



中國三江精細化工有限公司
CHINA SANJIANG FINE CHEMICALS COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 2198

INTERIM REPORT 2025





© Copyright China Sanjiang Fine Chemicals Company Limited. All Rights Reserved.

This product is made of material from well-managed, FSC™-certified forests and other controlled sources.

CONTENT

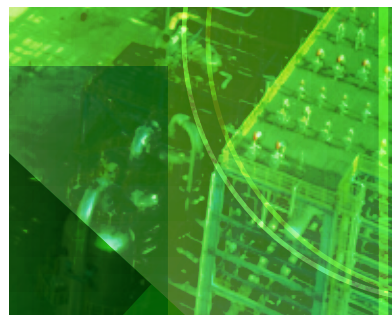
2 Management Discussion and Analysis

Unaudited Consolidated Results

- 6** Condensed Consolidated Statement of Profit or Loss
- 7** Condensed Consolidated Statement of Comprehensive Income
- 8** Condensed Consolidated Statement of Financial Position
- 10** Condensed Consolidated Statement of Cash Flows
- 11** Condensed Consolidated Statement of Changes in Equity
- 12** Notes to Condensed Consolidated Financial Information

24 Other Information

30 Corporate Information



Management Discussion and Analysis

During the period under review, the oil and chemical sector (the “**Sector**”) and the economy of the People’s Republic of China (“**PRC**”) continued to face a volatile and complex operating environment, shaped by fluctuating commodity prices, evolving trade policies, and global geopolitical developments. Despite these challenges, China Sanjiang Fine Chemicals Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) achieved a significant improvement in profitability, with net profit attributable to equity holders of the Company increased by approximately 95.5% to approximately RMB301.1 million as compared to the corresponding period in 2024. This remarkable performance was underpinned by a combination of favourable market dynamics for certain key products, particularly Ethylene Glycol (“**EG**”), and the Group’s agile operational strategies. Average selling prices (“**ASPs**”) and gross profit margins for EG rose meaningfully, supported by sustained downstream demand from the polyester industry. In parallel, the Group dynamically adjusted its procurement strategies, feedstock mix, and production mix in response to external market changes — including the impact of aggregate tariff policies imposed by the US Government on Ethane exports to China — ensuring the Group maintained a competitive edge in both cost efficiency and product pricing. Despite the prevailing market challenges, the Group’s overall gross profit margin improved by approximately 0.9% to about 5.1% compared with the same period in 2024. In addition, the Group also benefited from the positive price movements in silver, a key component used in the catalyst for its production facilities and this impact contributed approximately RMB81.3 million profit during the period. In view of maintaining prudent financial flexibility, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 in order to retain sufficient liquidity to cope for any unexpected economic turbulence in the near future.

Operationally, the Group continued to benefit from the full cycle of integrated operations of the **6th phase EO/EG production facilities** and the **Naphtha/Ethane/Propane-to-Ethylene/Propylene production facility**. The flexibility to rebalance feedstock inputs among Naphtha, Ethane, Propane and Methanol allowed the Group to optimise raw material costs and mitigate exposure to individual commodity price volatility. This integration also enhanced the ability to adjust the product portfolio quickly to capture favourable spreads in EO, EG, Butadiene, and Surfactants. Product-wise, EG remained the standout performer, with both ASP and gross profit margin showing robust growth over the same period in 2024. Butadiene sustained its strong momentum from 2024, supported by healthy demand from synthetic rubber and automotive sectors. EO and Surfactants benefited from steady demand in household cleaning, construction chemicals, and industrial applications.

Looking ahead to the second half of 2025, the Group expects the demand outlook for EG, Butadiene, and Surfactants to remain firm, while PP and EO pricing is anticipated to be steady, with potential upside if downstream demand continues to recover. The Group will continue to pursue opportunities in high-value-added products and further downstream integration to strengthen revenue resilience. The Board remains cautious regarding global economic uncertainty, trade policy developments, and commodity price volatility. However, the Group's vertically integrated structure, diversified feedstock sourcing capabilities, and agile market response strategies provide a solid foundation for sustaining profitability and long-term growth.



FINANCIAL REVIEW

Revenue

The breakdown by line of business in terms of revenue, sales volume, average selling price and gross profit margin during the periods under review are set forth below:

	First Half year 2025	% of revenue	First Half year 2024	% of revenue	Variance +/(−)
REVENUE (RMB'000)					
Ethylene oxide	987,919	11%	1,042,308	11%	−5.2%
Ethylene glycol	1,741,183	20%	1,685,508	18%	3.3%
Polypropylene	1,686,503	19%	1,784,769	19%	−5.5%
Ethylene	387,747	4%	702,378	8%	−44.8%
Surfactants	2,102,297	22%	1,578,465	17%	33.2%
MTBE	435,346	5%	612,275	7%	−28.9%
Gas, diethylene glycol and others	398,372	4%	504,546	5%	−21.0%
Butadiene	345,061	4%	358,984	4%	−3.9%
Ethanolamine	105,966	1%	172,559	2%	−38.6%
Surfactants processing service	36,859	0%	42,968	0%	−14.2%
Others	878,422	10%	755,073	9%	16.3%
	9,105,675	100%	9,239,833	100%	−1.5%
SALES VOLUME (MT)					
Ethylene oxide	167,286		175,767		−4.8%
Ethylene glycol	417,152		427,091		−2.3%
Polypropylene	267,186		280,455		−4.7%
Ethylene	61,840		102,827		−39.9%
Surfactants	318,209		267,639		18.9%
MTBE	91,210		100,999		−9.7%
Gas, diethylene glycol and others	N/A		N/A		N/A
Butadiene	36,806		36,809		0%
Ethanolamine	19,016		26,497		−28.2%
Surfactants processing service	124,090		143,963		−13.8%
AVERAGE SELLING PRICE (RMB)					
Ethylene oxide	5,906		5,930		−0.4%
Ethylene glycol	4,174		3,946		5.8%
Polypropylene	6,312		6,364		−0.8%
Ethylene	6,270		6,831		−8.2%
Surfactants	6,607		5,898		12.0%
MTBE	4,773		6,062		−21.3%
Gas, diethylene glycol and others	N/A		N/A		N/A
Butadiene	9,375		9,753		−3.9%
Ethanolamine	5,572		6,512		−14.4%
Surfactants processing service	297		298		−0.3%
GROSS PROFIT MARGIN (%)					
Ethylene oxide	14.7%		11.6%		3.1%
Ethylene glycol	11.0%		2.4%		8.6%
Polypropylene	0.1%		−3.1%		3.2%
Ethylene	−0.5%		9.2%		−9.7%
Surfactants	15.1%		6.3%		8.8%
MTBE	−4.7%		7.9%		−12.6%
Gas, diethylene glycol and others	N/A		N/A		N/A
Butadiene	33.0%		34.0%		−1.0%
Ethanolamine	11.6%		9.4%		2.2%
Surfactants processing service	71.7%		68.1%		3.6%



Ethylene oxide

During the period under review, revenue from the EO line of business amounted to approximately RMB987.9 million, representing a decrease of approximately 5.2% compared with the corresponding period in 2024. This decline was primarily attributable to a reduction in EO output of approximately 4.8%, as the Group strategically adjusted its production mix to allocate more capacity to products with stronger market demand and higher profit margins. The adjustment also reflected prevailing market conditions, including relatively stable EO pricing but softer downstream demand growth in certain industrial applications, prompting the Group to optimise resource utilisation and overall profitability.

Ethylene glycol

During the period under review, the revenue from EG line of business amounted to approximately RMB1,741.2 million, representing an increase of approximately 3.3% when comparing to the corresponding period in 2024. The increase in EG revenue was primarily due to the increase in ASP of EG by approximately 5.8% as the Group increased the production volume in view of improving spread and improving market conditions.

Polypropylene

During the period under review, the revenue from PP line of business decreased by approximately 5.5% when compared to the corresponding period in 2024, which was primarily due to the decrease in the production volume by approximately 4.7% during the period under review.

Surfactants

During the period under review, the revenue from Surfactants line of business amounted to approximately RMB2,102.3 million, representing an increase of approximately 33.2% when comparing to the corresponding period in 2024. The increase in Surfactants revenue was primarily due to the increase in sales volume and ASP of Surfactants by approximately 18.9% and 12.0% respectively as the Group increased the production volume in view of improving spread and improving market conditions.

Gross profit margin

Overall gross profit margin of the Group improved by approximately 0.9% to about 5.1% compared with the same period in 2024. The improvement of the gross profit margin was primarily due to increases in gross profit margins of major line of businesses namely the EO line of business, EG line of business and PP line of business by approximately 3.1%, 8.6% and 3.2% respectively as a result of the combined effects of: (i) higher ASPs for EG and selected downstream products amid improved market spreads; and (ii) optimisation of the product mix to prioritise higher-margin products in response to market demand.

Administrative expenses

Administrative expenses mainly consist of staff related costs, various local taxes and educational surcharge, depreciation, audit fee and miscellaneous expenses.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	(Unaudited) RMB'000	(Unaudited) RMB'000
REVENUE	4	9,105,675	9,239,833
Cost of sales		(8,641,063)	(8,853,401)
Gross profit		464,612	386,432
Other income and gains	4	215,181	217,398
Selling and distribution cost		(3,134)	(2,195)
Administrative expenses		(125,646)	(109,591)
Other expenses	4	(17,451)	(103,894)
Finance costs	5	(202,988)	(223,721)
PROFIT BEFORE TAX	6	330,574	164,429
Income tax expense	7	(28,551)	(10,065)
PROFIT FOR THE PERIOD		302,023	154,364
Attributable to:			
Equity holders of the parent		301,132	154,055
Non-controlling interests		891	309
		302,023	154,364
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (RMB)	8	26.01 fens	13.30 fens

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	302,023	154,364
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	302,023	154,364
Attributable to:		
Equity holders of the parent	301,132	154,055
Non-controlling interests	891	309
	302,023	154,364

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		12,823,982	13,083,421
Investment properties		75,228	76,608
Right-of-use assets		673,008	693,976
Other intangible assets		30,422	35,404
Advance payments for property, plant and equipment		289,608	292,628
Equity investments designated at fair value through other comprehensive income		3,409	3,409
Pledged deposits	13	164,241	175,665
Deferred tax assets		3,775	16,630
Total non-current assets		14,063,673	14,377,741
CURRENT ASSETS			
Inventories	11	2,252,834	2,722,295
Trade and notes receivables	12	1,549,342	1,473,105
Prepayments, other receivables and other assets		1,799,066	1,189,019
Due from related parties	16	372	372
Derivative financial instruments		2,778	3,474
Financial assets at fair value through profit or loss	10	3,549	2,647
Pledged deposits and time deposit	13	2,077,074	1,772,890
Cash and cash equivalents	13	822,547	564,328
Total current assets		8,507,562	7,728,130
CURRENT LIABILITIES			
Trade and bills payables	14	1,663,968	1,807,675
Other payables and accruals		2,062,756	2,599,102
Derivative financial instruments		26,595	24,831
Financial liabilities at fair value through profit or loss		104,666	87,812
Interest-bearing bank and other borrowings	15	7,736,204	6,665,496
Long-term loan within one year	15	2,090,338	1,846,396
Lease liabilities		20,163	35,871
Due to related parties	17	664,258	571,564
Tax payable		54,262	55,680
Total current liabilities		14,423,210	13,694,427
NET CURRENT LIABILITIES		(5,915,648)	(5,966,297)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,148,025	8,411,444

Condensed Consolidated Statement of Financial Position

At 30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	Notes		
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	2,031,224	2,433,241
Due to related parties	17	773,310	942,932
Lease liabilities		16,369	15,356
Deferred tax liabilities		66,192	62,374
Other payables		65,119	63,753
Total non-current liabilities		2,952,214	3,517,656
Net assets		5,195,811	4,893,788
EQUITY			
Equity attributable to owners of the parent			
Issued capital		102,662	102,662
Reserves		5,110,239	4,809,107
Non-controlling interests		5,212,901 (17,090)	4,911,769 (17,981)
Total equity		5,195,811	4,893,788

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Net cash flows in respect of operating activities		836,567	162,992
Net cash flows in respect of investing activities		(810,297)	(915,561)
Net cash flows in respect of financing activities		232,191	902,464
Net increase in cash and cash equivalents		258,461	149,895
Cash and cash equivalents at beginning of period		564,328	364,150
Effect of foreign exchange rate change, net		(242)	241
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13	822,547	514,286

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 — unaudited

	Attributable to owners of the parent											
	Share Capital RMB'000	Statutory surplus & safety production reserve RMB'000	Special reserve RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Financial assets at FV through OCI revaluation reserve RMB'000	Merger reserve RMB'000	Shares repurchased for share award plan RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024	102,662	948,666	(38,363)	1,352,311	2,371	2,409	(627,092)	(46,833)	3,215,638	4,911,769	(17,981)	4,893,788
Profit for the period	—	—	—	—	—	—	—	—	301,132	301,132	891	302,023
Total comprehensive income for the period	—	—	—	—	—	—	—	—	301,132	301,132	891	302,023
Appropriation to statutory surplus/safety production reserve	—	89,342	—	—	—	—	—	—	(89,342)	—	—	—
Safety production reserve used	—	(7,431)	—	—	—	—	—	—	7,431	—	—	—
At 30 June 2025	102,662	1,030,577	(38,363)	1,352,311	2,371	2,409	(627,092)	(46,833)	3,434,859	5,212,901	(17,090)	5,195,811
At 31 December 2023	102,662	855,396	(38,363)	1,352,311	2,371	2,409	(627,092)	(45,339)	2,776,358	4,380,713	(19,371)	4,361,342
Profit for the period	—	—	—	—	—	—	—	—	154,055	154,055	309	154,364
Total comprehensive income for the period	—	—	—	—	—	—	—	—	154,055	154,055	309	154,364
Repurchase of shares for the share award	—	—	—	—	—	—	—	(1,494)	—	(1,494)	—	(1,494)
Appropriation to statutory surplus/safety production reserve	—	70,835	—	—	—	—	—	—	(70,835)	—	—	—
Safety production reserve used	—	(6,701)	—	—	—	—	—	—	6,701	—	—	—
At 30 June 2024	102,662	919,530	(38,363)	1,352,311	2,371	2,409	(627,092)	(46,833)	2,866,279	4,533,274	(19,062)	4,514,212

Notes to Condensed Consolidated Financial Information

三 江 化 工

1 CORPORATE INFORMATION

The Company was incorporated with limited liability in the Cayman Islands on 30 January 2009. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (the “Group”) was principally engaged in the manufacture and supply of ethylene oxide (“EO”), ethylene glycol (“EG”), polypropylene (“PP”), methyl tert-butyl ether (“MTBE”) and surfactants in the PRC. The Group was also engaged in the provision of processing services for PP, MTBE and surfactants to its customers and the production and supply of other chemical products such as Butadiene, Ethanolamine and industrial gases, namely oxygen, nitrogen and argon in the PRC. EO is a key intermediary component for the production of ethylene derivative products such as ethanolamines and glycol ethers and a wide range of surfactants. EG is a type of semi-finished goods that is used to produce other bio-organic chemical products such as mono ethylene glycol which is used to produce polyester and anti-frozen chemical liquids. PP is a kind of thermoplastic resin, which can be used in knitting products, injection molding products, film products, fiber products, pipes etc. Surfactants are widely applied in different industries as scouring agents, moisturising agents, emulsifiers and solubilisers. MTBE is a gasoline additive, used as an oxygenate to raise the octane number and is almost exclusively used as a fuel component in fuel for gasoline engines.

2.1 BASIS OF PRESENTATION AND PREPARATION

The Group’s unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting*. The Group’s unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024. The unaudited condensed consolidated interim financial information has been prepared under the historical cost convention, except for certain equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss, and derivative financial instruments which have been measured at fair value. These financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. The Group’s unaudited condensed consolidated interim financial information has been reviewed by the audit committee of the Company.

Going concern assumption

As at 30 June 2025, the Group’s net current liabilities amounted to approximately RMB5,915,648,000. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. In preparing the financial information, the directors of the Company have considered the Group’s sources of liquidity and believe that adequate funding is available to fulfill the Group’s debt obligations and capital expenditure requirements. Accordingly, the condensed consolidated financial information has been prepared on a basis that the Group will be able to continue as a going concern.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3 SEGMENT INFORMATION

For management purpose, the Group did not organise into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of its operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Information about products and services

The following table sets forth the total revenue from external customers by product and service during the periods:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Sales of goods	9,059,571	9,189,036
Provision of services	36,859	42,968
Others	9,245	7,829
Total	9,105,675	9,239,833

3 SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Chinese Mainland	8,838,060	9,054,834
Others	267,615	184,999
Total revenue	9,105,675	9,239,833

(b) The Group's non-current assets are all located in Chinese Mainland.

4 REVENUE, OTHER INCOME AND GAINS AND OTHER EXPENSES

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of valued-added tax and government surcharges, and after allowances for returns and trade discounts.

An analysis of revenue is shown in Note 3 above.

An analysis of other income and gains and other expenses is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Other income and gains		
Additional deduction for input value-added tax	8,185	77,018
Interest/investment income derived from banks&related parties, financial assets at fair value through profit or loss and fair value changes of financial instruments	24,768	49,767
Reveal of write-down of inventories to net realisable value		
— silver (being part of catalyst)	82,325	46,589
Sales in respect of trading of oil and chemicals	5,619	5,588
Gains on disposal of silver catalysts	54,078	—
Others	40,206	38,436
	215,181	217,398

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Other expenses		
Disposal of property, plant and equipment	3,156	50,141
Foreign exchange loss, net	10,895	43,460
Others	3,400	10,293
Total	17,451	103,894

5 FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	161,237	167,032
Interest on discounted notes receivables	40,648	55,087
Interest on lease liabilities	1,103	1,602
Total	202,988	223,721

6 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of inventories sold	8,630,620	8,836,748
Cost of service provided	10,443	16,653
Depreciation of property, plant and equipment	438,307	508,988
Depreciation of right-of-use assets	25,856	24,482
Amortisation of other intangible assets	4,982	6,165

7 INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The income tax expense of the Group for the periods are analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current		
Charge for the period	15,904	597
Effect of additional tax deduction enacted by tax authority	(4,026)	—
Deferred	16,673	9,468
Total tax charge for the period	28,551	10,065

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The Group conducts a significant portion of its business in Mainland China and the applicable income tax rate of its subsidiaries operating in Mainland China is generally 25% in accordance with the Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain entities who are entitled to preferential tax rates of 15%, subject to the approval of the relevant tax bureaus.

8 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period. The number of shares for the current period has been arrived at after eliminating shares repurchased.

No adjustment has been made to the basic profit per share amount presented for the period ended 30 June 2025 and the period ended 30 June 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the period.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent	301,132	154,055
	Number of shares '000	'000
Shares		
Weighted average number of ordinary shares in issue during the period	1,157,875	1,157,909

9 DIVIDENDS

The Board did not recommend to declare an interim dividend during the period ended 30 June 2025 and the period ended 30 June 2024.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group has investments in certain wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

11 INVENTORIES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Raw materials	1,971,579	2,535,271
Finished goods	281,255	187,024
Total	2,252,834	2,722,295

12 TRADE AND NOTES RECEIVABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade receivables	162,372	170,670
Notes receivable	1,394,622	1,310,087
Impairment	1,556,994 (7,652)	1,480,757 (7,652)
Net carrying amount	1,549,342	1,473,105

The credit period is generally 10 to 60 days, extending up to three months for certain customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The maturity of notes receivables is due within six months.

An aged analysis of the trade receivables of the Group as at the end of each of the reporting periods, based on the transaction dates and net of loss allowance, is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
1 to 30 days	129,571	141,492
31 to 60 days	14,180	7,506
61 to 90 days	9,323	2,647
91 to 360 days	1,613	8,312
Over 360 days	33	3,061
Total	154,720	163,018

13 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Cash and bank balances	822,547	564,328
Time deposits and pledged deposits	2,241,315	1,948,555
Subtotal	3,063,862	2,512,883
Less: Pledged time deposits:		
Pledged for options	10,387	42,500
Pledged for bills payable	646,273	404,790
Pledged for letters of credit	—	84,531
Pledged for bank loans	1,328,624	1,138,125
Pledged of letter of guarantee	225,103	225,688
Pledged for lawsuit	—	22,241
Time deposits	30,928	30,680
	2,241,315	1,948,555
Cash and cash equivalents	822,547	564,328

Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged short term time deposits are made for periods with a maturity of the underlying notes payable, letters of credit and bank loans secured by these deposits. Time deposits earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

14 TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Bills payable	957,363	902,903
Trade payable	706,605	904,772
Total	1,663,968	1,807,675

14 TRADE AND BILLS PAYABLES *(continued)*

An aged analysis of the trade and bills payables as at the end of the reporting periods, based on the invoice date for trade and bills payables is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 3 months	994,380	1,379,731
3 to 6 months	608,825	374,417
6 to 12 months	12,513	15,213
12 to 24 months	35,674	17,117
24 to 36 months	3,512	15,873
Over 36 months	9,064	5,324
Total	1,663,968	1,807,675

Trade payables are non-interest-bearing and have an average credit term of three months and bills payable were all aged within one year.

15 INTEREST-BEARING BANK AND OTHER BORROWINGS

	Effective interest rate (%)	Maturity	30 June 2025 RMB'000	31 December 2024 RMB'000
Current				
Bank loans — unsecured	1.000–4.800	within one year	2,681,453	1,935,312
US secured bank loans	4.613–5.023	within one year	43,302	79,056
US unsecured bank loans	4.800–7.500	within one year	628,158	1,017,633
Other loans — secured	3.300–6.015	within one year	1,053,755	887,296
Current portion of long term bank loans — secured	3.200–5.892	within one year	698,400	561,600
Current portion of long term bank loans — unsecured	3.050–3.650	within one year	439,183	472,500
Discounted notes receivable	0.500–3.500	within one year	2,523,105	1,565,810
Discounted letter of credit	1.200–3.327	within one year	1,759,186	1,992,685
Total — current			9,826,542	8,511,892
Non-current				
Bank loans — secured	3.600–5.142	2026	411,000	772,600
Bank loans — secured	3.600–5.292	2027	789,600	840,600
Bank loans — secured	3.600–3.700	2028	25,600	25,600
Bank loans — secured	3.600–3.700	2029	25,600	25,600
Bank loans — secured	3.600	2030	14,000	14,000
Bank loans — unsecured	2.900–4.000	2026	124,000	283,000
Bank loans — unsecured	2.850–3.200	2027	66,950	27,000
Other loans — secured	3.730–6.015	2026	282,019	444,841
Other loans — secured	4.167–6.015	2026	232,738	—
Other loans — secured	4.167–4.273	2026	59,717	—
Total — non-current			2,031,224	2,433,241
Total			11,857,766	10,945,133
Analysed into:				
Bank and other borrowings repayable:				
Within one year			9,826,542	8,511,892
In the second year			1,326,800	1,500,441
In the third to fifth years, inclusive			704,424	918,800
Beyond five years			—	14,000
Total			11,857,766	10,945,133

15 INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes:

Certain of guarantees of the Group's bank borrowings are secured by:

- (i) mortgages over the Group's leasehold lands, which had an aggregate carrying value at the end of the reporting period of approximately RMB457,262,000 as at 30 June 2025 and approximately RMB463,410,000 as at 31 December 2024;
- (ii) mortgages over the Group's property, plant and equipment, which had an aggregate carrying value at the end of the reporting period of approximately RMB6,955,533,000 as at 30 June 2025 and approximately RMB6,221,679,000 as at 31 December 2024;
- (iii) the Group's pledged deposit, which had an aggregate carrying value amounting to approximately RMB1,328,624,000 as at 30 June 2025 and RMB1,222,656,000 as at 31 December 2024;
- (iv) guarantees from Hangzhou Haoming Investment Co., Ltd. ("**Hangzhou Haoming**"), a related company and a company established in the PRC with limited liability, for an amount not exceeding approximately RMB650,000,000 as at 30 June 2025 and RMB650,000,000 as at 31 December 2024; and
- (v) mortgages over 100% of the equity interest of Hangzhou Haoming.

16 DUE FROM RELATED PARTIES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Jiahua New Materials	372	372
Total	372	372

The amount due from related parties are unsecured, interest-free and repayable on demand.

17 DUE TO RELATED PARTIES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Current:		
Jiahua Energy	369,716	352,541
Mei Fu Port	75,165	92,444
Blue Whale Bioenergy	81,000	71,000
Gangan Intelligent	57,496	40,969
Hangzhou Bay Petro	10,311	4,580
Haoxing Energy Conservation	58,564	4,207
Jiaxing Rewang	3,172	4,003
Jianghao Eco-agriculture	54	658
Jiahua Group	8,780	800
Jiafu New Materials	—	362
	664,258	571,564
Non-current:		
Mei Fu Petrochemical	725,310	894,932
Zhejiang Zhongxin	48,000	48,000
	773,310	942,932
Total	1,437,568	1,514,496

The amount current due to related parties are unsecured, interest-free and repayable on demand. Non-current due to related parties are unsecured, interest-free and repayable after one year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and/or chief executives of the Company in any shares of the Company (the **"Shares"**), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors (the **"Model Code"**) are as follows:

Interests in shares of the Company:

Name of Directors	Number of Shares			Total	Approximate% of issued share capital ³
	Personal Interest	Family Interest	Trust/ Corporate Interest		
Han Jianhong ("Ms. Han")	—	20,738,000 ²	536,936,000 ¹	557,674,000	46.86%
Rao Huotao ("Mr. Rao")	659,000	—	—	—	0.06%
Chen Xian ("Ms. Chen")	3,500,000	—	—	—	0.29%

Notes:

- (1) The 536,936,000 Shares were held by Sure Capital Holdings Limited (**"Sure Capital"**), the entire issued ordinary shares of which were owned as to 84.71% by Mr. Guan Jianzhong (**"Mr. Guan"**) and 15.29% by Ms. Han, the spouse of Mr. Guan. By virtue of the SFO, Mr. Guan was deemed to be interested in the Shares held by Sure Capital, and Ms. Han was deemed to be interested in the Shares in which Mr. Guan was interested for the purposes of Divisions 2 and 3 of Part XV of the SFO.
- (2) These Shares were held by Mr. Guan, the spouse of Ms. Han. As such, Ms. Han is deemed to be interested in those Shares held by Mr. Guan for the purposes of Divisions 2 and 3 of Part XV of the SFO.
- (3) Based on 1,190,000,000 Shares in issue as at 30 June 2025.

Interest in shares of associated corporation of the Company

Name of the directors	Name of associated corporation	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate % of issued share capital
Mr. Guan	Sure Capital	Beneficial owner	Long position	8,473	84.71%
Ms. Han	Sure Capital	Beneficial owner	Long position	1,529	15.29%

Save as disclosed above, none of the Directors and the chief executive of the Company was interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company), who have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, are as follows:

Name of the substantial shareholders	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate % of issued share capital
Sure Capital	Beneficial owner	Long position	536,936,000 (Note 1)	45.12%

Note:

- The entire issued ordinary shares of Sure Capital were owned as to approximately 84.71% by Mr. Guan and approximately 15.29% by Ms. Han, the spouse of Mr. Guan. By virtue of the SFO, Mr. Guan was deemed to be interested in the Shares held by Sure Capital and Ms. Han was deemed to be interested in the Shares in which Mr. Guan was interested for the purposes of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, no other interest or short position in the shares and underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO as at 30 June 2025.

SHARE AWARD PLAN

The Company adopted a share award plan on 31 March 2011 (the “**Share Award Plan**”). The purposes of the Share Award Plan are to recognise and reward the contribution of certain eligible employees for the growth and development of the Group, to give incentives thereto in order to retain them for the continual growth and development of the Group, and to attract suitable personnel for further development of the Group. The eligible employees include any employee (whether full time or part time, including any executive director) of the Company, any subsidiary or any invested entity.

The Share Award Plan will be valid and effective for a term of 50 years commencing on the date on which the Share Award Plan was adopted.

Under the rules of the Share Award Plan (the “**Plan Rules**”), the Share Award Plan will be subject to the administration of the board or the plan administrator, who is authorised by the board to render supports in all respects to the Board in connection with the implementation of the Share Award Plan, whose decisions on all matters arising in relation to the Share Award Plan or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby.

The Group has appointed a trustee (the “**Trustee**”) for the purposes of administering the Share Award Plan. The Trustee will be notified by the directors in writing upon making an award to an eligible employee under the Share Award Plan. Upon the receipt of such notice, the Trustee will set aside the appropriate number of awarded shares out of a pool of shares comprising the following:

- (A) such shares as may be (i) transferred to the Trustee from any person (other than the Group) by way of gift, or (ii) purchased by the Trustee on the Stock Exchange by utilising the funds received by the Trustee from any person (other than the Group) by way of gift;
- (B) such shares as may be purchased by the Trustee on the Stock Exchange by utilising the funds allocated by the board out of the Company's resources;
- (C) such shares as may be subscribed for at par value by the Trustee by utilising the funds allocated by the board out of the Company's resources; and
- (D) such shares which remain unvested and reverted to the Trustee.

The legal and beneficial ownership of the relevant awarded shares shall vest in the relevant selected employee within 10 business days after the later of: (a) the earliest vesting date as specified in the award notice to which such award relates; and (b) where applicable, the date on which the conditions or performance targets (if any) to be attained by such selected employee as specified in the related award notice have been attained and notified to the Trustee by the board in writing.

Under the Plan Rules, the employees of the Group shall not have any right to receive any shares awarded to them under the Share Award Plan and all other interests attributable thereto unless and until the Trustee has transferred the legal and beneficial ownership of such awarded shares to them and the legal and beneficial ownership of those awarded shares vested in them. When the participant ceased to be the Group's employee, the unvested shares would be retained by the Trustee.

In accordance with the Plan Rules, the total number of shares available for issue under the share award plan of the Company should not exceed 5% of the total number of issued shares as at the beginning of any financial year, being 59,500,000 shares of the Company for the year ended 31 December 2024.

In accordance with the Plan Rules, the maximum entitlement of any selected employee shall not exceed the difference between (A) the total number of Shares held under the pool of Shares and (B) the aggregate number of (i) the Shares which have been provisionally awarded under the share award plan of the Company; and (ii) the Shares which are proposed to be considered and approved at the same meeting to be provisionally awarded to other selected employees.

As at 30 June 2025, the total number of Shares held under the pool of Shares were 32,125,000. Accordingly, the maximum entitlement of any one selected employee under the share award plan of the Company will be 32,125,000 Shares, representing approximately 1.88% of the issued Shares of the Company. No shares have been granted for the year ended 31 December 2024 and the six months ended 30 June 2025.

In accordance with the Plan Rules, the vesting period of any awarded shares to any selected employee shall be within ten (10) Business Days after the latest of: (i) the earliest date specified by the Board on which the Trustee may vest the legal and beneficial ownership of the award shares in the relevant selected employee; and (ii) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such selected employee as specified in the related award notice have been attained and notified to the Trustee by the Board in writing. No amount is payable on the acceptance of an award.

During any particular financial year, the Board shall at the beginning of such financial year determine the maximum amount of the contribution to be allocated to the Trustee for the purchase of Shares to constitute the pool of shares to be held by the Trustee. The Trustee shall purchase the Shares at the prevailing market price and in off-market transactions, the purchase price shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted. The fair value of the shares granted is measured at the grant date at the market value of the shares, adjusted for the exclusion of expected dividends to be received in the vesting period.

The following awarded shares were outstanding under the Share Award Plan during the year/period:

	Number of shares purchased and held for the Share Award Plan	Number of awarded shares
At 1 January 2024	30,774,000	—
Purchased and withheld	1,351,000	—
At 31 December 2024 and 1 January 2025	32,125,000	—
Purchased and withheld	—	—
At 30 June 2025	32,125,000	—

No share award plan expense was charged to the condensed consolidated statement of profit or loss during the six months ended 30 June 2025 (30 June 2024: Nil).

CHANGE IN DIRECTORS' INFORMATION

For the six months ended 30 June 2025 and up to the date of this report, there was no significant change in Directors' information since the date of the last annual report of the Company for the year ended 31 December 2024 pursuant to Rule 13.51B(1) of the Listing Rules.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments amounted to approximately RMB4,492 million which primarily related to the procurements of plant and machinery for the construction of additional production capacities and for regular repair and maintenances.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have material contingent liabilities not provided for in the financial information.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 1,370 full time employees. The Group's employee benefits included housing subsidies, shift subsidies, bonuses, allowances, medical check-up, staff quarters, social insurance contributions, housing fund contributions and share award scheme. The remuneration committee of the Company (the **"Remuneration Committee"**) reviews such packages annually, or when the occasion requires. The executive Directors, who are also employees of the Company, receive remuneration in the form of salaries, bonuses and other allowances.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's gearing, expressed as a percentage of total interest-bearing borrowings to total assets maintained in a similar level during the period under review (30 June 2025: 52.5%; 31 December 2024: 49.5%), which is line with the Group's internal gearing guidance, which takes into account various factors, including the typical time lag of around two years between the construction period of new production facilities and the generation of corresponding profits and revenue and the estimated buffer by the management of the Group to maintain sufficient liquidity in response to potential market fluctuations.

The inventory turnover days maintained in a similar level during the period under review (30 June 2025: 51.8 days; 31 December 2024: 46.2 days).

The trade and notes receivables turnover days maintained at a relatively low level during the period under review (30 June 2025: 29.9 days; 31 December 2024: 27.1 days).

The trade and notes payables turnover days maintained at a similar level during the period under review (30 June 2025: 36.2 days; 31 December 2024: 38.9 days).

INTERIM DIVIDEND

The Board does not recommend an interim dividend for the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has adopted the code provisions in the Corporate Governance Code and Corporate Government Report (**"CG Code"**), including any revisions and amendments from time to time, as set out in Appendix C1 to the Rules Governing the Listing of Securities (the **"Listing Rules"**) on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) as its own code of corporate governance. The Board considers that the Company has complied with all the code provisions of the CG Code during the six months ended 30 June 2025 and up to the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (**"Model Code"**) as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors and senior management. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2025 and up to the date of this report.

AUDIT COMMITTEE

As at the date of this report, the audit committee of the Company (the “**Audit Committee**”) has three members, namely Shen Kaijun, Kong Liang and Pei Yu, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Shen Kaijun. The primary responsibilities of the Audit Committee include, among others, reviewing and supervising the financial reporting process and internal control system of the Group, nominating and monitoring external auditors and providing advice and comments to the Board.

The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Group, and the Group’s internal control functions.

REMUNERATION COMMITTEE

As at the date of this report, the Remuneration Committee has three members, namely Pei Yu, Han Jianhong and Kong Liang of whom Kong Liang and Pei Yu are independent non-executive Directors and Han Jianhong is the Chairlady of the Board and an executive Director. The chairman of the Remuneration Committee is Pei Yu. The primary responsibilities of the Remuneration Committee include, among others, evaluating the performance and making recommendation on the remuneration package of the Directors and senior management, and evaluating and making recommendation on the share award plan of the Company.

NOMINATION COMMITTEE

As at the date of this report, the nomination committee of the Company (the “**Nomination Committee**”) consists of three members, namely Han Jianhong, Shen Kaijun and Ms. Pei Yu, of whom Shen Kaijun and Pei Yu are independent non-executive Directors and Han Jianhong is the Chairlady of the Board and an executive Director. The chairlady of the Nomination Committee is Han Jianhong. The primary responsibilities of the Nomination Committee include, among others, considering and recommending to the Board suitably qualified persons to become the member of the Board and reviewing the structure, size and composition of the Board on a regular basis and as required.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2025.

SUPPLEMENTAL INFORMATION TO THE 2024 ANNUAL REPORT OF THE COMPANY

The Company would like to further supplement and confirm that it has complied with the requirements in Chapter 14A regarding the related party transactions that constituted connected transactions during the year ended 31 December 2024.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company’s Interim Report for the six months ended 30 June 2025 will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.chinasanjiangfinechemicals.com) in due course.

DIRECTORS

Executive Directors

HAN Jianhong (Chairlady)
RAO Huotao
GUAN Siyi
CHEN Xian

Independent non-executive Directors

SHEN Kaijun (Lead independent non-executive director)
PEI Yu
KONG Liang

SHARE LISTING

Main Board of The Stock Exchange of
Hong Kong Limited
Stock code: 2198

AUDITORS

Ernst & Young
27/F One Taikoo Place,
979 King's Road,
Quarry Bay,
Hong Kong SAR

LEGAL ADVISERS AS TO HONG KONG LAW

Withers
30/F., United Centre
95 Queensway
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC AND HEADQUARTERS

Pinghai Road, Jiaxing Port Area,
Zhejiang Province PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., United Centre,
Admiralty,
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

COMPANY SECRETARY

YIP Ngai Hang, FCPA, FCCA

PRINCIPAL BANKER IN HONG KONG

Bank of Communications Co., Ltd.
Hong Kong Branch
20 Pedder Street, Central, Hong Kong

PRINCIPAL BANKERS IN THE PRC

Agricultural Bank of China
Pinghu Zhapu Branch
42 Tianfei Road, Zhapu District
Pinghu City, Zhejiang Province, PRC

Bank of Communications
Pinghu City Branch
325 Xinhua Road, Pinghu City
Zhejiang Province, PRC

Industrial and Commercial Bank of China
Pinghu City Branch
338 Yashan Road Central, Pinghu City
Zhejiang Province, PRC

Bank of China
Pinghu City Branch
40 Chengnan Road West, Pinghu City
Zhejiang Province, PRC

China CITIC Bank
Jiaxing Branch
639 Zhongshan Road East, Jiaxing City
Zhejiang Province, PRC

China Construction Bank
Pinghu Zhapu Branch
1 Tianfei Road, Zhapu District
Pinghu City, Zhejiang Province, PRC

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

CORPORATE WEBSITE

www.chinasanjiangfinechemicals.com