



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

2025

Interim Report



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



CONTENTS

2	Highlights
3	Corporate Information
6	Management Discussion and Analysis
33	Report on Review of Condensed Consolidated Financial Statements
34	Condensed Consolidated Financial Statements and Notes

- Coke and refined chemicals' production/processing volume for the Reporting Period were 10.9 million tons and 2.9 million tons respectively, representing an increase of 25.3% and 11.5% year-on-year.
- High-purified hydrogen's production volume for the Reporting Period was 11.1 million Nm³, representing an increase of 16.8% year-on-year.
- Revenue for the Reporting Period was RMB20,548.6 million, representing a decrease of 18.5% year-on-year.
- Profits for the Reporting Period was RMB86.9 million, representing a decrease of approximately 34.9% year-on-year.
- Basic earnings per share for the Reporting Period was RMB0.66 cents, representing a decrease of approximately 74.0% year-on-year.
- The Board declares an interim dividend for the Reporting Period amounting to RMB0.20 cents per share (equivalent to HK0.22 cents per share) (for the Last Period: RMB0.78 cents per share or HK0.85 cents per share), with total dividend amount of RMB8,561,000 (equivalent to HK\$9,417,000) (for the Last Period: RMB33,948,000 or HK\$37,430,000). The record date for eligible Shareholders qualifying to receive the interim dividend is Thursday, September 18, 2025, and the expected interim dividend payment date will be on or before Tuesday, September 30, 2025.

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STOCK CODE

1907

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OVERVIEW

The Group is an integrated coke, coking chemical and refined chemical producer and supplier together with relevant operation management services provider in China. The Group is 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 follows:

	<i>Name of products</i>	<i>Industry position</i>
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	World's second largest producer
5)	Amino alcohol [^]	World's second largest producer (by production capacity)
6)	Coke-oven-gas-based methanol	China's largest producer
7)	Industrial-naphthalene-based phthalic anhydride	China's largest producer
8)	High purified hydrogen	Beijing-Tianjin-Hebei area's largest producer

[^] New industry's leading position during the Reporting Period.

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

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 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 Current Period, the net profit decreased by approximately RMB46.6 million or 34.9% as compared to the Last Period. The average price of the Group's coke products dropped to approximately RMB1,400/ton (tax-exclusive), down approximately 30% from the Last Period; and as of the end of July 2025, the Group's coke selling price rose to approximately RMB1,500/ton (tax-exclusive). The Group has been controlling its blended coal prices through various effective means, maintaining a coal-coke's price spread of approximately RMB300/ton or above, representing a decrease of approximately 6.25% from the Last Period.

The Group was still focusing on integration and expansion of the existing businesses including production/processing capacity of coke, refined chemicals and operation management in order to empower the Group's consolidated competitive advantage and performance under the operation and management reform (the **"Reform"**). Other than that, the Group was exploring more capital market actions such as merger and acquisition of new businesses together with restructuring of existing businesses (the **"Development"**). The purpose of the Reform and Development was to improve business prospects, 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 successfully transfer to the Group's next "Five-Year Plan 2026 to 2030". The Group was also concluding and summarizing the experience resulted from the Sixth "Five-Year Plan 2021 to 2025" during the Current Period in order to better cope with the rapid changes in the business and economic world.

OVERVIEW *(continued)*

Considering the operating results in the first half of 2025 and up to the date of this report, the recent development of China and the world's economy, the Group's future development needs as well as the Reform and Development, the Board determined an interim dividend of RMB0.20 cents per share (equivalent to HK0.22 cents per share) with a total dividend amount of RMB8,561,000 or HK\$9,417,000 for the Reporting Period (for the Last Period: RMB0.78 cents per share or HK0.85 cents per share and a total dividend amount of RMB33,948,000 or HK\$37,430,000) representing no less than 30% of the Group's net profit attributable to owners of the Company for the Current Period.

BUSINESS REVIEW

The Group's vertically integrated business model and its experience of 30 years in the coke industry production chain enables the Group to widen the downstream refined chemicals industry. As such, the Group upheld the main principle of integration of existing businesses and production bases, expansion and downstream of the production and processing capacity of coke and refined chemicals together with identification of new operation management projects over third-parties coke and refined chemicals producers in China and the world. In addition, the Group closely controlled the operating costs and expenditures of production bases and monitored the operating efficiency of production facilities through the Reform in order to continuously create value to the shareholders of the Company ("**Shareholders**").

Furthermore, the Group continued its business under the Development to enhance the Group's annual production and processing capacity of coke and refined chemicals through potential capital market actions.

The Group's vertically integrated business model and its experience of more than 30 years in the coke industry production chain enables the Group to widen the downstream refined chemicals industry. By doing so, the Group developed a longer and wider production chain of more than 60 types of refined chemicals. Currently, the Group has four business segments ranging from coke and coking chemicals manufacturing, refined chemicals (including hydrogen-energy products) manufacturing, operation management services and trading.

During the Reporting Period and up to the date of this report, the Group was continuously constructing a new production base in Pingxiang, Jiangxi Province with an annual coke production capacity of 1.8 million tons, making the total annual coke production/processing capacity up to 25.2 million tons upon commencement of operation. Also, the Group entered into two new operation management agreement to further expand the Group's business presence in coke and coking chemicals in Shanxi and Jilin Province, the PRC. Since 2014, the Group has been engaged in its first operation management service and has actively developed its operation management business over the past decade.

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;

BUSINESS REVIEW *(continued)*

- 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 Reporting Period and up to the date of this report:

Time	Corporate Activities
March 2025 – Cooperation intention between Risun Group Limited* (旭陽集團有限公司) (“ Risun Group ”) and Beijing SinoHytec Co., Ltd. (“ Beijing SinoHytec ”)	Risun Group intended 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 intended to subscribe for A shares to be issued by Beijing SinoHytec at a price of RMB18.53 per share to provide supplementary funding to Beijing SinoHytec. As a consensus on the definitive plan for the relevant transaction could not be reached, Risun Group and Beijing SinoHytec have determined not to proceed with the relevant transaction and entered into a termination agreement on September 5, 2025. The Group will continue to seek potential strategic co-operation with Beijing SinoHytec.
April 2025 – China Coking Coal & Coking Brand Cluster’s (the “ Brand Cluster ”) co-chairmen and vice-chairmen meeting	Brand Cluster’s co-chairmen and vice-chairmen meeting was held in Beijing to discuss the future market strategy of the Brand Cluster and to widely build consensus on promoting the high-quality development of the coking industry.
May 2025 – Cooperation intention between Risun Group and Tianjin Binhai Energy & Development Co., Ltd.* (天津濱海能源發展股份有限公司) (“ Tianjin Binhai ”) on new materials business and new energy materials business	Risun Group, Xingtai Risun Coal Chemicals Limited* (邢台旭陽煤化工有限公司), Shenzhen Venture Capital Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership) and Agricultural Bank Financial Assets Investment Co., Ltd. conditionally agreed to dispose of their respective equity interests of 80.4765%, 0.0080%, 14.1931% and 5.3224% in Cangzhou Risun Chemicals Limited* (滄州旭陽化工有限公司) in exchange for A shares to be issued by Tianjin Binhai at a price of RMB7.55 per share.
May 2025 – Adoption of new share award plan (the “ Share Award Plan ”)	An ordinary resolution was passed at the annual general meeting (the “ AGM ”) of the Company on May 30, 2025 for adoption of a Share Award Plan to recognize, reward and attract suitable personnel for the further development of the Group.

BUSINESS REVIEW *(continued)*

Time	Corporate Activities
June 2025 – An operation management agreement with Jilin Dingyun New Energy Co., Ltd.* (吉林鼎運新能源股份有限公司) (“ Jilin Dingyun ”)	Entering into an operation management agreement with Jilin Dingyun for the purpose of providing comprehensive services for the overall production operation management of coke with an annual capacity of 1.2 million tons.
June 2025 – Share repurchase continued according to new general and unconditional mandate	Share repurchase continued according to new general and unconditional mandate obtained at the AGM with a maximum of 432,231,600 shares that can be repurchased until next AGM in 2026.
July 2025 – Establishment of Alashan League Risun Mining Limited* (阿拉善旭陽礦業有限公司) (“ Risun Mining ”)	The Group established Risun Mining to seize the opportunities of mines in the area of Alashan League, the PRC and to strength the management of supply and demand chain of existing materials within the Group and promote trading and/or manufacturing of new materials mined as new business growth for the Shareholders.
August 2025 – Successful launch of the Development Conference of Risun Group	The Group launched the Development Conference of Risun Group in August, right after the end of the Current Period and the conference aimed to summarize the progress made and challenges faced by the Group over the past 30 years, analyze the international and domestic economic situations and establish the Group’s future direction and industry position. Another main goal of the conference was to formulate the Group’s Seventh “Five-Year Plan 2026 to 2030”.

BUSINESS REVIEW *(continued)*

Furthermore, the business developments in terms of the coke, refined chemicals, hydrogen-energy products, operation management (including trading), geographical layout, capital market, environmental protection, digitalization and research & 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 the Current Period, 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 together with construction of a new Pingxiang Production Base in Pingxiang, Jiangxi Province with an annual coke production capacity of 1.8 million tons as discussed above.

Moreover, the Group was providing operation management service for third-party coke enterprises with plants producing and processing annual coke capacity of 9.4 million tons in different provinces in China.

Refined chemicals

The Group maintained three production chains of refined chemicals and produces one type of hydrogen-energy products. The classification of these four products is as follows:

1) Carbon material chemicals:

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

2) Alcohol-ammonia chemicals:

Methanol, synthetic ammonia, amino alcohol (or named as 2-Amino-2-Methyl-1-Propanol)

3) Aromatic chemicals:

Benzene hydrogenation, cyclohexane, cyclohexanone, styrene, caprolactam, polyamide 6

4) Hydrogen-energy products:

High purified hydrogen, liquid hydrogen

In the Current Period, the Group made use of the initiative of leading position, advanced production technology and R&D experience over the decade, and Dingzhou Production Base of the Group developed amino alcohol of 5,000 tons per annum by its production facility for the first time in the PRC. The Group became the world's second largest producer and supplier of amino alcohol, which drove the Group's value in the refined chemicals industry through economic of scale, industry chain integration and innovation. Amino alcohol is widely used in high-end paint additives, cosmetics, pharmaceuticals, pesticide, metal processing, carbon dioxide absorption etc. This initiative further consolidated the Group's market position in high-end refined chemicals and supported the Group's sustainable development through technological advancements and global resource allocation. Amino alcohol was also successfully passed the REACH registration in European Union (“EU”) and could be sold to customers in the EU market. This was another achievement of the Group's strategic breakthrough in development of first domestic amino alcohol of 5,000 tons per annum in the Group's Dingzhou Production Base.

Based on the first amino alcohol production facility, the Group will optimize its refined chemicals industry production chain, continuously create profit growth opportunities and support the transformation of fundamental chemicals towards innovation-driven high-end refined chemicals. Other than amino alcohol, the Group continued further development of new type of refined chemicals caprolactam, polyamide 6 and high-temperature nylon – a special material for many consumables with its characteristic of strength and heat resistance.

BUSINESS REVIEW *(continued)*

Apart from four existing 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 creating 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 Current Period, Dingzhou Risun Hydrogen Energy Co., Ltd.* (定州旭陽氫能有限公司) (“**Risun Hydrogen Energy**”) successfully completed the addition of hazardous chemicals business license, expanding the scope of hazardous chemicals business from 5 categories to 18 categories, taking an important step in the field of hazardous chemicals trade and operation, further enriching the product line and enhancing competitiveness.

Also, the Group’s 5-ton daily liquid hydrogen demonstration project successfully passed the preliminary review and public announcement by the Hebei Provincial Development and Reform Commission and was selected for the fifth batch of national recommendations for the first major technological equipment in the energy sector in the PRC. Liquid hydrogen is a key means of achieving efficient storage and transportation of hydrogen energy, promoting strategic energy transformation, and promoting green, low-carbon development.

As a key national industrial province in the PRC, Hebei Province possessed unique conditions for the development of the hydrogen-energy industry, with significant policy advantages, a well-developed industrial supporting system, and significant hydrogen energy demonstration results.

Operation Management (including trading)

The Group carried out operating management (including trading) of 6.2 million tons of coal, coke and refined chemicals during the Current Period.

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

	RMB per ton
Coke	1,361.2
Benzene	5,118.9
Coal tar pitch	3,567.1
Caprolactam	8,563.1
Amino alcohol (per thousand gram)	108.1
Methanol	2,051.5
Phthalic anhydride	5,782.2
Synthetic amine	1,964.8
Styrene	6,977.9
Hydrogen-energy products (per cube meter)	2.20

Geographical Layout

Apart from setting up subsidiary/office in Singapore, Indonesia, Vietnam, India, etc. in the past, the Group is exploring more coke, refined chemicals and trading opportunities around the world and especially within the Asia Pacific region. The Group was planning to set up offices for trading of raw materials of the coke and refined chemicals industry in Europe and North America during the Reporting Period.

BUSINESS REVIEW *(continued)*

Capital Market

During the Reporting Period, the number of shares of the Company held through Hong Kong Stock Connect was more than 340 million shares. This reflected the market confidence in the Company with regard to its long-term strategy and development. Apart from investors in China, Hong Kong and Asian Pacific, the Group also strengthened the teams of equity market department to target the areas in India, United Arab Emirates and Saudi Arabia within Middle East and Gulf Region. We continuously promote the Company through monthly investors' presentations, roadshows, 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 Company. 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 were the lifeline of the Group. In the Current 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.

Water resource recycling has become a crucial issue for sustainable development, the Group's Dingzhou Production Base adhered to a "green, low-carbon and circulation" development model, innovating water-saving technologies, improving water-saving systems and deepening water conservation initiatives. The Group promoted comprehensive water resource management with scientific water allocation, conservation and recycling and achieved a win-win situation for environmental protection and green development. The Group's Hohhot Production Base was also recognized as one of the first municipal-level water-saving enterprises.

Since the establishment in 1995, the Group continuously invested a total of RMB9.5 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.

Digitalization

The Group was 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 continued to promote the construction and improvement of digital or intelligent factories among the production bases of the Group with the aim of development of "green, agglomeration, intelligence and high-end" in the coke and chemicals industry. 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.

In the Current Period, the Department of Industry and Information Technology of Hebei Province released the first batch of advanced intelligent factories in 2025. Hebei Risun Energy Co., Ltd.* (河北旭陽能源有限公司) became, for the first time, the "Coal Coking Full-Process Lean Management Intelligent Factory".

BUSINESS REVIEW *(continued)*

R&D

Innovation-driven leads Risun's continuous growth in business. Since the Listing, the Group has accumulated R&D expenditure of RMB5.0 billion, achieved a total of 46 national, provincial and municipal technological innovation results and obtained a total of 300 provincial and municipal honors.

As one of the technological pioneers in the domestic chemicals field, the Group has established a three-level R&D system, including the R&D Committee, Chief Engineer and Production Technology Department to build a gradient product system from industrial grade to electronic grade, satisfy the customized needs of cutting-edge fields such as coatings, metals processing, new energies, new materials and electronics. The Group's R&D has been verified and recognized by customers in many countries including the United States, Japan and South Korea, and has fully passed the EU REACH registration. This demonstrated that the Group occupied a very strong R&D capability in coke and chemicals fields over the decades.

DEVELOPMENT STRATEGIES

Founded in 1995 and up to 2025, the Group has a more than 30-years history of development, where we take advantage of our leading position, experience, technology and digitalization in coke and refined chemicals industries to drastically expand our 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) capitalization 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.

COMPETITIVE ADVANTAGES

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

1. Economies of Scale Advantage

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 Advantage

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

COMPETITIVE ADVANTAGES *(continued)*

3. Production Base Advantage

Almost all of the production bases are 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 to leverage the optimal cost of transportation.

4. Cost Control Advantage

The Group actively controls the expenditure on the 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 to widen the spread of the price between its products and raw materials both in coke and refined chemicals.

5. Centralized Sale and Marketing Advantage

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 adopts 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 Advantage

The research and technology personnel focus 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 Advantage

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 Advantage

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 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 recovers and re-utilizes 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 Advantage

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 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 Seventh "Five-Year Plan 2026 to 2030", 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.

Coke

Looking forwards, the Group, just like the leading corporations in other manufacturing industries, can usually benefit from the uncertainty environment and competitions by its own competitive advantages as discussed above. Although there is still overcapacity in the coke industry, the Group still maintains a strong entrepreneurial passion and fighting spirit, which is primary driving force towards the future.

The Group will continue monitoring the coke market very closely and capture any market opportunities, especially when the involution in the PRC being curbed for unusual price cut, the increasing demand from customers and the elimination of obsolete production capacity, by increasing the Group's sales volume of coke after the end of the Current Period with 5 to 7 times of increments of coke selling price at RMB50 per ton in each time. The Group is turning the involution into a more sustainable growth.

The Group is also developing Pingxiang Production Base in Xiangdong Industrial Park by constructing coke facilities with an annual coke production capacity of 1.8 million tons, and it is estimated to complete by the end of 2025 or early 2026. 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.

Refined chemicals

Following the strategy in the Current Period, the Group will continue the R&D and production of refined chemicals in high-value with sustainable demand, such as amino alcohol, which 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 invest in new hydrogen-energy products project in Pingxiang Production Base. The Group aims to become supplier of clean and low-carbon hydrogen-energy products by establishing one to two hydrogen-fuel gas stations in Hohhot in Inner Mongolia and Pingxiang in Jiangxi Province.

Focusing on the rapid development of hydrogen energy industry in Beijing-Tianjin-Hebei area, the Group is committed to developing 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 construct hydrogen-energy mother island and energy integrated station in Beijing-Tianjin-Hebei area together with merger and acquisition with other leading companies specializing in hydrogen industry.

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 periods indicated:

	For the six months ended June 30,	
	2025	2024
Financial indicators		
Gross profit margin ⁽¹⁾	8.2%	7.4%
Net profit margin ⁽²⁾	0.4%	0.5%
EBITDA margin ⁽³⁾	9.0%	8.1%
Return on equity ⁽⁴⁾	0.5%	1.7%
	As at June 30, 2025	As at December 31, 2024
Gearing ratio ⁽⁵⁾	2.3	1.9
Debt to asset ratio ⁽⁶⁾	75.3%	73.5%

Notes:

- (1) Gross profit margin is calculated by dividing gross profit by revenue for the period.
- (2) Net profit margin is calculated by dividing profit for the period by revenue for the period.
- (3) EBITDA margin is calculated by dividing earnings before interest, tax, depreciation and amortization ("EBITDA") by revenue for the period.
- (4) Return on equity is calculated by dividing profit attributable to owners of the Company for the period or annualized period by equity attributable to owners of the Company as of the end of the period.
- (5) Gearing ratio is calculated by dividing total interest-bearing borrowings by total equity as of the end of the period/year.
- (6) Debt to asset ratio is calculated by dividing total debts by total assets as of the end of the period/year.

FINANCIAL REVIEW

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

	For the six months ended June 30, 2025					
	Coke and coking chemicals manufacturing <i>RMB'000</i>	Refined chemicals manufacturing <i>RMB'000</i>	Operation management services <i>RMB'000</i>	Trading <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Total revenue	6,357,591	9,096,043	1,274,539	3,730,359	90,078	20,548,610
Gross profit	755,557	756,063	61,412	88,927	23,949	1,685,908

	For the six months ended June 30, 2024					
	Coke and coking chemicals manufacturing <i>RMB'000</i>	Refined chemicals manufacturing <i>RMB'000</i>	Operation management services <i>RMB'000</i>	Trading <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Total revenue	9,811,144	10,403,136	2,403,057	2,432,793	158,620	25,208,750
Gross profit	736,691	883,262	109,169	117,662	7,858	1,854,642

FINANCIAL REVIEW *(continued)*

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

1. Revenue

Revenue for the Reporting Period decreased to RMB20,548.6 million as compared to RMB25,208.8 million for the same period of the previous year.

The revenue of the coke and coking chemicals manufacturing business decreased by RMB3,453.5 million, or 35.2%, from RMB9,811.1 million for the same period of the previous year to RMB6,357.6 million for the Reporting Period, mainly because the coke price per ton decreased by RMB685.4, or 33.5%, as compared with the same period of last year. The main reasons are as follows: 1. the imbalance between supply and demand, the expansion of domestic production capacity and the weak steel demand led to higher level of inventory; 2. the coking coal price has fallen, lack of support for coke price; 3. year-on-year decrease in coke exports as a result of export barriers, leading to intensified domestic competition.

Revenue from refined chemicals manufacturing business decreased by RMB1,307.1 million, or 12.6%, from RMB10,403.1 million for the same period of the previous year to RMB9,096.0 million for the Reporting Period, mainly due to the decrease in average unit price of caprolactam, styrene and benzene by 25.4%, 13.2% and 30.0%, respectively, as compared with the corresponding period of last year. The main reasons are as follows: 1. the Brent crude oil costs decreased by 11%, mainly due to the impact from the geographical conflict of reciprocal tariffs and the increased production of OPEC+, which in turn resulted in decreases in the prices of the caprolactam, benzene, styrene, aniline and aromatic hydrocarbon production chain of the Group to varying degrees. 2. Although the production capacities of caprolactam in PRC has not increased in the first half of the year, clothing exports have been hit hard with low domestic sales. Caprolactam in PRC was segmented downstream with higher volume of the textile inventories and loosen supply and demand,

which resulted in the downturn in the prices of the caprolactam in PRC and the caprolactam of the Group. 3. Affected by the decrease in the price of crude oil and benzene, the sale price of styrene in PRC declined, but since domestic facilities underwent concentrated maintenance in the first half of the year, the downstream 3S export increased year-on-year and the supply and demand dynamics have been improved, which resulted in the alleviation in overall losses of the Group's styrene. 4. the downstream rubber additives and MDI of aniline experienced major blow from reciprocal tariffs, and aniline in PRC has high production volume and lower downstream demand, resulting in over-supply of aniline and downturn in the prices of the aniline in PRC and the aniline of the Group. 5. the supply and demand of synthetic ammonia were loosened mainly due to the increase in the production capacity of the industry, which resulted in the decrease in price.

Revenue from the operation and management business decreased by RMB1,128.6 million, or 47.0%, to RMB1,274.5 million for the Reporting Period from RMB2,403.1 million for the same period of last year, mainly due to the end of agreements for three projects with Wanshan Chemical (萬山化工), Baoshun Chemical (寶舜化工) and Chenyao Chemical (晨耀化工) which led to the year-on-year decrease of RMB1,016.5 million in the revenue from the operation and management.

Revenue from the trading business increased by RMB1,297.6 million, or 53.3%, from RMB2,432.8 million for the same period of last year to RMB3,730.4 million for the Reporting Period, mainly due to the increase of 866,000 tons in the trading volume of coke.

Revenue from other businesses decreased by RMB68.5 million, or 43.2%, from RMB158.6 million for the same period of last year to RMB90.1 million for the Reporting Period, mainly due to the completion and sales of real estate business, resulting in a decrease of RMB91.9 million in the revenue from sales of commodity properties and an increase of RMB28.8 million in rental income from Risun Building as compared with the same period of last year.

FINANCIAL REVIEW *(continued)*

2. Cost of sales

Cost of sales for the Reporting Period decreased to RMB18,862.7 million, as compared to RMB23,354.1 million for the corresponding period of last year.

Cost of sales for the coke and coking chemicals manufacturing business decreased by RMB3,472.5 million, or 38.3%, from RMB9,074.5 million for the corresponding period of last year to RMB5,602.0 million for the Reporting Period, which was mainly due to the continuous decline in the market price of upstream coking coal, resulting in a corresponding reduction in coal blending costs.

The cost of sales of the refined chemicals manufacturing business decreased by RMB1,179.9 million, or 12.4%, from RMB9,519.9 million for the corresponding period of last year to RMB8,340.0 million for the Reporting Period, mainly due to the decrease in prices of raw materials at different rates as compared with that of last year as affected by the market prices.

The cost of sales of the operating and management business decreased by RMB1,080.8 million, or 47.1%, from RMB2,293.9 million for the corresponding period of last year to RMB1,213.1 million for the Reporting Period, mainly due to the end of agreements for three projects with Wanshan Chemical (萬山化工), Baoshun Chemical (寶舜化工) and Chenyao Chemical (晨耀化工), resulting in a year-on-year decrease of RMB1,019.6 million in operating and management costs.

The cost of sales of the trading business increased by RMB1,326.3 million, or 57.3%, from RMB2,315.1 million for the corresponding period of last year to RMB3,641.4 million for the Reporting Period, mainly due to the increase in respective costs in line with the increase in trading business volume.

The cost of sales of other businesses decreased by RMB84.7 million, or 56.2%, from RMB150.8 million for the corresponding period of last year to RMB66.1 million for the Reporting Period. This was mainly due to the decrease in respective costs of RMB84.6 million in line with the decrease in sales of properties.

3. Gross profit and gross profit margin

The Group's total gross profit decreased by approximately RMB168.7 million, or 9.1%, from approximately RMB1,854.6 million for the corresponding period last year to approximately RMB1,685.9 million for the Reporting Period. Gross profit margin increased from 7.4% for the same period last year to 8.2% for the Reporting Period.

The gross profit of the coke and coking chemicals manufacturing business increased by RMB18.9 million, or 2.6%, from RMB736.7 million for the corresponding period of the previous year to RMB755.6 million for the Reporting Period. The gross profit margin of the coke and coking chemicals manufacturing business increased from 7.5% for the corresponding period of the previous year to 11.9% for the Reporting Period, which was mainly due to the significant effect of revenue enhancement and expense reduction measures, and at the same time, as a result of the relaxation of national environmental protection policies, the accounting estimates for the depreciation lives of certain assets were changed, leading to a decrease in depreciation expenses and an increase in gross profit margin.

FINANCIAL REVIEW *(continued)*

3. Gross profit and gross profit margin *(continued)*

The gross profit of the refined chemicals manufacturing business decreased by RMB127.2 million, or 14.4%, from RMB883.3 million in the corresponding period of the previous year to RMB756.1 million for the Reporting Period. The gross profit margin of the refined chemicals manufacturing business generally remained stable at 8.5% and 8.3% for the same period of the previous year and the Reporting Period, respectively, which was mainly due to the downturn in the market for caprolactam production line and synthetic ammonia production line and the decrease in gross profit and gross profit margin as a result of tightened price spread, which was partially offset by the increase in gross profit and gross profit margin as a result of the increment of methanol.

The gross profit of the operation management business decreased by RMB47.8 million, or 43.8%, from RMB109.2 million in the corresponding period of the previous year to RMB61.4 million for the Reporting Period. The gross profit margin of the operation management business increased from 4.5% for the corresponding period last year to 4.8% for the Reporting Period, mainly due to the end of agreements for certain projects, and the higher gross profit margin of the outsourced processing business in Jilin as compared with that of the corresponding period of last year, resulting in an increase in the gross profit margin.

Gross profit from the trading business decreased by RMB28.8 million or 24.5% from RMB117.7 million for the Last Period to RMB88.9 million for the Reporting Period, primarily due to the decrease in trading spread. Gross profit margin for the trading business maintained at approximately 2.4%.

The gross profit from other businesses increased by RMB16.0 million, or 202.5%, from RMB7.9 million in the corresponding period of the previous year to RMB23.9 million for the Reporting Period. The gross profit margin of other businesses increased from 5.0% for the corresponding period last year to 26.6% for the Reporting Period, mainly due to the addition of rental income from Risun Building during the period, resulting in relatively higher gross profit.

4. Other income

The Group's other income mainly includes interest income, income from production waste sales, VAT concessions and government grants received from various government agencies. Other income increased by RMB58.0 million, or 20.5%, from RMB283.4 million for the corresponding period of last year to RMB341.4 million for the Reporting Period. It was mainly because, during the Reporting Period, Yuncheng Production Base (鄆城園區) recognized the payment of RMB119 million as special fund compensation (financial support provided by the Yuncheng County government for projects such as environmental protection treatment, automation and intelligence enhancement invested since our presence in Yuncheng). VAT deductions for advanced manufacturing industry (under national policy, enterprises qualified as "Advanced Manufacturing Enterprises" 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) decreased by RMB25.6 million as compared with the corresponding period of last year. The decrease in interest income of RMB61.9 million was due to the decrease in the average interest rate of bill deposit from 1.6% for the same period of last year to 1% for the Current Period.

FINANCIAL REVIEW *(continued)*

5. Other gains and losses

During the Reporting Period, the Group's other gains were RMB48.0 million, which was mainly due to the following three reasons:

1. Gains arising from changes in fair value of financial assets held for trading amounted to RMB15.1 million;
2. Revenue from the settlement of payable of a third party of RMB14.6 million;
3. Dongming received income from claim settlement of second installment of hydrogen peroxide insurance of RMB13.0 million.

6. Impairment (recognized) reversed under ECL model, net

The amount for the Current Period mainly includes the impairment losses on accounts receivable recognized. The amount changed from the reversed of impairment loss of RMB9.8 million in the corresponding period of the previous year to the impairment loss recognized in the Reporting Period of RMB11.3 million.

7. Selling and distribution expenses

Selling and distribution expenses decreased by RMB25.6 million, or 3.5%, from RMB728.7 million for the corresponding period of the previous year to RMB703.1 million for the Reporting Period. This was mainly due to the adjustment of transportation methods and certain business transportation models, which led to the decrease in transportation costs.

8. Administrative expenses

The Group's administrative expenses decreased by approximately RMB9.9 million or 1.8% from approximately RMB554.5 million for the corresponding period of last year to approximately RMB544.6 million for the Reporting Period, primarily due to a decrease of RMB10.12 million in management fee resulting from a RMB23.34 million decrease in rental expenses for Risun Building at the consolidated level after Risun Building was included in the consolidated scope in December 2024, which was partially offset by the increase of RMB13.22 million in the corresponding depreciation expense.

9. 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 from RMB692.8 million for the corresponding period last year to RMB693.3 million for the Reporting Period, representing an increase of RMB0.5 million, or 0.1%. It was generally the same as that in the same period of last year.

10. Share of results of associates

The share of results of associates increased from a loss of RMB17.4 million for the same period of last year to a profit of RMB9.7 million for the Reporting Period, mainly attributable to the decrease in loss of Yangmei Group Shouyang Jingfu Coal Co., Ltd. as compared with the corresponding period of last year.

FINANCIAL REVIEW *(continued)*

11. Share of results of joint ventures

The share of results of joint ventures decreased from a profit of RMB106.9 million for the corresponding period of last year to a profit of RMB6.3 million for the Reporting Period, mainly due to a decrease in revenue of coke companies such as Hebei China Coal Risun Coking, Risun Wei Shan (Indonesia) and De Tian Coking Indonesia as a result of the downward coke price.

12. Profit before taxation

As a result of the foregoing, profit before tax decreased by approximately RMB28.4 million, or 17.0%, from RMB167.3 million for the corresponding period of the previous year to approximately RMB138.9 million for the Reporting Period.

13. Income tax credit

For the corresponding period last year and the Reporting Period, the Group incurred income tax expense of RMB33.8 million and RMB52.0 million, respectively, with effective tax rates of 43.5% and 42.3%, respectively. The increase in income tax expense was mainly due to the decrease in non-taxable income such as investment income between resident enterprises as compared to the corresponding period of last year.

14. Profit for the period

As a result of the foregoing, net profit decreased by approximately RMB46.6 million, or 34.9%, from RMB133.5 million for the same period of the previous year to approximately RMB86.9 million for the Reporting Period.

15. Earnings per share – Basic

The basic earnings per share for the Reporting Period and the Last Period was RMB0.66 cents and RMB2.54 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. As at June 30, 2025, the Group has funded the investments and operations principally with cash from operations, debt financing from banks and other financial institutions and the net proceed from the placing of shares taken place in December 2024. 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. 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 June 30, 2025, 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 six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Net cash generated from operating activities	1,946,279	961,847
Net cash used in investing activities	(5,602,104)	(2,192,754)
Net cash generated from financing activities	3,893,599	3,627,400
Net increase in cash and cash equivalents	237,774	2,396,493
Cash and cash equivalents at the beginning of the period	2,087,992	1,239,270
Effect of foreign exchange rate changes	(418)	965
Cash and cash equivalents at the end of the period	2,325,348	3,636,728

(a) Net cash generated from operating activities

For the Reporting Period, the net cash generated from operating activities was approximately RMB1,946.28 million and was higher than our net cash generated from operating activities for the Last Period by approximately RMB984.43 million, primarily due to 1. a decrease of RMB585.08 million in inventories; and 2. a decrease of RMB538.11 million in operating receivables due to the enhanced effort in receivable collection.

(b) Net cash used in investing activities

For the Reporting Period, the net cash used in investing activities increased from approximately RMB2,192.75 million for the Last Period to approximately RMB5,602.10 million primarily due to 1. an addition of RMB1,181.06 million in property, plant and equipment; and 2. the placement of additional restricted bank deposits amounting to RMB4,094.81 million to secure various banking facilities.

LIQUIDITY AND FINANCIAL RESOURCES *(continued)*

(c) Net cash generated from financing activities

For the Reporting Period, the net cash generated from financing activities increased from approximately RMB3,627.40 million for the Last Period to approximately RMB3,893.60 million, primarily due to increased cash inflows of RMB4,843.93 million from new bank and other loans, which was partially offset by the interest payment of loans amounting to RMB632.29 million during the Reporting Period.

INDEBTEDNESS

(a) Borrowings

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

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Bank loans, secured	9,899,545	10,290,136
Bank loans, unsecured	10,814,081	9,846,666
	20,713,626	20,136,802
Other loans, secured	5,189,144	4,828,736
Other loans, unsecured	825,809	704,250
	6,014,953	5,532,986
Discounted bills financing	8,397,380	4,702,122
Total	35,125,959	30,371,910

The total borrowings increased by approximately RMB4.754 billion, or 15.65%, to approximately RMB35.126 billion as of June 30, 2025 from RMB30.372 billion as of December 31, 2024, primarily due to an increase in discounted bills financing.

(b) Lease liabilities

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

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Lease liabilities	2,860	3,574

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2025, 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 purposes.

PLEDGES OF ASSETS

During the Reporting Period, 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 25 to the Condensed Consolidated Financial Statements in this interim report.

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 Reporting Period, 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.

During the Reporting Period, no option was granted, and no option is outstanding under the Share Option Scheme. At the beginning and the end of the Reporting Period, the number of options available for grant under the Share Option Scheme is 400,000,000.

SHARE AWARD PLAN

The Company's Share Award Plan was adopted pursuant to an ordinary resolution passed by the Shareholders on May 30, 2025 for the primary purposes of recognizing and rewarding the contribution of certain eligible participants to the growth and development of the Group and to give incentives to retain them for the continual operation and development of the Group, and attracting suitable personnel for further development of the Group.

From the adoption of the Share Award Plan on May 30, 2025 to the end of the Reporting Period, no awarded share was granted under the Share Award Plan. At the end of the Reporting Period, the maximum number of awarded shares and options available for grant under the Share Award Plan and any other share plans (including the Share Option Scheme) is 432,231,600 in total.

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 (the “**Listing Rules**”)) had any interest in a business that competes or may compete with the business of the Group.

FUTURE PLANS AND USE OF PROCEEDS

The Company placed 52,000,000 new Shares at the placing price of HK\$3.00 per Share to not less than six placees, all of whom/which are professional, institutional and/or individual investors, through a top-up share placement (the “**Top-up Placing**”) in December 2024. The closing price per Share was HK\$3.41 as quoted on the Stock Exchange on December 17, 2024, being the last full trading day immediately prior to the date of the placing and subscription agreement.

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

	Proposed use of net proceeds (HK\$ million)	Actual use of net proceeds during the Current Period (HK\$ million)	Unused net proceeds as at June 30, 2025 (HK\$ million)	Estimated timetable
Optimization of financial structure	76.8	–	–	–
General working capital	76.8	12.8	–	–
	153.6	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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, the Company repurchased, by way of on-exchange trading on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), 50,928,000 shares of the Company at the total consideration of approximately HK\$127,592,860. As at June 30, 2025, the Company held 160,664,000 treasury shares in total and intended to resell these treasury shares for cash on the Stock Exchange or use them for the Share Award Plan in the future.

Other than the above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the Reporting Period.

DISCLOSURE UNDER RULE 13.22 OF THE LISTING RULES

In accordance with the requirements of Rule 13.22 of the Listing Rules, the followings were the details of financial assistance given to affiliated companies by the Group and guarantees given for facilities granted to affiliated companies exceeded 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules as at June 30, 2025.

Name of affiliated company	The Group's equity interest in affiliated company	Loans and advances to affiliated company	Interest rate per annum	Guarantees for facilities granted to the affiliated company	Notes
PT. De Tian Coking Co., Ltd. ("De Tian Coking")	24%	USD31.3 million (equivalent to RMB224.1 million)	6%	USD141.8 million (equivalent to RMB1,015.4 million)	1, 5
Risun Wei Shan New Energy (Indonesia) Company Limited ("Risun Wei Shan")	51%	USD147.6 million (equivalent to RMB1,056.8 million)	6%	USD474.8 million (equivalent to RMB3,399.2 million)	2, 5
PT. KinXiang New Energy Technologies Indonesia ("KinXiang New Energy")	20%	USD10.8 million (equivalent to RMB77.3 million)	6% or SOFR (12 months) + 300BP	USD63.8 million (equivalent to RMB456.7 million)	3, 5
Pingxiang Risun Energy Co., Ltd.* ("Pingxiang Risun Energy")	43%	-	3.6%	RMB1,025.1 million	4
	Total	RMB1,358.2 million		RMB5,896.4 million	

Notes:

- (1) The Group invested in De Tian Coking in 2021, and pursuant to the Cooperation and Investment Agreement dated June 30, 2021 in relation to the establishment of De Tian Coking, the Group has injected USD59.52 million to the share capital of De Tian Coking, and shall provide guarantees and/or shareholder loans of no more than USD285 million to De Tian Coking for project financing purposes. Please refer to the Company's announcements dated June 30, 2021 and November 12, 2021 and circular dated December 24, 2021 for details.
- (2) The Group invested in Risun Wei Shan in 2021, and pursuant to the Joint Venture Agreement dated July 15, 2021 in relation to the establishment of Risun Wei Shan, the Group has injected USD128.52 million to the share capital of Risun Wei Shan, and shall provide guarantees and/or shareholder loans of no more than USD538 million to Risun Wei Shan for project financing purposes. Please refer to the Company's announcements dated July 15, 2021 and November 12, 2021 and circular dated December 24, 2021 for details.
- (3) The Group invested in KinXiang New Energy in 2021, and pursuant to the Joint Venture Agreement dated July 16, 2021 in relation to the establishment of KinXiang New Energy, the Group has injected USD43.6 million to the share capital of KinXiang New Energy, and shall provide guarantees and/or shareholder loans of no more than USD84 million to KinXiang New Energy for project financing purposes. Please refer to the Company's announcement dated November 12, 2021 and circular dated December 24, 2021 for details.
- (4) Pingxiang Risun Energy is an associate of the Company, and is held by Risun Group as to 43%. On December 4, 2024, Pingxiang Risun Energy as borrower, entered into a loan agreement with Pingxiang Branch of China CITIC Bank Corporation Limited, pursuant to which Risun Group would provide guarantee for the principal creditor's rights of RMB1,025.1 million under the loan agreement. Please refer to the Company's announcement dated December 4, 2024 for details.
- (5) The exchange rate between USD and Renminbi for the calculation in this table is at USD1:RMB7.16.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance and guarantees given by the Group and the Group's attributable interests in those affiliated companies as at June 30, 2025 are set out as follows:

	Combined statement of financial position <i>RMB million</i>	Group's attributable interests <i>RMB million</i>
Non-current assets	17,864.6	5,952.2
Current assets	5,166.6	1,876.2
Current liabilities	8,443.0	2,812.9
Total assets less current liabilities	14,588.1	5,015.6
Non-current liabilities	9,294.7	3,187.4
Net assets	5,293.4	1,828.1

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at June 30, 2025.

EMPLOYEE AND REMUNERATION POLICY

As at June 30, 2025, we had 7,195 full-time employees (as at June 30, 2024: 7,581). Most of our senior management members and employees are based in Beijing and Hebei province.

The Group enters into a standard employment contract with each of the full-time employees. Remuneration for our employees includes basic wages, variable wages, bonuses and other benefits. For the six months ended June 30, 2025 and 2024, the staff costs were RMB615.55 million and RMB609.3 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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2025, the interests of Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, were as follows:

Ordinary shares of HK\$0.10 each of the Company

Name	Capacity/ Nature of interest	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Director(s)			
Mr. Yang Xuegang ⁽¹⁾	Interest of a controlled corporation	3,340,544,928 (L)	75%
Ms. Lu Xiaomei	Interest of her spouse	3,340,544,928 (L)	75%
Mr. Li Qinghua	Beneficial owner	349,000 (L)	0.01%
Mr. Han Qinliang	Beneficial owner	300,000 (L)	0.01%
Mr. Yang Lu	Beneficial owner	6,230,000 (L)	0.14%

(L) denotes long positions

Note:

1. Texson Limited is wholly owned by Mr. Yang Xuegang. Texson Limited directly held 3,182,910,928 shares, and was deemed to be interested in 157,634,000 treasury shares held by the Company as at June 30, 2025. Accordingly, Mr. Yang Xuegang is deemed to be interested in the shares held by Texson Limited.

Save as disclosed above, none of the Directors and the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at June 30, 2025.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2025, according to the register of interests required to be kept by the Company under Section 336 of the SFO other than the interests disclosed above in respect of Directors and chief executive of the Company, the following parties had interests in shares of the Company, as notified to the Company and the Stock Exchange, as follows:

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder(s)	Capacity/ Nature of interest	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Texson Limited ⁽¹⁾	Beneficial owner	3,182,910,928 (L)	71.46%
	Interest of a controlled corporation	157,634,000 (L)	3.54%

(L) denotes long positions

Note:

1. Texson Limited is wholly owned by Mr. Yang Xuegang. Texson Limited directly held 3,182,910,928 shares, and was deemed to be interested in 157,634,000 treasury shares held by the Company as at June 30, 2025. Accordingly, Mr. Yang Xuegang is deemed to be interested in the shares held by Texson Limited.

Save as disclosed above, as of June 30, 2025, the Directors were not aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company, which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE PRACTICES

Pursuant to the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules which sets out the principles of good corporate governance and the code provisions (the “**Code Provisions**”), the Company has adopted all code provisions as set out in the CG Code and has complied with the applicable code provisions throughout the Reporting Period, except for the provision paragraph C.2.1 under Part 2 of the CG Code.

In accordance with provision paragraph C.2.1 under Part 2 of the CG 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 to protect the Shareholders’ interests.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its model code for securities transactions by the Directors and relevant employees.

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the relevant Model Code during the Reporting Period.

The Company’s employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees during the Reporting Period was found by the Company as at the date of this report.

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

Save as disclosed in the section of “Business Review” in this report, there were no other significant investments held, no material acquisition or disposal of subsidiaries, associated companies and joint ventures during the Reporting Period and up to the date of this report. As at June 30, 2025, the Board has not authorized any plan for other material investments or additions of capital assets.

CONTINGENT LIABILITIES

As at June 30, 2025, the maximum liabilities of the Group under guarantees in favor of banks in respect of banking facilities granted to joint ventures and associated companies were RMB5,896.4 million (as at December 31, 2024: RMB5,727.6 million).

REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

This report, including the unaudited consolidated interim results and the accounting principles and practices adopted by the Group, has been reviewed by the audit committee (the “**Audit Committee**”) established by the Board in accordance with the Listing Rules. The Audit Committee has also discussed auditing, risk management, internal control and financial statement matters, including the review of the consolidated financial statements of the Group for the Reporting Period.

In addition, the interim results for the six months ended June 30, 2025 has not been audited but has been reviewed by Deloitte Touche Tohmatsu, the auditor of the Company, in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standard Board.

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

Hong Kong, August 29, 2025

** For identification purposes only*

**TO THE BOARD OF DIRECTORS OF CHINA RISUN GROUP LIMITED**

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Risun Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 34 to 70, which comprise the condensed consolidated statement of financial position as of June 30, 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 29, 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2025



	Notes	Six months ended June 30,	
		2025 RMB' 000 (Unaudited)	2024 RMB' 000 (Unaudited)
Revenue	4	20,548,610	25,208,750
Cost of sales and services		(18,862,702)	(23,354,108)
Gross profit		1,685,908	1,854,642
Other income	5	341,376	283,395
Other gains and losses	6	48,042	(94,084)
Impairment (recognized)/reversed under expected credit losses ("ECL") model, net	23	(11,336)	9,817
Selling and distribution expenses		(703,073)	(728,686)
Administrative expenses		(544,606)	(554,463)
Profit from operations		816,311	770,621
Finance costs	7	(693,308)	(692,790)
Share of results of associates		9,651	(17,428)
Share of results of joint ventures		6,260	106,899
Profit before taxation	8	138,914	167,302
Income tax expense	9	(52,006)	(33,827)
Profit for the period		86,908	133,475
Other comprehensive (expense) income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign operations		(4,091)	23,900
Total comprehensive income for the period		82,817	157,375

		Six months ended June 30,	
		2025	2024
	Notes	RMB' 000	RMB' 000
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Owners of the Company		28,639	111,851
Non-controlling interests		58,269	21,624
		86,908	133,475
Total comprehensive income for the period attributable to:			
Owners of the Company		24,548	135,751
Non-controlling interests		58,269	21,624
		82,817	157,375
Earnings per share (RMB cents)			
	11		
Basic		0.66	2.54

Condensed Consolidated Statement of Financial Position

At June 30, 2025



	Notes	June 30, 2025 RMB' 000 (Unaudited)	December 31, 2024 RMB' 000 (Audited)
Non-current assets			
Property, plant and equipment	12	27,675,401	27,831,672
Right-of-use assets		1,660,963	1,681,495
Investment properties	12	1,893,073	1,896,640
Goodwill		212,347	212,347
Intangible assets		1,478,954	1,209,276
Interests in associates	13	926,895	872,815
Interests in joint ventures	13	2,979,570	2,989,657
Other long-term receivables and prepayments	14	1,203,018	910,093
Financial assets at fair value through profit or loss ("FVTPL")	15	380,531	392,629
Deferred tax assets		172,249	187,050
Restricted bank balances	18	230,000	238,000
Amounts due from related parties	22(c)	585,504	316,373
		39,398,505	38,738,047
Current assets			
Inventories	17	2,493,065	3,078,143
Income tax prepayment		33,561	22,727
Other receivables	16	8,678,496	9,291,403
Trade and bills receivables measured at fair value through other comprehensive income ("FVTOCI")	16	1,133,652	1,510,050
Amounts due from related parties	22(c)	2,449,575	2,722,544
Financial assets at FVTPL	15	9,324	25,206
Restricted bank balances	18	6,316,477	2,213,671
Bank deposits	18	422,000	151,159
Cash and cash equivalents		2,325,348	2,087,992
		23,861,498	21,102,895

	Notes	June 30, 2025 RMB' 000 (Unaudited)	December 31, 2024 RMB' 000 (Audited)
Current liabilities			
Financial liabilities at FVTPL	15	1,347	95
Trade and other payables	19	8,977,738	9,204,744
Contract liabilities		1,380,167	2,093,425
Income tax payable		350,975	350,334
Bank and other loans	20	26,888,758	20,883,819
Lease liabilities		1,467	1,440
Amounts due to related parties	22(c)	1,141,378	1,262,161
		38,741,830	33,796,018
Net current liabilities		(14,880,332)	(12,693,123)
Total assets less current liabilities		24,518,173	26,044,924
Non-current liabilities			
Bank and other loans	20	8,237,201	9,488,091
Lease liabilities		1,393	2,134
Deferred income		150,973	153,136
Deferred tax liabilities		450,892	464,522
Trade and other payables	19	24,291	49,376
Amounts due to related parties	22(c)	11,253	10,983
		8,876,003	10,168,242
NET ASSETS		15,642,170	15,876,682
CAPITAL AND RESERVES			
Share capital	21	385,172	385,172
Reserves		12,186,240	12,374,602
Total equity attributable to owners of the Company		12,571,412	12,759,774
Non-controlling interests		3,070,758	3,116,908
TOTAL EQUITY		15,642,170	15,876,682

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025



	Attributable to owners of the Company												Total equity
	Share capital	Treasury Stocks	Share premium	Merger reserve	Reserve fund	Safety fund	Foreign currency		Other reserve	Retained profits	Total	Non-controlling interests	
							transaction reserve	Revaluation reserve					
							RMB' 000	RMB' 000					
Balance at January 1, 2025 (Audited)	385,172	(297,416)	3,085,483	19,869	1,822,875	34,010	68,855	155,834	243,868	7,241,224	12,759,774	3,116,908	15,876,682
Profit for the period	-	-	-	-	-	-	-	-	-	28,639	28,639	58,269	86,908
Other comprehensive expense	-	-	-	-	-	-	(4,091)	-	-	-	(4,091)	-	(4,091)
Net transfer to safety fund	-	-	-	-	-	15,985	-	-	-	(15,985)	-	-	-
Repurchase of shares as treasury stocks (note 21)	-	(116,910)	-	-	-	-	-	-	-	-	(116,910)	-	(116,910)
Partial disposal of a subsidiary	-	-	-	-	-	-	-	-	(1,093)	-	(1,093)	1,181	88
Capital contributions from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	-	1,500	1,500
Dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(107,100)	(107,100)
Dividends recognized as distribution (note 10)	-	-	-	-	-	-	-	-	-	(94,907)	(94,907)	-	(94,907)
Balance at June 30, 2025 (Unaudited)	385,172	(414,326)	3,085,483	19,869	1,822,875	49,995	64,764	155,834	242,775	7,158,971	12,571,412	3,070,758	15,642,170
Balance at January 1, 2024 (Audited)	382,246	(37,173)	3,007,156	19,869	1,670,462	44,062	29,649	114,718	217,286	7,450,141	12,898,416	1,574,029	14,472,445
Profit for the period	-	-	-	-	-	-	-	-	-	111,851	111,851	21,624	133,475
Other comprehensive income	-	-	-	-	-	-	23,900	-	-	-	23,900	-	23,900
Net transfer to safety fund	-	-	-	-	-	13,610	-	-	-	(13,610)	-	-	-
Repurchase of shares as treasury stocks	-	(37,855)	-	-	-	-	-	-	-	-	(37,855)	-	(37,855)
Cancellation of shares (note 21)	(1,577)	53,185	(51,608)	-	-	-	-	-	-	-	-	-	-
Withdrawal of capital investment from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	-	(4,050)	(4,050)
Transfer to reserve fund	-	-	-	-	1,336	-	-	-	-	(1,336)	-	-	-
Dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(45,000)	(45,000)
Dividends recognized as distribution (note 10)	-	-	-	-	-	-	-	-	-	(52,868)	(52,868)	-	(52,868)
Balance at June 30, 2024 (Unaudited)	380,669	(21,843)	2,955,548	19,869	1,671,798	57,672	53,549	114,718	217,286	7,494,178	12,943,444	1,546,603	14,490,047

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	RMB' 000	RMB' 000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	1,946,279	961,847
Investing activities		
Purchase of property, plant and equipment	(1,181,055)	(1,216,168)
Proceeds from disposal of property, plant and equipment	13,558	83
Purchase of intangible assets	(358,525)	(19,447)
Purchase of prepaid lease payment	(9,876)	(100,606)
Proceeds from relocation compensation	109,091	–
Purchase of financial assets at FVTPL	(25,000)	(32,248)
Loan to third parties	–	(50,000)
Repayments of loans to third parties	250,000	–
Net cash inflow on disposal of subsidiaries	–	16,004
Net cash inflow on disposal of an associate	1,226	17,200
Proceeds from disposal of financial assets at FVTPL	55,902	68,855
Interest received	32,419	60,684
Government grants received	38,290	46,575
Placement of restricted bank deposits	(6,874,151)	(4,472,593)
Withdrawal of restricted bank deposits	2,779,345	3,174,682
Placement of bank deposits	(406,000)	(150,000)
Withdrawal of bank deposits	135,159	–
Deposits for other loans	(113,739)	(49,395)
Advances to related parties	(3,093)	(683,223)
Repayments from related parties	–	1,231,143
Investments in joint ventures	–	(8,500)
Investments in associates	(45,655)	(25,800)
Net cash used in investing activities	(5,602,104)	(2,192,754)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025



	Six months ended June 30,	
	2025	2024
	RMB' 000	RMB' 000
	(Unaudited)	(Unaudited)
Financing activities		
Dividends paid to shareholders	(94,907)	(52,868)
Dividends paid to a non-controlling shareholder	(107,100)	(78,100)
Interest paid	(632,290)	(623,107)
Repurchase of shares	(116,910)	(37,855)
Proceeds from new bank and other loans	16,448,927	14,594,426
Repayment of bank and other loans	(11,604,995)	(10,295,258)
Repayment of leases liabilities	(714)	(25,788)
Capital contribution from non-controlling shareholders	1,588	–
Withdrawal of capital investment from a non-controlling shareholder	–	(4,050)
Increase in amounts due to related parties	–	150,000
Net cash generated from financing activities	3,893,599	3,627,400
Net increase in cash and cash equivalents	237,774	2,396,493
Cash and cash equivalents at the beginning of the period	2,087,992	1,239,270
Effect of foreign exchange rate changes	(418)	965
Cash and cash equivalents at the end of the period	2,325,348	3,636,728

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

The Company’s operating subsidiaries are engaged in the manufacturing, sale and distribution of coke, coking chemicals and refined chemicals. The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “*Interim Financial Reporting*” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern

As at June 30, 2025, the Group had net current liabilities of RMB14,880 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 RMB8,055 million at the report date, of which RMB7,585 million is unconditional and RMB470 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 and other loans as at the date of this report will be successfully renewed upon maturity, the Group has sufficient financial resources to meet its commitments and liabilities as and when they fall due for the next twelve months from the end of the reporting period. Accordingly, the condensed consolidated financial statements are prepared on a going concern basis.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from the application of the amendments to IFRS Accounting Standards and change in accounting estimates as set out below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's consolidated annual financial statements for the year ended December 31, 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

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

Change in accounting estimates

During the current interim period, in consideration of changes in government policy regarding Guidance Catalogue for Industrial Structure Adjustment and Opinions (產業結構調整指導目錄) issued by National Development and Reform Commission, People's Republic of China ("PRC") on promoting the implementation of ultra-low emissions in the coking industry as well as a detailed assessment of the operating conditions of the assets at its coke production plants and the designed useful lives of these assets, the management proposed, and the Directors of the Company approved to extend the estimated useful lives of certain property, plant, and equipment of the Group, primarily coke ovens and related supporting facilities and equipment, by 5 to 10 years after considering the new government policy and the current conditions of relevant assets, effective January 1, 2025.

3. ACCOUNTING POLICIES *(continued)*

Change in accounting estimates *(continued)*

This change in accounting estimate has been applied prospectively and therefore has no impact on the Group's financial condition or results of operations for prior periods. As a result of this change:

1. the Group's depreciation expense decreased by approximately RMB98 million during the current interim period, with a corresponding increase in the carrying amount of property, plant, and equipment as of June 30, 2025;
2. the Group's income tax expenses increased by approximately RMB18 million during the current interim period;
3. the Group's segment results of coke and coking chemicals manufacturing increased by approximately RMB80 million during the current interim period.

4. REVENUE AND SEGMENT INFORMATION

During the current interim period, 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, sales of properties arising from property development and rental income. Except for the provision of operation management services, which was recognized over time, the revenue of the remaining operations is recognized at a point in time when the customers obtain control of the goods/services delivered.

Approximately 3% of the Group's revenue and profit were derived from outside the Peoples Republic of China ("PRC") and substantially all principal assets employed by the Group are located in the PRC during the reporting period.

During the current interim period, the executive directors, being the chief operating decision maker, evaluates the performance of rental business arose from the acquisition of Risun Chemicals Technology Research Co., Ltd. in December 2024 together with other segment. As a result, the Group reclassified assets and liabilities of related rental business from unallocated corporate assets and liabilities to other segment. The comparative figures for the prior period have been re-presented in order to align them with the current year's presentation. The reclassification did not have any material impact on the Group's segment revenue and results for the prior period presented.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025



4. REVENUE AND SEGMENT INFORMATION (continued)

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

	Six months ended June 30, 2025					
	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	6,357,591	–	–	–	–	6,357,591
Sale of refined chemicals	–	9,096,043	1,215,633	–	–	10,311,676
Trading	–	–	–	3,730,359	–	3,730,359
Management services	–	–	58,906	–	–	58,906
Property development and investment	–	–	–	–	90,078	90,078
	6,357,591	9,096,043	1,274,539	3,730,359	90,078	20,548,610
Inter-segment revenue	1,099,027	296,420	–	–	–	1,395,447
Reportable segment revenue	7,456,618	9,392,463	1,274,539	3,730,359	90,078	21,944,057
Reportable segment results	287,484	189,133	33,768	(183,891)	(1,528)	324,966
Unallocated head office and corporate expenses						(186,052)
Profit before taxation						138,914
Other information:						
Share of results of associates	(21,515)	31,166	–	–	–	9,651
Share of results of joint ventures	6,260	–	–	–	–	6,260

4. REVENUE AND SEGMENT INFORMATION *(continued)*

	Six months ended June 30, 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	9,811,144	–	–	–	–	9,811,144
Sale of refined chemicals	–	10,403,136	2,383,012	–	–	12,786,148
Trading	–	–	–	2,432,793	–	2,432,793
Management services	–	–	20,045	–	–	20,045
Property development and investment	–	–	–	–	158,620	158,620
	9,811,144	10,403,136	2,403,057	2,432,793	158,620	25,208,750
Inter-segment revenue	890,795	112,684	–	–	–	1,003,479
Reportable segment revenue	10,701,939	10,515,820	2,403,057	2,432,793	158,620	26,212,229
Reportable segment results	63,348	343,387	57,418	(170,444)	6,449	300,158
Unallocated head office and corporate expenses						(132,856)
Profit before taxation						167,302
Other information:						
Share of results of associates	(40,469)	23,041	–	–	–	(17,428)
Share of results of joint ventures	106,899	–	–	–	–	106,899

4. REVENUE AND SEGMENT INFORMATION (continued)

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

Segment assets

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Coke and coking chemicals manufacturing	22,156,801	20,691,175
Refined chemicals manufacturing	23,744,407	22,583,766
Operation management	288,341	503,557
Trading	12,317,507	11,937,500
Others	2,396,108	2,226,612
Reportable segment assets	60,903,164	57,942,610
Unallocated head office and corporate assets	2,356,839	1,898,332
Total assets	63,260,003	59,840,942

Segment liabilities

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Coke and coking chemicals manufacturing	16,164,553	15,054,904
Refined chemicals manufacturing	19,007,613	15,863,939
Operation management	205,283	314,370
Trading	10,165,712	10,628,364
Others	1,346,888	1,434,790
Reportable segment liabilities	46,890,049	43,296,367
Unallocated head office and corporate liabilities	727,784	667,893
Total liabilities	47,617,833	43,964,260

5. OTHER INCOME

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Interest income	70,787	132,715
Value-added Tax ("VAT") concession (<i>Note</i>)	86,093	111,688
Production waste sales	30,527	10,044
Government grants	139,812	23,189
Others	14,157	5,759
	341,376	283,395

Note: During the current interim period, 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.

6. OTHER GAINS AND LOSSES

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Change in fair value of financial assets/liabilities at FVTPL:		
– Listed equity securities	5,806	(14,343)
– Unlisted equity securities	(4,943)	(10,825)
– Private equity investment funds	7,302	(41,785)
– Futures contracts	8,007	4,867
– Derivative financial instruments	–	5,536
– Other non-derivative financial assets	(1,026)	(2,225)
Fair value change of investment properties	(3,567)	–
Loss on foreign exchange, net	(3,367)	(22,446)
Gain/(loss) on disposal of property, plant and equipment	3,288	(3,529)
Gain on disposal of a subsidiary	–	10,413
Insurance proceeds received	13,000	–
Gain on modification of a payable to a third party	14,585	–
Others	8,957	(19,747)
	48,042	(94,084)

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025



7. FINANCE COSTS

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Interest on bank loans	453,496	435,483
Interest on other loans from licensed financial institutions	178,794	187,624
Finance charges on bills receivable discounted	85,803	67,891
Finance charges on lease liabilities	—	18,141
	718,093	709,139
Less: Amount capitalized under construction in progress (<i>Note</i>)	(24,785)	(16,349)
	693,308	692,790

Note: The finance costs were capitalized at annual rates of 3.55% to 7.60% per annum during the current interim period (during the six months ended June 30, 2024: 5.83% to 7.05% per annum).

8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting) the following items:

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment	910,764	1,035,500
Depreciation of right-of-use assets	25,648	78,258
Amortization of intangible assets	88,847	69,274
Total depreciation and amortization	1,025,259	1,183,032
Capitalized in construction in progress	—	(48)
	1,025,259	1,182,984

9. INCOME TAX EXPENSE

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Current tax expense		
PRC income tax for the period	50,835	81,839
Deferred tax charge (credit)	1,171	(48,012)
	52,006	33,827

10. DIVIDENDS

During the current interim period, a special dividend of RMB2.22 cents (2024: RMB1.2 cents) per ordinary share amounting to RMB94,907,000 (2024: RMB52,868,000) in respect of the year ended December 31, 2024 was paid to the owners of the Company in June 2025.

Subsequent to the end of the reporting period, the Directors have determined that an interim dividend of RMB0.2 cents per share amounting to RMB8,561,000 (the six months ended June 30, 2024: RMB33,948,000) will be distributable in September 2025.

11. EARNINGS PER SHARE

Basic earnings per share for the six months ended June 30, 2025 and June 30, 2024 are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

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

	Six months ended June 30	
	2025	2024
Earnings		
Profit attributable to the owners of the Company (RMB'000)	28,639	111,851
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,339,058,425	4,406,393,599

No diluted earnings per share for six months period ended June 30, 2025 and June 30, 2024 were presented as there were no potential ordinary shares in issue for both periods.

12. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the current interim period, the Group acquired property, plant and equipment amounting to approximately RMB829 million (six months ended June 30, 2024: RMB698 million).

The Group's investment properties at the end of the current interim period were valued by an external valuer or the Directors. The resulting decrease in fair value of investment properties of RMB4 million (six months ended June 30, 2024: RMB Nil) has been recognised directly in profit or loss for the six months ended June 30, 2025.

Details of the pledged property, plant and equipment and investment properties are set out in note 25.

13. INTERESTS IN ASSOCIATES/JOINT VENTURES

During the current interim period, the Group made capital injections of RMB46 million in an associate by way of cash.

During the six months period ended June 30, 2024, the Group disposed its entire interests in Pingxiang Anyuan Glass Co., Ltd., the associate of the Group, to another shareholder at a consideration of RMB17.2 million. The total consideration has been received on February 22, 2024.

14. OTHER LONG-TERM RECEIVABLES AND PREPAYMENTS

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Prepayments for property, plant and equipment	275,061	61,474
Loan receivable (<i>Note a</i>)	400,000	400,000
Prepayments for leasehold land	27,671	27,671
Deposits for other loans	302,117	334,382
Government grants (<i>Note b</i>)	87,807	—
Others	135,533	109,661
Less: Allowance for credit losses	(25,171)	(23,095)
	1,203,018	910,093

Notes:

- Included in loan receivables were unsecured entrusted loans to third parties through licensed financial institutions which carries interests ranging from 5.75% and 5.20% per annum as at June 30, 2025 (December 31, 2024: 5.75% and 5.20%) and are payable over period of 1 to 2 years.
- During the current interim period, the Group was granted a government assistance amounting to RMB119 million after fulfillment of eligible conditions of investment in certain companies for 3 years, of which RMB31 million was received during the current interim period. The remaining RMB88 million recognized based on discounted amount is payable in instalment over period of 1 to 5 years and represented as non-current assets.

15. FINANCIAL ASSETS/LIABILITIES AT FVTPL

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Non-current assets		
Listed equity securities	70,060	89,714
Unlisted equity investment	83,117	88,060
Private equity investment funds	106,977	92,618
Wealth management products	120,377	122,237
	380,531	392,629
Current assets		
Futures contracts	1,027	2,059
Held-for-trading non-derivative financial assets	8,297	23,147
	9,324	25,206
Current liabilities		
Futures contracts	(1,347)	(95)
	388,508	417,740

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

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Trade receivables measured at FVTOCI	597,747	982,432
Bills receivables measured at FVTOCI	535,905	527,618
	1,133,652	1,510,050
Prepayments for raw materials	4,973,800	5,447,122
Other deposits, prepayments and other receivables	912,285	735,944
Loan receivables (note 14)	200,000	450,000
Receivables for relocation compensation	—	109,091
Prepayments on behalf of third parties as a trading agency	2,152,922	2,206,630
Deductible input VAT and prepaid other taxes and charges	469,831	394,188
Less: Impairment (note 23)	(30,342)	(51,572)
Other receivables	8,678,496	9,291,403

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

(continued)

Except for the financial assets subject to the impairment assessment under ECL model, the Group has prepayments for raw materials and prepayments on behalf of third parties as a trading agency with aggregate amount of RMB7,127 million (December 31, 2024: RMB7,654 million). As at June 30, 2025, the management has performed impairment assessment, and concluded that there has been no impairment indicator since initial recognition of the prepayments after considering various factors including the advance received from customer amount of RMB448 million as set out in note 19, and the counter parties are raw materials suppliers with good quality and long-term relationship, therefore no impairment was recognized.

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, except for certain customers with good reputation to which a credit period for no more than 180 days were granted with no interest and collateral. Aging analysis of trade receivables presented based on invoice dates, which approximated the respective revenue recognition dates, are as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Within one month	386,658	794,258
2 to 3 months	45,407	167,484
4 to 6 months	61,526	6,447
7 to 12 months	104,156	14,243
	597,747	982,432

17. INVENTORIES

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Raw materials	1,382,327	1,735,476
Finished goods	368,131	622,370
Trading stocks	182,647	345,354
Properties under development	559,960	374,943
	2,493,065	3,078,143

18. RESTRICTED BANK BALANCES/BANK DEPOSITS

a. Restricted bank balances

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

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Restricted bank balances to secure:		
Bills payable and letters of credit (<i>Note</i>)	6,057,098	2,013,174
Bank loans	298,598	303,436
Futures contracts	190,781	135,061
	6,546,477	2,451,671
Analyzed for reporting purpose as:		
Current assets	6,316,477	2,213,671
Non-current assets	230,000	238,000

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 RMB8,397,380,000 (December 31, 2024: RMB4,702,122,000) as at June 30, 2025.

Restricted bank balances are deposits with banks 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 0.05% to 2.30% per annum as at June 30, 2025 (December 31, 2024: 0.01% to 2.30% per annum).

b. Bank deposits

The bank deposits are with initial maturity of more than three months but within one year and carry interest at rates ranging from 0.8% to 2.3% (December 31, 2024: 0.001% to 2.3%).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025



19. TRADE AND OTHER PAYABLES

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Trade payables	1,919,494	3,126,633
Payables to be settled by the endorsed bills receivable	72,250	87,846
Bills payable	4,007,847	2,400,392
Payables for construction in progress	1,785,907	2,075,882
Payables on behalf of third parties as a trading agency	51,198	380,293
Advances from customers on behalf of third parties as a trading agency	448,466	357,233
Other tax payables	78,626	75,514
Payroll payables	70,967	143,673
Other payables and accruals (Note)	567,274	606,654
	9,002,029	9,254,120
Analyzed for reporting purposes as:		
Current liabilities	8,977,738	9,204,744
Non-current liabilities	24,291	49,376

Note: Included in other payables and accruals were payables in relation to an arbitration with a contractor. Pursuant to the settlement agreement, the balance will be repaid by instalments till December 31, 2026, of which RMB24 million will be repaid after June 2026 and therefore presented as long-term payables, the remaining balance was presented as current liabilities.

All trade payables are due within one year. The credit period on purchases of raw materials is ranging from 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:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Within 3 months	1,625,100	2,750,565
3 to 6 months	57,422	133,224
6 to 12 months	73,981	149,369
1 to 2 years	120,488	60,089
2 to 3 years	14,236	13,141
More than 3 years	28,267	20,245
	1,919,494	3,126,633

20. BANK AND OTHER LOANS

During the current interim period, the Group received the proceeds amounting to approximately RMB16,448,927,000 (six months ended June 30, 2024: RMB14,594,426,000) related to its renewed and newly obtained bank loans and made repayments amounting to approximately RMB11,604,995,000 (six months ended June 30, 2024: RMB10,295,258,000), with a net exchange loss of RMB1,334,000 (six months ended June 30, 2024: net exchange loss of RMB46,347,000). The loans carry interest at the rate ranging from 1.70% to 8.50% (December 31, 2024: 1.70% to 8.50%) per annum and are repayable in instalments over a period of 1 to 16 years.

During the current interim period, the Group breached certain of the terms of the bank loans amounting to RMB 766 million as at 30 June 2025, which are primarily related to the asset-liability ratio of certain subsidiaries. The Group was in the progress of obtaining waivers from banks. Non-compliance with the financial covenants and the corresponding cross defaults give the banks the unconditional right to demand repayment at any time. Accordingly, the non-current portion of the aforementioned borrowings, which have not been given waivers before June 30, 2025, amounting to RMB484 million have been reclassified to current liabilities as at June 30, 2025. As at the reporting date, the Group has not received any loan repayment notice from banks to repay the aforementioned bank loans.

Details of the assets pledged for securing the bank and other loans of the Group are set out in note 25.

21. SHARE CAPITAL

	As at		As at	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	Number of shares	Number of shares	HKD '000	HKD '000
Authorized				
Shares of HKD0.10 each				
Authorized ordinary shares:				
At the beginning and end of the period/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 period/year	4,454,186,000	4,424,126,000	445,419	442,413
Shares repurchased and cancelled	—	(21,940,000)	—	(2,194)
Issue of shares	—	52,000,000	—	5,200
At the end of the period/year	4,454,186,000	4,454,186,000	445,419	445,419

21. SHARE CAPITAL (continued)

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Presented in the condensed consolidated statement of financial position:		
At the beginning of the period/year	385,172	382,246
Shares repurchased and cancelled	—	(1,876)
Issue of shares	—	4,802
At the end of the period/year	385,172	385,172

Note: During the current interim period, the Company repurchased 50,928,000 (six months ended June 30, 2024: 13,868,000) ordinary shares with an aggregate consideration of RMB116,910,000 (six months ended June 30, 2024: RMB37,855,000) paid. As of June 30, 2025, the treasury stocks repurchased but not cancelled by the Company is of 160,664,000 (six months ended June 30, 2024: 8,019,000) ordinary shares.

22. RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended June 30, 2025 and 2024, transactions with the following parties are considered to be related party transactions:

Name of related parties	Relationship with the Group
Mr. Yang Xuegang	Director and the Ultimate Controlling Shareholder
Beijing Automec Technology Co., Ltd (Note a) (北京奥特美克科技股份有限公司)	Controlled by Mr. Yang Xuegang
Beijing Risun Science and Technology Limited (Note a) (北京旭陽科技有限公司)	Controlled by Mr. Yang Xuegang
Beijing Xuyang Digital Technology Co., Ltd. (Note a) (北京旭陽數字科技有限公司)	Controlled by Mr. Yang Xuegang
Beijing Xuyang New Energy Co., Ltd. (Note a) (北京旭陽新能源有限公司)	Controlled by Mr. Yang Xuegang
Cangzhou Xuyang Intelligent Property Management Co., Ltd. (Note a) (滄州旭陽智慧物業管理有限公司)	Controlled by Mr. Yang Xuegang

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

Name of related parties	Relationship with the Group
Datong City Jingtong Zhijian Xingwang Coal Washing Co., Ltd. <i>(Note a)</i> (大同市精通志堅興旺洗煤有限公司)	Controlled by Mr. Yang Xuegang
Datong Xinghua United Coal Preparation Co., Ltd <i>(Note a)</i> (大同興華聯合選煤有限公司)	Controlled by Mr. Yang Xuegang
Datong Xinghua United New Energy Co., Ltd <i>(Note a)</i> (定州旭陽科技有限公司)	Controlled by Mr. Yang Xuegang
Dingzhou Xubang New Material Technology Co., Ltd <i>(Note a)</i> (定州旭邦新材料科技有限公司)	Controlled by Mr. Yang Xuegang
Dingzhou Xucheng Property Management Co., Ltd. <i>(Note a)</i> (定州旭誠物業管理有限公司)	Controlled by Mr. Yang Xuegang
Dingzhou Xuyang Business Hotel Co., Ltd <i>(Note a)</i> (定州市旭陽商務酒店有限公司)	Controlled by Mr. Yang Xuegang
Dingzhou Xuyang Property Service Co., Ltd. <i>(Note a)</i> (定州旭陽物業服務有限公司)	Controlled by Mr. Yang Xuegang
Dingzhou Xuyang Real Estate Development Co., Ltd. <i>(Note a)</i> (定州旭陽房地產開發有限公司)	Controlled by Mr. Yang Xuegang
Hebei Aotemeik Technology Co., Ltd. <i>(Note a)</i> (河北奧特美克科技有限公司)	Controlled by Mr. Yang Xuegang
Hebei Shanghe Construction Engineering Co., Ltd <i>(Note a)</i> (河北上和建築工程有限公司)	Controlled by Mr. Yang Xuegang
Hebei Xuyang Architectural Design Co., Ltd. <i>(Note a)</i> (河北旭陽建築設計有限公司)	Controlled by Mr. Yang Xuegang
Inner Mongolia Hengsheng New Energy Technology Co., Ltd. <i>(Note a)</i> (內蒙古恆勝新能源科技有限公司)	Controlled by Mr. Yang Xuegang

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

Name of related parties	Relationship with the Group
Inner Mongolia Xuyang Coal Industry Co., Ltd. <i>(Note a)</i> (內蒙古旭陽煤業有限公司)	Controlled by Mr. Yang Xuegang
Laoting Huayang Thermal Power Co., Ltd. <i>(Note a)</i> ("Laoting Huayang") (樂亭華陽熱電有限公司)	Controlled by Mr. Yang Xuegang
Pingdingshan Xuyang New Materials Co., Ltd. <i>(Note a)</i> (平頂山旭陽新材料有限公司)	Controlled by Mr. Yang Xuegang
Pingxiang Xuyang Energy Co., Ltd <i>(Note a)</i> (萍鄉旭陽能源有限公司)	Controlled by Mr. Yang Xuegang
Qingshuihe Xuyang Smart Property Management Service Co., Ltd <i>(Note a)</i> (沁源縣潔達煤業有限公司)	Controlled by Mr. Yang Xuegang
Risun Holdings Co., Ltd. <i>(Note a)</i> (旭陽控股有限公司)	Controlled by Mr. Yang Xuegang
Risun Supply Chain Management Limited <i>(Note a)</i> (旭陽供應鏈管理有限公司)	Controlled by Mr. Yang Xuegang
Shangdu Xuyang Intelligent Property Management Co., Ltd. <i>(Note a)</i> (商都旭陽智慧物業有限公司)	Controlled by Mr. Yang Xuegang
Shanxi Coking Coal Huaxing Energy Technology Co., Ltd. <i>(Note a)</i> (山西焦煤華興能源科技有限公司)	Controlled by Mr. Yang Xuegang
Tianjin Binhai Energy Development Co., Ltd. <i>(Note a)</i> (天津濱海能源發展股份有限公司)	Controlled by Mr. Yang Xuegang
Xiaoyi City Anda Gas Pipeline Transportation Co., Ltd. <i>(Note a)</i> (孝義市安達燃氣管輸有限公司)	Controlled by Mr. Yang Xuegang
Xiaoyi Zhongsheng Supply Chain Management Co., Ltd <i>(Note a)</i> (孝義中晟供應鏈管理有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Tengxu Property Service Co., Ltd. <i>(Note a)</i> (邢台騰旭物業服務有限公司)	Controlled by Mr. Yang Xuegang

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

Name of related parties	Relationship with the Group
Xingtai Tianlu Real Estate Development Co., Ltd. Economic (邢台天露房地產開發有限公司經濟開發區分公司)	Controlled by Mr. Yang Xuegang
Xingtai Xuren Hotel Service Co., Ltd. <i>(Note a)</i> (邢台旭人酒店服務有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Xuyang Chenxi Intelligent Manufacturing (邢台旭陽晨晰智造科技有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Xuyang Intelligent Property Management Co., Ltd. <i>(Note a)</i> (邢台旭陽智慧物業管理有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Xuyang Property Co., Ltd. <i>(Note a)</i> (邢台旭陽物業有限公司)	Controlled by Mr. Yang Xuegang
Xuyang Digital Technology Co., Ltd. <i>(Note a)</i> (旭陽數字科技股份有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Xuyang Technology Co, Ltd. <i>(Note a)</i> (邢台旭陽科技有限公司)	Controlled by Mr. Yang Xuegang
Xuyang Engineering Co., Ltd. <i>(Note a)</i> (旭陽工程科技有限公司)	Controlled by Mr. Yang Xuegang
Xuyang Intelligent Property Management Co., Ltd. <i>(Note a)</i> (旭陽智慧物業有限公司)	Controlled by Mr. Yang Xuegang
Xuyang New Energy Technology Co., Ltd. <i>(Note a)</i> (旭陽新能源科技有限公司)	Controlled by Mr. Yang Xuegang
Xuyang Real Estate Co., Ltd. <i>(Note a)</i> (旭陽置業有限公司)	Controlled by Mr. Yang Xuegang
Yuncheng Xuyang Smart Property Co., Ltd <i>(Note a)</i> (鄆城旭陽智慧物業有限公司)	Controlled by Mr. Yang Xuegang
Cabot Risun Chemicals (Xingtai) Co. Ltd. <i>(Note a)</i> (“Cabot Risun Chemicals”) (卡博特旭陽化工(邢台)有限公司)	Associate of the Group

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

Name of related parties	Relationship with the Group
Hebei Jinniu Risun Chemicals Limited <i>(Note a)</i> ("Jinniu Risun Chemicals") (河北金牛旭陽化工有限公司)	Associate of the Group
Kinxiang New Energy Technology Co., Ltd ("KinXiang New Energy") (印尼金祥新能源科技有限責任公司) <i>(Note b)</i>	Associate of the Group
Tangshan Xuyang Shuang'an Technology Co., Ltd. <i>(Note a)</i> ("Shuang'an Technology") (唐山旭陽雙安科技有限公司)	Associate of the Group
Xiamen Xuyang Guomao Supply Chain Co., Ltd. <i>(Note a)</i> ("Xiamen Xuyang International") (廈門旭陽國貿供應鏈有限公司)	Associate of the Group
Hebei China Coal Risun Energy Limited <i>(Note a)</i> ("CNC Risun Energy") (河北中煤旭陽能源有限公司)	Joint venture of the Group
PT.RISUN WEI SHAN INDONESIA ("Risun Wei Shan") (旭陽偉山新能源(印尼)有限公司) <i>(Note b)</i>	Joint venture of the Group
PT.DETIAN COKING INDONESIA ("De Tian Coking") (德天焦化(印尼)股份公司) <i>(Note b)</i>	Joint venture of the Group
Xuyang Weishan Engineering (Hainan) Co., Ltd <i>(Note a)</i> ("Weishan Engineering") (旭陽偉山工程(海南)有限公司)	Joint venture of the Group
Hohhot China Urban Gas Development Co., Ltd <i>(Note a)</i> ("China Gas") (呼和浩特中燃城市燃氣發展有限公司)	Non-controlling shareholder

Notes:

- a. The English translation of the names is for reference only. The official names of these entities are in Chinese.
- b. The Chinese translation of the names is for reference only. The official names of these entities are in English.

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Directors and the other highest paid employee, is as follows:

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Short-term employee benefits	7,459	6,814
Post-employment benefits	119	161
	7,578	6,975

The remuneration of key management is determined with reference to the performance of the Group and the individuals.

(b) Transactions with related parties

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Purchases of goods from		
– Related parties controlled by Mr. Yang Xuegang	347,606	403,704
– CNC Risun Energy	778,351	1,011,386
– Jinniu Risun Chemicals	2,900	3,371
– Risun Wei Shan	246,113	–
– De Tian Coking	58,967	–
– Xiamen Xuyang International	6,289	–
Sales of goods to		
– Related parties controlled by Mr. Yang Xuegang	3,226	8,140
– CNC Risun Energy	41,503	53,144
– Jinniu Risun Chemicals	5,939	133
– Cabot Risun Chemicals	342,878	353,826
– Risun Wei Shan	22,108	23,785
– Shuang'an Technology	146	–
– Xiamen Xuyang International	13,943	–

22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Transactions with related parties (continued)

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Construction service and other service from		
– Related parties controlled by Mr. Yang Xuegang	275,136	93,867
– CNC Risun Energy	–	7,032
Provision of service to		
– Cabot Risun Chemicals	3,082	133
Rental income from		
– Related parties controlled by Mr. Yang Xuegang	9,040	1,826
Interest income from		
– Risun Wei Shan	25,735	45,090
– KinXiang New Energy	2,112	2,637
– De Tian Coking	–	25,481
Interest expenses on lease liabilities		
– Related parties controlled by Mr. Yang Xuegang	–	1,784
Expenses relating to leases		
– Related parties controlled by Mr. Yang Xuegang	–	15,784

The above related party transactions were conducted in accordance with terms of the relevant agreements.

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Balances with related parties

At the end of each reporting period, the Group had the following balances with related parties:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Amounts due from related parties		
Dividend receivable		
– CNC Risun Energy	24,976	24,976
Non-Trade nature		
– Related parties controlled by Mr. Yang Xuegang	19,744	7,615
– Risun Wei Shan	1,217,933	1,194,201
– De Tian Coking	258,940	258,940
– KinXiang New Energy	90,293	87,181
– Pingxiang Xuyang Energy	1,682	–
– Shuang'an Technology	164	–
	1,588,756	1,547,937
Impairment under ECL model	(30,471)	(29,442)
	1,558,285	1,518,495
Trade nature		
Trade receivables		
– Related parties controlled by Mr. Yang Xuegang	35,066	23,876
– CNC Risun Energy	2,787	13,341
– Cabot Risun Chemicals	5,925	15,825
– Risun Wei Shan	959,064	1,136,467
– KinXiang New Energy	6,506	6,506
	1,009,348	1,196,015
Impairment under ECL model	(21,815)	(21,354)
	987,533	1,174,661
Prepayment		
– Related parties controlled by Mr. Yang Xuegang	456,524	320,001
– Risun Wei Shan	5,480	–
– De Tian Coking	2,281	784
	464,285	320,785
Analyzed for reporting purposes as:		
Current assets	2,449,575	2,722,544
Non-current assets	585,504	316,373

22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Balances with related parties (continued)

Aging of amounts due from related parties-trade nature net of allowance for credit losses are as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Within one month	43,186	475,169
1 to 3 months	77,988	14,466
4 to 6 months	332,319	311,607
7 to 12 months	534,040	373,419
	987,533	1,174,661

As at June 30, 2025, except for amount due from De Tian Coking amounting to RMB249,271,000 (December 31, 2024: RMB256,133,000), Risun Wei Shan amounting to RMB986,908,000 (December 31, 2024: RMB961,152,000), KinXiang New Energy amounting to RMB89,009,000 (December 31, 2024: RMB87,181,000) which were interest bearing, all other non-trade nature amounts due from related parties were unsecured, interest-free and repayable on demand.

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Amounts due to related parties		
Non-Trade nature		
– China Gas	102,781	102,781
Trade nature		
Trade payable		
– Related parties controlled by Mr. Yang Xuegang	58,003	45,139
– CNC Risun Energy	702,780	698,346
– Risun Wei Shan	95,005	124,329
– De Tian Coking	3,911	–
– Xiamen Xuyang International	7,106	–
	866,805	867,814
Payable for construction in progress		
– Related parties controlled by Mr. Yang Xuegang	183,045	302,549
Analyzed for reporting purposes as:		
Current liabilities	1,141,378	1,262,161
Non-current liabilities	11,253	10,983

22. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Balances with related parties *(continued)*

Aging of amounts due to related parties-trade nature are as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Within one month	676,369	1,018,302
1 to 3 months	199,345	48,635
3 to 6 months	93,413	89,265
6 to 12 months	66,568	4,522
1 to 2 years	6,210	3,692
2 to 3 years	7,945	5,947
	1,049,850	1,170,363

As at June 30, 2025 and December 31, 2024, included in amount due to China Gas was a shareholder's loan amounting to RMB47 million which was interest-free and repayable in instalments. Except for this, all other non-trade nature amounts due to related parties were unsecured, interest-free and repayable on demand.

(d) At the end of each reporting period, the maximum liabilities of the Group under guarantees issued to banks in respect of banking facilities granted to joint ventures and an associate were as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Financial guarantees issued to joint ventures	4,414,624	4,250,600
Financial guarantees issued to an associate	1,481,819	1,476,976

As at June 30, 2025, the amount of guaranteed facilities utilized by joint ventures and the associate was RMB3,637,890,000 (December 31, 2024: RMB3,174,159,000).

As at June 30, 2025 and December 31, 2024, the Group has provided financial guarantees to the associate and one of the joint ventures incorporated in Indonesia. These guarantees were extended to facilitate the financing of their coking projects construction based on investment agreements pursuant to which all shareholders agreed to provide financial guarantees in proportion to their shareholding. In the opinion of the Directors, the fair values of the financial guarantee contracts were insignificant at the date of issue of the financial guarantee and no provision is necessary at the end of each reporting period after taking into account the value of assets held by the associate and the joint venture, as well as their reliable future cashflows.

23. FINANCIAL INSTRUMENTS

Impairment assessment on financial assets and other items subject to ECL model

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Impairment loss recognized/(reversed) in respect of		
Trade receivables	29,000	(5,679)
Other receivables	(21,230)	(2,448)
Amounts due from related parties	1,490	2,000
Other long-term receivables	2,076	(3,690)
	11,336	(9,817)

Fair value measurements and valuation processes

The fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access in the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

23. FINANCIAL INSTRUMENTS *(continued)*

Fair value measurements and valuation processes *(continued)*

The Group measures the following financial instruments at fair value at the end of each reporting period on a recurring basis:

	Fair value		Fair value hierarchy	Valuation technique and key input	Significant unobservable input(s)
	As at				
	June 30, 2025 RMB'000	December 31, 2024 RMB'000			
Financial assets					
Listed equity securities	70,060	89,714	Level 1	Fair values are calculated based on the quoted prices in an active market	N/A
Unlisted equity investment	83,117	88,060	Level 3	Fair values are estimated based on the comparable listed companies' P/B ratio and a liquidity discount	Liquidity discount rate
Private equity investment funds	106,977	92,618	Level 3	Fair values are estimated based on the net asset value of underlying investments or net asset value of unit share	Net assets value of underlying investments
Wealth management products	120,377	122,237	Level 2	Fair values are determined with reference to the quoted prices provided by financial institutions	N/A
Futures contracts	1,027	2,059	Level 1	Fair values are derived from quoted prices in an active market	N/A
Held-for-trading non-derivative financial assets	8,297	23,147	Level 1	Fair values are derived from quoted prices in an active market	N/A
Trade receivables	597,747	982,432	Level 2	Fair values are estimated based on the present value of the contracted cash inflow at the discount rate that reflects the market credit risk	N/A
Bills receivable	535,905	527,618	Level 2	Fair values are estimated based on the present value of the contracted cash inflow at the discount rate that reflects the market credit risk	N/A
Financial liabilities					
Futures contracts	1,347	95	Level 1	Fair values are derived from quoted prices in an active market	N/A

23. FINANCIAL INSTRUMENTS *(continued)*

Fair value measurements and valuation processes *(continued)*

The Group's investments in unlisted equity investment were classified as financial assets at FVTPL under level 3 hierarchy amounting to RMB83,117,000 as at June 30, 2025. The significant unobservable input is the liquidity discount rate. The higher liquidity discount rate, the lower fair value of the financial assets at FVTPL will be. A 5% increase/decrease in the liquidity discount rate, holding all other variables constant, the carrying amounts of the investments would decrease/increase by RMB3,470,000 as at June 30, 2025.

The Group's investments in private equity investment funds were classified as financial assets at FVTPL under level 3 hierarchy amounting to RMB106,977,000 as at June 30, 2025. The significant unobservable input is the net assets value of underlying investments. The higher net assets value of underlying investments, the higher fair value of the financial assets at FVTPL will be. A 5% increase/decrease in the net assets value of underlying assets, holding all other variables constant, the carrying amounts of the investments would increase/decrease by RMB5,349,000 as at June 30, 2025.

There were no transfers between level 1, level 2 and level 3 during the reporting period.

Reconciliation of level 3 measurements

The following table represents the reconciliation of level 3 measurements throughout the reporting period.

	Unlisted equity securities RMB'000	Private equity investment funds RMB'000
At January 1, 2024 (Audited)	111,670	224,457
Redemption	(54,500)	(885)
Fair value change	(10,825)	(41,785)
At June 30, 2024 (Unaudited)	46,345	181,787
At January 1, 2025 (Audited)	88,060	92,618
Purchases	—	25,000
Redemption	—	(17,943)
Fair value change	(4,943)	7,302
At June 30, 2025 (Unaudited)	83,117	106,977

23. FINANCIAL INSTRUMENTS *(continued)*

Fair value measurements and valuation processes *(continued)*

Fair values of financial instruments carried at amortized cost

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

	As at June 30, 2025		As at December 31, 2024	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Fixed-rate bank and other loans	7,324,161	7,397,505	7,622,232	7,686,103

The fair values of the financial liabilities at amortized cost are derived from discounted cash flow model by reference to the market interest rate of the loans with comparable maturity and credit risk of the respective group entities at the end of the reporting period.

24. COMMITMENTS

Capital commitments outstanding at the end of each reporting period not provided for in the condensed consolidated financial statements were as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Capital expenditure in respect of property, plant and equipment	749,757	708,448

25. PLEDGE OF ASSETS

At the end of each reporting period, certain Group's assets were pledged to secure bank and other loans, bills payable and other facilities granted to the Group and their carrying amounts are as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Property, plant and equipment	9,675,442	9,396,855
Right-of-use assets	962,175	783,599
Investment properties	1,804,806	1,810,470
Inventories	290,010	290,010
Trade receivables	935,802	789,463
Restricted bank balances	6,355,696	2,316,610
	20,023,931	15,387,007

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events affecting the Company or any of its subsidiaries that took place subsequent to June 30, 2025.