China Risun Group Limited
中國旭陽集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1907)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

- Revenue for the Year was RMB47,542.7 million, representing an increase of 3.2% year-on-year.
- Profit attributable to owners of the Company for the Year was RMB20.1 million, representing a decrease of 97.7% year-on-year.
- Basic earnings per share of the Company for the Year was RMB0.5 cents, representing a decrease of 97.4% year-on-year.
- The Board does not propose a final dividend for the Year. In view of celebration of the 30th anniversary since the Group's establishment in 1995, the Board proposes a Special Dividend of RMB2.22 cents per share, with a total amount of Special Dividend of approximately RMB96,447,000, subject to the Shareholders' approval in the forthcoming annual general meeting. The total dividend per share (including 2024 interim dividend of RMB0.78 cents and the Special Dividend) for the Year will be RMB3 cents per share.

The board (the "**Board**") of directors (the "**Director(s)**") of the China Risun Group Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended December 31, 2024 (the "**Reporting Period**" or the "**Year**") together with the comparative audited consolidated figures for the year ended December 31, 2023 (the "**Last Year**").

The World's Leading Energy Chemical Company
—— Innovation Leads to the Future

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	**2024**	2023
		RMB'000	RMB'000
Revenue	4	**47,542,739**	46,065,896
Cost of sales and services		**(44,053,177)**	(42,740,946)
Gross profit		**3,489,562**	3,324,950
Other income	5	**586,120**	507,618
Other gains and losses	6	**(91,656)**	332,412
Impairment losses under expected credit loss model, net of reversal	7	**61,616**	(111,245)
Selling and distribution expenses		**(1,488,932)**	(1,185,064)
Administrative expenses		**(1,142,772)**	(1,060,768)
Profit from operations		**1,413,938**	1,807,903
Finance costs		**(1,410,397)**	(1,349,745)
Share of results of associates		**30,899**	89,552
Share of results of joint ventures		**74,957**	134,038
Profit before taxation	8	**109,397**	681,748
Income tax (expense) credit	9	**(11,594)**	307,801
Profit for the year		**97,803**	989,549
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**39,206**	17,908
Items that will not be reclassified to profit or loss			
Gain on revaluation of properties	12	**54,822**	152,958
Income tax relating to revaluation of properties		**(13,706)**	(38,240)
Other comprehensive income for the year		**80,322**	132,626
Total comprehensive income for the year		**178,125**	1,122,175

	Notes	**2024**	2023
	Notes	***RMB'000***	RMB'000
Profit for the year attributable to:			
Owners of the Company		**20,133**	860,814
Non-controlling interests		**77,670**	128,735
		97,803	989,549
Total comprehensive income for the year attributable to:			
Owners of the Company		**100,455**	993,440
Non-controlling interests		**77,670**	128,735
		178,125	1,122,175
Earnings per share (RMB)	11		
Basic		**0.005**	0.195

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	12	**27,831,672**	26,897,389
Right-of-use assets		**1,681,495**	2,217,125
Investment properties		**1,896,640**	176,380
Goodwill		**212,347**	232,435
Intangible assets		**1,209,276**	1,280,705
Interests in associates		**872,815**	707,622
Interests in joint ventures		**2,989,657**	2,952,096
Other long-term receivables and prepayments	13	**910,093**	1,214,254
Financial assets at fair value through profit or loss ("**FVTPL**")	14	**392,629**	577,466
Deferred tax assets		**187,050**	144,336
Restricted bank balances	15	**238,000**	–
Bank deposits	16	**–**	16,000
Amounts due from related parties		**316,373**	286,622
		38,738,047	36,702,430
Current assets			
Inventories		**3,078,143**	3,406,055
Income tax prepayments		**22,727**	34,160
Other receivables	17	**9,291,403**	6,585,017
Trade and bills receivables measured at fair value through other comprehensive income ("**FVTOCI**")	17	**1,510,050**	976,187
Amounts due from related parties		**2,722,544**	2,489,698
Financial assets at FVTPL	14	**25,206**	11,581
Restricted bank balances	15	**2,213,671**	2,374,651
Bank deposits	16	**151,159**	–
Cash and cash equivalents	16	**2,087,992**	1,239,270
		21,102,895	17,116,619
Assets classified as held for sale		**–**	17,200
		21,102,895	17,133,819

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Current liabilities			
Financial liabilities at FVTPL	14	**95**	3,838
Trade and other payables	18	**9,204,744**	8,773,615
Contract liabilities		**2,093,425**	2,401,064
Income tax payable		**350,334**	379,834
Bank and other loans	19	**20,883,819**	17,509,040
Lease liabilities		**1,440**	60,485
Amounts due to related parties		**1,262,161**	827,552
		33,796,018	29,955,428
Net current liabilities		**(12,693,123)**	(12,821,609)
Total assets less current liabilities		**26,044,924**	23,880,821
Non-current liabilities			
Bank and other loans	19	**9,488,091**	8,196,603
Lease liabilities		**2,134**	539,410
Deferred income		**153,136**	125,595
Deferred tax liabilities		**464,522**	419,879
Trade and other payables	18	**49,376**	104,714
Amounts due to related parties		**10,983**	22,175
		10,168,242	9,408,376
NET ASSETS		**15,876,682**	14,472,445
Capital and reserves			
Share capital	20	**385,172**	382,246
Reserves		**12,374,602**	12,516,170
Total equity attributable to owners of the Company		**12,759,774**	12,898,416
Non-controlling interests		**3,116,908**	1,574,029
TOTAL EQUITY		**15,876,682**	14,472,445

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Risun Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and the principal place of business of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Room 2001, 20/F., Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong, respectively.

The ultimate holding company and immediate holding company of the Company is Texson Limited ("**Texson**", the "**Ultimate Holding Company**"), a company incorporated in the British Virgin Islands (the "**BVI**"), and ultimately controlled by Mr. Yang Xuegang (the "**Ultimate Controlling Shareholder**").

The consolidated financial statements of the Company and its subsidiaries (collectively referred to the "**Group**") are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2024, the Group had net current liabilities of RMB12,693 million. The directors of the Company (the "**Directors**") are of the opinion that, taking into consideration the availability of unutilized banking facilities of the Group amounting to RMB8,201 million at the report date, of which RMB7,801 million is unconditional and RMB400 million is the outstanding portion of a syndicated loan for special purpose of construction of certain production line, and the assumption that approximately 55% of bank loans and other banking facilities at December 31, 2024 will be successfully renewed upon maturity, the Group has sufficient financial resources to meet in full its financial obligation when they fall due for the next twelve months from the end of the reporting period. Accordingly, the consolidated financial statements are prepared on a going concern basis.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

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

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

3.1 *Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")*

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognizes the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The followings are the impact of the application of the amendments:

Borrowings which are subject to meeting certain conditions/covenants within 12 months from reporting date

The Group's right to defer settlement for borrowings of RMB1,770,042,000 and RMB16,622,000 as at January 1, and December 31, 2024, respectively are subject to compliance with certain financial ratios only after the reporting period. Upon the application of the 2022 Amendments, such borrowings are still classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date.

Except as described above, the application of the 2020 and 2022 Amendments has no other material impact on the classification of the Group's other liabilities. The change in accounting policy does not have impact to the Group's profit or loss or earnings per share for the current and prior years presented.

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[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

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

[2] Effective for annual periods beginning on or after January 1, 2025.

[3] Effective for annual periods beginning on or after January 1, 2026.

[4] Effective for annual periods beginning on or after January 1, 2027.

Except for the new IFRS Accounting Standards mentioned below, the Directors anticipate that the application of 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 *Basis of Preparation of Financial Statements* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

During the year, the Group's revenue represents the amount received and receivable from the sales of goods to external customers arising from the coke and coking chemicals, refined chemicals, operation management services, trading and sales of properties arising from property development.

Revenue from the sales of goods directly to customers is recognized when control of the goods has been transferred, being when the products are accepted by the customers at the customer's specific destination or the Group's plants. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. A receivable is recognized by the Group when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Customers have no right to return the products purchased once accepted.

Revenue from the management service provided to customers is recognized over time when services are provided.

Revenue from sales of properties is recognized at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Operating segment

Information reported to the executive directors, being the chief operating decision maker (the "**CODM**"), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under IFRS 8 *Operating Segments* are as follows:

- Coke and coking chemicals manufacturing segment: the production and sale of coke and a series of coking chemicals from externally sourced coking coals processed at the Group's coking facilities;

- Refined chemicals manufacturing segment: the purchase of coking chemicals from the Group's coke and coking chemicals manufacturing segment and third parties, and processing such coking chemicals into refined chemical products at the Group's refined chemicals facilities, as well as marketing and selling such refined chemicals;

- Operation management segment: the operation management service provided to the third-party plants, providing of raw materials and the sale of coke, coking chemicals and refined chemicals produced by these plants under the management service agreements and commissioned processing contracts;

- Trading segment: the sourcing of coke, coking chemicals and refined chemicals from third parties and the marketing, sale and distribution of such coal chemicals; and

- Others segment: developing and selling commercial and residential properties.

The CODM reviews operating results and financial information for each operating company separately. Accordingly, each operating company, including associates and joint ventures held by the relevant operating company, is identified as an operating segment. Those operating companies are aggregated into coke and coking chemicals manufacturing segment, refined chemicals manufacturing segment, operation management segment, trading segment and others segment respectively for segment reporting purpose after taking into account that those operating companies are operating in similar business model with similar target group of customers, similar products and similar methods used to distribute their products. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment results, assets and liabilities

The CODM monitors the results, assets and liabilities attributable to each reporting segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

All assets are allocated to segment assets other than unallocated head office and corporate assets. All liabilities are allocated to segment liabilities other than unallocated head office and corporate liabilities.

To arrive at segment results, the Group's earnings are adjusted for unallocated head office and corporate expenses which are not specifically attributable to individual segments.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter segment sales and share of profits or losses of associates and joint ventures), depreciation, amortization and additions to non-current segment assets used by the segments in their operations.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

The following is an analysis of the Group's results, assets and liabilities by reportable segments:

	Year ended/as at December 31, 2024					
	Coke and Coking Chemicals Manufacturing *RMB'000*	**Refined Chemicals Manufacturing** *RMB'000*	**Operation Management** *RMB'000*	**Trading** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with external customers						
Sale of coke and coking chemicals	17,642,275	–	–	–	–	17,642,275
Sale of refined chemicals	–	20,729,404	4,171,256	–	–	24,900,660
Trading	–	–	–	4,740,319	–	4,740,319
Management services	–	–	53,878	–	–	53,878
Sales of properties	–	–	–	–	205,607	205,607
	17,642,275	20,729,404	4,225,134	4,740,319	205,607	47,542,739
Inter-segment revenue	1,874,687	675,230	–	–	–	2,549,917
Reportable segment revenue	19,516,962	21,404,634	4,225,134	4,740,319	205,607	50,092,656
Reportable segment results	86,687	555,514	54,665	(271,582)	8,152	433,436
Unallocated head office and corporate expenses						(324,039)
Profit before taxation						109,397
Reportable segment assets (including interests in associates and joint ventures)	20,691,175	22,583,766	503,557	11,937,500	513,725	56,229,723
Reportable segment liabilities	15,054,904	15,863,939	314,370	10,628,364	187,521	42,049,098
Other information:						
Additions to non-current segment assets during the year	1,296,181	1,012,810	–	147,332	–	2,456,323
Share of results of associates	(36,454)	67,353	–	–	–	30,899
Share of results of joint ventures	74,957	–	–	–	–	74,957
Depreciation and amortization for the year	1,118,422	1,137,615	13,182	31,072	–	2,300,291

	Year ended/as at December 31, 2023					
	Coke and Coking Chemicals Manufacturing *RMB'000*	Refined Chemicals Manufacturing *RMB'000*	Operation Management *RMB'000*	Trading *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue from contracts with external customers						
Sale of coke and coking chemicals	18,077,005	–	–	–	–	18,077,005
Sale of refined chemicals	–	18,680,876	2,013,254	–	–	20,694,130
Trading	–	–	–	7,168,375	–	7,168,375
Management services	–	–	3,597	–	–	3,597
Sales of properties	–	–	–	–	122,789	122,789
	18,077,005	18,680,876	2,016,851	7,168,375	122,789	46,065,896
Inter-segment revenue	1,792,586	188,079	–	–	–	1,980,665
Reportable segment revenue	19,869,591	18,868,955	2,016,851	7,168,375	122,789	48,046,561
Reportable segment results	395,487	459,005	(33,166)	(172,518)	18,405	667,213
Unallocated head office and corporate expenses						(236,623)
Gain on remeasurement of the equity interest in a joint venture upon acquisition of additional interests *(note 8)*						251,158
Profit before taxation						681,748
Reportable segment assets (including interests in associates and joint ventures)	21,337,867	21,601,809	858,751	8,466,736	624,281	52,889,444
Reportable segment liabilities	13,518,610	15,082,920	683,253	9,579,997	295,778	39,160,558
Other information:						
Additions to non-current segment assets during the year	1,140,530	813,982	182,112	100,574	14	2,237,212
Share of results of associates	40,930	48,622	–	–	–	89,552
Share of results of joint ventures	134,038	–	–	–	–	134,038
Depreciation and amortization for the year	1,073,599	1,192,737	20,853	15,541	46	2,302,776
Impairment losses on property, plant and equipment recognized in profit or loss	–	67,715	–	–	–	67,715

Reconciliations of reportable segment revenue, results, assets and liabilities.

	Year ended/as at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**50,092,656**	48,046,561
Elimination of inter-segment revenue	**(2,549,917)**	(1,980,665)
Consolidated revenue	**47,542,739**	46,065,896
Results		
Reportable segment results	**433,436**	667,213
Gain on remeasurement of the equity interest in a joint venture upon acquisition of additional interests *(note 6)*	**–**	251,158
Unallocated head office and corporate expenses	**(324,039)**	(236,623)
Profit before taxation	**109,397**	681,748
Assets		
Reportable segment assets	**56,229,723**	52,889,444
Unallocated head office and corporate assets *(Note)*	**3,611,219**	946,805
Consolidated total assets	**59,840,942**	53,836,249
Liabilities		
Reportable segment liabilities	**42,049,098**	39,160,558
Unallocated head office and corporate liabilities *(Note)*	**1,915,162**	203,246
Consolidated total liabilities	**43,964,260**	39,363,804

Note: Included in unallocated head office and corporate assets and unallocated head office and corporate liabilities as at December 31, 2024 were mainly assets and liabilities acquired through acquisition of Risun Chemicals Technology Research Co., Ltd..

Geographic information

Except for interests in joint ventures and an associate amounting to RMB1,262,486,000 (2023: RMB1,331,798,000) and RMB219,467,000 (2023: RMB219,467,000) respectively, and share of results of the abovesaid investees amounting to RMB139,749,000 (2023: RMB17,250,000) which were operated in Indonesia, and 3% (2023: 3%) of the Group's revenue which were derived from external customers incorporated outside the PRC, the Group's revenue and profit were derived from the PRC and all principal assets employed by the Group are located in the PRC during the reporting period.

Major customers

No individual customer had transactions exceeding 10% of the Group's revenue for both periods presented.

5. OTHER INCOME

	Year ended December 31, 2024 RMB'000	2023 RMB'000
Interest income	**225,651**	161,863
Value-added Tax ("**VAT**") concession *(Note a)*	**212,742**	196,909
Production waste sales	**46,516**	24,443
Government grants *(Note b)*	**49,120**	78,953
Others	**52,091**	45,450
	586,120	507,618

Notes:

a. During the year ended December 31, 2024 and 2023, certain subsidiaries of the Company are qualified as "Advanced Manufacturing Enterprises", which are eligible for an extra 5% VAT deduction based on their deductible input VAT during the period from January 1, 2023 to December 31, 2027.

b. Government grants were received from several local government authorities as subsidies for the Group's contribution to the environmental protection, energy conservation recycling resources, foreign investment and infrastructure construction.

6. OTHER GAINS AND LOSSES

	Year ended December 31, 2024 RMB'000	2023 RMB'000
Fair value (loss) gain of financial assets/liabilities at FVTPL:		
– Listed equity securities	**(38,133)**	(38,578)
– Unlisted equity securities	**30,890**	1,673
– Private equity investment funds	**(67,058)**	(43,927)
– Futures contracts	**5,905**	37,170
– Derivative financial instruments	**(1,332)**	(39,488)
– Other non-derivative financial assets	**(756)**	1,919
Gain on settlement of a loan payable to a non-controlling shareholder *(Note a)*	**–**	49,925
Impairment losses of property, plant and equipment *(note 12)*	**–**	(67,715)
Impairment losses of Goodwill	**(20,088)**	–
Loss on foreign exchange, net	**(27,103)**	(65,945)
Gain/(loss) on disposal of:		
– right-of-use assets	**17,787**	–
– property, plant and equipment	**(6,980)**	(5,988)
Fair value change of investment properties	**(19,609)**	177
Gain on disposal of a subsidiary	**10,413**	–
Gain on remeasurement of the equity interest in a joint venture upon acquisition of additional interests *(Note b)*	**–**	251,158
Decrease in provision for a legal arbitration *(Note c)*	**–**	154,606
Compensation for operation shutdown *(Note d)*	**–**	68,369
Others	**24,408**	29,056
	(91,656)	332,412

Notes:

a. In May 2023, the Group acquired a subsidiary, Hohhot Risun China Gas Energy Limited ("**Risun China Gas**"). Risun China Gas and one of its shareholders Hohhot China Urban Gas Development Co., Ltd ("**China Gas**") entered into a supplementary agreement in December 2023, pursuant to which the balance of the shareholder's loan provided by China Gas was settled and a gain of RMB49,925,000 was recognized to other gains and losses accordingly.

b. During the year ended December 31, 2023, the Group further acquired 12% equity interests in Risun China Gas, the difference between the fair value of the equity interest previously held of RMB613,000,000 and its carrying value of RMB361,842,000 (note 22) on the acquisition date was recognized as other gains.

c. During the year ended December 31, 2023, the Group finalized the negotiation and entered into a settlement agreement with the contractor. According to the agreement, the Group need to pay RMB200 million in instalment till the end of 2026, for the purchase of certain property, plant and equipment valued at RMB67 million and the settlement of the amount due to the contractor. Thus, a decrease in provision amounting to RMB155 million, including the imputed interest of the amount payable to the contractor amounting to RMB12 million was recognized.

d. The amount mainly represented a compensation receivable from the local authority in relation to the termination of a project under development due to a change of regulation in 2021. A compensation agreement dated August 2023 was entered into by both parties and the compensation will be paid in instalments till April 30, 2025.

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Impairment losses (reversed) recognized on:		
Trade and other receivables	**(50,463)**	75,127
Other long-term receivables	**(16,374)**	(1,439)
Amounts due from related parties	**5,221**	37,557
	(61,616)	111,245

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Year ended December 31, 2024 RMB'000	2023 RMB'000
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**1,170,548**	1,053,642
Contributions to retirement benefits scheme	**99,197**	96,973
Total staff costs	**1,269,745**	1,150,615
Capitalized in construction in progress	**(25,066)**	(98,030)
Capitalized in inventories	**(609,071)**	(594,189)
	635,608	458,396
Depreciation of property, plant and equipment	**2,085,737**	2,074,952
Depreciation of right-of-use assets	**107,102**	128,776
Amortization of intangible assets	**139,019**	130,615
Total depreciation and amortization	**2,331,858**	2,334,343
Capitalized in construction in progress	**(87)**	(198)
	2,331,771	2,334,145
Auditors' remuneration (including subsidiaries' auditors)	**9,085**	12,069
Gross rental income from investment properties	**4,500**	1,527
Cost of inventories recognized as an expense	**43,880,655**	42,354,655

9. INCOME TAX EXPENSE (CREDIT)

	Year ended December 31, 2024 RMB'000	2023 RMB'000
Current tax expense (credit)		
PRC income tax for the year	**98,198**	126,144
Reversal of income tax payable *(Note)*	**–**	(365,824)
Deferred tax credit	**(86,604)**	(68,121)
	11,594	(307,801)

Note: In June 2023, three of the Group's wholly-owned subsidiaries which were acquired through acquisition of Wuhu Shunri Xinze Equity Investment Partnership (LP) ("**Shunri Xinze**") in 2021, a wholly-owned subsidiary of the Company, transferred all their businesses to another wholly-owned subsidiary of the Company and completed the necessary corporate tax closing procedures in compliance with the relevant rules and regulations and deregistered in July 2023. The Group recognized a reversal of income tax payable amounting to RMB365,824,000 in profit and loss based on the outcome of the corporate tax closing procedures.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group did not earn any income subject to any income tax in these jurisdictions during the reporting period.

The Group's subsidiaries in Hong Kong had no assessable profits for the years ended December 31, 2024 and 2023, and no provision for taxation is made.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate applicable for PRC group entities is 25% for the reporting period, except for certain subsidiaries which enjoyed tax rate of 15% due to relevant incentive policies.

During the years ended December 31, 2024 and 2023, certain subsidiaries of the Company are qualified as "High and New Tech Enterprises", which are subject to PRC enterprise income tax at the preferential rate of 15% of the estimated assessable profit as determined in accordance with relevant tax rules and regulations in the PRC. This preferential rate could be applied for three years, and the subsidiaries are eligible to apply the tax concession again upon expiry of the three-year period.

Certain subsidiaries of the Company operating in the PRC are eligible for tax holiday and concession. Pursuant to the relevant tax rules and regulation in the PRC, revenue from comprehensive utilization of resources ("資源綜合利用") is eligible for additional tax deduction.

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Profit before taxation	**109,397**	681,748
Tax at the PRC tax rate of 25%	**27,349**	170,437
Tax effect on:		
Share of results of associates and joint ventures	**(26,462)**	(55,897)
Non-deductible expenses	**4,842**	11,091
Unused tax losses and temporary differences not recognized	**117,329**	138,517
Utilization of tax losses previously not recognized	**–**	(13,928)
PRC tax concessions	**(111,464)**	(192,197)
Reversal of income tax payable	**–**	(365,824)
Income tax expense (credit) for the year	**11,594**	(307,801)

10. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Dividends recognized as distribution during the year:		
2024 Interim, paid – RMB¢0.78 per share	**33,821**	–
2023 Final, paid – RMB¢1.2 per share	**52,868**	–
2023 Interim, paid – RMB¢4.9 per share	**–**	216,782
2022 Final, paid – RMB¢0.9 per share	**–**	39,817
	86,689	256,599

Subsequent to the end of the reporting period, a special dividend in respect of the year ended December 31, 2024 of RMB2.22 cents per ordinary share, with total amount of RMB96,447,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2024 and 2023 are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares issued.

The calculation of the basic and diluted earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

	Year ended December 31,	
	2024	2023
Earnings		
Profit attributable to the owners of the Company *(RMB'000)*	**20,133**	860,814
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,364,323,440**	4,422,693,814
Basic earnings per share *(RMB)*	**0.005**	0.195

No diluted earnings per share was presented for both years as there were no dilutive potential ordinary shares in issue for both years.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Machinery and equipment *RMB'000*	Motor vehicles *RMB'000*	Office equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
At January 1, 2023	**7,151,757**	**12,930,945**	**56,702**	**123,477**	**8,337,774**	**28,600,655**
Additions	**–**	**7,831**	**14,185**	**48,894**	**1,863,373**	**1,934,283**
Transfer from construction in progress	**7,050,530**	**6,489,764**	**–**	**–**	**(13,540,294)**	**–**
Acquisition of a subsidiary	**503,676**	**254,416**	**5,288**	**1,136**	**4,204,849**	**4,969,365**
Transfer to investment properties	**(60,610)**	**–**	**–**	**–**	**–**	**(60,610)**
Disposals	**(2,748)**	**(19,577)**	**(9,078)**	**(1,568)**	**–**	**(32,971)**
At December 31, 2023	**14,642,605**	**19,663,379**	**67,097**	**171,939**	**865,702**	**35,410,722**
Additions	**–**	**126,228**	**15,953**	**11,573**	**2,050,757**	**2,204,511**
Transfer from construction in progress	**463,497**	**713,751**	**–**	**–**	**(1,177,248)**	**–**
Acquisition of a subsidiary	**834,897**	**41**	**–**	**41**	**–**	**834,979**
Transfer to investment properties	**(17,307)**	**–**	**–**	**–**	**–**	**(17,307)**
Disposals and write-off	**(27,704)**	**(118,504)**	**(8,725)**	**(566)**	**–**	**(155,499)**
At December 31, 2024	**15,895,988**	**20,384,895**	**74,325**	**182,987**	**1,739,211**	**38,277,406**
Depreciation and impairment						
At January 1, 2023	1,882,311	4,435,368	42,663	71,956	–	6,432,298
Depreciation	632,132	1,413,980	10,055	18,785	–	2,074,952
Impairment	14,639	53,038	–	38	–	67,715
Transfer to investment properties	(37,365)	–	–	–	–	(37,365)
Disposals	(982)	(15,658)	(6,185)	(1,442)	–	(24,267)
At December 31, 2023	2,490,735	5,886,728	46,533	89,337	–	8,513,333
Depreciation	613,399	1,433,431	11,433	27,474	–	2,085,737
Transfer to investment properties	(12,531)	–	–	–	–	(12,531)
Disposals and write-off	(23,988)	(109,517)	(6,976)	(324)	–	(140,805)
At December 31, 2024	3,067,615	7,210,642	50,990	116,487	–	10,445,734
Carrying amounts						
At December 31, 2024	12,828,373	13,174,253	23,335	66,500	1,739,211	27,831,672
At December 31, 2023	12,151,870	13,776,651	20,564	82,602	865,702	26,897,389

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residuals, are depreciated on a straight-line basis as follows:

Buildings	20-30 years
Machinery and equipment	5-30 years
Motor vehicles	3-12 years
Office equipment	2-15 years

During the year ended December 31, 2024, buildings with fair value of RMB59,598,000 (2023: RMB176,203,000) was transferred to investment properties upon end of owner-occupation and a corresponding increase in fair value of RMB54,822,000 was recognized to other comprehensive income (2023: RMB152,958,000).

During the year ended December 31, 2023, the Group recognized impairment losses of RMB67,715,000 based on the fair value less costs of disposal related to property, plant and equipment of the hydrogen peroxide production line which was damaged due to a fire accident in September 2023.

13. OTHER LONG TERM RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Prepayments for property, plant and equipment	**61,474**	162,032
Loan receivables *(Note)*	**400,000**	600,000
Prepayments for land use right	**27,671**	65,540
Deposits for other loans	**334,382**	316,270
Others	**109,661**	109,881
Less: Allowance for credit losses	**(23,095)**	(39,469)
	910,093	1,214,254

Note: As at December 31, 2024, included in loan receivables was 3-years entrusted loans to third parties through licensed financial institutions amounted to RMB800 million, which carries interest at 5.75% and 5.20% per annum respectively and payable semi-annually. The principal will be repayable by instalments from June 2024 to December 2026, of which RMB200 million was paid during the year and RMB200 million will be repayable in 2025 and therefore presented as current assets.

14. FINANCIAL ASSETS/LIABILITIES AT FVTPL

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Listed equity securities	**89,714**	121,718
Unlisted equity investment	**88,060**	111,670
Private equity investment funds *(Note a)*	**92,618**	224,457
Wealth management product	**122,237**	119,621
	392,629	577,466
Current assets		
Futures contracts	**2,059**	833
Held-for-trading non-derivative financial assets	**23,147**	9,416
Derivative financial instruments *(Note b)*	**–**	1,332
	25,206	11,581
Current liability		
Futures contracts	**(95)**	(3,838)
	417,740	585,209

Notes:

a. During the year ended December 31, 2024, the Group redeemed the entire investment amounting to RMB102 million from Hebei Structural Adjustment Fund (Limited Partnership).

b. The Group is exposed to exchange rate risk mainly arising from various bank loans denominated in United States Dollars ("**USD**"). To manage and mitigate the foreign exchange exposure, the Group entered into various forward contracts with certain financial institutions. As at December 31, 2023, the forward contracts have total notional amounts of USD148 million, of which the maturity dates match to the maturity dates of these banks loans. The forward contracts are not designated as hedging instruments. The fair value was RMB1 million as at December 31, 2023 and an unrealized gains of RMB1 million was recognized as change in fair value during the year ended December 31, 2023.

15. RESTRICTED BANK BALANCES

The carrying amounts of the Group's restricted bank balances placed to secure various liabilities of the Group are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Restricted bank balances to secure:		
Bills payable and letters of credit *(Note)*	**2,013,174**	1,398,127
Bank loans	**303,436**	940,986
Futures contracts	**135,061**	35,538
	2,451,671	2,374,651
Analyzed for reporting purpose as:		
Non-current assets	**238,000**	–
Current assets	**2,213,671**	2,374,651

Note: Certain restricted bank balances were placed to secure bills issued among subsidiaries of the Group for intra-group transactions which have been discounted with full recourse to secure bank loans of RMB4,702,122,000 as at December 31, 2024 (2023: RMB3,939,034,000). Further details of which are set out in notes 17 and 19 respectively.

Restricted bank balances are bank deposits mainly in the PRC and the remittance of these funds out of the PRC is subject to the exchange restrictions imposed by the PRC government. These bank deposits carry interest at market rates ranging from 0.01% to 2.30% per annum as at December 31, 2024 (2023: 0.01% to 5.78% per annum).

16. BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Bank balances, included bank deposits that have an original maturity of longer than three months, carried interest at market interest rate ranging from 0.001% to 2.3% (2023: from 0.002% to 2.5%) per annum as at December 31, 2024. Bank balances and cash as at December 31, 2024 and 2023 were mainly denominated in RMB which is not a freely convertible currency in the international market and the remittance of these funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

Denominated in currencies other than the functional currency of relevant group entities:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
USD	**114,905**	94,416
Hong Kong Dollars ("**HKD**")	**52,197**	13,315
Others *(Note)*	**5,500**	2,125
	172,602	109,856

Note: Others mainly contain Japanese Yen ("**JPY**") and Singapore dollar.

17. OTHER RECEIVABLES/TRADE AND BILLS RECEIVABLES MEASURED AT FVTOCI

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables measured at FVTOCI	**982,432**	503,982
Bills receivables measured at FVTOCI	**527,618**	472,205
Trade and bills receivables measured at FVTOCI	**1,510,050**	976,187
Prepayments for raw materials	**5,447,122**	3,217,465
Other deposits, prepayments and other receivables	**735,944**	599,800
Loan receivables	**450,000**	200,000
Receivables for relocation compensation	**109,091**	109,091
Prepayments on behalf of third parties as a trading agency	**2,206,630**	2,061,346
Deductible input Value Added Tax and prepaid other taxes and charges	**394,188**	477,528
Less: impairment	**(51,572)**	(80,213)
Other receivables	**9,291,403**	6,585,017

As at January 1, 2023, trade and bill receivables from contracts with customers amounted to RMB861,432,000.

The customers usually settle the sales by cash or bills. The credit period granted to the customers who settle in cash is usually no more than 30 days, interest free with no collateral. Aging of trade receivables based on invoice dates, which approximated the respective revenue recognition dates, net of allowance for credit losses, are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within one month	**794,258**	481,279
1 to 3 months	**167,484**	10,133
3 to 6 months	**6,447**	3,641
7 to 12 months	**14,243**	8,929
	982,432	503,982

No credit period is offered for sales to be settled by bills, carrying interest at market rates. Bills receivable are bank acceptance notes and the average aging based on the maturity date is from 90 days to 360 days.

The following bills receivable as at December 31, 2024 and 2023 were transferred to banks or suppliers by discounting, pledging to banks or endorsing those receivables on a full recourse basis. As the Group has not transferred substantially all the risks and rewards relating to these receivables, it continues to recognize the full carrying amounts of the receivables and the corresponding liabilities are included in secured borrowings or trade payables, whichever is appropriate. These financial assets are carried at FVTOCI.

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Carrying amount of transferred assets	**135,471**	56,559
Carrying amount of associated payables to suppliers *(note 18)*	**(87,846)**	(56,559)
Carrying amount of associated loans	**(47,625)**	–
	–	–

At December 31, 2024, bills receivable issued among subsidiaries of the Group for intra-group transactions have been discounted with full recourse to secure bank loans amounting to RMB4,702,122,000 (2023: RMB3,939,034,000) (note 19), and these bills receivable have been eliminated in these consolidated financial statements.

During the reporting period, the Group has transferred substantially all the risks and rewards relating to certain bills receivable discounted to banks or endorsed to suppliers even if the banks and suppliers have the right of recourse. 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 remote because all endorsed and discounted bills receivable are issued and guaranteed by reputable banks in the PRC. As a result, the relevant assets and liabilities were derecognized and no longer included in the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivable at the end of each reporting period are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Discounted bills for raising cash	**2,893,075**	3,201,502
Endorsed bills for settlement of payables to suppliers	**2,526,565**	1,445,191
Outstanding endorsed and discounted bills receivable with recourse	**5,419,640**	4,646,693

The outstanding endorsed and discounted bills receivable will be matured within 12 months from the end of the reporting period.

18. TRADE AND OTHER PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**3,126,633**	2,601,768
Payables to be settled by the endorsed bills receivable *(note 17)*	**87,846**	56,559
Bills payable	**2,400,392**	1,046,755
Payables for construction in progress	**2,075,882**	2,870,371
Payables on behalf of third parties as a trading agency	**380,293**	824,536
Advances from customers on behalf of third parties as a trading agency	**357,233**	570,064
Other tax payables	**75,514**	103,433
Payroll payables	**143,673**	132,987
Other payables and accruals *(Note a)*	**606,654**	671,856
	9,254,120	8,878,329
Analyzed for reporting purposes as:		
Current liabilities	**9,204,744**	8,773,615
Non-current liabilities	**49,376**	104,714

Notes:

a. Included in other payables and accruals were payables in relation to an arbitration with a contractor as detailed in note 6 to the consolidated financial statements in this announcement. Pursuant to the settlement agreement, the balance will be repaid by instalments till December 31, 2026, of which RMB49 million will be repaid after 2025 and therefore presented as long-term payables, the remaining balance was presented as current liabilities.

All trade and other payables are due within one year. The average credit period on purchases of goods is 30 to 90 days.

The following is an aging analysis of trade payables based on the invoice date at the end of each reporting period:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**2,750,565**	2,238,794
3 to 6 months	**133,224**	157,961
6 to 12 months	**149,369**	94,599
1 to 2 years	**60,089**	68,012
2 to 3 years	**13,141**	15,030
More than 3 years	**20,245**	27,372
	3,126,633	2,601,768

19. BANK AND OTHER LOANS

The analysis of the carrying amount of bank and other loans is as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Bank loans		
Secured	**10,290,136**	8,193,983
Unsecured	**9,846,666**	8,163,912
Other loans		
Secured	**4,828,736**	4,990,986
Unsecured	**704,250**	417,728
Discounted bills financing		
– Discounted bills receivable from subsidiaries of the Company	**4,702,122**	3,939,034
	30,371,910	25,705,643

At the end of each reporting period, the bank and other loans were repayable as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**20,883,819**	16,789,043
After 1 year but within 2 years	**6,250,439**	6,355,445
After 2 years but within 5 years	**2,408,138**	1,377,644
After 5 years	**829,514**	463,514
	30,371,910	24,985,646
Repayable on demand due to breach of loan covenants (shown under current liabilities)	**–**	719,997
	30,371,910	25,705,643

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Analyzed for reporting purpose as:		
Current liabilities	**20,883,819**	17,509,040
Non-current liabilities	**9,488,091**	8,196,603
	30,371,910	25,705,643

Bank and other loans denominated in currencies other than the functional currencies of respective entities are set out below:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
USD	**620,346**	1,105,344
JPY	**–**	673

The carrying amount of the bank and other loans and the range of interest rates are as below:

	As at December 31,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Fixed rate bank and other loans	**18,681,567**	**1.70~ 8.50**	18,363,513	1.70 ~ 9.00
Floating rate bank and other loans *(Note)*	**11,690,343**	**2.66~8.50**	7,342,130	1.58 ~ 8.40
	30,371,910		25,705,643	

Note: Included in floating rate bank and other loans was USD dominated bank borrowings of RMB113,360,000 (2023: RMB204,416,000) carried at secured overnight financing rate (SOFR). The remaining floating rate bank and other loans are carried at loan prime rate (LPR) issued by the People's Bank of China.

The secured other loans represent loans from the licensed finance companies secured by property, plant and equipment and leasehold lands, as well as loans from licensed financial institutions secured by the Group's bank deposits.

Details of the assets pledged for securing the banking facilities of the Group are set out in note 21.

As at December 31 2024, except for bank loan of RMB1,132,000,000 is guaranteed by related parties, no bank and other loans guaranteed by the related parties or independent companies (2023: bank loan of RMB673,000 is fully guaranteed by an independent company).

20. SHARE CAPITAL

	As at December 31, 2024 Number of shares	2023 Number of shares	As at December 31, 2024 HKD'000	2023 HKD'000
Authorized				
Shares of HKD0.10 each				
Authorized ordinary shares:				
At beginning and end of the year	**10,000,000,000**	10,000,000,000	**1,000,000**	1,000,000
Issued and fully paid of ordinary shares:				
At the beginning of the year	**4,424,126,000**	4,424,126,000	**442,413**	442,413
Share repurchased and cancelled	**(21,940,000)**	–	**(2,194)**	–
Issue of shares	**52,000,000**	–	**5,200**	–
At the end of the year	**4,454,186,000**	4,424,126,000	**445,419**	442,413

	As at December 31, 2024 RMB'000	2023 RMB'000
Presented in the consolidated statement of financial position as:		
At the beginning of the year	**382,246**	382,246
Share repurchased and cancelled *(Note a)*	**(1,876)**	–
Issue of shares *(Note b)*	**4,802**	–
At the end of the year	**385,172**	382,246

Notes:

a. During the year ended December 31, 2024, the Company repurchased its ordinary shares as follows:

Month of repurchase	Number of ordinary shares '000	Price per share Highest HK$	Lowest HK$	Aggregate consideration paid HK$'000
January	1,934	3.09	3.02	5,911
February	1,551	3.03	3.01	4,694
March	2,364	3.00	2.99	7,089
May	3,500	3.03	3.00	10,608
June	4,519	2.99	2.97	13,479
July	45,319	3.01	2.97	135,994
August	4,926	2.89	2.86	14,205
September	54,972	3.04	2.88	163,254
	119,085			355,234

During the year ended December 31, 2024, the Company cancelled 21,940,000 ordinary shares, of which 12,591,000 ordinary shares were repurchased in 2023 and 9,349,000 were repurchased during the current year. The aggregate consideration paid for the repurchase during the current year was HK$355,234,000, equivalent to RMB323,045,000.

b. On December 18, 2024, the Company placed new shares of 52,000,000 at the placing price of HK$3.00 per share (the "**Placing**"). The gross proceeds received by the Company from the Placing was approximately HK$156 million (equivalent to RMB144 million).

21. PLEDGE OF ASSETS

At the end of each reporting period, in addition to the discounted bills securing the Group's bank loans as disclosed in note 17, certain Group's assets were pledged to secure banking facilities granted to the Group and their carrying amounts are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Property, plant and equipment	**9,396,855**	9,008,897
Right-of-use assets	**783,599**	969,371
Investment properties	**1,810,470**	65,071
Inventories	**290,010**	300,020
Trade receivables	**789,463**	226,089
Restricted bank deposits	**2,316,610**	2,247,243
	15,387,007	12,816,691

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is an integrated coke, coking chemical and refined chemical producer and supplier as well as relevant operation management services provider in China. The Group maintains as the world's largest independent producer and supplier of coke by production/processing volume in 2024# and this remarkable leading position in the independent coke industry has been maintained for three decades since 1995.

During the Reporting Period, the Group held several leading positions in coke, refined chemicals and hydrogen products sectors in China or globally as followings:

1)	Coke	World's largest independent producer and supplier
2)	Coking crude benzene	World's largest processor
3)	High temperature coal tar	World's second largest processor
4)	Caprolactam (CPL)	World's second largest producer
5)	Coke-oven-gas-based methanol	China's largest producer
6)	Industrial-naphthalene-based phthalic anhydride	China's largest producer
7)	High purified hydrogen	Beijing-Tianjin-Hebei area's largest producer

The Group is also an operation management service provider to third-party independent coke producers and/or refined chemicals producers in order to enhance the Group's influence, market share and discourse power in these industries. At the end of the Reporting Period, the Group was providing operation management service to six coke producers and two refined chemicals producers.

During the Year, the net profit decreased by approximately RMB891.7 million or 90.1% as compared to the Last Year. The average price of the Group's coke products dropped to approximately RMB1,848/ton (tax-exclusive), down approximately 16.1% from the Last Year; and as of the end of March 2025, the Group's coke price remained at approximately RMB1,436.54/ton (tax-exclusive). The Group has been controlling its blended coal prices through various effective means, maintaining the target of coal-coke price spread at approximately RMB300/ton or above, representing a decrease of approximately 18.2% from the Last Year.

According to the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global consulting firm.

In order to strengthen the consolidated competitive advantage, the Group continuously focused on integrating and expanding existing businesses including production/processing capacity of coke, refined chemicals and operation management, while also improving the Group's performance under an operation and management reform. The purpose of the reform is to improve operation and management efficiency, profitability, return on investment, comprehensive competitiveness by fully implementing the annual plan of operation and production and the financial budget, achieving the corporate cost control measures and safeguarding profits so as to complete the Group's "Sixth Five-Year" plan by 2025.

Considering the operating results in the first half of 2025, the recent development of China and the world's economy, the Group's future development needs as well as its operation and management reform, the Board does not propose a final dividend for the year ended December 31, 2024. The Board wishes to emphasis that the Company paid an interim dividend of RMB0.78 cents per share (equivalent to HK0.85 cents per share) for the six months ended June 30, 2024, representing more than 34% of the Group's net profit for the Year, which is higher than the dividend payout ratio of 30% as documented in the prospectus of the Company dated February 28, 2019. The interim dividend, together with the Special Dividend (as defined below), represents the Company's commitment in sharing values with its shareholders (the "**Shareholders**").

BUSINESS REVIEW

Other than the operation management business, the Group focused on the main theme of integration of existing businesses and production bases, expansion of production capacity of coke and refined chemicals. In order to continuously create value to the Shareholders, the Group closely controlled the operating costs and expenditures of production bases and monitored the operating efficiency of production facilities. The Group continued its expansion in annual capacity of coke and further refined into high-end chemicals products such as caprolactam ("**CPL**"), synthetic ammonia, 2-Amino-2-Methyl-1-Propanol ("**AMP**") with strong market demand.

Starting from 2021, the Group was also developing new production base with two joint ventures and one associate in Sulawesi Province, Indonesia. In the Year, there were four coke ovens commenced for operation and total annual coke production capacity was currently 3.2 million tons in Sulawesi Production Base. Other than the first overseas production base, the Group also had seven operating production bases in Hebei Province, Shangdong Province and Inner Mongolia Autonomous Region, the PRC together with one constructing production base in Jiangxi Province, the PRC. The main philosophy of the Group's expansion is to increase its annual production/processing volume in coke and refined chemicals according to the market and the Group's own Five-Year Plan from 2021 to 2025. Gradually, there will be new production facilities commencing operation and the Group's growth in overall production capacity will continue to grow. By doing so, the Group can develop a longer and wider production chain of more than 60 types (2023: approximately 60 types) of refined chemicals. In the long run, the Group targets to maintain the leading positions of coke and refined chemicals industry and continue to create values to the Shareholders.

The Group's vertically integrated business model and its experience of more than 29 years in the coke industry production chain enables the Group to widen the downstream refined chemicals industry. Currently, the Group has four business segments including coke and coking chemicals manufacturing, refined chemicals (including hydrogen-energy products) manufacturing, operation management and trading.

During the Reporting Period and up to the date of this announcement, the Group entered into four new operation management agreements to further expand the Group's business presence in coke and coking chemicals, including coke and aniline refined chemicals sectors, in Shandong, Sichuan, Jiangsu Province and lnner Mongolia Autonomous Region, the PRC. Since 2014, the Group engaged its first operation management service, to which the Group was actively developing over a decade in operation management business.

Four existing business segments of the Group are set out as follows:

1) **coke and coking chemicals manufacturing:** the production and sale of coke and a series of coking chemicals from externally sourced coking coals processed at the Group's coking facilities;

2) **refined chemicals manufacturing:** the processing of coking chemicals, sourced from the Group's coke and coking chemicals manufacturing segment and third parties, into refined chemicals products at the Group's refined chemicals facilities, as well as marketing and sale of such refined chemicals including hydrogen-energy products;

3) **operation management:** the operation management service provided to the third-party plants, and the sale of coke, coking chemicals and refined chemicals produced by these plants under the management service agreements and commissioned processing contracts; and

4) **trading:** the sourcing of coke, coking chemicals and refined chemicals from third parties and the marketing, sale and distribution of them.

Below is the table summarizing the key corporate activities of the Group for the Year and up to the date of this announcement:

Time	**Corporate Activities**
July 2024 – Capital Increase of Dingzhou Tianlu New Energy Co., Ltd.	Introducing ABC Financial Asset Investment Co., Ltd. to increase capital in Dingzhou Tianlu New Energy Co., Ltd.* (定州天鷺新能源有限公司) by RMB450 million.
July 2024 – Entering into an operation management agreement with Wuhai Guangna Coal Coking Co., Ltd.	Signing cooperation agreement with Wuhai Guangna Coal Coking Co., Ltd.* (烏海廣納煤焦化有限公司) for the purpose of conducting unified sales of its coke with annual capacity of 1 million tons.
July 2024 – Entering into an operation management agreement with Sichuan Energy Investment Wangcang Coking Co., Ltd.	Signing cooperation agreement with Sichuan Energy Investment Wangcang Coking Co., Ltd.* (四川能投旺蒼焦化有限公司) for the purpose of providing comprehensive services for the overall production operation management of coke with annual capacity of 0.6 million tons.
August 2024 – Establishment of the Sustainable Development Committee	Establishment of the Sustainable Development Committee to show the commitment of long-lasting development of the Group.

Time	Corporate Activities
September 2024 – Entering into tripartite strategic cooperation framework agreement on liquid hydrogen	All-round cooperation on liquid hydrogen business cooperation, e.g. construction of a liquid hydrogen plant to create a 5-ton/day liquid hydrogen demonstration project with Beijing Institute of Aerospace Test Technology.
December 2024 – Acquisition of 100% equity interest in Risun Chemicals Technology Research Co., Ltd.	Acquisition of Risun Plaza as the headquarters in Beijing through acquisition of 100% equity interest of Risun Chemicals Technology Research Co., Ltd.* (旭陽化學技術研究院有限公司).
December 2024 – Establishment of the China Coking Coal & Coking Brand Cluster (the "**Brand Cluster**")	Establishment of the Brand Cluster signifies the formal recognition of the China's coking industry brand and promotion of China's coking brands on the global stage and an international center for coking coal and coking brands.
December 2024 – Capital increase of Cangzhou Risun Chemicals Limited	Introducing Shenzhen Venture Capital Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership)* (深創投製造業轉型升級新材料基金(有限合夥)) to increase capital in Cangzhou Risun Chemicals Limited* (滄州旭陽化工有限公司) by RMB800 million.
December 2024 – Top-up placing of 52,000,000 shares	A total of 52,000,000 placing shares were successfully placed at HK$3.00 per share to not less than six placees.

Furthermore, the business developments in terms of the coke and refined chemicals, hydrogen-energy products, capital market, environmental protection, digitalization and research and development ("**R&D**") during the Reporting Period are described as follows:

Coke

The Group persistently focused on the expansion of its coke production capacity by either organic growth in self-construction of coke production facilities or merger and acquisition of other coke enterprises. In the past, the Group successfully completed the acquisition of a group of coke enterprises in Shangdong in December 2020 and took the shortest time to make smooth integration into the Group.

In 2024, the Group did not acquire any new coke enterprise but was still focusing on the way of expansion by further integration of coke production facilities in Huhhot Production Base and Sulawesi Production Base. Also, the Group was constructing another coke production facilities in Sulawesi Production Base in phase.

Moreover, the Group was providing operation management service for third-party coke enterprises with plants producing and processing annual coke capacity of 8.2 million tons in different provinces in China.

Refined chemicals

The Group maintained three production chains of refined chemicals together with further refined production of hydrogen-energy products. The classification of four different refined chemicals products is as follows:

Carbon material chemicals:

Coal tar pitch, industrial-naphthalene-based phthalic anhydride, carbon black oil

Alcohol-ammonia chemicals:

Methanol, synthetic ammonia, 2-Amino-2-Methyl-1-Propanol (AMP)

Aromatic chemicals:

Benzene hydrogenation, cyclohexane, cyclohexanone, styrene, caprolactam (CPL), polyamide 6 (PA6)

Hydrogen-energy products:

High purified hydrogen, liquid hydrogen

In the Year, the Group made use of the leading position and advanced production chain and technology in operating and manufacturing caprolactam (CPL) and some alcohol-ammonia chemicals products, such as 2-Amino-2-Methyl-1-Propanol (AMP). CPL is the raw materials used for producing polyamide 6 (PA6) and high-temperature nylon – a special material for many consumables with its characteristic of strength and heat resistance, while AMP is a high value-added refined chemicals product, which was widely used in high-end paint additives, cosmetics, pharmaceuticals, pesticide, metal processing, carbon dioxide absorption etc. The main philosophy was to invest in those refined chemicals production lines with larger market demand anticipated by the Group.

For the new market of aromatic chemicals, the Group newly built a production line with an annual processing capacity of 0.36 million tons of crude benzene hydrogenation and renovated a production line with an annual processing capacity of 0.20 million tons of crude benzene hydrogenation, and consolidated them into a single production base with pronounced scale advantages and significant comprehensive benefits, resulting in annual processing capacity of 0.56 million tons in total in Tangshan Production Base. This further strengthened the Group's leading position as the world's largest processor of coking crude benzene and empowered the Group with greater influence and competitiveness in the benzene hydrogenation market.

Moreover, during the Year, the Group was providing operation management service for third-party chemicals enterprises with plants processing/producing coal tar and aniline with an annual capacity of 0.66 million tons in different provinces in China.

Hydrogen-energy products

Apart from four exiting business segments, the Group actively participated into the hydrogen industrialization plan in Hebei Dingzhou, Inner Mongolia Hohhot and Hebei Xingtai, China. The Group aimed at becoming a clean and low-carbon hydrogen energy supplier. Focusing on the rapid development of the hydrogen energy industry in the Beijing-Tianjin-Hebei area, the Group is dedicated to advancing the entire hydrogen supply chain – from production, storage, transportation and hydrogenation to usage. This effort is complemented by the strategic expansion of intelligent hydrogen supply across the nation, utilizing advanced technology and offering more customer-oriented services.

In 2024, Dingzhou Risun Hydrogen Energy Co. Ltd.* (定州旭陽氫能有限公司) successfully obtained the "Low Carbon Hydrogen, Clean Hydrogen and Renewable Hydrogen Standards and Evaluation" certification of the National Hydrogen Energy and Fuel Cell Vehicle Demonstration Evaluation Platform. The Group became one of the first domestic enterprises that officially obtained clean hydrogen certification for demonstration city clusters.

The average selling prices (net of VAT) of the Group's major products during the Reporting Period are as follows:

	RMB per ton
Coke	1,847.7
Coal tar pitch	3,981.0
Phthalic anhydride	6,216.0
Methanol	2,047.3
Benzene	7,224.5
Synthetic amine	2,203.1
Styrene	8,015.5
Caprolactam (CPL)	10,836.3
Hydrogen-energy products (per cube meter)	2.28

Capital Market

During the Reporting Period, the number of shares of the Company held through Hong Kong Stock Connect was approximately 303 million shares. This reflected the market confidence in the Company with regard to its long-term strategy and development. The Group also strengthened the teams of equity market department to target different types of investors in China, Hong Kong, Asian Pacific and even around the world. We continuously promote the Company through monthly investors' presentations, road shows, production bases' visits, press releases, constant announcements on business and operational update in order to enhance the transparency of, and present to the public, the operation of the Group.

The Group communicated with domestic and foreign investment institutions and securities analysts, organized reverse roadshows, enhanced the capital market's understanding and knowledge of the Group. The Group gained high recognition and praise from the capital market with its stable operational performance and strategic planning. The Company was not only the trading target of Hong Kong Stock Connect, but was also included in several classified index constituent stocks under the Hang Seng Index Series, FTSE Russell Index Series and MSCI Index Series.

Environmental Protection

Safety, environmental protection and quality are the lifeline of the Group. During the Reporting Period, the Group actively promoted the establishment of advanced environmental policies, committed to building green production bases and green factories, and actively carried out innovation of environmental protection technology.

Since the establishment, the Group continuously invested a total of RMB9.3 billion in environmental protection with the goal to achieve the carbon peak and carbon neutrality in 2030 and 2060. The Group focused on promoting environmental protection projects to reach ultra-low emission standards of pollutants such as nitrogen-oxides, sulfur-oxides, VOCs, etc.

In August 2024, the Group established the Sustainable Development Committee to enhance ESG management to the Board level and to assist the Board in managing the Group's sustainable development and ESG matters.

Digitalization

The Group is committed to lead the digitalization in the coke and chemical industry by continuous innovation throughout the process of sales-transportation-manufacturing-supply-research. The Group continue to promote the construction and improvement of digital or intelligent factories among the production bases of the Group and proactively apply artificial intelligence technology with the aim of development of "green, agglomeration, intelligence and high-end" in the coke and chemicals industry.

Moreover, according to the National Five-Year Plan focusing on digital transformation, intelligent manufacturing, industrial Internet, big data and information security, the Group determined to formulate its own development in information technology and digitalization projects. By doing so, the Group continued to get along with "completely automation and thoroughly automation; completely informatization and thoroughly informatization" as well as industrial Internet, intelligent manufacturing together with the use of automatic equipment and automatic control system.

R&D

Innovation-driven leads the Group's continuous growth in business. Since the listing of the Company, the Group has accumulated R&D expenditure of RMB4.3 billion, achieved a total of 46 national, provincial and municipal technological innovation results and won a total of 261 provincial and municipal honors.

The Group has established a three-level R&D system, including the R&D Committee, Chief Engineer and Production Technology Department, and has two provincial engineering technology R&D centers, three provincial technology innovation centers, one provincial key laboratory, six provincial enterprise technology centers, six provincial industrial enterprise (Grade A) R&D institutions, five national testing centers, postdoctoral research workstations, two academician expert workstations and other R&D platforms.

DEVELOPMENT STRATEGY

Founded in 1995 and up to 2024, the Group has a more than 29-years history of development, where it has taken advantage of its leading position, experience, technology and digitalization in coke and refined chemicals industries to drastically expand its four existing business segments together with hydrogen-energy products business through the following development strategies:

(i) expansion of business operation and production capacity (including high value-added chemicals products and hydrogen-energy products);

(ii) exploration of market opportunities to provide operation management services;

(iii) development and reinforcement of long-term business relationships with the major customers and suppliers;

(iv) expansion of domestic and international trading business;

(v) improvement of its energy-efficiency, environmental protection and operation safety standards; and

(vi) improvement of its core competitive strengths through automation and information technologies.

The above development strategies are deployed based on the Group's competitive advantageous abilities through integrated business model and are designed to diversify the risks throughout the production bases in China and overseas.

Apart from the above development strategies, there are nine competitive advantageous abilities that the Group believed and enabled to deploy and execute the development strategies effectively in order to enhance the leadership in coke and refined chemicals industries and hydrogen-energy products business:

1. Scale advantageous ability

The Group is the world's largest independent coke producer and supplier by production/processing volume and enjoys economies of scale which enabled the Group to become more competitive in terms of costs, product quality and customer relationships among the eight production bases in China and overseas.

2. Vertically integrated advantageous ability

The vertically integrated business model helps improving the Group's production efficiency and achieving synergies through centralized and unified management and reducing exposure to market volatility and price fluctuations.

3. Production base advantageous ability

All of the production bases are located in industrial parks approved by local government authorities. The production bases are located near most of the major customers and suppliers and transportation infrastructure, such as national railway networks, major highways, expressways and ports, which provide the Group with multiple transportation options.

4. Cost control advantageous ability

The Group actively control the expenditures in cost of sales and services, selling and distribution expenses, administrative expenses, finance costs and income tax expenses. The Group formulated a comprehensive and mature coal preparation and blending computer system based on its IT infrastructure and experience so as to widen the price spread between its products and raw materials both in coke and refined chemicals.

5. Centralized sale and marketing advantageous ability

The Group is market-oriented and all the products are sold under the brand "RISUN" via the centralized sale and marketing system operated by the Group. The Group maintains low levels of finished product inventories and adopt a "zero inventory" policy and strive to achieve minimal inventory of the Group's coke products. The Group produces based on the periodical production plans which are adjusted regularly pursuant to the customers' demands.

6. Innovation advantageous ability

The research and technology personnel focuses on the innovation of production and energy and resource efficiency to improve its manufacturing processes and reduce the environmental impact of its production processes. The Group also commits to improving product added value and extending the industrial chain.

7. Automation and information technologies advantageous ability

The production bases are highly automated and the Group established a centralized system connecting its Manufacturing Execution System (MES), Enterprise Resource Planning (ERP) systems and the BeiDou Navigation Satellite System. The Group also uses the mobile internet, cloud computing, internet of things, big data and intelligent manufacturing technologies in the operations of the Group.

8. Environmental safety advantageous ability

The Group adopts a number of measures and practices to reduce the environmental impact of the operations, such as preventing soil pollution, water pollution and air pollution in order to minimize the negative impact on the environment.

Another key of the Group's environmental measures is the Group's resource recovery and re-utilization. During the coking process, the Group recover and re-utilize valuable coking by-products, from which the Group manufactures its refined chemical products. With the vertically integrated business model, the Group also re-utilizes the heat from its production processes and re-use wastewater and other fluids after appropriate treatment.

9. Risk mitigation advantageous ability

The Group monitors the business operations of its customers, including but not limited to their inventory levels, production output and sales volumes, via its on-site customer service personnel. This can help the Group promptly understand the downstream demand for the Group's products, adjust the Group's production plans and mitigate the risks associated with price fluctuations and changes in demand for its products.

BUSINESS PROSPECTS

Looking forward to the Group's Five-Year Plan from 2021 to 2025, the Group will make use of different ways of operation management, merger and acquisition together with the setup of joint ventures with well-known geographical large enterprises to increase the market share by production/processing of coke and refined chemicals together with hydrogen-energy products.

In general, the Group is looking for every opportunities to release the intrinsic value of different products and/or segment, such as introduction of financial investors to invest in the subsidiaries of the Group and co-operation between companies listed in Hong Kong and China. The purpose is to create more shareholders' value.

Coke and refined chemicals

Looking forward to 2025 onwards, the Group will continue to increase the market share in independent coke market and certain refined chemicals market in China and overseas by expanding the annual coke and refined chemicals production/processing capacity, exploring and focusing on new refined chemicals market with large potential demand and relatively small domestic supply together with entering into different operation management services in order to promote deep and instant market influence and power to selling price.

The Group is in the development process of Pingxiang Production Base in Xiangdong Industrial Park by constructing coke facilities with an annual coke production capacity of 1.8 million tons. Moreover, the Group will continue exploring different potential projects of mergers and acquisitions in China and overseas. The Group will explore by using more coals from different countries in the world and digitization of new technologies to maximize the price spread of the Group's products.

Last year, the Group was the world's second largest producer of caprolactam (CPL) and plans to enhance the CPL capacity to become the world's largest producer in future. Also, the Group plans to deploy the annual production capacity of 2-Amino-2-Methyl-1-Propanol (AMP) amounting to 5,000 tons in 2025. AMP is widely used in high-end coatings, metal processing, pharmaceutical pesticides and cosmetics, which can greatly improve their comprehensive performance in terms of the color uniformity and reduction of volatile organic compounds.

Hydrogen-energy products

The Group is going to participate actively into the hydrogen industrialization plan in different cities in the PRC, including Dingzhou, Xingtai and Baoding in the Hebei Province and Hohhot in Inner Mongolia, etc. The Group will also investing in new hydrogen-energy products project in Pingxiang Production Base. The Group aims at becoming a clean and low-carbon hydrogen energy supplier. Focusing on the rapid development of hydrogen energy industry in Beijing-Tianjin-Hebei area, the Group is committed to develop from production, storage, transportation, hydrogenation to usage together with radiation of intelligent supply of hydrogen to the whole country with advanced technology and more customer-oriented services. In the future, the Group will explore the opportunities to build up hydrogen-energy mother island and energy integrated station in Beijing-Tianjin-Hebei area.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On March 12, 2025, Risun Group Limited* (旭陽集團有限公司) ("**Risun Group**"), a wholly-owned subsidiary of the Company, and Beijing Sinohytec Co., Ltd. ("**Beijing Sinohytec**") entered into a framework agreement, pursuant to which Risun Group intends to dispose of its entire equity interest in Dingzhou Risun Hydrogen Energy Co., Ltd.* (定州旭陽氫能有限公司) to Beijing Sinohytec in exchange for A Shares to be issued by Beijing Sinohytec at a price of RMB18.53 per share; and Risun Group intends to subscribe for additional A Shares to be issued by Beijing Sinohytec at a price of RMB18.53 per share. Please refer to the announcement published by the Company on March 12, 2025 for details.

DEVELOPMENT, PERFORMANCE AND STATUS OF THE BUSINESS OF THE GROUP

The following table sets forth the Group's financial ratios as at the dates and for the years indicated:

	As of and for the year ended December 31,	
	2024	2023
Gross profit margin(1)	**7.3%**	7.2%
Net profit margin(2)	**0.2%**	2.1%
EBITDA margin(3)	**8.1%**	9.5%
Return on equity(4)	**0.2%**	6.7%
Gearing ratio(5)	**1.9**	1.8
Debt-to-asset ratio	**73.5%**	73.1%

Notes:

(1) Calculated by dividing gross profit by revenue for the year.

(2) Calculated by dividing profit by revenue for the year.

(3) Calculated by dividing earnings before interest, tax, depreciation and amortization ("**EBITDA**") by revenue for the year.

(4) Calculated by dividing profit attributable to owners for the year by equity attributable to owners as of the end of the year.

(5) Calculated by dividing total interest-bearing borrowings by total equity as of the end of the year.

FINANCIAL REVIEW

The following table sets forth our total revenue and gross profit by business segment (excluding the inter-segment revenue):

	For the year ended December 31, 2024					
	Coke and coking chemicals manufacturing	**Refined chemicals manufacturing**	**Operation management services**	**Trading**	**Property development**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Total revenue	**17,642,275**	**20,729,404**	**4,225,134**	**4,740,319**	**205,607**	**47,542,739**
Gross profit	**1,513,691**	**1,515,668**	**160,977**	**286,730**	**12,497**	**3,489,563**

	For the year ended December 31, 2023					
	Coke and coking chemicals manufacturing	Refined chemicals manufacturing	Operation management services	Trading	Property development	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total revenue	18,077,005	18,680,876	2,016,851	7,168,375	122,789	46,065,896
Gross profit	1,640,778	1,360,101	17,940	282,753	23,378	3,324,950

The following discussion addresses the principal trends that have affected our results of operations during the Reporting Period.

(a) Revenue

Compared with RMB46,065.9 million for the Last Year, the revenue for the Year increased to RMB47,542.7 million.

The revenue of the coke and coking chemicals manufacturing business decreased by RMB434.7 million, or 2.4%, from RMB18,077.0 million for the Last Year to RMB17,642.3 million for the Year, mainly because Risun China Gas was not included in the scope of consolidation from January to May 2023, resulting in an increase of 1.2 million tons of coke business volume in 2024, but the average selling price of coke decreased by RMB353.7/ton, which resulted in a decline in the revenue of the coke segment.

Revenue from refined chemicals manufacturing business increased by RMB2,048.5 million, or 11.0%, from RMB18,680.9 million for the Last Year to RMB20,729.4 million for the Year, mainly due to an increase in sales of caprolactam of 27,000 tons and the resumption of production in Dongming Production Base, which resulted in an increase of RMB858.9 million in revenue from caprolactam. Also, an increase in sales of styrene of 46,000 tons together with an increase of average selling price of RMB721.9 resulted in an increase of revenue of RMB601.1 million. Moreover, an increase in sales of synthetic ammonia of 240,000 tons resulted in an increase of revenue of RMB467.8 million.

Revenue from the operation and management business increased by RMB2,208.2 million, or 109.5%, from RMB2,016.9 million for the Last Year to RMB4,225.1 million for the Year, mainly due to the Jilin Aniline Project, which was newly established in October 2023 and contributed to revenue of RMB2,029.9 million from January to September 2024, and the newly established Wuzhong City Coking Project in 2024 increased revenue by RMB22.6 million.

Revenue from the trading business decreased by RMB2,428.1 million, or 33.9%, from RMB7,168.4 million for the Last Year to RMB4,740.3 million for the Year, mainly due to the decrease in the unit prices of the main trading products, coke and coal, which ultimately led to a decrease in revenue from the trading business for the Year.

(b) Cost of sales

Cost of sales for the Year increased to RMB44,053.2 million, compared to RMB42,740.9 million for the Last Year.

Cost of sales for the coke and coking chemicals manufacturing business decreased by RMB307.6 million, or 1.9%, from RMB16,436.2 million for the Last Year to RMB16,128.6 million for the Year, primarily due to a decrease in the average selling price of coal products, being the raw materials.

The cost of sales of the refined chemicals manufacturing business increased by RMB1,893.0 million, or 10.9%, from RMB17,320.8 million for the Last Year to RMB19,213.7 million for the Year. The sales volume of caprolactam increased by 27,000 tons since the Dongming Production Base resumed production. The combined impact included an increase in the cost of caprolactam by RMB646.7 million, a rise in the sales volume of styrene by 46,000 tons with a cost increase of RMB463.2 million, and an increase in the sales volume of synthetic ammonia by 240,000 tons, leading to a cost increase of RMB410.7 million.

The cost of sales of the operating and management business increased by RMB2,065.2 million, or 103.3%, from RMB1,998.9 million for the Last Year to RMB4,064.2 million for the Year, mainly because the Jilin Aniline Project was newly established in October 2023, and the cost from January to September 2024 was RMB1,918.4 million.

The cost of sales of the trading business decreased by RMB2,432.0 million, or 35.3%, from RMB6,885.6 million for the Last Year to RMB4,453.6 million for the Year, mainly because the unit prices of the main trading products, coke and coal, were reduced, which ultimately led to a decrease in the cost of the trading business for the Year.

(c) Gross profit and gross profit margin

The Group's total gross profit increased by approximately RMB164.7 million, or 5.0%, from approximately RMB3,324.9 million for the Last Year to approximately RMB3,489.5 million for the Year. The gross profit margin increased from 7.2% for the Last Year to 7.3% for the Year.

The gross profit of the coke and coking chemicals manufacturing business decreased by RMB127.1 million, or 7.7%, from RMB1,640.8 million for the Last Year to RMB1,513.7 million for the Year. The gross profit margin of the coke and coking chemicals manufacturing business decreased from 9.1% for the Last Year to 8.6% for the Year, mainly due to the decrease in the spread between coke sales and coal purchases.

The gross profit of the refined chemicals manufacturing business increased by RMB155.6 million, or 11.4%, from RMB1,360.1 million for the Last Year to RMB1,515.7 million for the Year. The gross profit margin of the refined chemicals manufacturing business remained basically the same at 7.3%, mainly due to the increase of 27,000 tons of caprolactam sales and the resumption of production at the Dongming Production Base, which collectively contributed to an increase in the gross profit of caprolactam by RMB212.2 million, a rise in styrene sales by 46,000 tons, an increase of gross profit by RMB137.9 million, and an increase in synthetic ammonia sales by 240,000 tons, enhancing gross profit by RMB57.1 million.

The gross profit of the operation management business increased by RMB142.9 million, or 793.9%, from RMB18.0 million for the Last Year to RMB160.9 million for the Year. The gross profit margin of the operation management business increased from 0.9% for the Last Year to 3.8% for the Year, mainly because the Jilin aniline project was newly established in October 2023, with a gross profit of RMB111.5 million from January to September 2024.

The gross profit of the trading business increased by RMB3.9 million, or 1.4%, from RMB282.8 million for the Last Year to RMB286.7 million for the Year. The gross profit margin of the trading business increased from 3.9% for the Last Year to 6.0% for the Year, mainly due to an increase in the trading volume of agency business.

(d) Other income

The Group's other income mainly includes interest income, sales income of production waste, value-added tax concessions and government grants received from various government agencies as subsidies for the Group's contribution to environmental protection, energy conservation and recycling of resources, relocation, purchase of land use rights and infrastructure construction.

Other income increased by RMB78.5 million, or 15.5%, from RMB507.6 million for the Last Year to RMB586.1 million for the Year. This was mainly due to the additional interest income generated from the increase in borrowings provided to PT. Risun Wei Shan Indonesia (旭陽偉山新能源(印尼)有限公司) ("**Risun Wei Shan**") during the Year.

(e) Other gains and losses

For the Year, the Group's other gains and losses amounted to RMB91.7 million, mainly due to three reasons: 1) losses of RMB38.1 million on listed equity bonds and RMB67.1 million on private equity funds; 2) RMB continued to depreciate, resulting in exchange losses of RMB27.1 million on foreign currency transactions and foreign currency borrowings; and 3) investment income hedging losses on disposal of foreign investments, assets, futures investment income, etc.

(f) Impairment (recognized) reversed under ECL model, net

The amount for the Year mainly includes the reversal of impairment losses on accounts receivable recognized in previous periods. The amount decreased by 155.4% from RMB111.2 million provided as of December 31, 2023 to RMB61.6 million of impairment losses reversed as of December 31, 2024.

(g) Selling and distribution expenses

Selling and distribution expenses increased by RMB303.9 million, or 25.6%, from RMB1,185.1 million for the Last Year to RMB1,488.9 million for the Year. This was primarily due to an increase in transportation costs as a result of an increase in business volume.

(h) Administrative expenses

The Group's administrative expenses increased by approximately RMB82.0 million, or 7.7%, from approximately RMB1,060.8 million for the Last Year to approximately RMB1,142.8 million for the Year, primarily due to the increase in staff costs resulting from the merger of Risun China Gas.

(i) Finance costs

Financing costs mainly include interest expenses on bank loans, interest expenses on other loans and financial expenses for discounted bills receivable. The Group's finance costs increased by RMB60.7 million or 4.5% from RMB1,349.7 million for the Last Year to RMB1,410.4 million for the Year. The increase was mainly due to the increase in financing costs caused by the increase in the scale of bank borrowings during the Reporting Period.

(j) Share of results of associates

The share of results of associates decreased from a profit of RMB89.6 million for the Last Year to a profit of RMB30.9 million for the Year, mainly due to the fact that during the Reporting Period, the interest held by the Group in Yangmei Group Shouyang Jingfu Coal Co., Ltd. experienced a shift from an investment income of RMB41.9 million for the Last Year to a loss of RMB27.0 million for the Year.

(k) Share of results of joint ventures

The share of results of joint ventures decreased from RMB134.0 million in profit for the Last Year to RMB75.0 million in profit for the Year, mainly due to a decrease of RMB83.7 million in the share of profit of Hebei China Coal Risun Coking Co., Ltd.* (河北中煤旭陽能源有限公司) and an increase of RMB60.3 million in the share of profit of Risun Wei Shan and PT. De Tian Coking Indonesia in Indonesia.

(l) Profit before taxation

As a result of the above factors, profit before tax decreased by approximately RMB572.4 million, or 84.0%, from approximately RMB681.7 million for the Last Year to approximately RMB109.4 million for the Year.

(m) Income tax expense

For the year ended December 31, 2023 and December 31, 2024, the Group incurred income tax credits of RMB307.8 million and income tax expenses of RMB11.6 million, with effective tax rates of -45.2% and 10.6%, respectively. The increase in income tax expenses was mainly due to the completion of the tax settlement of the acquisition of Shunri Xinze in 2023. The Group recognized a reversal of income tax payable amounting to RMB365.8 million in profit and loss based on the outcome of the corporate tax closing procedures.

(n) Profit for the year

For the Year, the Group recorded a net profit of RMB97.8 million, which represented a decrease of RMB891.7 million or 90.1% as compared to the net profit of RMB989.5 million for the Last Year.

(o) Earnings per share – Basic

The basic earnings per share for the December 31, 2024 and 2023 was RMB0.5 cents and RMB19.46 cents respectively. The decrease in basic earnings per share was due to the decrease in net profit.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's primary uses of cash are operating costs, capital expenditures and repayment of debts in the PRC. To date, the Group has funded the investments and operations principally with cash from operations and debt financing from banks and other financial institutions. The Group believes that the liquidity requirements will be satisfied through a combination of cash flows generated from the operating activities, bank loans and other borrowings and the net proceeds from its fund-raising activities. Any significant decrease in the demand for, or pricing of, the products and services, or a significant decrease in the availability of bank loans, may adversely impact the liquidity. As at December 31, 2024, cash and cash equivalents held by the Group were mainly cash in the banks and on hand denominated in RMB and deposits denominated in RMB that are readily convertible into cash.

The following table sets forth the cash flows for the periods indicated:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net cash generated from operating activities	**1,436,267**	2,204,369
Net cash used in investing activities	**(3,643,745)**	(1,712,609)
Net cash from (used in) financing activities	**3,050,875**	(455,155)
Net increase in cash and cash equivalents	**843,397**	36,605
Cash and cash equivalents at the beginning of the year	**1,239,270**	1,200,669
Effect of foreign exchange rate changes	**5,325**	1,996
Cash and cash equivalents at the end of the year	**2,087,992**	1,239,270

(a) Net cash generated from operating activities

For the Year, our net cash generated from operating activities was approximately RMB1,436.3 million and was lower than our net cash generated from operating activities for the Last Year by approximately RMB768.1 million, primarily due to the decline in products' selling prices.

(b) Net cash used in investing activities

For the Year, our net cash used in investing activities increased from approximately RMB1,712.6 million for the Last Year to approximately RMB3,643.7 million for the Year, primarily due to the following reasons:

1. net cash outflow of RMB160.4 million from the acquisition of Risun Chemicals Technology Research Co., Ltd.*（旭陽化學技術研究院有限公司）during the Reporting Period;

2. an increase of RMB747.9 million in expenditure on construction of fixed assets during the Reporting Period as compared to the Last Year.

(c) Net cash used in/generated from financing activities

For the Year, our net cash inflow from financing activities was RMB3,050.9 million as compared to net cash used in financing activities of RMB455.2 million for the Last Year. The increase in net cash flow from financing activities was mainly because of the net increase in the bank and other loans and the net proceeds from the Top-up Placing (as defined below).

INDEBTEDNESS

(a) Borrowings

Most of our borrowings are denominated in RMB. The following table shows our bank borrowings as of the dates indicated:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Bank loan, secured	**10,290,136**	8,193,983
Bank loan, unsecured	**9,846,666**	8,163,912
	20,136,802	16,357,895
Other loans, secured	**4,828,736**	4,990,986
Other loans, unsecured	**704,250**	417,728
	5,532,986	5,408,714
Discounted bills financing	**4,702,122**	3,939,034
Total	**30,371,910**	25,705,643

	2024		2023	
	RMB in million	*%*	*RMB in million*	*%*
Fixed rate bank and other borrowings	**18,681.6**	**1.70 ~ 8.50**	18,363.5	1.70 ~ 9.00
Floating rate bank and other borrowings	**11,690.3**	**2.66 ~ 8.50**	7,342.1	1.58 ~ 8.40
Total	**30,371.9**		25,705.6	

The total borrowings increased by approximately RMB4.7 billion, or 18.3%, to approximately RMB30.4 billion as of December 31, 2024 from RMB25.7 billion as of December 31, 2023, primarily due to an increase in bank loans and other loans.

The borrowings denominated in currencies other than the functional currencies of respective entities are set out below:

	As at December 31,	
	2024	2023
	RMB in millions	*RMB in millions*
USD	**620.3**	1,105.3
JPY	**–**	0.7
Total	**620.3**	1,106.0

(b) Lease liabilities

Our Group had the following total future minimum lease payments as of the dates indicated:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Lease liabilities	**3,574**	599,895

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2024, the Group did not have any significant outstanding off-balance sheet guarantees, interest rate swap transactions, foreign currency and commodity forward contracts or other off-balance sheet arrangements. The Group does not engage in trading activities involving non-exchange traded contracts. In the course of the business operations, the Group does not enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships that are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purpose.

PLEDGES OF ASSETS

During the Year, the Group's certain assets were pledged to secure bank and other loans, bills payable and other facilities granted to the Group and details of pledge of the Group's assets are disclosed in note 21 to the consolidated financial statements in this announcement.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group maintained some of the capital denominated in foreign currency, mainly U.S. dollar, Japanese Yen and Hong Kong dollar. Fluctuations in exchange rate would influence the reserve in foreign currencies to a certain extent and the Company is exploring and taking measures to address to foreign exchange risk. In view of the exchange differences arising on translating foreign operations credited to the foreign currency transaction reserve during the Year, the exposure to fluctuations in exchange rates of the Company is limited.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a written resolution passed by the Shareholders on February 21, 2019 for the primary purpose of providing the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

Up to December 31, 2024, no options were granted to Directors, eligible employees and other outside third parties under the Share Option Scheme.

COMPETING INTERESTS

None of the Directors or controlling shareholders of the Company nor their respective associates (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Listing Rules**")) had any interest in a business that competes or may compete with the business of the Group.

EMPLOYEE AND REMUNERATION POLICY

As at December 31, 2024, we had 7,389 full-time employees (as at December 31, 2023: 7,601). Most of our senior management members and employees are based in Beijing and Hebei province.

We enter into a standard employment contract with each of our full-time employees. Remuneration for our employees includes basic wages, variable wages, bonuses and other benefits. For the years ended December 31, 2024 and 2023, our staff costs were RMB1,269.7 million and RMB1,150.6 million, respectively.

The Company's remuneration policy was formulated by the Remuneration Committee on the basis of the employees' performance, qualifications and competence. The emoluments of the Directors are set by the Remuneration Committee, having regard to, among others, salaries paid by comparable companies as well as the time commitment and responsibilities and employment conditions of the Group.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Year, the Company repurchased 119,085,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at the total consideration of approximately HK$355,234,000, among which 109,736,000 repurchased shares had been held as treasury shares. The Company cancelled 21,940,000 repurchased shares during the Year. Details of the share repurchases by the Company are included in note 20 to this announcement. As at December 31, 2024, the Company had 109,736,000 treasury shares and intended to resell these treasury shares for cash on the Stock Exchange or use them in employees' share scheme in the future.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the Year.

CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance for purposes of enhancing the value for Shareholders and protecting their interests. The Company has adopted provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The Company has established and optimized the corporate governance structure in accordance with the Listing Rules and the Corporate Governance Code and has set up a series of corporate governance systems. During the Year, the Company has been observing all mandatory provisions of the code as stipulated in the Corporate Governance Code except for the provisions under paragraph C.2.1 of Part 2.

In accordance with paragraph C.2.1 of Part 2 of the Corporate Governance Code, the roles of the chairman and chief executive officer should be separated and should not be held by the same person. Mr. Yang Xuegang is the chairman and chief executive officer of the Company. With extensive experience in the coke, coking chemicals and refined chemicals industries, Mr. Yang is responsible for the overall management and business development, the operations of the subsidiaries of the Company and their corresponding production facilities and human resources of the Group, and has been instrumental to the Group's growth and business expansion since its establishment in 1995. The Board considers that vesting the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for and communication with the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. The Board currently comprises of six executive Directors (including Mr. Yang) and three independent non-executive Directors and therefore has a strong independence element in its composition.

The Board will examine and review, from time to time, the Company's corporate governance practices and operations in order to meet the relevant provisions under the Listing Rules and Corporate Governance Code to protect the shareholders' interests. Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Since the listing of the Company on the Stock Exchange, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its model code for securities transactions by the Directors.

Upon specific enquiry conducted by the Company, all the Directors have confirmed that during the Reporting Period, they fully complied with the Model Code.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. The Company has not been aware of any incident of any employee's non-compliance with the Model Code during the Reporting Period and up to the date of this announcement.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS

On July 31, 2024, ABC Financial Assets Investment Co., Ltd.* (農銀金融資產投資有限公司) ("**ABC Investment**") made a capital injection of RMB450 million (the "**Capital Increase**") to the Company's subsidiary, Dingzhou Tianlu New Energy Co., Ltd.* (定州天鷺新能源有限公司) ("**Dingzhou Tianlu**"). After the completion of the Capital Increase, Hebei Risun Energy Co., Ltd.* (河北旭陽能源有限公司), BOCOM Financial Asset Investment Co., Ltd. (交銀金融資產投資有限公司) and ABC Investment hold 50.0002%, 26.8050% and 23.1948% of the equity interest in Dingzhou Tianlu, respectively. Dingzhou Tianlu will continue to be a subsidiary of the Company and the Company still remains beneficiary control over Dingzhou Tianlu.

On December 17, 2024, Shenzhen Venture Capital Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership)* (深創投製造業轉型升級新材料基金(有限合夥)) ("**Shenzhen Venture Capital**"), Risun Group, Xingtai Risun Coal Chemicals Limited* (邢台旭陽煤化工有限公司) ("**Risun Coal Chemicals**"), Cangzhou Risun Chemicals Limited* (滄州旭陽化工有限公司) ("**Cangzhou Risun Chemicals**") and Mr. Yang Xuegang (as the ultimate controller of Cangzhou Risun Chemicals) entered into a capital injection agreement, pursuant to which Shenzhen Venture Capital agreed to make additional capital injection of RMB800 million to Cangzhou Risun Chemicals by way of cash injection (the "**Capital Injection**"). Upon completion of the Capital Injection, Cangzhou Risun Chemicals will be owned as to 85.00% by Risun Group, 14.99% by Shenzhen Venture Capital and 0.01% by Risun Coal Chemicals. Cangzhou Risun Chemicals will continue to be a subsidiary of the Company after the Capital Injection.

Save as disclosed in this announcement, there were no other significant investments held, no material acquisition or disposal of subsidiaries, associated companies and joint ventures during the Year and up to the date of this announcement. As at December 31, 2024, the Board has not authorized any plan for other material investments or additions of capital assets.

CONTINGENT LIABILITIES

As at December 31, 2024, the maximum liabilities of the Group under guarantees in favor of banks in respect of banking facilities granted to joint ventures and an associate were RMB5,727.6 million (as at December 31, 2023: RMB1,722.8 million).

FUTURE PLANS AND USE OF PROCEEDS

The Company placed 52,000,000 new shares at the placing price of HK$3.00 per share through a top-up share placement (the "**Top-up Placing**") in December 2024.

The net proceeds from the Top-up Placing were approximately HK$153.6 million. During the Year, the net proceeds had been applied according to the intentions previously disclosed by the Company as follows:

	Proposed use of net proceeds *(HK$ million)*	**Actual use of net proceeds during the Year** *(HK$ million)*	**Unused net proceeds as at December 31, 2024** *(HK$ million)*	**Estimated timetable**
Optimization of financial structure	76.8	76.8	–	–
General working capital	76.8	64.0	12.8	June 30, 2025
	153.6	140.8	12.8	

The Top-up Placing can help the Company continue to seize the market opportunity to achieve a constant and stable improvement in the Group's results. In addition, the Top-up Placing will further enlarge the Shareholders' equity base, optimize the capital structure of the Company, strengthen the financial position and liquidity of the Group and provide support and flexibility for the development of the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 28, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF AUDITED ANNUAL RESULTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Year, 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 with written terms of reference in compliance with Appendix C1 to the Listing Rules. The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit of the Group.

The Audit Committee comprises Dr. Yu Kwok Kuen Harry, Mr. Wang Yinping and Dr. Liu Xiaofeng, who are independent non-executive Directors.

SPECIAL DIVIDEND

The Board does not propose a final dividend for the Year. However, in view of celebration of the 30th anniversary since the Group's establishment in 1995, the Board proposes a special dividend of RMB2.22 cents per share (the "**Special Dividend**"), with a total amount of Special Dividend of approximately RMB96,447,000, subject to the Shareholders' approval in the forthcoming annual general meeting (the "**AGM**"). The total dividend per share (including 2024 interim dividend of RMB0.78 cents and the Special Dividend) for the Year will be RMB3 cents per share. If approved by the Shareholder at the AGM, the Special Dividend is expected to be paid on or before June 30, 2025.

THE AGM AND CLOSURE OF REGISTER OF MEMBERS

AGM is scheduled to be held on Friday, May 30, 2025, the notice of which will be published and dispatched to the Shareholders as soon as practicable in accordance with the Company's Articles of Association and the Listing Rules. The register of members of the Company will be closed from Tuesday, May 27, 2025 to Friday, May 30, 2025 (both days inclusive), during which period no transfer of shares of the Company will be effected, for the purpose of ascertaining the Shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, Shareholders shall lodge all transfer of shares accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, May 26, 2025.

PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORTS ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

This announcement is published on the respective website of the Company at www.risun.com and the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the Year will be despatched to the shareholders of the Company and will also be made available on the above websites in accordance with the Listing Rules in due course.

By order of the Board of
China Risun Group Limited
Yang Xuegang
Chairman

Hong Kong, March 28, 2025

As at the date of this announcement, the executive Directors are Mr. Yang Xuegang, Ms. Lu Xiaomei, Mr. Li Qinghua, Mr. Han Qinliang, Mr. Wang Nianping and Mr. Yang Lu; and the independent non-executive Directors are Dr. Yu Kwok Kuen Harry, Mr. Wang Yinping and Dr. Liu Xiaofeng.

* *For identification purposes only*