
– Owners of the Company	<b>(34,235)</b>	(15,771)
– Non-controlling interests	<u><b>16,748</b></u>	<u>27,712</u>
	<u><b>(17,487)</b></u>	<u>11,941</u>
Loss per share (RMB)	<u><b>(0.04)</b></u>	<u>(0.02)</u>

## Consolidated Financial Information

- **Revenue and gross profit margin**

The Group's revenue decreased by RMB503.4 million or 16.2% from RMB3,102.0 million in 2024 to RMB2,598.6 million in 2025. The decrease was mainly due to a 21.8% decline in the average selling price of hydrogenated benzene-based chemicals. The Group's gross profit margin dropped from 2.3% in 2024 to 1.2% in 2025, as a result of (i) an increase in production costs for various products, and (ii) a greater increase in the average prices of raw materials for energy products compared to the increase in their average selling prices. For details, please refer to the paragraphs headed "Business Segment Results".

- **Other income**

Other income mainly consists of interest on bank deposits and on bills receivables as well as government subsidies, decreased by RMB12.3 million compared to 2024. The decrease was mainly due to the decrease in interest on bank deposits of RMB5.0 million and the decrease in government subsidies of RMB7.0 million in 2025.

- **Other gains and losses**

Other gains and losses decreased from a net loss of RMB4.0 million in 2024 to a net loss of RMB2.6 million in 2025. This was mainly due to the decrease in net loss on bills receivables at fair value through other comprehensive income of RMB2.0 million, the loss on disposal of property, plant and equipment of RMB1.6 million and the absence of other adjustments related to the consumption tax on hydrogenated benzene-based chemicals in 2025 of RMB6.5 million that were recorded in 2024.

- **Selling and distribution expenses**

Selling and distribution expenses decreased from RMB16.3 million in 2024 to RMB13.4 million in 2025, this decrease was mainly attributed to the overall decline in sales.

- **Administrative expenses**

Administrative expenses decreased from RMB44.9 million in 2024 to RMB38.1 million in 2025, primarily as a result of the Group's administrative streamlining initiatives.

- **Finance costs**

Finance costs decreased by RMB2.1 million from RMB16.5 million in 2024 to RMB14.4 million in 2025, this decrease was mainly due to the decrease in bank borrowings.

- **Share of result of a joint venture**

The Group acquired a 49% equity interest in Jinjiang Refinery from its parent company, Jinma Energy, in July 2023. In 2024, the Group's share of its profit was approximately RMB0.4 million. In 2025, the Group's share of its loss for the year was RMB1.8 million. The performance loss was mainly attributable to an approximately 8.0% decline comparing to the same period last year in the selling unit price (including tax) of its hydrogen product.

- **(Loss) Profit before tax**

As a result of the above, the Group's profit before tax decreased by RMB42.2 million from RMB12.0 million in 2024 to a loss of RMB30.2 million in 2025.

- **Income tax credit (expense)**

Income tax expense decreased by RMB13.2 million from RMB0.5 million in 2024 to an income tax credit of RMB12.7 million in 2025. This decrease reflects deferred tax adjustments arising from the loss before tax.

- **Total comprehensive (expense) income for the year**

As a result of the above, the Group's total comprehensive income decreased by RMB29.4 million from RMB11.9 million in 2024 to an expense of RMB17.5 million in 2025. Total comprehensive income attributable to owners of the Company in 2025 was an expense of RMB34.2 million.

## Results of Business Segments

The following table sets forth the segment revenue and results (after elimination of inter-segment sales) for each of the Group's principal business segments:

	As at 31 December							
	Segment revenue		Segment results		Segment gross profit margin		As a percentage of total segment results	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	%	%	%	%
Hydrogenated benzene-based Chemicals	1,956,165	2,377,194	(23,314)	(39,806)	-1.2	-1.7	-65.9	-55.1
Energy Products	553,767	604,489	48,741	97,372	8.8	16.1	137.8	134.7
Trade	82,958	110,429	4,882	6,161	5.9	5.6	13.8	8.5

In 2025, the sales volume of hydrogenated benzene-based chemicals increased by 5.2% to approximately 371,500 tonnes, while the average selling price recorded a decrease of 21.8% in the same period, resulting in a decrease of 17.7% in revenue. The average tax-inclusive purchase price of raw materials (mainly crude benzene) for the product fell by 23.9%. Nevertheless, production costs per tonne rose by 11.2% due to the production equipment maintenance and calibration exercises undertaken by the Group during the year ended 31 December 2025 in connection with the production facilities of such products.. Although the consumption tax on sales of non-aromatic hydrocarbon decreased significantly in 2025, the product's gross profit margin only improved to -1.2% (2024: -1.7%).

The energy products segment mainly consists of sales of LNG and coal gas. The sales volume of LNG decreased by 6,000 tonnes or 8.5% as compared to 2024, primarily due to equipment maintenance and adjustments, while the average selling price declined by approximately 7.3%. As for coal gas, the selling price was maintained but the sales volume decreased by 5.5% due to the decrease in the supply of coal gas by the Jinma Group, as a result of which, the segment revenue recorded a decrease of approximately 6.8%. However, due to a 4.6% increase in the production costs of LNG resulting from the production equipment maintenance and calibration exercises undertaken by the Group during the year ended 31 December 2025 in connection with the production facilities of such products, and a 5.0% increase in the average purchase price of raw materials for energy products (primarily coal gas), the gross profit margin of the energy products segment decreased from 16.1% in 2024 to 8.8%.

In the trading segment, revenue in 2025 decreased by approximately RMB27.5 million or 24.9% as compared with that in 2024, mainly due to the lower sales of the petrol and gas refilling stations. However, the gross profit margin recorded an increase of 0.3% to 5.9%.

## **FINANCIAL POSITION**

### **Liquidity and Financial Resources**

In 2025, the Group's major financial resources were funded by the proceeds from the sales of the Group's products, shareholders' equity (including proceeds from listing on the Main Board of the Stock Exchange in December 2023) and borrowings from bank and financial institutions. The Directors have confirmed that the Group did not experience any liquidity problems in 2025.

The Group's finance department prepares cash flow projections, which are reviewed regularly by the Group's senior management. Specific considerations in determining the Group's appropriate cash position include the Group's forecast working capital, capital expenditure needs and the Group's liquidity ratios, and the Group also aims to maintain a certain level of excess cash to meet unexpected needs.

## Cash Flow

The following table presents selected cash flow data from the Group's consolidated statement of cash flows for the periods:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net cash from operating activities	124,429	96,855
Net cash used in investing activities	(32,915)	(268,856)
Net cash (used in) from financing activities	(85,810)	2,490
Net increase (decrease) in cash and cash equivalents	5,704	(169,511)
Cash and cash equivalents at the beginning of the year	136,772	300,710
Effect of foreign exchange rate changes	(227)	5,573
Cash and cash equivalents at the end of the year, representing by bank balances and cash	<u>142,249</u>	<u>136,772</u>

- ***Cash Flow from Operating Activities***

The Group's net cash from operating activities of approximately RMB124.4 million for 2025 was primarily attributable to (i) the Group's operating cash flows before movements in working capital of approximately RMB64.9 million; (ii) decrease in bills receivables at fair value through other comprehensive income of approximately RMB16.1 million and decrease in inventories of approximately RMB89.9 million; and (iii) increase in contract liabilities of approximately RMB11.4 million. Yet the net cash inflow from operating activities are partially offset by (i) decrease in trade and other payables of approximately RMB51.3 million; and (ii) income tax already paid of approximately RMB7.2 million.

- ***Cash Flow used in Investing Activities***

The Group's net cash used in investing activities of approximately RMB32.9 million for 2025 was primarily due to (i) acquisition of property, plant and equipment of approximately RMB43.2 million; (ii) placement of time deposits of approximately RMB213.9 million; yet partially offset by (i) withdrawal of time deposits of approximately RMB213.9 million; (ii) interest received on bank balances of approximately RMB4.4 million; and (iii) dividend received from a joint venture of approximately RMB4.9 million.

- ***Cash Flow used in Financing Activities***

The Group's net cash used in financing activities of approximately RMB85.8 million in 2025 was primarily due to (i) repayment of bank loans of approximately RMB331.2 million; (ii) payment of dividends to non-controlling shareholders of subsidiaries of approximately RMB22.9 million; and (iii) interest expenses of approximately RMB14.6 million; yet partially offset by (ii) proceeds from new bank loans of approximately RMB283.8 million.

## Liabilities

The table below sets forth the Group's bank borrowings as of the end of the dates indicated below.

	<b>As at 31 December</b>		
	<b>2025</b>	2024	Increase/ (decrease)
	<b>RMB'000</b>	RMB'000	RMB'000
Bank borrowings	<u>286,645</u>	334,040	<u>(47,395)</u>
Secured	<b>102,645</b>	148,040	(45,395)
Unsecured	<u>184,000</u>	186,000	<u>(2,000)</u>
	<u><b>286,645</b></u>	<u>334,040</u>	<u>(47,395)</u>
Fixed-rate borrowings	<b>34,800</b>	65,000	(30,200)
Floating-rate borrowings	<u>251,845</u>	269,040	<u>(17,195)</u>
	<u><b>286,645</b></u>	<u>334,040</u>	<u>(47,395)</u>
Carrying amount repayable (based on scheduled payment terms)			
Within one year	<b>220,313</b>	231,395	(11,082)
More than one year, but not more than two years	<b>56,832</b>	46,013	10,819
More than two years, but not more than five years	<u>9,500</u>	56,632	<u>(47,132)</u>
	<b>286,645</b>	334,040	(47,395)
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(220,313)</u>	<u>(231,395)</u>	<u>11,082</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u><b>66,332</b></u>	<u>102,645</u>	<u>(36,313)</u>

The Group's bank borrowings in 2025 and 2024 were all borrowings denominated in Renminbi. As at 31 December 2025, RMB102.6 million of the Group's general banking facilities (including bank borrowings and bills payables) were secured by the Group's property, plant and equipment and right-of-use assets. All remaining borrowings were credit borrowings. For further details, please refer to note 37 to the consolidated financial statements in this report. As at 31 December 2024, RMB148.0 million of the Group's general banking facilities (including bank borrowings and bills payables) were secured by the Group's property, plant and equipment, right-of-use asset. All remaining borrowings were credit borrowings. As at 31 December 2025 and 2024, the Group did not have any bank and other borrowings which were guaranteed by third parties and the Group's related parties.

The table below sets forth the range of effective interest rate of the Group's bank borrowings as of the end of the dates indicated below.

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
Effective interest rate per annum:		
– Fixed-rate borrowings	<b>3.40-4.10%</b>	3.50-4.10%
– Floating-rate borrowings	<b>3.25%-5.60%</b>	3.41%-5.60%

As at 31 December 2025, the Group had obtained banking facilities in an aggregate amount of approximately RMB412.4 million (2024: RMB448.7 million), of which total amount of 0.0 million (2024: RMB93.0 million) is still available for use. As at 31 December 2025, the Group had total outstanding bank borrowings of approximately RMB286.6 million (2024: RMB334.0 million). The Group intends to refinance the Group's bank borrowings or repay the Group's bank borrowings as and when they fall due with the Group's internally generated funds (refinancing has been achieved for bank borrowings of RMB161.0 million falling due in 2025 according to needs).

Save as disclosed in the "Financial Position" section, the Directors confirm that there has been no material change in the Group's indebtedness and contingent liabilities since 31 December 2025 up to the date of this report. As at 31 December 2025, save as disclosed in the "Financial Position" section and apart from normal trade payables, intra-group liabilities and amounts due to connected parties and related parties, the Group did not have any outstanding mortgages, charges or pledges, debentures or other debt securities, term loans, loan capital, other borrowings or other similar indebtedness (including bank loans and overdrafts, hire purchase commitments, liabilities under acceptances or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that, for the year ended 31 December 2025, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during 2025, the Group did not experience any difficulty in obtaining bank and other borrowings, or any default in payment of bank and other borrowings or breach of covenants. The Directors believe that the Group maintains good relationships with the Group's lenders generally and they expect that, based on the current prevailing market conditions, the Group will be able to obtain replacement financing commitments when the Group's short-term bank borrowings become due.

## **FINANCIAL RATIOS**

The following table sets forth the financial ratios of the Group as of the dates and years indicated:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
Gearing ratio	<b>27.3%</b>	30.6%
Return on equity	<b>-3.5%</b>	-1.6%
Return on assets	<b>-1.1%</b>	0.7%

## Gearing Ratio

Gearing ratio was calculated by total interest-bearing borrowings of the Group divided by total equity of the Group as at the end of the period.

There is a decrease of 3.3% to 27.3% in 2025 from 30.6% in 2024, mainly due to the decrease in the Group's total interest-bearing bank borrowings.

## Return on Equity

Return on equity was calculated based on the profit attributable to the owners of the Company for the year divided by the average equity attributable to owners of the Company for the same year.

Return on equity decreased in 2025 due to decrease in profit.

## Return on Assets

Return on assets was calculated based on the profit and total comprehensive income for the year of the Group divided by the average total assets of the Group for the same year.

The return on assets of the Group decreased in 2025, primarily due to the decrease in profit of the Group.

## CONTRACT OBLIGATIONS AND CAPITAL EXPENDITURES

The following table sets forth the capital commitments of the Group as of the dates indicated.

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	—	—

Save for the transactions above, the Group has no other material contract commitments as at 31 December 2025.

## OFF-BALANCE SHEET ARRANGEMENT

The Group did not have any material off-balance sheet arrangements as at 31 December 2025. Specifically, the Group has not entered into any derivative contracts that are indexed to the Group's shares and classified as shareholders' equity, or that are not reflected in the Group's audited consolidated financial statements. Furthermore, the Group does not have any retained or contingent interests in assets transferred to an unconsolidated entity to serve as credit, liquidity or market risk support for such entity. Moreover, the Group does not have any variable interests in any unconsolidated entity that provides financing, liquidity, market risk or credit support to the Group or engages in leasing, hedging or research and development services with the Group.

## CONTINGENT LIABILITIES (OR ASSETS WITH CONTINUING INVOLVEMENT)

The Group (i) endorsed certain bills receivables for the settlement of trade and other payables; and (ii) discounted certain bills receivables to banks for raising of cash. In the opinion of the Directors, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed and discounted bills receivable is low because all endorsed and discounted bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised in the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivables at the end of the reporting period are as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Endorsed bills for settlement of payables	<b>56,683</b>	72,285
Discounted bills for raising cash	<b>97,684</b>	174,508
Outstanding endorsed and discounted bills receivables	<b>154,367</b>	246,793

Save as disclosed above and as of 31 December 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group. The Directors confirmed that there have been no material changes in the contingent liabilities of the Group since 31 December 2025 up to the date of this report.

## SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

Save as disclosed above and described under the section headed "Major Developments" in this report, from the end of reporting period to the date of this report, the Group had no other subsequent important events or other commitments that may materially affect the Group's financial condition and operation.

## MARKET RISKS

Market risk is the risk of loss related to adverse changes in market prices. The Group is exposed to various types of market risks, including commodity price and liquidity risks, in the normal course of the Group's business. The Group aims to minimize risk through disciplined operating and financial activities. In 2025, the Group has not entered into any foreign exchange or interest rate hedging contract or forward purchase or sale contract for commodities.

Other than some Hong Kong dollar proceeds of listing pending remittance back to China, the Group has no exposure to significant exchange risks as all its operations are within China where there are no foreign currencies transactions, assets or liabilities.

## **Commodity Price Risk**

The Group is exposed to fluctuations in the prices of raw materials, (mainly crude benzene and crude coking coal gas), as well as fluctuations in the prevailing market prices of the Group's products. In respect of crude benzene, the Group generally purchases it based on prevailing market prices while almost all crude coking coal gas is purchased from its parent company, Jinma Energy, and the price is negotiated every year. The Group's products are generally sold based on the prevailing market prices in the regions where the Group sells its products, and by making reference to various other factors applicable to individual customers. Market prices may fluctuate and are beyond the Group's control and may have a significant effect on the Group's results of operations.

## **Interest Rate Risk**

The Group is subject to fair value interest rate risk in relation to the Group's interest-bearing restricted bank balances, bills receivables at FVTOCI, borrowings and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to the Group's floating-rate borrowings.

As at 31 December 2025, the Group had fixed-rate borrowings in the amount of approximately RMB34.8 million (2024: RMB65.0 million). The Group currently does not have an interest rate hedging policy, but the Group's management will consider hedging significant interest rate risk should the need arise.

## **Credit Risk**

In the event that the Group's counterparties fail to perform their obligations, the Group's exposure to credit risk in relation to each class of recognized financial assets as at 31 December 2025 is the carrying amount of those assets stated in the consolidated statements of financial position, and the maximum outstanding amount of contingent liabilities is disclosed in the consolidated financial statement.

The Group mainly conducts transactions with high-quality customers that the Group has established long-term relationships with. When transacting with new customers, the Group generally requests advanced payment before the Group's goods are delivered. In order to minimize the credit risk, the Group's management continues to monitor the level of risk exposure to ensure that the Group can recover any overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are provided for irrecoverable amounts. In this regard, the Directors of the Group are of the view that the Group's credit risk is significantly reduced.

The Group has a concentration of credit risk in trade receivables and amounts due from Shareholders and trading amounts due from related parties, with over 96% and 98% of exposure concentrated in the five largest outstanding balances for the years ended 31 December 2025 and 2024, respectively. The Group believes the Group's credit risks on bank balances and deposits or bills receivables are limited and there is no significant concentration of credit risk as the Group's bank deposits or bills are deposited in or contracted with reputable state-owned banks with high credit ratings assigned by international credit-rating agencies.

## Liquidity Risk

The Group's creditors are exposed to heightened default risk when the Group's multiple liabilities mature in rapid succession, which may impose higher-than-normal stress onto the working capital. As a result, it may cause short-term liquidity problems if the Group fails to refinance in time or manage the Group's liquidity effectively. In the management of the Group's liquidity risk, the Group's management monitors and maintains an adequate, but not excessive level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table sets forth the remaining contractual maturity for the Group's financial liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities (including both interest and principal cash flows) at the earliest redemption (maturity) date.

As at 31 December 2025							
	Interest rate	Carrying amount RMB'000	On demand	6 months	1 year	> 5 years RMB'000	Total RMB'000
			or within 6 months RMB'000	to 1 year RMB'000	to 5 years RMB'000		
Bank borrowings	3.25%-5.60%	286,645	110,973	116,640	68,099	-	295,712
Lease liabilities	3.99%-5.96%	3,291	471	193	1,855	1,424	3,943
Trade and other payables	N/A	98,416	98,416	-	-	-	98,416
Amount due to a shareholder	N/A	2,668	2,668	-	-	-	2,668
Amount due to a related party	N/A	917	917	-	-	-	917
		<u>391,937</u>	<u>213,445</u>	<u>116,833</u>	<u>69,954</u>	<u>1,424</u>	<u>401,656</u>

As at 31 December 2024							
	Interest rate	Carrying amount RMB'000	On demand	6 months	1 year	> 5 years RMB'000	Total RMB'000
			or within 6 months RMB'000	to 1 year RMB'000	to 5 years RMB'000		
Bank borrowings	3.41%-5.60%	334,040	172,862	71,882	108,148	-	352,892
Lease liabilities	3.99% -5.96%	4,232	468	695	2,047	1,869	5,079
Trade and other payables	N/A	142,558	142,558	-	-	-	142,558
Amount due to a shareholder	N/A	1,975	1,975	-	-	-	1,975
Amount due to a related party	N/A	296	296	-	-	-	296
		<u>483,101</u>	<u>318,159</u>	<u>72,577</u>	<u>110,195</u>	<u>1,869</u>	<u>502,800</u>

## DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had distributable reserves (i.e. retained profits) of RMB0.0 million (2024: RMB0.0 million). For the year ended 31 December 2025, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the year 2025.

## **DIVIDEND**

In deciding whether to propose a dividend and determining the amount of the dividend, the Directors of the Company need to consider the distributable reserves, the level of liquidity and future commitments. The payment of dividends is also required to comply with relevant laws and regulations of the PRC and Hong Kong. The PRC laws require that dividends shall be paid only out of the net profit calculated according to the PRC accounting principles, which may differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS.

Based on the operating results, no final dividend has been proposed by the Board for the year ended 31 December 2025.

## **MAJOR DEVELOPMENTS**

We intend to implement the following strategies to further develop our business, strengthen our market position and create value for our shareholders:

For hydrogenated benzene-based chemicals business, the Group has invested in production efficiency and safety as well as environmental protection, and will continue to upgrade our production facilities to maintain our market position in the hydrogenated benzene -based chemicals industry. The Group has started a 200,000-tonne capacity expansion in early 2022, which was completed and commissioned in the fourth quarter of 2023, and produced approximately 367,713 tonnes (2024: 353,683 tonnes) in 2025. The Company is now better positioned to extend the hydrogenated benzene-based chemicals industrial chain and develop new materials.

For LNG business, the Group focuses on enhancing production efficiency and stability while reducing production costs. It currently plans to invest RMB19.2 million to upgrade and expand the capacity of the existing LNG production facilities, as well as to renovate and upgrade the circulating water system. Upon completion, the LNG production capacity is expected to expand to approximately 88,000 tonnes per annum. This expansion project is estimated to be completed in the third quarter of 2026.

For hydrogen, the Group is planning to enter the hydrogen energy industrial chain, including production, transportation, storage, refuelling and usage. In 2025, the Company has five hydrogen refuelling stations in operation:

Jiyuan South Second Ring Hydrogen Refuelling Station sold 619 tonnes of hydrogen during the year (period-on-period sales: 390 tonnes), serving approximately 30,000 vehicles. Its major clients include: the inter-provincial raw material coal transport line from Jiyuan to Shanxi for the Jinma Group, the special line from Linfen to Henan for Jinnan Iron & Steel in Shanxi for hydrogen energy heavy trucks and light truck routes for cold chain cargo transportation within Henan province.

Zhengzhou Chemical Road Hydrogen Refuelling Station sold 375 tonnes of hydrogen during the year (period-on-period sales: 207 tonnes), mainly serving approximately 18,000 hydrogen fuel cell dump trucks, tractors, cement mixer trucks, refrigerated logistics trucks and sanitation trucks.

Gongyi Heluo Hydrogen Refuelling Station sold 203 tonnes of hydrogen during the year (period-on-period sales: 129 tonnes), serving approximately 10,000 vehicles. Its major clients include: the hydrogen fuel cell coal haulers of Datang Gongyi Power Generation Co., Ltd., the cargo transport tractors of couriers, and aggregate heavy tractors of construction companies.

Jiyuan Huling Hydrogen Refuelling Station sold 255 tonnes of hydrogen during the year, serving approximately 13,000 vehicles. Its major clients include: the inter-provincial raw material coal transport line from Jiyuan to Shanxi for the Jinma Group, the special line from Linfen to Henan for Jinnan Iron & Steel in Shanxi for hydrogen energy heavy trucks and light truck routes for cold chain cargo transportation within Henan province.

Dengfeng Guojiawa Hydrogen Refuelling Station sold 100 tonnes of hydrogen during the year (period-on-period sales: 20 tonnes), serving approximately 5,000 vehicles, and mainly serving the coal haulage tractors of Datang Gongyi Power Generation Co., Ltd. and Pingdingshan Power Generation Branch of State Power Investment Corporation Henan Electric Power Co., Ltd.

## USE OF PROCEEDS FROM THE LISTING

The net proceeds from the listing of the Company (after deducting underwriting fees and other estimated expenses in connection with the global offering of the Company's shares) was approximately HK\$251.6 million (equivalent to approximately RMB228.9 million). The Company will utilise the proceeds raised from the listing in accordance with the use of proceeds as stated in the prospectus of the Company issued on 12 December 2023.

As the implementation of projects of the Company is slower than planned due to market conditions, the estimated timeline for the use of proceeds as disclosed in the prospectus of the Company has been delayed as shown below. Analysis of the intended use of the net proceeds from the listing as disclosed in the prospectus compared with the actual use of such net proceeds from the Listing Date up to 31 December 2025 is set out below:

Business purpose as disclosed in the prospectus	Intended use of net proceeds		Actual use of net proceeds during the reporting period	Unutilised net proceeds as at 31 December 2025	Estimated timetable for utilisation
	RMB'000	%	RMB'000	RMB'000	
Gas stations with hydrogen refuelling facility	194,574	85	0	194,574	2025-2027
Investment in and/or acquisition of upstream and downstream players	11,445	5	0	11,445	2025-2027
Working capital and other general corporate purposes	22,891	10	11,040	11,851	2025-2027
	<u>228,910</u>	<u>100</u>	<u>11,040</u>	<u>217,869</u>	

## EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had 396 employees (for the Group in 2024: 402), including 2 senior management (excluding the Directors) (for the Group in 2024: 2), 17 middle management (for the Group in 2024: 18) and 375 ordinary employees (for the Group in 2024: 380). For the year ended 31 December 2025, the staff cost of the Group amounted to approximately RMB43.0 million, compared with that of approximately RMB42.7 million recorded for the same period of last year.

The Company has established a Remuneration and Appraisal Committee which is responsible for making recommendation to the Board on the remuneration packages for Directors and senior management of the Company (including non-pecuniary benefits, pension rights and compensation).

The Directors, Supervisors and senior management receive compensation in the form of fees, salaries, allowances, benefits in kind and/or discretionary bonuses linked to the performance of the Group. The Company also reimburses the Directors, Supervisors and senior management for expenses which are necessarily and reasonably incurred for providing services to the Company or discharging their duties. When reviewing and determining the specific remuneration packages for the Directors, Supervisors and senior management, the Company takes into consideration factors such as their individual performance, qualification, experience and seniority, salaries paid by comparable companies, time commitment and responsibilities, and whether they are employed by the Group. The Group is committed to providing a competitive remuneration system for all employees, acknowledging their dedication and professional contributions, and regularly reviews its remuneration policies to ensure fairness and reasonableness, with the aim of effectively motivating employees to continuously enhance their performance.

Going forward, the Remuneration and Appraisal Committee will review and determine the remuneration and compensation of the Directors, Supervisors and senior management with reference to the salaries paid by comparable companies, the time commitment and responsibilities of the Directors, Supervisors and senior management and the performance of the Group.

Their emoluments were within the following bands:

	<b>Number of senior management excluding the Directors</b>	
	<b>2025</b>	<b>2024</b>
Nil to Hong Kong Dollar (“HK\$”) 1,000,000	<u>2</u>	<u>2</u>

Remuneration of mid-level management personnel of the Company is based on annual remuneration and year-end bonus. Annual remuneration mainly consists of basic salary, assessment bonus and performance bonus, and bonuses are given according to the performance of the employee. Remuneration of ordinary employees consists of basic salary, bonuses and various subsidies.

According to the development plan and operating requirements of the Company, the management formulates annual training plans and the human resources department organizes annual external and internal trainings covering all employees. The training programs include, among others, comprehensive and long-term courses in management and finance and also include special short term training courses in management, production and organization. In addition, the Company is also committed to providing employees with all kinds of special trainings such as safety, environmental protection, use of equipment, technical skills, etc., and strives to offer employees with various targeted trainings from job entry to personal development.

### **Pension Schemes**

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries. Under these schemes, no forfeited contributions can be used by the employers to reduce the existing level of contributions.

The Hong Kong based employees of the Group participate in the Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and the employers' existing level of contributions can be reduced by contributions forfeited by the employers on behalf of those employees who quit the scheme prior to fully vesting of the contributions. During the years ended 31 December 2024 and 2025, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2024 and 2025, respectively. The Group contributes the lower of HK\$1,500 per month or 5% of the relevant monthly payroll costs to the Mandatory Provident Fund Scheme.

### **CORPORATE GOVERNANCE**

The Company persists in becoming an enterprise with a strong sense of social responsibility, consistently adhering to the principle of harmonious development combining economic benefit and social benefit, promoting technological advancement in the industry and assuming social responsibility proactively.

The Company upholds a sound and efficient corporate governance philosophy while also focusing on shareholders' interests and is determined to achieve a high level of corporate governance. In addition to following internationally accepted rules, the Company also continuously improves its internal control system through internal and third-party audits.

## **Corporate Governance Code and the Articles of Association**

The Company has formulated the Articles of Association of the Company (the “**Articles**”) in accordance with the Company Law of the PRC, and other relevant laws and regulations of the PRC. These Articles are the code of conduct for the Company, regulating the organization and behaviour of the Company, the rights and obligations shared between the Company and its shareholders, and between and among the Company’s shareholders. During the reporting period, in view of the completion of the full circulation of the shares of the Company as well as the actual circumstances and operation development needs of the Company, the Company revised the Articles in accordance with the PRC Company Law and the relevant regulations. For details of the amendments to the Articles, please refer to the announcement dated 20 December 2024, the notice of extraordinary general meeting dated 31 December 2024 and the announcement on poll results of the extraordinary general meeting dated 22 January 2025 of the Company published on the websites of the Stock Exchange and the Company.

Meanwhile, based on the Corporate Governance Code effective during the reporting period (the “**Code**”) as set out in Appendix C1 to the Listing Rules, the Company has also formulated a series of rules (such as Internal Audit Rules, Internal Control Evaluation Rules, Compliance Management Rules and Management Rules for External Investment, etc.) as well as the Terms of Reference of Nomination Committee, Remuneration and Appraisal Committee, and Audit Committee, to achieve the objective of good corporate governance.

During the reporting period, save as disclosed below, the Company has complied with the Listing Rules and all Code Provisions to the Code:

- The Company does not have a dividend policy pursuant to code provision F.1.1 of the Code, as the Board will consider various factors, such as the Company’s earnings and financial condition, operating requirements, capital requirements, and other factors that the Board considers relevant.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules and the company secretary has also issued to all Directors and Supervisors a compliance notice of suspension of trading during the black-out period in accordance with the Model Code. Having made specific enquiries of all Directors, the Company hereby confirms that all Directors have complied with the standards as set out in the Model Code for the trading of securities by Directors.

## **Responsibilities of Directors and Auditor for Financial Statements**

The Directors intend to present the financial statements of the Company in accordance with the current accounting standards and laws. The Directors ensure that the financial statements of the Company will be published on time so that the Company’s interim results and annual results will be announced within the time limits of two months and three months respectively after the end of the relevant period as prescribed under the Listing Rules.

The financial statements of the Company for the year ended 31 December 2025 have been reviewed by the Audit Committee and audited by the external auditor, Deloitte. The Directors confirm their responsibilities of preparing the Company's financial statements and presenting the results of the Company in a truthful and fair manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast doubt upon the Company's ability to continue as a going concern.

The statements of the auditor about its responsibility for reporting the financial statements will be contained in the annual report of the Company for the year ended 31 December 2025.

### **Purchase, Sale or Redemption of Securities of the Company**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **Scope of Work of Messrs. Deloitte Touche Tohmatsu**

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 23 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

### **Review of Audited Annual Results**

The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2025, and discussed with the management of the Group regarding the accounting principles and practices adopted by the Group, together with the internal controls and financial reporting matters. The Audit Committee was established in compliance with Appendix C1 to the Listing Rules. The Audit Committee is delegated to be responsible for assisting the Board in ensuring that the Company has an effective financial reporting, risk management and internal control system in compliance with the Listing Rules, and assist the Board to fulfill its responsibility over the audit of the Group. The Audit Committee comprises three members, Ms. Wong Yan Ki Angel, Mr. Xu Fenglei and Mr. Di Zhigang.

## **RELATED MATTERS**

### **Payment of Dividends**

On 23 March 2026, based on the results of operations, the Board has resolved not to declare any final dividend for the year ended 31 December 2025.

## **Annual General Meeting**

The Annual General Meeting (the “AGM”) will be held on Wednesday, 20 May 2026. The notice of the AGM will be made available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.jyqhghg.com](http://www.jyqhghg.com) in due course.

### **To attend and vote at the Annual General Meeting**

For determining the entitlement to attend and vote at the AGM to be held on Wednesday, 20 May 2026, the Company will not process registration of transfers of the H shares of the Company from Friday, 15 May 2026 to Wednesday, 20 May 2026 (both days inclusive). The record date is Wednesday, 20 May 2026.

To qualify for attendance and voting at the AGM, documents on transfers of H Shares, accompanied by the relevant share certificates, must be lodged with the Company’s H-share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 14 May 2026.

### **Publication of the Annual Report**

The 2025 annual report of the Company will be made available on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.jyqhghg.com](http://www.jyqhghg.com) in due course.

By order of the Board  
**Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\***  
**Wang Zengguang**  
*Executive Director*

Hong Kong, 23 March 2026

*As at the date of this announcement, the executive Directors of the Company are Mr. Wang Zengguang and Mr. Qiao Erwei; the non-executive Directors of the Company are Mr. Yiu Chiu Fai, Mr. Xu Fenglei and Mr. Wang Lijie; and the independent non-executive Directors of the Company are Ms. Wong Yan Ki Angel, Mr. Di Zhigang and Ms. Leung Sin Yeng Winnie.*

\* *For identification purposes only*