



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

**The World's Leading Energy
Chemical Company**

— Innovation Leads to the Future



2026
Interim Report

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HIGHLIGHTS

- Coke and refined chemicals' production/processing volume for the Reporting Period were 9.4 million tons and 2.6 million tons respectively, representing decreases of 13.8% and 10.3% year-on-year.
- High-purified hydrogen's production volume for the Reporting Period was 9.2 million Nm³, representing a decrease of 17.4% year-on-year.
- Lithium battery anode materials' production/processing volume for the Reporting Period was 42.0 thousand tons, representing an increase of 63.9% year-on-year.
- Revenue for the Reporting Period was RMB21,855.9 million, representing an increase of 5.2% year-on-year.
- Profits for the Reporting Period was RMB244.4 million, representing an increase of 376.0% year-on-year.
- Basic earnings per share for the Reporting Period was RMB4.77 cents, representing an increase of 736.8% year-on-year.
- The Board declares an interim dividend for the Reporting Period amounting to RMB1.44 cents per share (equivalent to HK1.67 cents per share) (for the Last Period: RMB0.20 cents per share or HK0.22 cents per share).

COMPANY NAME

China Risun Group Limited

STOCK CODE

1907

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Ms. Lu Xiaomei
Mr. Li Qinghua
Mr. Han Qinliang
Mr. Wang Nianping
Mr. Yang Lu

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. Yu Kwok Kuen Harry
Mr. Wang Yinping
Dr. Liu Xiaofeng

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AUDIT COMMITTEE

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Dr. Liu Xiaofeng

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Dr. Yu Kwok Kuen Harry
Mr. Li Qinghua

NOMINATION COMMITTEE

Mr. Yang Xuegang (*Chairman*)
Dr. Yu Kwok Kuen Harry
Mr. Wang Yinping

SUSTAINABLE DEVELOPMENT COMMITTEE

Mr. Yang Xuegang (*Chairman*)
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MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is an integrated producer and supplier of coke, coking chemicals, refined chemicals and new energy (including hydrogen energy) products, as well as a provider of relevant operation management services in China. The Group is the world's largest independent producer and supplier of coke by production/processing volume in 2025[#] and this remarkable leading position in the independent coke industry has been maintained for thirty-one years since 1995.

During the Reporting Period, the Group held several leading positions in coke, refined chemicals and hydrogen-energy 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)	2-Amino-2-Methyl-1-Propanol	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	China's second largest producer

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

During the Current Period, the net profit increased by approximately RMB193.1 million or approximately 376.0% as compared to the Last Period. The average price of the Group's coke products rose to approximately RMB1,515.0/ton (tax exclusive), up approximately 11.3% from the Last Period. The Group controlled its blended coal prices through various effective means, maintaining a coal-coke price spread of approximately RMB300/ton or above, broadly consistent with the prior year level. Benefiting from the prominent cost advantages of coal to chemical operations for the Group's chemical products, the margin spread of chemical production lines widened. The average price of caprolactam increased by RMB1,138.2/ton to RMB9,701.3/ton, representing a rise of approximately 13.3% compared with the prior period. By virtue of supply chain management and internal synergy, the Group effectively controlled the purchase price of externally sourced pure benzene, which remained largely unchanged from the prior year level.

Under the operation and management reform (the **"Reform"**), the Group was coordinating the integration, expansion and transformation of the existing businesses including production/processing capacity of coke, refined chemicals and operation management services, with a view to reinforcing the Group's consolidated competitive advantages and enhancing performance. Other than that, the Group was exploring capital market initiatives, such as merger and acquisition of new businesses together with restructuring of existing businesses (the **"Development"**). During the Reporting Period, the Group completed the acquisition of 14.5% of issued shares of Tianjin Binhai Energy & Development Co., Ltd. (天津濱海能源發展股份有限公司) (**"Binhai Energy"**, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000695)) in June 2026. It is a strategic move into the new energy battery materials industry, which is a new and extended business for the Group, moving downstream from the refined chemicals industry to the new energy battery materials industry.

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

OVERVIEW *(continued)*

Considering the operating results in the first half of 2026 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 has resolved to declare an interim dividend of RMB1.44 cents per share (equivalent to HK1.67 cents per share) with a total dividend amount of approximately RMB61,231,000 or HK\$71,011,000 for the Reporting Period (for the Last Period: RMB0.20 cents per share or HK0.22 cents per share and a total dividend amount of RMB8,561,000 or HK\$9,417,000), 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 31 years in the coke and chemicals industry production chains enable the Group to widen the downstream refined chemicals market. As such, the Group upheld the main principle of integration of existing businesses and production bases, expansion of the downstream production and processing capacity of coke and refined chemicals together with identification of new operation management projects over third-party coke and refined chemicals producers in China and globally. 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 for the shareholders of the Company ("**Shareholders**").

The Group has now developed five major business segments, namely refined chemicals, coke, operation management services, trading and new energy products. While focusing on its core businesses, the Group continues to expand into new materials and new energy. The chemicals production capacity is 6.23 million tons, coke capacity is 20.70 million tons, operation management services capacity is 4.03 million tons, and the new energy segment includes 150,000 tons of graphitization capacity and anode material production that is 80% complete, as well as 140 million cubic meters of high-purity hydrogen and 5 tons/day of liquid hydrogen.

With the addition of the new energy segment, the Group has a more complete industry value chain. Following the acquisition of Binhai Energy in the first half of 2026, Binhai Energy added production lines for green electricity, artificial graphite anodes, and anode materials. This expanded the product value chain to six major categories and 63 products, comprising 58 chemical production lines, 14 coking production lines, 6 graphitization production lines, and 5 high-purity hydrogen production lines.

As at the end of the Reporting Period, the Group's coking coal prices rose in nine rounds and fell in two rounds, with an aggregate price increase of RMB385/ton. Benefiting from the Group's core competitive advantages in sales-transportation-production-supply-R&D accumulated over 31 years, the coking coal segment's operating revenue increased by 9.6% year-on-year, and gross profit increased by 10.5% year-on-year.

Benefiting from the increase in capacity from newly added and restarted blast furnaces globally, as well as favorable factors such as India's cancellation of quota policies, the profitability of overseas coking coal business has significantly improved, with both sales volume and price rising. Risun Wei Shan (Indonesia) Limited (旭陽偉山(印尼)有限公司*) ("**Risun Wei Shan**") in Indonesia recorded year-on-year increase in revenue, net profit attributable to the parent company and sales volume of 976%, 1,854% and 61%, respectively.

The Group has established and consolidated its leading positions in several areas of basic chemicals sector and is expanding into downstream new materials through innovative R&D. Its amino alcohol new material, which is the largest in China and a first of its kind globally, not only achieved year-on-year growth in sales volume and customer numbers in the first half of this year, but also expanded its export markets to South America and Southeast Asia, thereby further broadening its downstream application market. It now supplies to battery, carbon capture, electronic cleaning, high-end pharmaceutical, and cosmetic fields, thus expanding its industry influence.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

Meanwhile, the Group's independently developed and innovative process for producing 50,000 tons/year of hexamethylenediamine officially commenced production during the Current Period. It has already achieved full production and sales, and its quality has been widely recognized by downstream customers. Furthermore, the chemicals industry responded to the national call to combat internal competition, most notably in the caprolactam and benzene hydrogenation sectors, by reducing production to maintain prices and stabilize supply and demand, resulting in a recovery in both prices and profitability.

The Group's methanol feedstock is coke oven gas, and its annual production capacity of 600,000 tons ranks first in the country. Production has remained stable for many years, producing high-quality methanol suitable for electronic applications. The Group is fully self-sufficient in raw materials and is the only futures delivery warehouse in Hebei Province, enabling synergy between futures and spot markets and increasing profitability. This year, driven by reduced supply and increased demand, methanol prices have risen. The Group possesses a stable raw material supply and cost advantage, and the methanol-producing methanol-ammonia production line offers considerable profits.

Adhering to the overall strategy of "multi-faceted growth, multi-industry development, and multi-regional layout", the Group completed the acquisition of Binhai Energy in the first half of this year. This acquisition will bring capital synergies and competitive advantages to the future development of both listed companies, further enriching the corporate value in Hong Kong and Mainland stock markets.

In the first half of this year, graphitization and anode material products not only achieved year-on-year growth in both production capacity and sales volume, but also revenue increased by 78% year-on-year. Meanwhile, the first phase of the nation's only 580MW power generation, grid, load, and storage project, with a capacity of 150MW, officially commenced grid-connection trial operation, further reducing costs and increasing efficiency, and enhancing the profitability of the new energy business segment.

Five major 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;
- 3) **operation management:** the operation management services 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;
- 4) **trading:** the sourcing of coke, coking chemicals and refined chemicals from third parties and the marketing, sale and distribution of them; and
- 5) **new energy products manufacturing:** the production and sale of new energy and hydrogen-energy products at the Group's new energy battery materials and related facilities.

BUSINESS REVIEW *(continued)*

The Group maintained four production chains of refined chemicals and new 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, 2-Amino-2-Methyl-1-Propanol
- 3) **Aromatic chemicals:**
Benzene hydrogenation, cyclohexane, cyclohexanone, styrene, caprolactam, polyamide 6, hexamethylenediamine
- 4) **New energy products:**
Lithium battery anode materials, high purified hydrogen, liquid hydrogen

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
January 2026 – Second grant of share awards	A total of 4,503,000 share awards was granted to 600 eligible participants under the share award plan adopted pursuant to an ordinary resolution passed by the Shareholders on May 30, 2025 (the "Share Award Plan").
April 2026 – Acquisition of shares in Binhai Energy and strategic move into the new energy battery materials industry	Risun Group, a wholly-owned subsidiary of the Company, entered into a share transfer agreement with Xuyang Holding, pursuant to which Risun Group has agreed to acquire and Xuyang Holding has agreed to sell 33,600,000 shares in Binhai Energy, representing approximately 14.50% of the total issued shares of Binhai Energy, at a total consideration of RMB571.2 million.
June 2026 – Capital injection to Hebei Risun Energy Co., Ltd.* (河北旭陽能源有限公司) ("Hebei Risun Energy")	Zhangzhou Gulei Port Economic Development Zone Guozhi Qixu Equity Investment Partnership (Limited Partnership)* (漳州古雷港經濟開發區國智啟旭股權投資合夥企業(有限合夥)) agreed to make a cash capital injection of RMB495,000,000 into Hebei Risun Energy.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

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

	RMB per ton
Coke	1,515.0
Benzene	6,699.7
Coal tar pitch	4,315.5
Caprolactam	9,701.3
2-Amino-2-Methyl-1-Propanol (per kilogram)	98.6
Methanol	2,220.9
Phthalic anhydride	6,046.8
Synthetic ammonia	1,697.1
Styrene	7,702.1
Hydrogen-energy products (per cube meter)	2.1

DEVELOPMENT STRATEGIES

Founded in 1995 and up to 2026, the Group has a more than 31-years history of development to leverage leading position, experience, technology and digitalization in coke, refined chemicals and new energy products industries to drastically expand its five major business segments 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) enhancement of its core competitive strengths through automation and information technologies.

The above development strategies are deployed based on the Group's competitive advantages arising from integrated business model and are designed to diversify the risks across the production bases in China and overseas.

COMPETITIVE ADVANTAGES

In addition to the above development strategies, the Group believes that there are nine competitive advantages that enable it to deploy and execute these development strategies effectively to enhance its leadership in the coke, refined chemicals and new energy products (including hydrogen-energy products) industries:

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 that enable it to be more competitive in terms of costs, product quality and customer relationships across its nine 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 close to 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 achieve the optimal cost of transportation.

4. Cost Control Advantage

The Group actively controls the costs of sales and services, selling and distribution expenses, administrative expenses, finance costs and income tax expenses. Leveraging its IT infrastructure and experience, the Group has developed a comprehensive and mature coal preparation and blending computer system to widen the price spread between its products and raw materials in the coke, refined chemicals and new energy products industries.

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, adopts a "zero inventory" policy and strives 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 focuses on the innovation of production and energy and resource efficiency to improve its manufacturing processes and reduce the environmental impact of its production processes. The Group is also committed to improving product added value and extending the industrial value chain.

7. Automation and Information Technologies Advantage

The production bases are highly automated, and the Group has 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 its operations.

8. Environmental Safety Advantage

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

Another key environmental measure of the Group is resource recovery and re-utilization. During the coking process, the Group recovers and re-utilizes valuable coking by-products to manufacture 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 helps promptly understand the downstream demand for the Group's products, adjust its production plans and mitigate the risks associated with price fluctuations and changes in demand for its products.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PROSPECTS

Looking forward to its seventh “Five-Year Plan from 2026 to 2030”, the Group will utilize various methods, including operation and management arrangements, mergers and acquisitions, and the establishment of joint ventures with well-known geographical large enterprises, to increase its market share, measured by production/processing volume, in coke, refined chemicals and new energy products (including hydrogen-energy products).

In the second half of 2026, the Group will continue to advance the construction of a 2,000-ton/year silicon-carbon material production line, a 1,000-ton/year porous carbon material production line, a 20-ton/year integrated anode material production line, and the supporting phase II 430MW power generation, grid-load, and energy storage project, thereby further expanding its product value chain layout.

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 is being curbed due to unusual price cuts, coupled with the increasing demand from customers and the elimination of obsolete production capacity, by increasing the Group’s sales volume of coke and implementing appropriate and market-affordable increments of coke selling price at RMB50 per ton each time.

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.

New Energy products

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 integrated energy station in Beijing-Tianjin-Hebei area together with mergers and acquisitions with other leading companies specializing in the hydrogen industry.

For the battery materials products, the Group will focus on the core construction of silicon-carbon materials project of 2,000 tons/year, porous carbon materials project of a 1,000 tons/year, an integrated anode materials project of 300,000 tons/year, and a supporting 580MW power generation, grid, load, and energy storage system. Upon completion of these projects the Group’s product portfolio in the field of new energy battery materials will be further enhanced, its cost and supply chain advantages in “green electricity + materials” will be strengthened. The new production capacity will strongly support for the rapid expansion of the Group’s third growth curve.

MANAGEMENT DISCUSSION AND ANALYSIS

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,	
	2026	2025 (Restated)
Financial indicators		
Gross profit margin ⁽¹⁾	10.6%	8.1%
Net profit margin ⁽²⁾	1.1%	0.2%
EBITDA margin ⁽³⁾	9.8%	8.9%
Return on equity ⁽⁴⁾	3.4%	0.4%
	As at June 30, 2026	
		As at December 31, 2025 (Restated)
Gearing ratio ⁽⁵⁾	2.6	2.3
Debt-to-asset ratio ⁽⁶⁾	78.5%	76.5%

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2026						
	Coke and coking chemicals manufacturing RMB'000	Refined chemicals manufacturing RMB'000	Operation management services RMB'000	Trading RMB'000	New energy products manufacturing RMB'000	Others RMB'000	Total RMB'000
Total revenue	6,965,556	9,475,342	1,862,657	2,976,912	523,300	52,097	21,855,864
Gross profit	952,582	925,571	150,231	192,721	58,262	31,957	2,311,324

For the six months ended June 30, 2025 (Restated and unaudited)							
	Coke and coking chemicals manufacturing RMB'000	Refined chemicals manufacturing RMB'000	Operation management services RMB'000	Trading RMB'000	New energy products manufacturing RMB'000	Others RMB'000	Total RMB'000
Total revenue	6,357,591	9,096,043	1,274,539	3,730,359	234,767	90,078	20,783,377
Gross profit/(loss)	862,006	654,625	61,412	88,927	(12,949)	23,949	1,677,970

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 increased to RMB21,855.9 million, as compared to RMB20,783.4 million for the Last Period.

Revenue from the coke and coking chemicals manufacturing business increased by RMB608.0 million, or 9.6%, from RMB6,357.6 million for the Last Period to RMB6,965.6 million for the Reporting Period. This was mainly attributable to a RMB153.8 per-ton, or 11.3% increase in coke prices as compared with the Last Period. During the Reporting Period, driven by tightened supply of coking coal on the cost side and the resulting rigid cost inflation, multiple rounds of coke price hikes were implemented.

Revenue from the refined chemicals manufacturing business increased by RMB379.3 million, or 4.2%, from RMB9,096.0 million for the Last Period to RMB9,475.3 million for the Reporting Period, primarily due to year-on-year increases in the average selling prices of caprolactam and styrene by 13.3% and 10.4%, respectively. This was mainly driven by the upward price trend of upstream pure benzene and cyclohexanone, which directly lifted the production costs of caprolactam and provided strong cost-side support for product prices.

Revenue from the operation and management business increased by RMB588.2 million, or 46.2%, from RMB1,274.5 million for the Last Period to RMB1,862.7 million for the Reporting Period, primarily due to the addition of the management and operation project for Wulong Magnesium (五龍鎂業) during the Reporting Period.

Revenue from the trading business decreased by RMB753.5 million, or 20.2%, from RMB3,730.4 million for the Last Period to RMB2,976.9 million for the Reporting Period. This was primarily attributable to the Group's ongoing efforts to optimize its trading business structure and proactively scale back low-gross-margin projects, which led to a year-on-year decline in revenue during the Reporting Period.

Revenue from the new energy business increased by RMB288.5 million, or 122.9%, from RMB234.8 million for the Last Period to RMB523.3 million for the Reporting Period. This was primarily attributable to expanded graphitization capacity and higher shipment volumes for self-produced anode materials and graphitization processing business.

Revenue from other businesses decreased by RMB38.0 million, or 42.2%, from RMB90.1 million for the Last Period to RMB52.1 million for the Reporting Period, primarily due to the fact that the completed properties have been mostly sold while properties under construction have not yet been delivered. Therefore, revenue from sales of commercial properties decreased by RMB44.0 million year-on-year.

2. Cost of sales

Cost of sales for the Reporting Period increased to RMB19,544.5 million, as compared to RMB19,105.4 million for the Last Period.

Cost of sales for the coke and coking chemicals manufacturing business increased by RMB517.4 million, or 9.4%, from RMB5,495.6 million for the Last Period to RMB6,013.0 million for the Reporting Period. This was primarily attributable to mine safety incidents in Shanxi Province, which led the state to strengthen safety-production remediation efforts for coal mines, keeping coal market prices at elevated levels. Upstream coking coal market prices rose further, pushing up coal-blending procurement costs.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(continued)*

2. Cost of sales *(continued)*

Cost of sales for the refined chemicals manufacturing business increased by RMB108.4 million, or 1.3%, from RMB8,441.4 million for the Last Period to RMB8,549.8 million for the Reporting Period, primarily due to the increase in raw material costs across various chemical production lines.

Cost of sales for the operation and management business increased by RMB499.3 million, or 41.2%, from RMB1,213.1 million for the Last Period to RMB1,712.4 million for the Reporting Period, primarily due to the addition of the management and operation project for Wulong Magnesium (五龍鎂業) during the Reporting Period.

Cost of sales for the trading business decreased by RMB857.2 million, or 23.5%, from RMB3,641.4 million for the Last Period to RMB2,784.2 million for the Reporting Period, primarily due to the Group's efforts to optimize the trading business structure and proactively reduce low-gross-margin projects, resulting in a year-on-year decrease in cost of sales for the Current Period.

Cost of sales and services for the new energy business increased by RMB217.3 million, or 87.7%, from RMB247.7 million for the Last Period to RMB465.0 million for the Reporting Period. This was primarily due to the gradual release of production capacity, driven by the advantages of new production processes and equipment for anode materials, which resulted in a decrease in unit production costs.

Cost of sales for other businesses decreased by RMB46.0 million, or 69.6%, from RMB66.1 million for the Last Period to RMB20.1 million for the Reporting Period, primarily due to the decrease in real estate sales, with corresponding costs decreasing by RMB46.5 million.

3. Gross profit and gross profit margin

The Group's total gross profit increased by approximately RMB633.3 million, or 37.7%, from approximately RMB1,678.0 million for the Last Period to approximately RMB2,311.3 million for the Reporting Period. The gross profit margin increased from 8.1% for the Last Period to 10.6% for the Reporting Period.

Gross profit from the coke and coking chemicals manufacturing business increased by RMB90.6 million, or 10.5%, from RMB862.0 million for the Last Period to RMB952.6 million for the Reporting Period. The gross profit margin of the coke and coking chemicals manufacturing business increased from 13.6% for the Last Period to 13.7% for the Reporting Period, primarily due to the coal-coke price spread remaining basically at the same level as the Last Period.

Gross profit from the refined chemicals manufacturing business increased by RMB271.0 million, or 41.4%, from RMB654.6 million for the Last Period to RMB925.6 million for the Reporting Period. The gross profit margin of the refined chemicals manufacturing business increased from 7.2% for the Last Period to 9.8% for the Reporting Period, primarily due to changes in external market conditions, the enhanced competitiveness of coal-to-chemicals operations and industry self-discipline, which widened the price spread for caprolactam and other chemical product lines and consequently lifted both gross profit and gross profit margin.

Gross profit from the operation and management business increased by RMB88.8 million, or 144.6%, from RMB61.4 million for the Last Period to RMB150.2 million for the Reporting Period. The gross profit margin of the operation and management business increased from 4.8% for the Last Period to 8.1% for the Reporting Period, primarily due to the widening of price spread of the Cornell aniline production line.

FINANCIAL REVIEW *(continued)*

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

Gross profit from the trading business increased by RMB103.8 million, or 116.8%, from RMB88.9 million for the Last Period to RMB192.7 million for the Reporting Period, with the gross profit margin increasing from 2.4% for the Last Period to 6.5%. This was primarily due to the Group's continued efforts to optimize the trading business structure and increase high-gross-margin project volumes, resulting in increases in both gross profit and gross profit margin for the Reporting Period.

Gross profit from the new energy business increased by RMB71.2 million, or 551.9%, from a loss of RMB12.9 million for the Last Period to a profit of RMB58.3 million for the Reporting Period, with the gross profit margin increasing from (5.5%) for the Last Period to 11.1%. This was primarily attributable to the increase in business volume for anode materials and the decrease in unit costs.

Gross profit from other businesses increased by RMB8.0 million, or 33.3%, from RMB24.0 million for the Last Period to RMB32.0 million for the Reporting Period. The gross profit margin of other businesses increased from 26.6% for the Last Period to 61.4% for the Reporting Period. This was primarily because leasing business maintained a high gross profit margin, while real estate sales business, which had a relatively low gross margin, saw a decline in its contribution to overall gross profit of the segment due to reduced sales volume as stated above, thereby increasing the comprehensive gross margin of the segment as a whole.

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 decreased by RMB220.9 million, or 64.7%, from RMB341.5 million for the Last Period to RMB120.6 million for the Reporting Period. This was primarily due to the tightening of the additional VAT deduction policy for advanced manufacturing during the Reporting Period. In addition, during the Last Period, Yuncheng Production Base (鄆城園區) was granted a special fund compensation of RMB119 million by the Yuncheng County government for projects such as environmental protection treatment, automation and intelligent enhancement invested since the Group's entry into Yuncheng, where as no such special compensation was granted during the Reporting Period.

5. Other gains and losses

During the Reporting Period, the Group recognized other losses of RMB97.3 million, primarily due to an impairment loss of RMB88.1 million on certain construction projects. During the Current Period, the Group determined to terminate the construction of Tangshan petrochemical refining project and related supporting facilities, taking into consideration the tightening of industry policy controls, and therefore recognized an impairment loss for such construction projects.

6. Impairment losses (including reversals of impairment losses) on financial assets

The amount for the Current Period mainly includes impairment losses on accounts receivable. The impairment changed from losses of RMB14.4 million recognized in the Last Period to losses of RMB7.5 million recognized in the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(continued)*

7. Selling and distribution expenses

Selling and distribution expenses increased by RMB53.3 million, or 7.6%, from RMB705.6 million for the Last Period to RMB758.9 million for the Reporting Period. This was primarily due to the increase in fixed-price transportation costs for railway transport.

8. Administrative expenses

The Group's administrative expenses decreased by approximately RMB49.8 million, or 8.9%, from approximately RMB561.0 million for the Last Period to approximately RMB511.2 million for the Reporting Period, primarily due to the Group's implementation of cost control measures to reduce various expenses.

9. Finance costs

Finance 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 RMB705.1 million for the Last Period to RMB796.3 million for the Reporting Period, an increase of RMB91.2 million, or 12.9%. This was primarily due to the increase in the scale of interest-bearing liabilities, partially offset by cost savings from lower financing rates.

10. Share of results of associates

The share of results of associates increased from a profit of RMB9.7 million for the Last Period to a profit of RMB35.6 million for the Reporting Period, primarily due to the improvement in the operating performance of Yangmei Group Shouyang Jingfu Coal Co., Ltd., which achieved profitability in the Current Period, as compared to a loss in the Last Period.

11. Share of results of joint ventures

The share of results of joint ventures decreased from a profit of RMB6.3 million for the Last Period to a profit of RMB3.0 million for the Reporting Period, primarily due to the increase in financial expenses of Risun Wei Shan, which resulted in a decrease in that company's net profit and a corresponding decrease in the Group's investment income.

12. Profit before taxation

As a result of the foregoing, profit before taxation increased by approximately RMB199.7 million, or 200.1%, from RMB99.8 million for the Last Period to approximately RMB299.5 million for the Reporting Period.

13. Income tax expense

For the Last Period and the Reporting Period, the Group incurred income tax expense of RMB48.4 million and RMB55.1 million, respectively, with effective tax rates of 57.7% and 21.1%, respectively. The increase in income tax expense was primarily due to the increase in profit before taxation.

14. Profit for the period

As a result of the foregoing, net profit increased by approximately RMB193.1 million, or approximately 376.0%, from RMB51.3 million for the Last Period to approximately RMB244.4 million for the Reporting Period.

15. Earnings per share – Basic

Basic earnings per share for the Reporting Period and the Last Period were RMB4.77 cents and RMB0.57 cents, respectively. The increase in basic earnings per share was due to the increase in net profit.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash is primarily used to fund operating costs, capital expenditures and repayment of debts in the PRC. As at June 30, 2026, the Group principally funded its investments and operations with cash generated from operations and debt financing from banks and other financial institutions. The Group believes that the liquidity requirements will be satisfied through a combination of cash flows generated from operating activities, bank loans and other borrowings. Any significant decrease in the demand for, or pricing of, its products and services, or a significant decrease in the availability of bank loans, may adversely impact the liquidity. As at June 30, 2026, cash and cash equivalents held by the Group were mainly cash at 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,	
	2026 RMB'000	2025 RMB'000 (Restated)
Net cash generated from operating activities	2,526,742	1,861,250
Net cash used in investing activities	(4,556,140)	(5,612,966)
Net cash generated from financing activities	4,901,977	3,990,939
Net increase in cash and cash equivalents	2,872,579	239,223
Cash and cash equivalents at the beginning of the period	1,588,529	2,092,896
Effect of foreign exchange rate changes	(6,506)	(418)
Cash and cash equivalents at the end of the period	4,454,602	2,331,701

(a) Net cash generated from operating activities

For the Reporting Period, net cash generated from operating activities was approximately RMB2,526.7 million, an increase of approximately RMB665.5 million as compared to the Last Period, primarily due to the increase in gross profit of RMB633.4 million.

(b) Net cash used in investing activities

Net cash used in investing activities decreased from approximately RMB5,613.0 million for the Last Period to approximately RMB4,556.1 million for the Reporting Period, primarily due to the decrease of RMB1,154.2 million in the amount of additional restricted bank balances deposited as compared to the Last Period.

(c) Net cash generated from financing activities

Net cash generated from financing activities increased from approximately RMB3,990.9 million for the Last Period to approximately RMB4,902.0 million for the Reporting Period, primarily due to a capital contribution from a non-controlling shareholder of RMB1,278.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Bank loans, secured	8,457,206	8,464,583
Bank loans, unsecured	17,620,694	13,698,949
	26,077,900	22,163,532
Other loans, secured	6,812,391	5,804,767
Other loans, unsecured	505,309	511,689
	7,317,700	6,316,456
Discounted bills financing	8,005,527	6,460,869
Total	41,401,127	34,940,857

Total borrowings increased by approximately RMB6,460.2 million, or 18.5%, to approximately RMB41,401.1 million as of June 30, 2026 from RMB34,940.9 million as of December 31, 2025. This was primarily attributable to increases in unsecured bank loans and discounted_bills financing.

(b) Lease liabilities

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

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Lease liabilities	4,041	2,207

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2026, 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 counterparties with, or otherwise established relationships with, unconsolidated entities, or with financial established for the purpose of facilitating off-balance sheet arrangements or other narrowly defined or limited contractual purpose.

PLEDGES OF ASSETS

During the Reporting Period, certain of the Group's assets were pledged as security for bank and other loans, bills payable and other financing facilities granted to the Group. Details of the pledge of the Group's assets are disclosed in note 21 to the Condensed Consolidated Financial Statements in this report.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group maintained part of its capital in foreign currencies, mainly U.S. dollars, Japanese Yen and Hong Kong dollars. Fluctuations in exchange rates would influence the reserve in foreign currencies to a certain extent, and the Company is exploring and taking measures to address foreign exchange risk. As the exchange differences arising from the translation of foreign operations during the Reporting Period were credited to the foreign currency translation reserve, the Company's exposure to fluctuations in exchange rates 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 persons and parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thereby aligning their interests with those of the Group and providing them with incentives to work better for the Group's benefit.

No option has been 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 contributions of certain eligible participants to the growth and development of the Group, giving incentives to retain them for the continual operation and development of the Group, and attracting suitable personnel for further development of the Group.

During the Reporting Period, share awards in respect of 4,503,000 shares were granted to the eligible participants under the Share Award Plan. As of January 1, 2026, being the beginning of the Reporting Period, the total number of share awards available for grant under the plan mandate limit of the Share Award Plan was 422,316,600 shares. As of June 30, 2026, being the end of the Reporting Period, the total number of share awards available for grant under the plan mandate limit of the Share Award Plan was 417,813,600 shares.

MANAGEMENT DISCUSSION AND ANALYSIS

Details of movements of share awards granted to the eligible participants under the Share Award Plan during the Reporting Period are as follows:

Name/Category	Number of share awards outstanding as of January 1, 2026	Date of grant	Purchase price (/HK\$)	Vesting period	Performance		Closing price of shares immediately before the date of grant (/HK\$)	Fair value of share awards at the date of grant ⁽²⁾ (/HK\$)	Number of share awards vested during the Reporting Period	Weighted average price of shares immediately before the date of vesting (/HK\$)	Number of share awards cancelled during the Reporting Period	Number of share awards lapsed during the Reporting Period	Number of share awards outstanding as of June 30, 2026		
					the Reporting Period	targets of the share awards granted during the Reporting Period									
														the Reporting Period	the Reporting Period
Directors															
Mr. Li Qinghua (an executive Director and the executive president of the Company)	300,000	September 1, 2025	0	60 months from the date of grant ⁽¹⁾	0	–	2.44	2.41	0	–	0	0	300,000		
Mr. Han Qinliang (an executive Director and senior vice president of the Company)	200,000	September 1, 2025	0	60 months from the date of grant ⁽¹⁾	0	–	2.44	2.41	0	–	0	0	200,000		
Mr. Wang Nianping (an executive Director and senior vice president of the Company)	200,000	September 1, 2025	0	60 months from the date of grant ⁽¹⁾	0	–	2.44	2.41	0	–	0	0	200,000		
Subtotal															
	700,000				0				0		0	0	700,000		

MANAGEMENT DISCUSSION AND ANALYSIS

Name/Category	Number of share awards outstanding as of January 1, 2026	Date of grant	Purchase price (/HK\$)	Vesting period	Number of share awards granted during the Reporting Period	Performance targets of the share awards granted during the Reporting Period	Closing price of shares immediately before the date of grant (/HK\$)	Fair value of share awards at the date of grant ⁽²⁾ (/HK\$)	Number of share awards vested during the Reporting Period	Weighted average price of shares immediately before the date of vesting (/HK\$)	Number of share awards cancelled during the Reporting Period	Number of share awards lapsed during the Reporting Period	Number of share awards outstanding as of June 30, 2026
Employees	9,215,000	September 1, 2025	0	60 months from the date of grant ⁽¹⁾	0	–	2.44	2.41	0	–	0	0	9,215,000
Employees	0	January 22, 2026	0	60 months from the date of grant ⁽¹⁾	4,503,000	The vesting of the share awards is subject to the fulfilment of the performance targets, which include but are not limited to achieving specified goals for the Group's consolidated revenue, fulfilling the Group's strategic objectives, and meeting operational targets.	2.24	2.28	0	–	0	0	4,503,000
Subtotal	9,215,000				4,503,000				0		0	0	13,718,000
Total	9,915,000				4,503,000				0		0	0	14,418,000

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) The share awards shall vest on the vesting date, which is 60 months from the date of grant, subject to the fulfilment of the performance targets. If the performance targets are achieved before the vesting date, the vesting of the share awards may be accelerated as determined by the Board. However, the vesting period shall not be less than 12 months from the date of grant under any circumstances.
- (2) The fair value of share awards was determined by reference to the market price of the shares at the grant date.

The shares that may be issued in respect of all the share awards granted under the Share Award Plan during the Reporting Period represented approximately 9.77% of the weighted average number of shares in issue (excluding treasury shares) for the Reporting Period.

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.

DISCLOSURE UNDER RULES 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 of 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, 2026.

Name of affiliated companies	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 companies	Notes
PT. De Tian Coking Co., Ltd. ("De Tian Coking")	24%	USD35.5 million (equivalent to RMB248.5 million)	6%	USD188.9 million (equivalent to RMB1,322.4 million)	1, 5
Risun Wei Shan New Energy (Indonesia) Company Limited ("Risun Wei Shan")	51%	USD214.2 million (equivalent to RMB1,499.3 million)	6%	USD602.3 million (equivalent to RMB4,216.2 million)	2, 5
PT. KinXiang New Energy Technologies Indonesia ("KinXiang New Energy")	20%	USD12.6 million (equivalent to RMB88.5 million)	6% or SOFR (12 months) + 300BP%	USD64.6 million (equivalent to RMB451.9 million)	3, 5
Pingxiang Risun Energy Co., Ltd.* ("Pingxiang Risun Energy")	47%	-	3.6%	RMB1,025.1 million	4
	Total	RMB1,836.3 million		RMB7,015.6 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, to which Risun Group would provide guarantee for the principal creditor's rights of RMB1,025.1 million. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2026 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	19,480.3	6,734.9
Current assets	7,399.9	2,712.0
Current liabilities	11,916.2	4,096.4
Total assets less current liabilities	14,964.0	5,351.0
Non-current liabilities	9,662.6	3,460.7
Net assets	5,301.0	1,890.3

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, 2026.

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

During the Reporting Period, the Company repurchased 22,646,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at the total consideration of HK\$48,214,160. All of the shares repurchased during the Reporting Period were held as treasury shares. Details of the share repurchases by the Company are included in note 20 to the Condensed Consolidated Financial Statements in this report. As at June 30, 2026, the Company held 198,217,000 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.

Save as disclosed 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.

EMPLOYEE AND REMUNERATION POLICY

As at June 30, 2026, we had 7,285 full-time employees (as at June 30, 2025: 7,432). 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, share-based payments and other benefits. For the six months ended June 30, 2026 and 2025 (restated), the staff costs were RMB626.7 million and RMB623.4 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, 2026, 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 of Directors	Capacity/Nature of Interest	Number of shares	Number of underlying shares ⁽²⁾	Approximate percentage of the total issued share capital in the Company
Mr. Yang Xuegang ⁽¹⁾	Interest of a controlled corporation	3,381,127,928 (L)	–	75.91%
Ms. Lu Xiaomei	Interest of spouse	3,381,127,928 (L)	–	75.91%
Mr. Yang Lu	Beneficial owner	6,730,000 (L)	–	0.15%
Mr. Li Qinghua	Beneficial owner	349,000 (L)	300,000 (L)	0.01%
Mr. Han Qinliang	Beneficial owner	300,000 (L)	200,000 (L)	0.01%
Mr. Wang Nianping	Beneficial owner	–	200,000 (L)	0.00%

(L) denotes long positions

Notes:

- (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 198,217,000 treasury shares held by the Company as at June 30, 2026 under Part XV of the SFO. Accordingly, Mr. Yang Xuegang is deemed to be interested in all 3,381,127,928 shares (including the 198,217,000 treasury shares) in which Texson Limited has an interest.
- (2) This represents the shares underlying the share awards granted under the Share Award Plan, subject to the conditions (including vesting conditions) of those share awards.

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, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at June 30, 2026, 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	198,217,000 (L)	4.45%

(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 198,217,000 treasury shares held by the Company as at June 30, 2026 under Part XV of the SFO. Accordingly, Mr. Yang Xuegang is deemed to be interested in all 3,381,127,928 shares (including the 198,217,000 treasury shares) in which Texson Limited has an interest.

Save as disclosed above, as of June 30, 2026, 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

The Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules sets out the principles of good corporate governance and 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 code provision C.2.1 under Part 2 of the CG Code.

In accordance with code provision 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 the 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 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 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 also subject to the Model Code. The Company has not been aware of any incident of non-compliance of the Model Code by the employees during the Reporting Period and up to 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 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, 2026, the Board has not authorized any plan for other material investments or additions of capital assets.

CONTINGENT LIABILITIES

As at June 30, 2026, 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 RMB7,015.6 million (as at December 31, 2025 (restated): RMB7,048.5 million).

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Company or any of its subsidiaries that took place subsequent to June 30, 2026.

CLOSURE OF REGISTER OF MEMBERS

The record date for eligible Shareholders to receive the interim dividend is Wednesday, September 16, 2026. In order to determine the right of Shareholders entitled to receive the interim dividend, the register of members of the Company will be closed from Monday, September 14, 2026 to Wednesday, September 16, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, Shareholders must lodge all properly completed share transfer forms accompanied by the relevant share certificates for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, September 11, 2026. The interim dividend is expected to be paid on or before Wednesday, September 30, 2026.

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, 2026 have not been audited but have 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 Standards Board.



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 32 to 72, which comprise the condensed consolidated statement of financial position as of June 30, 2026 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 28, 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
	Notes	RMB' 000	RMB' 000
		(Unaudited)	(Unaudited)
			(Restated)
Revenue	5	21,855,864	20,783,377
Cost of sales and services		(19,544,540)	(19,105,407)
Gross profit		2,311,324	1,677,970
Other income	6	120,641	341,520
Other gains and losses	7	(97,305)	50,397
Impairment losses (including reversals of impairment losses)			
on financial assets	25	(7,455)	(14,427)
Selling and distribution expenses		(758,884)	(705,570)
Administrative expenses		(511,211)	(560,959)
Profit from operations		1,057,110	788,931
Finance costs	8	(796,273)	(705,082)
Share of results of associates		35,635	9,651
Share of results of joint ventures		3,030	6,260
Profit before taxation	9	299,502	99,760
Income tax expense	10	(55,143)	(48,415)
Profit for the period		244,359	51,345
Other comprehensive expense for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign operations		(60,955)	(4,091)
Total comprehensive income for the period		183,404	47,254

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

		Six months ended June 30, 2026	2025
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited) (Restated)
Profit for the period attributable to:			
Owners of the Company		203,971	24,877
Non-controlling interests		40,388	26,468
		244,359	51,345
Total comprehensive income for the period attributable to:			
Owners of the Company		143,016	20,786
Non-controlling interests		40,388	26,468
		183,404	47,254
Earnings per share (RMB cents)			
	12		
Basic		4.77	0.57
Diluted		4.77	N/A

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	Notes	June 30, 2026 RMB' 000 (Unaudited)	December 31, 2025 RMB' 000 (Restated)
Non-current assets			
Property, plant and equipment	13	30,193,129	29,788,518
Right-of-use assets		1,859,855	1,851,053
Investment properties	13	1,826,923	1,830,303
Goodwill		212,347	212,347
Intangible assets		1,479,219	1,456,596
Interests in associates	14	962,137	890,563
Interests in joint ventures	14	3,043,966	2,948,987
Other long-term receivables and prepayments	15	691,900	619,739
Financial assets at fair value through profit or loss ("FVTPL")	16	476,539	333,752
Deferred tax assets		205,963	201,323
Amounts due from related parties	24(c)	1,012,641	943,895
		41,964,619	41,077,076
Current assets			
Inventories	17	4,006,276	3,107,599
Income tax prepayments		32,416	38,269
Other receivables	18	13,957,512	10,537,188
Trade and bills receivables measured at fair value through other comprehensive income ("FVTOCI")	18	1,949,788	1,628,649
Amounts due from related parties	24(c)	2,543,203	3,169,365
Financial assets at FVTPL	16	153	37
Restricted bank balances	19	5,325,924	3,118,671
Bank deposits	19	313,425	381,857
Cash and cash equivalents		4,454,602	1,588,529
		32,583,299	23,570,164

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	Notes	June 30, 2026 RMB' 000 (Unaudited)	December 31, 2025 RMB' 000 (Restated)
Current liabilities			
Financial liabilities at FVTPL	16	75	2,397
Trade and other payables	20	10,957,249	9,249,520
Contract liabilities		2,387,518	1,833,924
Income tax payable		365,654	352,875
Bank and other loans	21	27,927,965	25,759,219
Lease liabilities		2,355	1,568
Amounts due to related parties	24(c)	2,587,905	2,193,615
		44,228,721	39,393,118
Net current liabilities		(11,645,422)	(15,822,954)
Total assets less current liabilities		30,319,197	25,254,122
Non-current liabilities			
Bank and other loans	21	13,473,162	9,181,638
Lease liabilities		1,686	639
Deferred income		322,795	323,274
Deferred tax liabilities		410,455	424,194
Trade and other payables	20	101,020	102,845
		14,309,118	10,032,590
NET ASSETS		16,010,079	15,221,532
CAPITAL AND RESERVES			
Share capital	22	385,172	385,172
Reserves		11,772,593	12,102,870
Total equity attributable to owners of the Company		12,157,765	12,488,042
Non-controlling interests		3,852,314	2,733,490
TOTAL EQUITY		16,010,079	15,221,532

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Treasury Stocks	Share premium	Merger reserve	Reserve fund	Safety fund	Foreign currency	Revaluation reserve	Other reserve	Retained profits	Total			
							transaction							
							reserve							
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at December 31, 2025 (Audited)	385,172	(477,376)	3,085,483	19,869	1,942,097	43,994	43,609	155,834	227,986	7,066,558	12,493,226	2,590,052	15,083,278	
The 2026 Acquisition (note 3)	-	-	-	56,329	-	2,419	-	-	-	(63,932)	(5,184)	143,438	138,254	
Balance at January 1, 2026 (restated)	385,172	(477,376)	3,085,483	76,198	1,942,097	46,413	43,609	155,834	227,986	7,002,626	12,488,042	2,733,490	15,221,532	
Profit for the period	-	-	-	-	-	-	-	-	-	203,971	203,971	40,388	244,359	
Other comprehensive expense	-	-	-	-	-	-	(60,955)	-	-	-	(60,955)	-	(60,955)	
Net transfer to safety fund	-	-	-	-	-	8,766	-	-	-	(8,766)	-	-	-	
Repurchase of shares as treasury stocks (note 22)	-	(41,940)	-	-	-	-	-	-	-	-	(41,940)	-	(41,940)	
Recognition of equity-settled share-based payment (note 23)	-	-	-	-	-	-	-	-	1,926	-	1,926	16,748	18,674	
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	146,051	-	146,051	1,132,743	1,278,794	
Business combination under common control (note 3)	-	-	-	(571,200)	-	-	-	-	-	-	(571,200)	-	(571,200)	
Dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(71,055)	(71,055)	
Dividends recognized as distribution (note 11)	-	-	-	-	-	-	-	-	-	(8,130)	(8,130)	-	(8,130)	
Balance at June 30, 2026 (Unaudited)	385,172	(519,316)	3,085,483	(495,002)	1,942,097	55,179	(17,346)	155,834	375,963	7,189,701	12,157,765	3,852,314	16,010,079	
Balance at December 31, 2024 (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	
The 2026 Acquisition (note 3)	-	-	-	46,719	-	1,200	-	-	-	(15,043)	32,876	201,951	234,827	
Balance at January 1, 2025 (restated)	385,172	(297,416)	3,085,483	66,588	1,822,875	35,210	68,855	155,834	243,868	7,226,181	12,792,650	3,318,859	16,111,509	
Profit for the period	-	-	-	-	-	-	-	-	-	24,877	24,877	26,468	51,345	
Other comprehensive expense	-	-	-	-	-	-	(4,091)	-	-	-	(4,091)	-	(4,091)	
Net transfer to safety fund	-	-	-	-	-	16,941	-	-	-	(16,941)	-	-	-	
Repurchase of shares as treasury stocks (note 22)	-	(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	-	-	-	-	-	-	-	-	-	-	-	4,063	4,063	
Dividend declared by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(107,100)	(107,100)	
Dividends recognized as distribution (note 11)	-	-	-	-	-	-	-	-	-	(94,907)	(94,907)	-	(94,907)	
Balance at June 30, 2025 (Unaudited)	385,172	(414,326)	3,085,483	66,588	1,822,875	52,151	64,764	155,834	242,775	7,139,210	12,600,526	3,243,471	15,843,997	

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB' 000	RMB' 000
	(Unaudited)	(Unaudited)
		(Restated)
Net cash generated from operating activities	2,526,742	1,861,250
Investing activities		
Purchase of property, plant and equipment	(1,899,907)	(1,192,817)
Proceeds from disposal of property, plant and equipment	45	13,558
Purchase of intangible assets	(100,926)	(358,525)
Purchase of leasehold land	(31,091)	(9,876)
Proceeds from relocation compensation	–	109,091
Purchase of financial assets at FVTPL	(124,357)	(25,000)
Repayments of loans to third parties	–	250,000
Net cash inflow on disposal of subsidiaries in prior years	2,783	900
Net cash inflow on disposal of an associate	–	1,226
Proceeds from disposal of financial assets at FVTPL	7,037	55,902
Interest received	20,685	32,419
Government grants received	16,986	38,290
Government grants repaid	(15,000)	–
Placement of restricted bank deposits	(5,720,001)	(6,874,151)
Withdrawal of restricted bank deposits	3,512,748	2,779,345
Placement of bank deposits	(313,425)	(406,000)
Withdrawal of bank deposits	381,857	135,159
Deposits for other loans	(103,706)	(113,739)
Advances to related parties	–	(3,093)
Repayments from related parties	10,132	–
Investments in a joint venture	(153,000)	–
Investments in an associate	(47,000)	(45,655)
Net cash used in investing activities	(4,556,140)	(5,612,966)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Financing activities		
Dividends paid to shareholders	(8,130)	(94,907)
Dividends paid to non-controlling shareholders	(71,055)	(107,100)
Interest paid	(734,951)	(632,290)
Repurchase of shares	(41,940)	(116,910)
Proceeds from new bank and other loans	21,280,053	16,448,927
Repayment of bank and other loans	(16,362,728)	(11,632,618)
Repayment of leases liabilities	(1,444)	(714)
Capital contribution from non-controlling shareholders	1,278,794	4,151
Business combination under common control	(571,200)	–
Advance from related parties	134,578	122,400
Net cash generated from financing activities	4,901,977	3,990,939
Net increase in cash and cash equivalents	2,872,579	239,223
Cash and cash equivalents at the beginning of the period	1,588,529	2,092,896
Effect of foreign exchange rate changes	(6,506)	(418)
Cash and cash equivalents at the end of the period	4,454,602	2,331,701

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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, refined chemicals and new energy products. 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, 2026, the Group had net current liabilities of RMB11,645 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 RMB9,852 million at the report date, of which RMB7,626 million is unconditional and RMB2,226 million is the outstanding portion of certain syndicated loans for special purpose of construction of certain production lines 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATION UNDER COMMON CONTROL

On June 24, 2026, Risun Group Limited ("Risun Group"), a wholly-owned subsidiary of the Company, acquired 14.5% equity interest in Tianjin Binhai Energy & Development Co., Ltd. ("Binhai Energy") at the consideration of RMB571.2 million, which was previously owned by Xuyang Holding Limited ("Xuyang Holding"), a company beneficially owned by the Ultimate Controlling Shareholder. Binhai Energy is primarily engaged in lithium battery anode materials business.

Risun Group and Xuyang Holding also entered into an acting-in-concert agreement, which will take effect from the date of completion of the acquisition and shall terminate on the date when either Risun Group or Xuyang Holding ceases to hold any shares in Binhai Energy, pursuant to which Xuyang Holding agreed that, upon completion of the acquisition, in exercising the shareholder voting rights, nomination rights, proposal rights and other non-property rights attached to the shares of the Binhai Energy held by it, representing 9.32% equity interest of Binhai Energy, it shall act in concert with Risun Group and exercise such rights in accordance with the decisions made by Risun Group.

The acquisition was referred to as the "2026 Acquisition". Upon completion of the 2026 Acquisition and based on the acting-in-concert arrangement, Risun Group will in aggregate control the exercise of approximately 23.82% of the voting rights of the issued shares of Binhai Energy, and the Group will have de facto control over Binhai Energy taking into consideration the relative size and dispersion of holdings of the other shareholders of Binhai Energy, the historically low attendance of the other shareholders at Binhai Energy's shareholders' meetings and the practical ability to nominate majority of the directors of Binhai Energy. Accordingly, upon completion of the 2026 Acquisition, the Group will control the relevant activities of Binhai Energy and consolidate its financial statements.

As the Group and Binhai Energy were under common control of the Ultimate Controlling Shareholder before and after the 2026 Acquisition, and such control was not transitory, the acquisition is considered as a business combination under common control. The principle of merger accounting for business combination involving businesses under common control has therefore been applied. As a result, the condensed consolidated financial statements have been prepared as if Binhai Energy was a subsidiary of the Company ever since it became under common control of the Ultimate Controlling Shareholder.

The net assets of Binhai Energy are consolidated using the existing book values from Xuyang Holding's perspective, and no amount is recognised as goodwill. The difference between the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities and cash consideration have been made to merger reserve in the condensed consolidated statement of changes in equity.

Accordingly, the consolidated statement of financial position as at December 31, 2025 have been restated to include the carrying amount of assets and liabilities of Binhai Energy which had been in existence as at December 31, 2025 as if Binhai Energy was combined from the date when they first came under the common control of the Ultimate Controlling Shareholder. The 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 period ended 30 June 2025 have been restated to include the operating results of Binhai Energy.

Respective notes to the condensed consolidated financial statements have also been restated. All significant intragroup transactions, balances, income and expenses are eliminated on combination.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATION UNDER COMMON CONTROL

(continued)

As a result of the 2026 Acquisition, the relevant line items in the condensed consolidated statement of financial position as at December 31, 2025 have been restated. The following table shows the effect for each individual line item affected:

	The Group (as previously reported) RMB' 000 (Audited)	Effect of the 2026 Acquisition RMB' 000 (Unaudited)	Eliminations RMB' 000 (Unaudited)	The Group (restated) RMB' 000 (Unaudited)
Non-current assets				
Property, plant and equipment	27,991,912	1,734,723	61,883	29,788,518
Right-of-use assets	1,480,329	417,805	(47,081)	1,851,053
Investment property	1,883,422	–	(53,119)	1,830,303
Intangible assets	1,453,125	3,471	–	1,456,596
Other long-term receivables and prepayments	577,164	42,575	–	619,739
Deferred tax assets	155,398	45,925	–	201,323
Amounts due from related parties	943,216	679	–	943,895
Current assets				
Inventories	2,850,678	256,921	–	3,107,599
Other receivables	10,500,485	36,703	–	10,537,188
Trade and bills receivables measured at FVTOCI	1,355,156	273,493	–	1,628,649
Amounts due from related parties	3,169,494	3,523	(3,652)	3,169,365
Pledged bank deposits	3,116,022	2,649	–	3,118,671
Cash and cash equivalents	1,578,824	9,705	–	1,588,529
Current liabilities				
Trade and other payables	8,276,346	973,174	–	9,249,520
Contract liability	1,831,252	2,672	–	1,833,924
Income tax payables	352,871	4	–	352,875
Bank and other loans	25,536,007	223,212	–	25,759,219
Lease liabilities	1,495	73	–	1,568
Amounts due to related parties	1,198,109	999,158	(3,652)	2,193,615
Non-current liabilities				
Bank and other loans	8,890,401	291,237	–	9,181,638
Deferred income	164,534	158,740	–	323,274
Deferred tax liabilities	420,863	15,101	(11,770)	424,194
Capital and Reserves				
Share capital	385,172	222,148	(222,148)	385,172
Reserves	12,108,054	(147,886)	142,702	12,102,870
Non-controlling interests	2,590,052	90,539	52,899	2,733,490

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

3. RESTATEMENTS ARISING FROM BUSINESS COMBINATION UNDER COMMON CONTROL

(continued)

As a result of the 2026 Acquisition, the relevant line items in the condensed consolidated statement of profit or loss and other comprehensive income, basic and diluted earnings per share, and condensed consolidated statement of cash flows for the six months period ended June 30, 2025 have been restated. The following table shows the effect for each individual line item affected:

	The Group (as previously reported) RMB' 000 (Unaudited)	Effect of the 2026 Acquisition RMB' 000 (Unaudited)	Eliminations RMB' 000 (Unaudited)	The Group (restated) RMB' 000 (Unaudited)
Condensed consolidated statement of profit or loss and other comprehensive income for the six months period ended June 30, 2025				
Revenue	20,548,610	234,767	–	20,783,377
Cost of sales and services	(18,862,702)	(243,661)	956	(19,105,407)
Other income	341,376	144	–	341,520
Other gains and losses	48,042	398	1,957	50,397
Impairment losses (including reversals of impairment losses) on financial assets	(11,336)	(3,091)	–	(14,427)
Selling and distribution expenses	(703,073)	(2,497)	–	(705,570)
Administrative expenses	(544,606)	(15,290)	(1,063)	(560,959)
Finance costs	(693,308)	(11,774)	–	(705,082)
Income tax expense	(52,006)	3,591	–	(48,415)
Profit for the period	86,908	(37,413)	1,850	51,345
Total comprehensive income for the period	82,817	(37,413)	1,850	47,254
Profit for the period attributable to:				
Owners of the Company	28,639	(37,105)	33,343	24,877
Non-controlling interests	58,269	(308)	(31,493)	26,468
Total comprehensive income for the period attributable to:				
Owners of the Company	24,548	(37,105)	33,343	20,786
Non-controlling interests	58,269	(308)	(31,493)	26,468
Earnings per share (RMB cents)				
Basic	0.66	(0.85)	N/A	0.57
Condensed consolidated statement of cash flows for the six months period ended June 30, 2025				
Operating activities	1,946,279	(85,029)	–	1,861,250
Investing activities	(5,602,104)	(10,862)	–	(5,612,966)
Financing activities	3,893,599	97,340	–	3,990,939

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

4. 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 the application of de facto control 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, 2026 are the same as those presented in the Group's consolidated annual financial statements for the year ended December 31, 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to 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, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to 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.

Application of de facto control in business combination

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

5. REVENUE AND SEGMENT INFORMATION

During the current interim period, the Group's revenue represents the amount received and receivable from the sales of goods or provision of service to external customers arising from the coke and coking chemicals, refined chemicals, operation management services, trading, new energy products, 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.

Upon completion of the 2026 Acquisition as set out in note 3, the Group has a new reportable segment of new energy product manufacturing, which includes lithium battery anode materials manufacturing conducted by Binhai Energy and hydrogen energy manufacturing previously measured in the segment of refined chemicals manufacturing. In addition, during the current interim period, the Directors, being the chief operating decision-maker, changed the profit allocation basis for inter-segment sales between the coke and coking chemicals manufacturing segment and the refined chemicals manufacturing segment.

Following the Group reorganised its internal reporting structure set out above, which resulted in changes to the composition of its reportable segments, the corresponding segment revenue and results for the six months ended June 30, 2025 and segment assets and liabilities as at December 31, 2025 have been restated.

Except for the carrying amounts of long-term equity investment in joint ventures and an associate amounting to RMB1,303 million (unaudited) (December 31, 2025: RMB1,372 million) and RMB188 million (unaudited) (December 31, 2025: RMB199 million) respectively, which were operated in Indonesia, and approximately 4% (the six months ended June 30, 2025: 3% (unaudited)) of the Group's revenue which were derived from outside the People's Republic of China ("PRC"), the Group's revenue and profit were mainly derived from the PRC and all other non-current assets are mainly located in the PRC during the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

5. REVENUE AND SEGMENT INFORMATION (continued)

The following is an analysis of the Group's results by reportable segments:

	Six months ended June 30, 2026 (Unaudited)						
	Coke and Coking Chemicals Manufacturing	Refined Chemicals Manufacturing	Operation Management	Trading	New Energy Products Manufacturing	Others	Total
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Revenue from contracts with external customers							
Sale of coke and coking chemicals	6,965,556	-	-	-	-	-	6,965,556
Sale of refined chemicals	-	9,475,342	1,836,418	-	-	-	11,311,760
Trading	-	-	-	2,976,912	-	-	2,976,912
Management services	-	-	26,239	-	-	-	26,239
Sale of new energy products	-	-	-	-	523,300	-	523,300
Property development and investment	-	-	-	-	-	52,097	52,097
	6,965,556	9,475,342	1,862,657	2,976,912	523,300	52,097	21,855,864
Inter-segment revenue	1,085,674	286,217	-	-	59,021	-	1,430,912
Reportable segment revenue	8,051,230	9,761,559	1,862,657	2,976,912	582,321	52,097	23,286,776
Reportable segment results	69,225	361,001	86,760	(79,359)	(16,487)	10,630	431,770
Unallocated head office and corporate expenses							(132,268)
Profit before taxation							299,502
Other information:							
Share of results of associates	1,365	32,626	-	1,644	-	-	35,635
Share of results of joint ventures	3,030	-	-	-	-	-	3,030

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

5. REVENUE AND SEGMENT INFORMATION *(continued)*

	Six months ended June 30, 2025 (Restated and unaudited)						
	Coke and Coking Chemicals Manufacturing RMB'000	Refined Chemicals Manufacturing RMB'000	Operation Management RMB'000	Trading RMB'000	New Energy Products Manufacturing 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
Sale of new energy products	–	–	–	–	234,767	–	234,767
Property development and investment	–	–	–	–	–	90,078	90,078
	6,357,591	9,096,043	1,274,539	3,730,359	234,767	90,078	20,783,377
Inter-segment revenue	1,099,027	222,964	–	–	73,456	–	1,395,447
Reportable segment revenue	7,456,618	9,319,007	1,274,539	3,730,359	308,223	90,078	22,178,824
Reportable segment results	393,933	44,476	33,768	(183,891)	(946)	(1,528)	285,812
Unallocated head office and corporate expenses							(186,052)
Profit before taxation							99,760
Other information:							
Share of results of associates	(21,515)	31,166	–	–	–	–	9,651
Share of results of joint ventures	6,260	–	–	–	–	–	6,260

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

5. REVENUE AND SEGMENT INFORMATION *(continued)*

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

Segment assets

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Coke and coking chemicals manufacturing	23,269,139	21,792,412
Refined chemicals manufacturing	24,486,251	21,826,827
Operation management	664,732	373,543
Trading	17,269,671	13,283,418
New energy products manufacturing	4,594,957	3,166,191
Others	2,381,269	2,373,338
Reportable segment assets	72,666,019	62,815,729
Unallocated head office and corporate assets	1,881,899	1,831,511
Total assets	74,547,918	64,647,240

Segment liabilities

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Coke and coking chemicals manufacturing	17,691,775	16,513,109
Refined chemicals manufacturing	21,852,683	18,058,380
Operation management	437,313	235,538
Trading	12,818,946	9,631,625
New energy products manufacturing	3,397,563	2,750,353
Others	1,283,132	1,361,322
Reportable segment liabilities	57,481,412	48,550,327
Unallocated head office and corporate liabilities	1,056,427	875,381
Total liabilities	58,537,839	49,425,708

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

6. OTHER INCOME

	Six months ended June 30	
	2026	2025
	RMB'000	RMB'000 (Restated)
Interest income	60,291	70,858
Value-added Tax ("VAT") concession (<i>Note</i>)	32,340	86,093
Production waste sales	13,133	30,527
Government grants	14,844	139,885
Others	33	14,157
	120,641	341,520

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.

7. OTHER GAINS AND LOSSES

	Six months ended June 30	
	2026	2025
	RMB'000	RMB'000 (Restated)
Change in fair value of financial assets/liabilities at FVTPL:		
– Listed equity securities	(10,361)	5,806
– Unlisted equity securities	(554)	(4,943)
– Private equity investment funds	36,382	7,302
– Futures contracts	1,325	8,007
– Other non-derivative financial assets	–	(1,026)
Fair value change of investment properties	(3,380)	(1,610)
Loss on foreign exchange, net	(43,675)	(3,367)
Impairment of construction in progress (<i>Note</i>)	(88,080)	–
Gain on disposal of property, plant and equipment	3,005	3,288
Insurance proceeds received	–	13,000
Gain on modification of a payable to a third party	–	14,585
Others	8,033	9,355
	(97,305)	50,397

Note: During the current interim period, the management of the Group determined to terminate the construction of two production lines taking into consideration changes in industrial regulatory policies and recognized an impairment loss amounting to RMB88 million accordingly.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

8. FINANCE COSTS

	Six months ended June 30	
	2026	2025
	RMB'000	RMB'000
		(Restated)
Interest on bank loans	528,332	465,249
Interest on other loans from licensed financial institutions	206,619	178,794
Finance charges on bills receivable discounted	105,720	85,803
Finance charges on lease liabilities	74	21
	840,745	729,867
Less: Amount capitalized under construction in progress (<i>Note</i>)	(44,472)	(24,785)
	796,273	705,082

Note: The finance costs were capitalized at annual rates of 3.00% to 6.00% per annum during the current interim period (during the six months ended June 30, 2025: 3.55% to 7.60% per annum).

9. PROFIT BEFORE TAXATION

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

	Six months ended June 30	
	2026	2025
	RMB'000	RMB'000
		(Restated)
Depreciation of property, plant and equipment	951,516	921,603
Depreciation of right-of-use assets	25,493	29,264
Amortization of intangible assets	78,303	89,208
Total depreciation and amortization	1,055,312	1,040,075
Capitalized in construction in progress	(3,022)	(1,971)
	1,052,290	1,038,104

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

10. INCOME TAX EXPENSE

	Six months ended June 30	
	2026	2025
	RMB'000	RMB'000
		(Restated)
Current tax expense		
PRC income tax for the period	63,952	50,807
Under provision in prior years	9,570	–
Deferred tax credit	(18,379)	(2,392)
	55,143	48,415

11. DIVIDENDS

During the current interim period, a final dividend of RMB0.19 cents (the six months ended June 30, 2025: RMB2.22 (unaudited) cents) per ordinary share amounting to RMB8,130,000 (the six months ended June 30, 2025: a special dividend of RMB94,907,000 in respect of the year ended December 31, 2024) in respect of the year ended December 31, 2025 was declared and paid to the owners of the Company.

Subsequent to the end of the reporting period, the Directors have determined that an interim dividend of RMB1.44 cents per share amounting to RMB61,231,000 (the six months ended June 30, 2025: RMB8,561,000 (unaudited)) will be distributable in September 2026.

12. EARNINGS PER SHARE

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

	Six months ended June 30	
	2026	2025
		(Restated)
Earnings		
Profit attributable to the owners of the Company (RMB'000)	203,971	24,877
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,273,252,845	4,339,058,425
Effect of dilutive potential ordinary shares:		
Equity-settled share-based payment	3,661,980	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,276,914,825	4,339,058,425

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

12. EARNINGS PER SHARE *(continued)*

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

The effect of treasury shares has been included in the calculation of weighted average number of ordinary shares in issue.

13. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the current interim period, the Group acquired property, plant and equipment amounting to approximately RMB1,447 million (six months ended June 30, 2025 (restated): RMB841 million).

The Group's investment properties at the end of the current interim period were valued by the Directors. The resulting decrease in fair value of investment properties of RMB3 million (six months ended June 30, 2025 (restated): RMB2 million) has been recognised directly in profit or loss for the six months ended June 30, 2026.

Details of the pledged property, plant and equipment and investment properties are set out in note 27.

14. INTERESTS IN ASSOCIATES/JOINT VENTURES

During the current interim period, the Group made capital injections of RMB153 million in a joint venture and RMB47 million in an associate by way of cash, respectively.

15. OTHER LONG-TERM RECEIVABLES AND PREPAYMENTS

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Prepayments for property, plant and equipment	184,772	76,039
Prepayments for leasehold land	27,671	27,671
Deposits for other loans	328,467	333,791
Government grants <i>(Note)</i>	67,485	76,387
Others	85,278	107,624
Less: Allowance for credit losses	(1,773)	(1,773)
	691,900	619,739

Note: During the six months period ended June 30, 2025, 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 in 2025, RMB23 million will be received within one year, and the remaining RMB67 million recognized based on discounted amount is payable in instalment over period of 1 to 5 years and represented as non-current assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

16. FINANCIAL ASSETS/LIABILITIES AT FVTPL

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Non-current assets		
Listed equity securities	86,266	23,344
Unlisted equity investment	75,494	76,048
Private equity investment funds	200,130	115,135
Wealth management products	114,649	119,225
	476,539	333,752
Current assets		
Futures contracts	153	37
Current liabilities		
Futures contracts	(75)	(2,397)

17. INVENTORIES

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Raw materials	2,398,091	2,018,640
Finished goods	863,241	472,394
Trading stocks	177,661	75,530
Properties under development	567,283	541,035
	4,006,276	3,107,599

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Trade receivables measured at FVTOCI	996,416	1,043,660
Bills receivables measured at FVTOCI	953,372	584,989
Trade and bills receivables measured at FVTOCI	1,949,788	1,628,649
Prepayments for raw materials	8,468,921	6,415,990
Other deposits, prepayments and other receivables	967,396	1,116,285
Loan receivables	400,000	400,000
Prepayments on behalf of third parties as a trading agency	3,497,353	2,261,914
Deductible input VAT and prepaid other taxes and charges	665,276	387,762
Less: Impairment (<i>note 25</i>)	(41,434)	(44,763)
Other receivables	13,957,512	10,537,188

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

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Within one month	776,499	924,444
2 to 3 months	135,279	95,879
4 to 6 months	52,895	7,737
7 to 12 months	30,954	14,382
1 to 2 years	789	1,218
	996,416	1,043,660

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

19. 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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Restricted bank balances to secure:		
Bills payable and letters of credit (<i>Note</i>)	4,807,840	2,552,672
Bank loans	387,203	415,604
Futures contracts	130,881	150,395
	5,325,924	3,118,671
Analyzed for reporting purpose as:		
Current assets	5,325,924	3,118,671

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 RMB7,729,283,000 (December 31, 2025: RMB6,281,909,000) as at June 30, 2026.

Restricted bank balances are bank deposits mainly in the PRC and the remittance of these funds out of the PRC is subject to the exchange restrictions imposed by the PRC government. These bank deposits carry interest at market rates ranging from 0.85% to 2.30% per annum as at June 30, 2026 (December 31, 2025: 0.85% 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 0.01% to 3.28% (December 31, 2025: 0.01% to 3.66%).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

20. TRADE AND OTHER PAYABLES

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Trade payables	3,328,209	2,834,102
Payables to be settled by the endorsed bills receivable	96,263	142,638
Bills payable	3,558,916	2,758,575
Payables for construction in progress	1,820,957	2,214,167
Payables on behalf of third parties as a trading agency	872,568	118,627
Advances from customers on behalf of third parties as a trading agency	506,843	354,684
Other tax payables	114,781	79,140
Payroll payables	73,488	93,727
Other payables and accruals (Note)	686,244	756,705
	11,058,269	9,352,365
Analyzed for reporting purposes as:		
Current liabilities	10,957,249	9,249,520
Non-current liabilities	101,020	102,845

Note: Included in other payables and accruals were payables amounting to RMB101 million in relation to modification of payables to third parties in November 2025. Pursuant to supplementary agreements, the balance will be settled in December 2027.

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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Within 3 months	2,972,403	2,514,507
3 to 6 months	161,028	28,562
6 to 12 months	70,434	155,552
1 to 2 years	81,410	78,199
2 to 3 years	16,460	30,997
More than 3 years	26,474	26,285
	3,328,209	2,834,102

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

21. BANK AND OTHER LOANS

During the current interim period, the Group received the proceeds amounting to approximately RMB21,280 million (six months ended June 30, 2025: RMB16,449 million) related to its renewed and newly obtained bank and other loans, and made repayments amounting to approximately RMB16,363 million (six months ended June 30, 2025 (Restated): RMB11,633 million), with a net exchange gain of RMB4 million (six months ended June 30, 2025: net exchange loss of RMB1 million). The loans carry interest at the rate ranging from 2.15% to 8.50% (December 31, 2025: 1.70% to 8.50%) per annum and are repayable in instalments over a period of 1 to 15 years.

As at June 30, 2026, bank loan of RMB2,033 million (December 31, 2025: RMB 1,373 million) was guaranteed by related parties.

Details of the assets pledged for securing the bank and other loans of the Group are set out in note 27.

22. SHARE CAPITAL

	As at		As at	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
	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 and the end of the period/year	4,454,186,000	4,454,186,000	445,419	445,419
			June 30, 2026	December 31, 2025
			RMB'000	RMB'000
Presented in the condensed consolidated statement of financial position:				
At the beginning and the end of the period/year			385,172	385,172

Note: During the current interim period, the Company repurchased 22,646,000 (six months ended June 30, 2025: 50,928,000) ordinary shares with an aggregate consideration of RMB41,940,000 (six months ended June 30, 2025: RMB116,910,000) paid. As at June 30, 2026, 212,635,000 (six months ended June 30, 2025: 160,664,000) ordinary shares were repurchased as treasury stocks, of which 14,418,000 shares were granted to directors and eligible employees under the Company's Share Award Plan as disclosed in note 23, and the remaining treasury stocks were not granted nor cancelled.

23. SHARE-BASED PAYMENT TRANSACTIONS

(a) Equity-settled share award scheme of the Company

The Company's share award plan (the "Share Award Plan") was adopted pursuant to a resolution passed on May 30, 2025 for the primary purpose of providing incentives to directors and eligible employees. Under the Share Award Plan, the Directors may grant shares of the Company to eligible employees, including directors and employees of the Company and its subsidiaries.

At June 30, 2026, the number of shares granted under the Share Award Plan was 14,418,000 (2025: 9,915,000), representing 0.3% (2025: 0.2%) of the shares of the Company in issue as at June 30, 2026. The total number of shares granted under the Share Award Plan is not permitted to exceed 10% of the total number of issued shares (excluding treasury shares) of the Company as at the date of passing the resolution.

During the current interim period, 4,503,000 shares were granted on January 22, 2026 with the grant price of nil per share and a vesting period of 60 months from the date of grant (i.e. January 21, 2031). The estimated fair values of the shares granted was HK\$10,267,000 (equivalent to RMB9,222,000) at the grant date based on the market value of the Company's shares at that date. The closing price of the Company's shares immediately before January 22, 2026, the date of grant, was HK\$2.24 per share.

During the current interim period, no share was forfeited, exercised, vested nor expired under the Share Award Plan.

The Group recognised the total expense of RMB1,926,000 at June 30, 2026 (Six months ended June 30, 2025: Nil) in relation to shares granted by the Company.

(b) Equity-settled share award scheme of Binhai Energy

On January 21, 2026, the general meeting of Binhai Energy passed a resolution in relation to the 2026 restricted share incentive plan (the "2026 Share Award Plan"). Binhai Energy granted 9,604,600 shares on January 21, 2026 (2025: nil), representing 0.4% (2025: nil) of the shares of Binhai Energy in issue at June 30, 2026. The total number of shares granted under the 2026 Share Award Plan is not permitted to exceed 10% of Binhai Energy's total share capital as at the date of passing the resolution.

Upon the achievement of non-market performance conditions, the restricted shares granted under this incentive plan is subject to a lock-up period of 12 months, 24 months, and 36 months respectively, starting from the date of the completion of the registration of the restricted shares granted. The estimated fair values of the shares granted was RMB55,707,000 at the grant date based on the market value of Binhai Energy's shares at that date. The closing price of Binhai Energy's shares immediately before January 21, 2026, the date of grant, was RMB12.3 per share.

During the current interim period, no share was forfeited, exercised, vested nor expired under the 2026 Share Award Plan.

The Group recognised the total expense of RMB16,748,000 at June 30, 2026 (2025: nil) in relation to shares granted by Binhai Energy.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended June 30, 2026 and 2025, 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 (<i>Note a</i>) (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 (<i>Note a</i>) (北京旭陽科技有限公司)	Controlled by Mr. Yang Xuegang
Beijing Xuyang Digital Technology Co., Ltd. (<i>Note a</i>) (北京旭陽數字科技有限公司)	Controlled by Mr. Yang Xuegang
Beijing Xuyang New Energy Co., Ltd. (<i>Note a</i>) (北京旭陽新能源有限公司)	Controlled by Mr. Yang Xuegang
Cangzhou Xuyang Intelligent Property Management Co., Ltd. (<i>Note a</i>) (滄州旭陽智慧物業管理有限公司)	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>) (河北奥特美克科技有限公司)	Controlled by Mr. Yang Xuegang

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Name of related parties	Relationship with the Group
Hebei Shanghe Construction Engineering Co., Ltd. (Note a) (河北上和建築工程有限公司)	Controlled by Mr. Yang Xuegang
Hebei Xuyang Architectural Design Co., Ltd. (Note a) (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. (Note a) (內蒙古恆勝新能源科技有限公司)	Controlled by Mr. Yang Xuegang
Inner Mongolia Xuyang Coal Industry Co., Ltd. (Note a) (內蒙古旭陽煤業有限公司)	Controlled by Mr. Yang Xuegang
Laoting Huayang Thermal Power Co., Ltd. (Note a) (樂亭華陽熱電有限公司)	Controlled by Mr. Yang Xuegang
Pingdingshan Xuyang New Materials Co., Ltd. (Note a) (平頂山旭陽新材料有限公司)	Controlled by Mr. Yang Xuegang
Qingshuihe Xuyang Smart Property Management Service Co., Ltd (Note a) (沁源縣潔達煤業有限公司)	Controlled by Mr. Yang Xuegang
Xuyang Holding (Note a) (旭陽控股有限公司)	Controlled by Mr. Yang Xuegang
Risun Supply Chain Management Limited (Note a) (旭陽供應鏈管理有限公司)	Controlled by Mr. Yang Xuegang
Shangdu Xuyang Intelligent Property Management Co., Ltd. (Note a) (商都旭陽智慧物業有限公司)	Controlled by Mr. Yang Xuegang
Xiaoyi City Anda Gas Pipeline Transportation Co., Ltd. (Note a) (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 (Note a) (孝義中晟供應鏈管理有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Tengxu Property Service Co., Ltd. (Note a) (邢台騰旭物業服務有限公司)	Controlled by Mr. Yang Xuegang
Xingtai Tianlu Real Estate Development Co., Ltd. Economic (邢台天鷲房地產開發有限公司經濟開發區分公司)	Controlled by Mr. Yang Xuegang

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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

Name of related parties	Relationship with the Group
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
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
Heze Funeng Gas Co., Ltd. <i>(Note a)</i> (“Heze Funeng Gas”) (荷澤富能燃氣有限公司)	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

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Name of related parties	Relationship with the Group
PT.DETIAN COKING INDONESIA ("De Tian Coking") (德天焦化(印尼)股份公司) (Note b)	Joint venture of the Group
Yuncheng Yunzhou Xuyang Gas Co., Ltd. (Note a) ("Yuncheng Yunzhou Xuyang Gas") (鄆城鄆州旭陽燃氣有限公司)	Joint venture of the Group
Cabot Risun Chemicals (Xingtai) Co. Ltd. (Note a) ("Cabot Risun Chemicals") (卡博特旭陽化工(邢台)有限公司)	Associate of the Group
Hebei Jinniu Risun Chemicals Limited (Note a) ("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) (Note b)	Associate of the Group
Pingxiang Xuyang Energy Co., Ltd (Note a) ("Pingxiang Xuyang Energy") (萍鄉旭陽能源有限公司)	Associate of the Group
Tangshan Xuyang Shuang'an Technology Co., Ltd. (Note a) ("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. (Note a) ("Xiamen Xuyang International") (廈門旭陽國貿供應鏈有限公司)	Associate of the Group
Tianjin Jingjin Culture Media Development Co., Ltd. (Note a) ("Tianjin Jingjin Culture Media Development") (天津京津文化傳媒發展有限公司)	A shareholder of the Company with significant Influence
Hohhot China Urban Gas Development Co., Ltd (Note a) ("China Gas") (呼和浩特中燃城市燃氣發展有限公司)	A shareholder of the Company with significant Influence

Notes:

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. 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	
	2026 RMB'000	2025 RMB'000 (Restated)
Salaries and other emoluments	7,130	7,459
Retirement benefits scheme contributions	103	119
Equity-settled share-based payments	220	–
	7,453	7,578

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Transactions with related parties

	Six months ended June 30	
	2026 RMB'000	2025 RMB'000 (Restated)
Purchases of goods from		
– Related parties controlled by Mr. Yang Xuegang	259,968	458,024
– CNC Risun Energy	751,077	778,351
– Jinniu Risun Chemicals	1,123	2,900
– Risun Wei Shan	211,647	246,113
– De Tian Coking	24,170	58,967
– Pingxiang Xuyang Energy	97,742	–
– Xiamen Xuyang International	101,512	6,289
Sales of goods to		
– Related parties controlled by Mr. Yang Xuegang	50	3,226
– Heze Funeng Gas	107,145	–
– CNC Risun Energy	78,526	41,503
– Jinniu Risun Chemicals	–	5,939
– Cabot Risun Chemicals	345,925	342,878
– Risun Wei Shan	532,314	22,108
– Shuang'an Technology	–	146
– Pingxiang Xuyang Energy	2,440	–
– Yuncheng Yunzhou Xuyang Gas	29	–
– Xiamen Xuyang International	94,775	13,943
Construction service and other service from		
– Related parties controlled by Mr. Yang Xuegang	299,493	275,136
Provision of service to		
– Cabot Risun Chemicals	5	3,082
Rental income from		
– Related parties controlled by Mr. Yang Xuegang	2,785	9,040
Interest income from		
– Risun Wei Shan	27,338	25,735
– KinXiang New Energy	1,655	2,112

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. 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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Amounts due from related parties		
Dividend receivable		
– CNC Risun Energy	37,640	37,640
Non-Trade nature		
– Related parties controlled by Mr. Yang Xuegang	108,082	111,922
– Risun Wei Shan	1,499,259	1,540,854
– De Tian Coking	248,450	258,940
– KinXiang New Energy	88,478	89,627
– Yuncheng Yunzhou Risun Gas	23,179	22,481
– Pingxiang Xuyang Energy	21	1,593
– Shuang'an Technology	36	72
– Tianjin Jingjin Culture Media Development	–	2,783
	1,967,505	2,028,272
Impairment under ECL model	(38,162)	(38,399)
	1,929,343	1,989,873
Trade nature		
Trade receivables		
– Related parties controlled by Mr. Yang Xuegang	24,463	24,436
– CNC Risun Energy	64,461	62,080
– Cabot Risun Chemicals	18,014	9,289
– Yuncheng Yunzhou Risun Gas Co., Ltd.	98	65
– Pingxiang Xuyang Energy	29,014	–
– Risun Wei Shan	1,144,663	1,356,426
– KinXiang New Energy	6,506	6,506
	1,287,219	1,458,802
Impairment under ECL model	(30,572)	(30,572)
	1,256,647	1,428,230

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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

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

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

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Prepayment		
– Related parties controlled by Mr. Yang Xuegang	285,335	570,545
– Risun Wei Shan	42,020	71,852
– De Tian Coking	262	189
– Pingxiang Xuyang Energy	4,284	14,636
– Jinniu Risun Chemicals	32	14
– CNC Risun Energy	281	281
	332,214	657,517
Analyzed for reporting purposes as:		
Current assets	2,543,203	3,169,365
Non-current assets	1,012,641	943,895

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

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Within one month	204,003	455,870
1 to 3 months	58	106,768
4 to 6 months	2,884	634,938
7 to 12 months	1,049,702	230,654
	1,256,647	1,428,230

As at June 30, 2026, except for amount due from Risun Wei Shan amounting to RMB960 million (December 31, 2025: RMB857 million), KinXiang New Energy amounting to RMB88 million (December 31, 2025: RMB75 million) which were interest bearing, all other non-trade nature amounts due from related parties were unsecured, interest-free and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Balances with related parties (continued)

	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Amounts due to related parties		
Non-Trade nature		
– China Gas	102,781	102,781
– Risun Wei Shan	–	48,000
– Related parties controlled by Mr. Yang Xuegang	1,016,738	882,160
	1,119,519	1,032,941
Trade nature		
Trade payable		
– Related parties controlled by Mr. Yang Xuegang	146,832	110,305
– CNC Risun Energy	578,372	590,805
– Risun Wei Shan	222,276	72,169
– Pingxiang Xuyang Energy	29,212	7,470
– Jinniu Risun Chemicals	64	–
– Xiamen Xuyang International	86,270	35,041
	1,063,026	815,790
Payable for construction in progress		
– Related parties controlled by Mr. Yang Xuegang	405,360	344,884
Analyzed for reporting purposes as:		
Current liabilities	2,587,905	2,193,615
Aging of amounts due to related parties-trade nature are as follows:		
	June 30, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Within one month	431,842	671,030
1 to 3 months	645,929	148,615
3 to 6 months	206,596	141,494
6 to 12 months	148,990	146,027
1 to 2 years	25,297	48,971
2 to 3 years	9,732	4,537
	1,468,386	1,160,674

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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

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

As at June 30, 2026, included in amounts due to related parties controlled by Mr. Yang Xuegang was a shareholder's loan with principal amount of RMB946 million (December 31, 2025: principal amount of RMB835 million), bearing interest at 5.65% and repayable at maturity with accrued interest, and a shareholder's loan with principal amount of RMB42 million (December 31, 2025: RMB42 million), interest-free and repayable at maturity. Except for these, 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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Financial guarantees issued to joint ventures	5,538,541	5,571,501
Financial guarantees issued to an associate	1,477,021	1,477,021

As at June 30, 2026, the amount of guaranteed facilities utilized by joint ventures and the associate was RMB3,690 million (December 31, 2025: RMB4,514 million).

As at June 30, 2026, bank loan of RMB2,033 million (December 31, 2025: RMB1,373 million) was guaranteed by related parties controlled by Mr. Yang Xuegang, which was fully utilized by the Group as set out in note 21.

As at June 30, 2026 and December 31, 2025, the Group has provided financial guarantees to the associate and joint ventures. These guarantees were extended to facilitate the financing of their coking projects construction and operation 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 future cashflows forecast.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

25. FINANCIAL INSTRUMENTS

Impairment assessment on financial assets subject to ECL model

	Six months ended June 30	
	2026 RMB'000	2025 RMB'000 (Restated)
Impairment loss recognized/(reversed) in respect of		
Trade receivables	11,021	30,726
Other receivables	(3,329)	(19,834)
Amounts due from related parties	(237)	1,459
Other long-term receivables	—	2,076
	7,455	14,427

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).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

25. 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, 2026	December 31, 2025			
	RMB'000	RMB'000			
		(Restated)			
Financial assets					
Listed equity securities	86,266	23,344	Level 1	Fair values are calculated based on the quoted prices in an active market	N/A
Unlisted equity investment	55,855	–	Level 2	Fair values are estimated based on recent transaction	N/A
Unlisted equity investment	19,639	76,048	Level 3	Fair values are estimated based on the comparable listed companies' P/B ratio and a liquidity discount	Liquidity discount rate, Recent transaction
Private equity investment funds	200,130	115,135	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	114,649	119,225	Level 2	Fair values are determined with reference to the quoted prices provided by financial institutions	N/A
Futures contracts	153	37	Level 1	Fair values are derived from quoted prices in an active market	N/A
Trade receivables	996,416	1,043,660	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	953,372	584,989	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	75	2,397	Level 1	Fair values are derived from quoted prices in an active market	N/A

The Group's investments in unlisted equity investment were classified as financial assets at FVTPL under level 3 hierarchy amounting to RMB19,639,000 as at June 30, 2026. 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 RMB1,185,000 as at June 30, 2026.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

25. FINANCIAL INSTRUMENTS *(continued)*

Fair value measurements and valuation processes *(continued)*

The Group's investments in private equity investment funds were classified as financial assets at FVTPL under level 3 hierarchy amounting to RMB200,130,000 as at June 30, 2026. 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 RMB50,285,000 as at June 30, 2026.

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

The fair value of an unlisted equity investment as at December 31, 2025 was measured using a valuation technique with significant unobservable inputs and hence was classified as Level 3 of the fair value hierarchy. As there was recent transaction relating to this investment, the fair value of the investment of RMB55,855,000 as at June 30, 2026 was determined based on such recent transaction and was classified as Level 2 of the fair value hierarchy.

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, 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
At January 1, 2026 (Audited)	76,048	115,135
Purchases	–	50,000
Redemption	–	(1,387)
Transfer out of level 3	(55,855)	–
Fair value change	(554)	36,382
At June 30, 2026 (Unaudited)	19,639	200,130

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

25. 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, 2026		As at December 31, 2025	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000 (Restated)	Fair value RMB'000 (Restated)
Fixed-rate bank and other loans	6,453,799	6,470,473	4,492,992	4,503,028

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.

26. 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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Capital expenditure in respect of property, plant and equipment	2,825,044	1,567,107

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

27. 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, 2026 RMB'000	December 31, 2025 RMB'000 (Restated)
Property, plant and equipment	9,774,363	9,098,820
Right-of-use assets	660,377	482,042
Investment properties	1,670,619	1,680,271
Inventories	180,000	140,000
Trade receivables	393,585	783,623
Restricted bank balances	5,195,043	2,968,276
	17,873,987	15,153,032