



河南金源氢化化工股份有限公司

Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*

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

Stock Code : 2502

2025

Annual Report



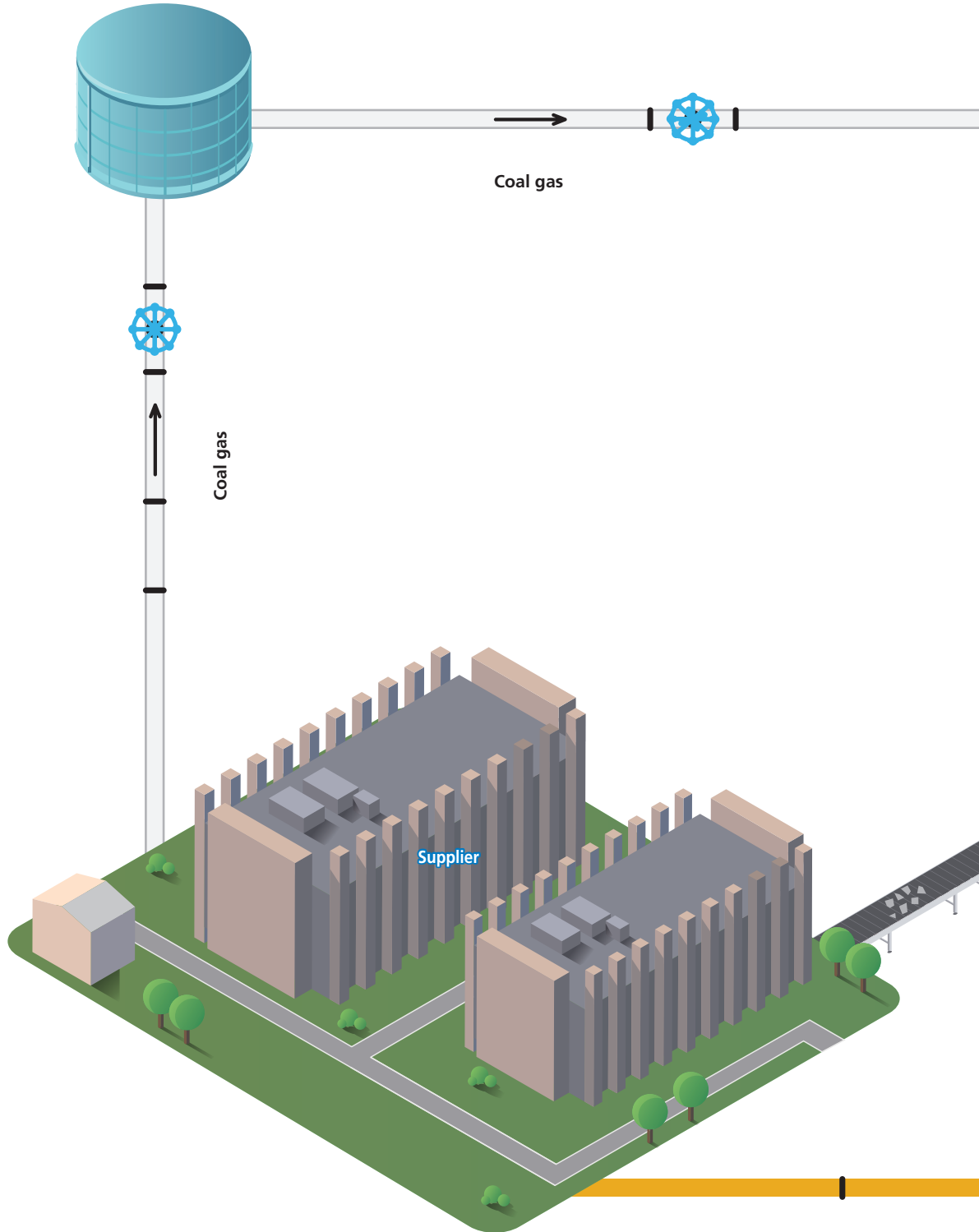
* For identification purposes only

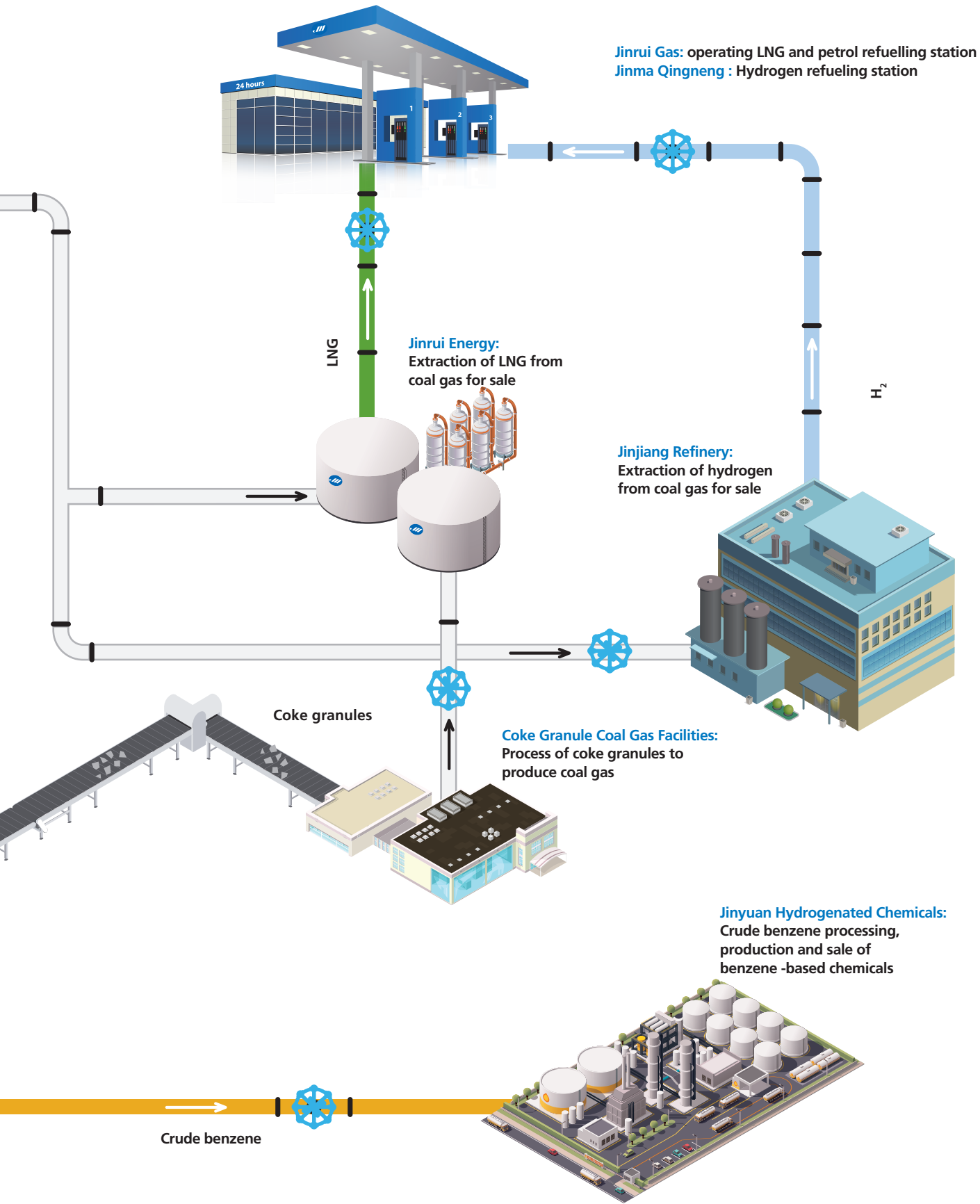
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Jinning Energy:
Storage and sale of coal gas

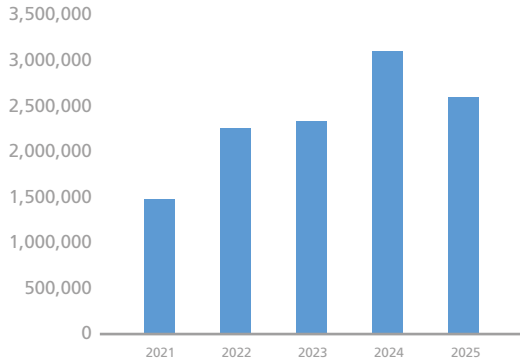




4 FIVE YEAR FINANCIAL HIGHLIGHTS

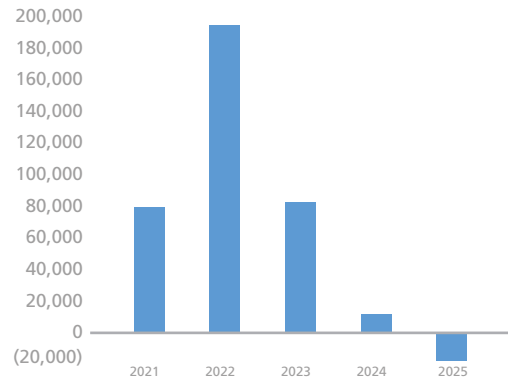
Revenue

For the year ended 31 December
RMB'000



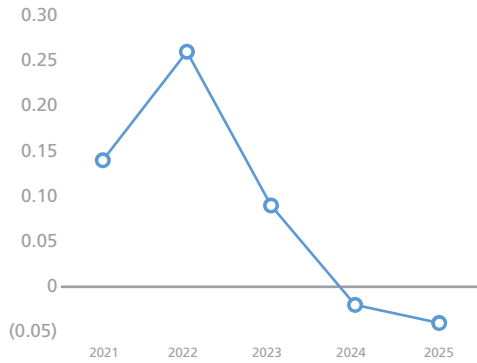
Profit for the year

For the year ended 31 December
RMB'000



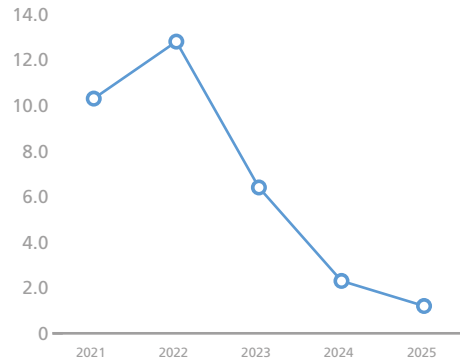
Gross profit margin

For the year ended 31 December
%



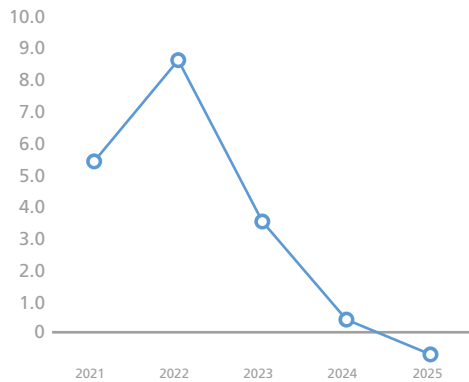
Net profit margin

For the year ended 31 December
%



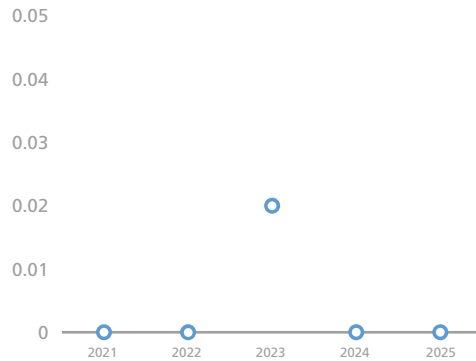
Earnings per share

For the year ended 31 December
RMB



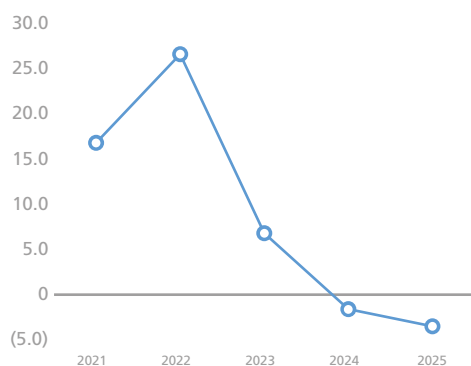
Dividend per share

For the year ended 31 December
RMB'000



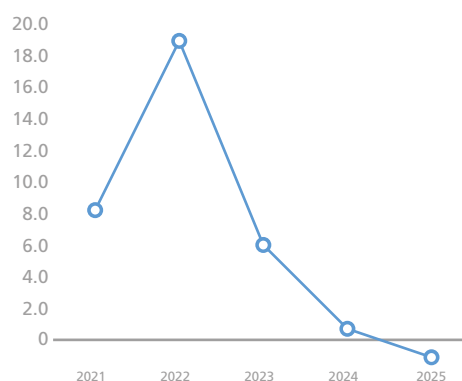
Return on equity

For the year ended 31 December
%



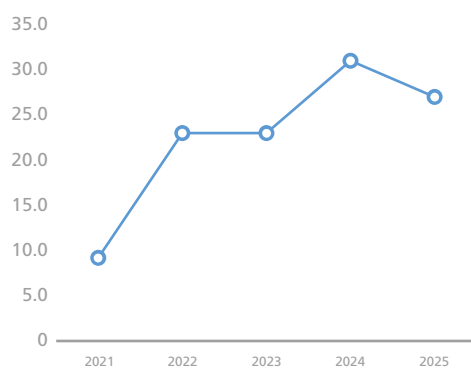
Return on assets

For the year ended 31 December
%



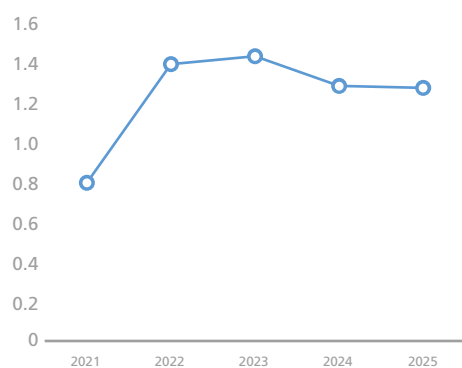
Gearing ratio

For the year ended 31 December
Times



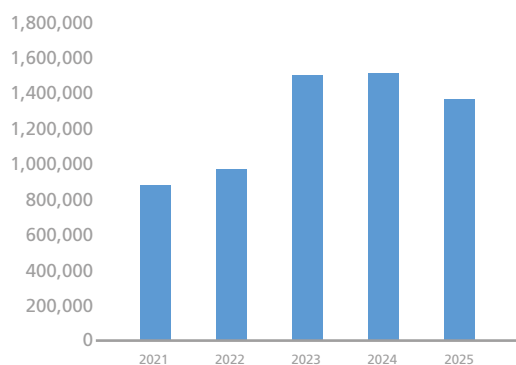
Current ratio

For the year ended 31 December
Times



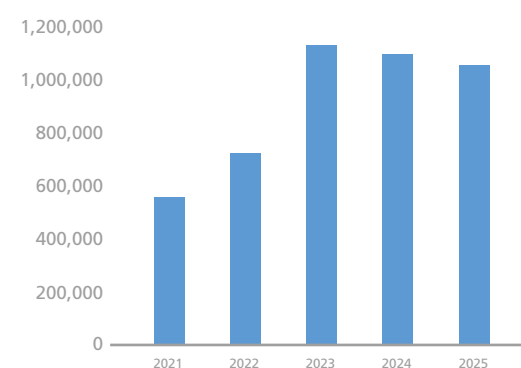
Total assets

For the year ended 31 December
RMB'000



Total equity

For the year ended 31 December
RMB'000



6 CHAIRMAN'S STATEMENT

I am pleased to present to you the annual results of the Group for the year ended 31 December 2025 (the "Year"), being the third year since the Company's listing.

In 2025, the Chinese economy demonstrated strong resilience in the face of internal and external challenges and achieved its expected growth targets through coordinated policy efforts. Meanwhile, structural issues such as insufficient demand, adjustments in the real estate market, and local government debt remain challenges that require ongoing attention and resolution. In 2025, sales of the Group's key product, hydrogenated benzene-based chemicals, increased by 5.2% to approximately 371,500 tonnes. Compared with the same period, the average selling price recorded a decrease of 21.8%, while the average purchase price (including VAT) of its raw materials (mainly crude benzene) decreased by 23.9%. However, due to equipment maintenance and calibration carried out at the production facilities, the production cost per tonne increased by 11.2%. Therefore, despite a significant decrease in the consumption tax on sales of non-aromatic hydrocarbons in 2025, the product's gross profit margin only improved to -1.2% (2024: -1.7%).

In terms of energy products, LNG sales volume decreased by 6,000 tonnes or 8.5% compared with 2024, mainly due to equipment maintenance and calibration. The average selling price decreased by approximately 7.3%, while the average purchase price of its raw materials (mainly coal gas) increased by 5.0%. Coupled with a 4.6% increase in production costs also resulting from equipment maintenance and calibration at the production facilities, the gross profit margin of the energy products segment decreased from 16.1% in 2024 to 8.8%.

Overall, the Group's gross profit margin decreased from 2.3% in 2024 to 1.2% in 2025, while the loss attributable to owners of the Company for the Year increased from approximately RMB16.0 million in 2024 to approximately RMB34.3 million in 2025.

2025 was a critical turning year for China's hydrogen energy industry as it transitioned comprehensively from demonstration and verification to large-scale commercialization. Under the impetus of the commencement of the "15th Five-Year Plan" and the intensive rollout of top-level policies, 2026 has entered a new development stage characterized by "simultaneous quantitative growth and qualitative change". In early 2026, the General Office of the Henan Provincial Government issued the *Several Policy Measures of Henan Province to Accelerate the Green and Low-Carbon Development of the Manufacturing Industry* 《河南省加快推動製造業綠色低碳發展的若干政策措施》, explicitly identifying hydrogen energy, along with new energy vehicles, energy-saving and environmental protection equipment, new energy storage, new-type batteries, and intelligent computing, as one of the six key green and low-carbon industries for cultivation. The Jiyuan City in Henan Province, where the Group's production base is located, is part of the selected Zhengzhou City Cluster. The cluster aims to achieve the goal of building "Henan's largest hydrogen source supply base", planning a future hydrogen production scale of up to 1.3 billion cubic meters per year. The Group (including its joint venture company) has already formed a hydrogen production capacity of over 300 million cubic meters per year and has put five hydrogen refuelling stations into operation in Jiyuan, Zhengzhou, and other locations. Its hydrogen transmission volume in 2025 reached 1,552 tonnes (2024: 746 tonnes), serving approximately 76,000 vehicles. The Group will continue to invest in hydrogen production capacity and hydrogen refuelling stations.

For the production operations of hydrogenated benzene-based chemicals and energy products, the Group will continue to invest in production efficiency, safety, and environmental protection to enhance operational efficiency and stability and reduce production costs, hoping to capture opportunities for simultaneous increases in price and volume arising from geopolitical conflicts in oil-producing regions.

In light of the Company's operating performance, the Board has resolved not to declare a final dividend for the year ended 31 December 2025.

Lastly, I would like to take this opportunity to express, on behalf of the Board, our sincere gratitude to the management and staff for their hard work and dedication, as well as to our business partners for their long-standing trust and support.

HENAN JINYUAN HYDROGENATED CHEMICALS CO., LTD.*

Yiu Chiu Fai

Chairman

24 April 2026

OVERVIEW

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

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

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

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

FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE GROUP

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

General Economic Conditions and Demand in Downstream Industries

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

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

Prices of the Group's Raw Materials and Products

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

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

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

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

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

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

Crude benzene:

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

Crude coking coal gas:

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

Production Capacity and Sales Volume

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

Access to and Cost of Financing

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

OPERATING PERFORMANCE

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

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

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

Consolidated Financial Information

- **Revenue and gross profit margin**

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

- **Other income**

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

- **Other gains and losses**

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

- **Selling and distribution expenses**

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

- **Administrative expenses**

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

- **Finance costs**

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

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

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

- **(Loss) Profit before tax**

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

- **Income tax credit (expense)**

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

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

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

Results of Business Segments

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

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

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

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

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

FINANCIAL POSITION

Liquidity and Financial Resources

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

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

Cash Flow

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

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

- **Cash Flow from Operating Activities**

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

- **Cash Flow used in Investing Activities**

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

- **Cash Flow used in Financing Activities**

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

Liabilities

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

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

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

16 MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

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

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

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

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

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

FINANCIAL RATIOS

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

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

Gearing Ratio

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

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

Return on Equity

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

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

Return on Assets

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

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

CONTRACT OBLIGATIONS AND CAPITAL EXPENDITURES

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

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

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

OFF-BALANCE SHEET ARRANGEMENT

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

CONTINGENT LIABILITIES (OR ASSETS WITH CONTINUING INVOLVEMENT)

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

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

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

SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

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

MARKET RISKS

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

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

Commodity Price Risk

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

Interest Rate Risk

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

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

Credit Risk

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

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

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

Liquidity Risk

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

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

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

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

DISTRIBUTABLE RESERVES

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

DIVIDEND

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

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

MAJOR DEVELOPMENTS

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

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

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

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

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

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

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

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

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

USE OF PROCEEDS FROM THE LISTING

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

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

Business purpose as disclosed in the prospectus	Intended use of net proceeds		Actual use of net proceeds during the reporting period	Unutilised net proceeds as at 31 December 2025	Estimated timetable for utilisation
	RMB'000	%	RMB'000	RMB'000	
Gas stations with hydrogen refuelling facility	194,574	85	0	194,574	2025-2027
Investment in and/or acquisition of upstream and downstream players	11,445	5	0	11,445	2025-2027
Working capital and other general corporate purposes	22,891	10	11,040	11,851	2025-2027
	<u>228,910</u>	<u>100</u>	<u>11,040</u>	<u>217,870</u>	

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had 392 employees (for the Group in 2024: 400), including 2 senior management (excluding the Directors) (for the Group in 2024: 2), 17 middle management (for the Group in 2024: 18) and 371 ordinary employees (for the Group in 2024: 380). For the year ended 31 December 2025, the staff cost of the Group amounted to approximately RMB43.0 million, compared with that of approximately RMB42.7 million recorded for the same period of last year.

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

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

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

Their emoluments were within the following bands:

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

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

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

Pension Schemes

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

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

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

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

CORPORATE GOVERNANCE CODE AND THE ARTICLES OF ASSOCIATION

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

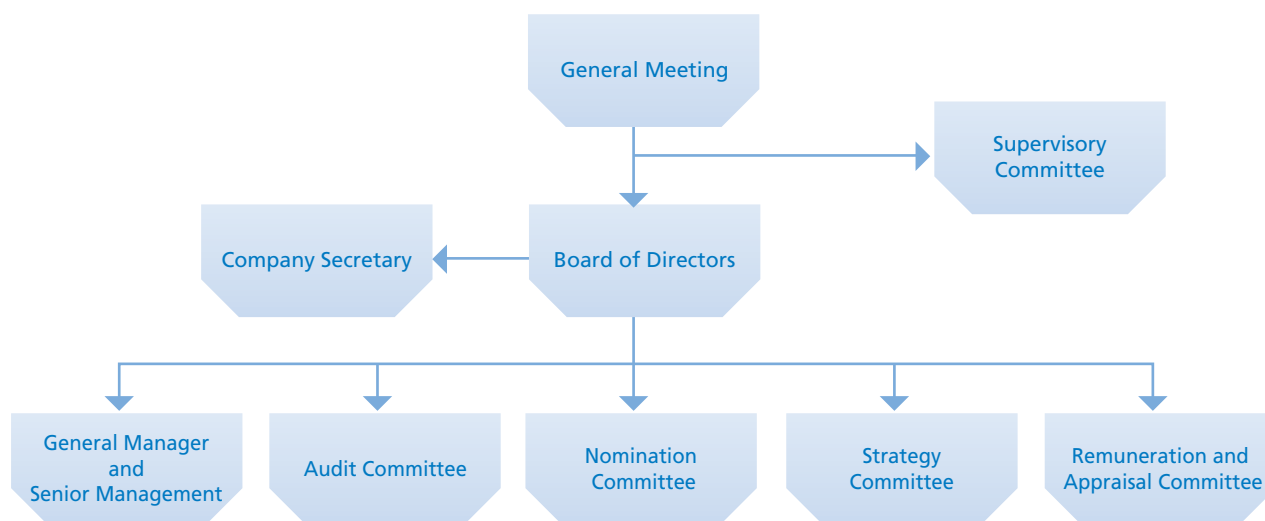
Meanwhile, the Company has also adopted the Code as set out in Appendix C1 to the Listing Rules, and formulated a series of rules (such as Internal Audit Rules, Internal Control and Evaluation Rules, Compliance Management Rules and External Investment Management Rules, etc.) as well as the terms of reference of the Nomination Committee, the Remuneration and Appraisal Committee and the Audit Committee, to achieve the objective of good corporate governance. This report will further clarify how the Company applies the principles of good corporate governance set out in the Code to enable shareholders' evaluation of such application.

During the Reporting Period, save as disclosed below, the Company has complied with the Listing Rules and all code provisions to the Code:

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

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance structure of the Company is as follows:



The Board is responsible for performing corporate governance functions. In 2025, the Board performed the following duties in relation to its corporate governance functions (for details, please refer to the summary of the main work performed by the Board in 2025 in this report (page 28)):

- developed and reviewed the Company's corporate governance policies and practices;
- reviewed and monitored the training and continued professional development of Directors and senior management members;
- reviewed and monitored the Company's policies and practices in complying with legal and regulatory requirements;
- developed, reviewed and monitored the code of conduct and compliance manuals for employees and Directors; and
- reviewed the Company's compliance with the Code and disclosure in the Corporate Governance Report.

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 and the company secretary has also issued to all Directors and Supervisors a compliance notice of suspension of trading during the black-out period in accordance with the Model Code. Having made specific enquiries of all Directors and Supervisors, the Company hereby confirms that all Directors and Supervisors have complied with the standards as set out in the Model Code for the trading of securities by Directors.

BOARD OF DIRECTORS

The first session of the Board consists of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors. The Directors are appointed by our shareholders for a term of three years until 28 July 2026 and may be appointed for consecutive terms. The list of members of the first session of the Board is set out below:

Executive Directors

Mr. Wang Zengguang (General manager)

Mr. Qiao Erwei (Deputy general manager and Board secretary)

Non-executive Directors

Mr. Yiu Chiu Fai (Chairman of the Board)

Mr. Wang Kaibao (*resigned on 30 January 2026*)

Mr. Xu Fenglei (Vice Chairman of the Board) (*appointed on 30 January 2026*)

Mr. Wang Lijie

Independent non-executive Directors

Ms. Wong Yan Ki Angel

Mr. Di Zhigang

Ms. Leung Sin Yeng Winnie

The Board held 6 physical meetings and 7 meetings via written resolutions during the year ended 31 December 2025. The attendance of each Director of the Company at the Board meetings and the general meetings held in 2025 is as follows:

<u>Directors</u>	<u>Attendance at Board meetings</u>	<u>Attendance at general meeting</u>
Executive Directors		
Mr. Wang Zengguang	6/6	3/3
Mr. Qiao Erwei	6/6	3/3
Non-executive Directors		
Mr. Yiu Chiu Fai	6/6	3/3
Mr. Wang Kaibao	3/6	0/3
Mr. Wang Lijie (<i>Note 1</i>)	4/6	3/3
Independent non-executive Directors		
Ms. Wong Yan Ki Angel	6/6	3/3
Mr. Di Zhigang	5/6	3/3
Ms. Leung Sin Yeng Winnie	6/6	3/3

Note 1: The relevant Director appointed another Director as his representative to attend and vote at two of the Board meetings on his behalf.

Note 2: Mr. Xu Fenglei was only appointed as a Director on 30 January 2026. Hence, his attendance is not included in the table above.

The division of responsibilities between the Board and the management of the Company is clear. The Board is responsible for formulating the overall strategy of the Company, setting management objectives, regulating internal control and financial management, and overseeing the management's performance. The Company's day-to-day operation and management are undertaken by the Company's management under the authorization of the Board. The functions and powers of the Board are expressly stated in Article 108 of the Articles of Association.

The roles of chairman and general manager of the Company are held by different individuals. The chairman of the Board is Mr. Yiu Chiu Fai and the general manager is Mr. Wang Zengguang.

The chairman of the Board exercises the functions and powers provided in laws, regulations, bylaws, regulatory documents, regulatory rules of securities regulatory authorities or stock exchanges where the Company's shares are listed, the Articles of Association and other management rules and regulations of the Company or functions and powers delegated by the Board. The functions and powers of the chairman of the Board are expressly stated in Article 112 of the Articles of Association.

The general manager is the person in charge of the daily operation and management of the Company under the leadership of the Board, and is accountable to the Board. The day-to-day operational matters of the Company shall be, in principle, approved and decided by the general manager, other than those that should be submitted to higher level governing bodies for approval in accordance with laws, regulations, bylaws, regulatory documents, regulatory rules of securities regulatory authorities or stock exchanges where the Company's shares are listed, the Articles of Association or other management rules and regulations of the Company. The specific duties of the general manager shall be performed in accordance with the Articles of Association and other management rules and regulations of the Company. The functions and powers of the general manager are expressly stated in Article 128 of the Articles of Association.

The Board comprises three non-executive Directors, namely Mr. Yiu Chiu Fai, Mr. Xu Fenglei and Mr. Wang Lijie. The term of office of Mr. Yiu Chiu Fai and Mr. Wang Lijie became effective from 28 July 2023, and the term of office of Mr. Xu Fenglei became effective from 30 January 2026. The term of office of each of the three non-executive Directors will end on 28 July 2026. Mr. Xu Fenglei has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 22 January 2026, and has confirmed that he understood his obligations as a Director of the Company.

The Board comprises three independent non-executive Directors, accounting for more than one-third of the members of the Board. The three independent non-executive Directors are experts in accounting, energy technology and finance with appropriate qualifications. The chairman of the Audit Committee, Ms. Wong Yan Ki Angel, has appropriate accounting and financial management expertise and experience, and her term of office became effective from 22 October 2023. The term of office of Mr. Di Zhigang and Ms. Leung Sin Yeng Winnie became effective on 28 July 2023 and 16 August 2023, respectively. The term of office of each of the three independent non-executive Directors will end on 28 July 2026.

The Board is committed to ensuring the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors. In addition to complying with the requirements of the Listing Rules on the composition of certain Board committees, the Company also appoints independent non-executive Directors to other Board committees to ensure independent views as far as possible. The Company also formulated and implemented the Mechanism for Ensuring Independent Views and Opinions of the Board 《確保董事會取得獨立觀點及意見機制》, whereby independent non-executive Directors (like other Directors) are entitled to seek for further information from the management on matters to be discussed at Board meetings. They can also seek assistance from the Company's company secretary and independent professional advice, where necessary, at the Company's expense. The Board has reviewed the implementation and effectiveness of this mechanism and confirmed the effectiveness of the policy and will continue to review the implementation and effectiveness of such mechanism. The chairman of the Board of the Company has held a meeting with independent non-executive Directors without the presence of other Directors to discuss material matters and any concerns.

The Board confirms that none of the independent non-executive Directors has served for more than nine years, and equity-based remuneration linked to performance has not been granted to any independent non-executive Directors. All three independent non-executive Directors have submitted written confirmations to the Company for their independence.

After making reasonable enquiry with the members of the Board (including the chairman of the Board and the general manager), the Company confirms that there is no financial, business, family or other material or relevant relationship between the members of the Board (including the chairman of the Board and the general manager).

Save for entering into service contracts and except as otherwise disclosed in this report, none of the Directors, Supervisors and their connected entities had entered into any major transactions, arrangements or contracts with the Company directly or indirectly in 2025.

After making reasonable enquiry with the members of the Board, the Company confirms none of the Directors have any interests in other businesses which compete or may compete with the businesses of the Company (for example, as a director, substantial shareholder, partner or sole proprietor).

A summary of the main work performed by the Board in 2025 is as follows:

- approved the working report of the Board and the annual results announcement for 2024 of the Company;
- reviewed the auditor's report and annual report for 2024 of the Company;
- approved the interim report and interim results announcement for 2025 of the Company;
- considered and proposed the payment of the final dividend for 2024 and considered the payment of the interim dividend for 2025;
- considered and proposed the re-appointment of auditor;
- approved the agenda for convening general meetings.

The Company places considerable emphasis on the training and continuing professional development of its Directors. The Company recognises that personal development is primarily based on work experience but needs to be supplemented by different training. In 2025, the Company encouraged its Directors to participate in e-learning and also arranged different corporate training for its Directors. By participating in the training, the Directors refreshed and enhanced their knowledge and skills to ensure that they are fully informed and have the necessary input into the work of the Board.

According to the records kept by the Company, as of 31 December 2025, all Directors have complied with the code provisions on continuing professional development under the Code for training.

Directors	Topic		
	Rules on Connected Transactions	Regulatory Requirements Ch. 14, 14A and the Model Code of the Listing Rules	Continuing Obligations of Hong Kong Listed Companies (Online training)
Executive Directors			
Mr. Wang Zengguang	√	√	√
Mr. Qiao Erwei	√	√	√
Non-executive Directors			
Mr. Yiu Chiu Fai	√	√	√
Mr. Wang Kaibao			√
Mr. Wang Lijie	√	√	√
Independent non-executive Directors			
Ms. Wong Yan Ki Angel	√	√	√
Mr. Di Zhigang		√	√
Ms. Leung Sin Yeng Winnie	√	√	√

Note: Mr. Xu Fenglei was only appointed as a Director on 30 January 2026. Hence, his attendance is not included in the table above.

AUDIT COMMITTEE

The Board has established the Audit Committee.

The Audit Committee is primarily responsible for making recommendations on the appointment, re-appointment and removal of the external auditor, reviewing the Company's financial information, overseeing the Company's financial reporting system, risk management and internal control systems, and reporting to the Board on all matters within its terms of reference.

The Audit Committee held five meetings during the year ended 31 December 2025. A list of the members and the attendance of each of its members at its meetings during 2025 are as follows:

Director	Attendance at Audit Committee's meetings
Ms. Wong Yan Ki Angel (Chairwoman) (independent non-executive Director)	5/5
Mr. Wang Kaibao (non-executive Director) (<i>resigned on 30 January 2026</i>)	1/5
Mr. Di Zhigang (independent non-executive Director)	5/5

Note: Mr. Xu Fenglei was appointed as a member of the Audit Committee on 30 January 2026. Hence, his attendance is not included in the table above.

As of the date of this report, a summary of the main work performed by the Audit Committee is as follows:

- reviewed the audited financial statements for 2024 and the unaudited condensed consolidated interim financial statements for 2025 of the Company;
- reviewed the interim report for 2025 of the Company;
- reviewed the report on the 2025 audit plan;
- reviewed the letter from the external auditor to the management;
- monitored and reviewed the adequacy and effectiveness, follow-up actions and implementation of the risk management, internal audit function and internal control system of the Group;
- reviewed and monitored the independence and objectivity of the external auditor; and
- advised the Board on the re-appointment of the external auditor.

The Audit Committee has reviewed the audited financial statements for the year ended 31 December 2025.

The auditor of the Company has audited the 2025 financial statements, and issued an unqualified auditor’s report.

REMUNERATION AND APPRAISAL COMMITTEE

The Board has established the Remuneration and Appraisal Committee.

The Remuneration and Appraisal Committee is primarily responsible for making recommendations to the Board on the Company’s remuneration policy and structure for the Directors and management of the Company, having regard to the Group’s operating results, individual performance of the Directors and senior management and comparable market practices, and on the establishment of a formal and transparent procedure for developing remuneration policy. The committee also reviews compensation matters relating to the resignation of Directors or senior management. The Company has adopted Code Provision E.1.2(c)(ii) contained in Part 2 of the Code, i.e. the Remuneration Committee recommends to the Board remuneration packages of the individual executive Directors and senior management.

The Remuneration and Appraisal Committee held two meetings during the year ended 31 December 2025. A list of the members and the attendance of each of its members at its meetings during 2025 are as follows:

Directors	Attendance at Remuneration and Appraisal Committee’s meeting
Mr. Di Zhigang (Chairman) (independent non-executive Director)	2/2
Mr. Yiu Chiu Fai (non-executive Director)	2/2
Ms. Leung Sin Yeng Winnie (independent non-executive Director)	2/2

During the above meetings held in 2025, the Remuneration and Appraisal Committee discussed and considered the remuneration policy, the structure of the Directors and the management of the Company, and proposed remuneration packages of proposed director and supervisor to the Board.

NOMINATION COMMITTEE

The Board has established the Nomination Committee.

The Nomination Committee is primarily responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The committee is also responsible for identifying, and assessing the suitability and qualification of, candidates to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorships.

The Nomination Committee held two meetings during the year ended 31 December 2025. A list of the members and the attendance of each of its members at its meetings during 2025 are as follows:

Directors	Attendance at Nomination Committee's meeting
Ms. Leung Sin Yeng Winnie (Chairwoman) (independent non-executive Director)	2/2
Mr. Wang Zengguang (executive Director)	2/2
Ms. Wong Yan Ki Angel (independent non-executive Director)	2/2

A summary of main work performed by the Nomination Committee in 2025 is as follows:

- assessed the independence of the independent non-executive Directors;
- reviewed the structure, size and composition of the Board;
- agreed to and approved the composition of the Board and management of the Company;
- approved the nomination policy of Directors of the Company;
- reviewed the Board Diversity Policy of the Company; and
- recommended candidate as a director to the Board.

The Company has developed and adopted the Board Diversity Policy to enhance the effectiveness of the Board and maintain a high standard of corporate governance. When selecting candidates to the Board, the Nomination Committee will consider a wide range of factors, including but not limited to, the appropriate balance of gender, skills, age, cultural and education background, ethnicity, professional experience, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time, in order to achieve board diversity. The committee will also conduct discussions each year and agree on all the measurable objectives for board diversity, and will recommend to the Board relevant objectives for adoption.

Our Directors have a balanced mix of knowledge and skills, including overall corporate governance, business strategies and planning, engineering, finance and business administration. They also obtained degrees in various areas, including chemical engineering, economic management, materials science, finance, business administration, global business, accounting and law. The Company has three independent non-executive Directors with different industry backgrounds, accounting for one-third of the Board members. In addition, the Board is of a wide range of ages, ranging from 38 to 57. The Board confirmed that the members of the Board of the Company are not all single-sex members, with Ms. Wong Yan Ki Angel and Ms. Leung Sin Yeng Winnie serving as independent non-executive Directors of the Company, showing that the Company puts a high value on female's opinions and views. To achieve gender diversity, the Company sets a goal to achieve female participation at the board at no less than one female member, which has already been achieved. Taking into account our existing business model and specific needs as well as the different background and abilities of our Directors, our Directors are of the view that the current composition of our Board satisfies our board diversity policy. To achieve gender diversity, the Company sets a goal to achieve female participation at different levels of the organisation of no less than 15%.

The Company is mainly engaged in the supply of hydrogenated benzene-based chemicals and energy products, and actively recruits talents in relevant disciplines. However, most of these disciplines are traditionally dominated by men, and given that the working environment involves high temperature and the operation of heavy machinery, fewer females work in the industry, presenting challenges for the Company's diversity effort. With a view to developing a pipeline of potential successors to our Board that may achieve gender diversity, we will (i) make appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of our Group by recruiting staff of different gender; (iii) consider the possibility of nominating female management staff who have the necessary skills and experience to our Board; and (iv) provide career development opportunities and more resources in training female staff with the aim of promoting them to our senior management or our Board so that we will have a pipeline of female senior management and potential successors to our Board in a few years' time. Nevertheless, in order to achieve gender diversity and attract more women to join the Group, the Company provides tangible benefits to female employees, including: organizing regular physical examination activities for female employees each year; providing nursing room and other ancillary facilities for female employees to breastfeed during work hours. During the Reporting Period, the female employees of the Company (including senior management) accounted for approximately 20% of the total employees. Therefore, the Board confirmed that the Company has achieved the measurable objective of gender diversity. Moreover, the Company confirms that this policy is effective and it will continue to review the feasibility of this goal and the challenges and factors faced in achieving the objective. It will also actively participate in more welfare discussions for female employees to attract more women to join the Company.

Moreover, the Company has formulated and adopted the "Nomination Policy of Directors". The Nomination Policy of Directors covers selection criteria, nomination procedures, terms of confidentiality, supervision and reporting, and policy review. Several factors are considered when nominating Board candidates, including but not limited to the following:

- reputation and integrity;
- achievements, talents, skills, knowledge and experience in the hydrogenated benzene-based chemicals and energy products industries, business and economics area, accounting;
- views and perspectives that can be brought to the Board;
- commitment in respect of available time and relevant interest;
- independence of independent non-executive Directors; and
- the objective of the Board Diversity Policy, considering factors including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service etc.

These factors are not exhaustive nor decisive. The Nomination Committee can decide to nominate any candidate that is considered suitable. The Nomination Committee will review the “Nomination Policy of Directors” annually and make reference to the Board Diversity Policy in filling director vacancies to procure the diversity of the Board.

A summary of the nomination process for Directors is as follows:

- the chairman of the Nomination Committee shall convene a Nomination Committee meeting and invite the Board members to nominate candidates (if any) for consideration before the meeting. The Nomination Committee may also nominate candidates from other different sources (such as professional societies, professional headhunting companies, recommendations by the Shareholders or management, internal promotion, etc.);
- the Nomination Committee shall recommend candidates for consideration and approval by the Board, with reasons for consideration and recommendation provided to the Board;
- the Board recommends candidates to stand for election at a general meeting;
- the Company will issue a circular to shareholders to provide information on candidates nominated by the Board for election at a general meeting. The names, resumes (including eligibility and related experience), independence, proposed emoluments and other information of the candidates will be set out in the circular to the shareholders in accordance with the applicable laws, rules and regulations;
- if the Shareholders wish to recommend a person to be elected as a Director of the Company at a general meeting, they may refer to the “Procedures for a Member to Propose a Person for Election as a Director” which has been uploaded to the Company’s website for the relevant procedures; and
- the election of Board members shall be proposed as ordinary resolutions at a general meeting, and shall be passed by more than one-half of the voting rights held by shareholders (including proxies) attending the general meeting.

STRATEGY COMMITTEE

The Board has established the Strategy Committee.

The Strategy Committee mainly conducts research and makes recommendations on the Company’s long-term development strategy, major investment decisions, and medium and long-term plans, as well as monitoring the implementation of the strategic development plan of the Company.

The list of members of the Strategy Committee of the Company is as follows:

Directors

Mr. Wang Kaibao (Chairman) (non-executive Director) (*resigned on 30 January 2026*)

Mr. Xu Fenglei (Chairman) (non-executive Director) (*appointed on 30 January 2026*)

Mr. Wang Zengguang (executive Director)

Mr. Wang Lijie (non-executive Director)

AUDITOR'S REMUNERATION

The auditor of the Company is Deloitte Touche Tohmatsu (“**Deloitte**”). The Directors do not have any opinion to the contrary on the selection and appointment of Deloitte as the auditor. For the year ended 31 December 2025, the audit service fees were approximately RMB0.9 million, other audit service fees were approximately RMB0.1 million and non-audit services fees were approximately RMB0.1 million.

The non-audit services provided to the Group represented the assurance services related to the environmental, social and governance report of the Company.

RESPONSIBILITIES OF DIRECTORS AND AUDITOR FOR FINANCIAL STATEMENTS

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

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

For the statement of the auditor about its responsibilities for reporting the financial statements, please refer to the section headed “Independent Auditor's Report” on pages 106 to 109 in this report.

COMPANY SECRETARY

The company secretary of the Company is Ms. Lee Kwan Ying Adrienne. The biography of Ms. Lee is as follows:

Ms. Lee Kwan Ying Adrienne (李坤瑩), aged 37, is the company secretary of our Company appointed on 1 August 2023. She is primarily responsible for the corporate governance, company secretarial and capital markets matters of our Group.

Ms. Lee joined the Jinma Group in June 2023 and served as the manager of the company secretarial and capital markets department of Jinma Energy, and assisted on the legal compliance, corporate governance and company secretarial work of the Jinma Group.

Prior to joining the Jinma Group, Ms. Lee served as an assistant solicitor in Reed Smith Richards Butler LLP (formerly known as Reed Smith Richards Butler) from January 2016 to November 2020, specialising in corporate finance.

Ms. Lee obtained a bachelor's degree in business administration (law), a bachelor's degree in laws and the postgraduate certificate in laws from The University of Hong Kong in Hong Kong in November 2010, November 2012 and June 2013, respectively. Ms. Lee was admitted as a solicitor of the High Court of Hong Kong in November 2015.

The company secretary has attended relevant professional training for no less than 15 hours in 2025.

Major changes in the information of Directors and Supervisors

There are no major changes in the information of Directors and supervisors during the Reporting Period.

SHAREHOLDERS' RIGHT

Pursuant to the Articles of Association, shareholders holding 10% or more of the Company's outstanding shares carrying voting rights may request in writing that an extraordinary general meeting be convened. Please refer to Article 48 of the Articles of Association for the detailed procedure regarding such shareholder's request for convening an extraordinary general meeting.

Pursuant to the Articles of Association, when the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the Company's shares carrying voting rights shall have the right to put forward a new proposal in writing to the Company by any of the means mentioned below in the "Communications with Shareholders and Investors" section. The Company shall include the contents of the proposal that fall within the scope of power of the shareholders' general meeting into the agenda of the said meeting.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with its shareholders is essential to enhancement of the relationship with investors and enhancement of investors' understanding of the Company's business and strategies.

The Board has adopted a formal Shareholders Communication Policy to ensure that shareholders are provided with ready, equal and timely access to the Company's information. We have established effective communication channels in accordance with the Shareholders Communication Policy to encourage effective shareholders' engagement and communication with shareholders. The Board has reviewed the Shareholders Communication Policy. Since the Policy has provided effective channels for shareholders to express opinions to the Company and the Company has complied with such Policy, the Board has agreed that the Policy has been properly implemented and is effective. The Company will continue to promote investor relations and enhance its communication with shareholders. A summary of the Shareholders Communication Policy is as follows:

We maintain a corporate website (www.jyqhghg.com) to keep our shareholders and the investing public informed about our share price information, latest business developments, annual and interim results announcements, financial reports, public announcements, corporate governance policies and practices and other relevant shareholder information.

The Company views its annual general meeting as one of the important platforms to communicate with shareholders and encourages all Directors to make an effort to attend the annual general meeting. The Company also encourages shareholders to raise questions at the annual general meeting. All members of the Board, management officers and external auditors will attend the annual general meeting to answer questions from shareholders. Shareholders may at any time raise enquiries to the Board. Such enquiries may be made by any of the following means:

- Mail a letter to the Company's principal place of business in Hong Kong at Unit 2801, 28th Floor, 88 Hing Fat Street, Causeway Bay, Hong Kong, addressed to the company secretary;
- Call the Company at +852 3115 7766;
- Send an email to the Company at adriennelee@hnmny.com; or
- Raise enquiries at the general meeting.

CORPORATE CULTURE: BUILD A CENTURY-OLD JINMA BY STRIVING TOWARDS EXCELLENCE

The Company's vision is to advance industry-wide technological progress, build an environmentally friendly and energy-saving enterprise and fulfil corporate social responsibilities so as to achieve its core values of integrating efficiency, benefit and responsibility. Led by such vision and core values on the way to achieving its mission, the Group incorporates economic growth, environmental protection and social responsibility into its business strategies, and creates sustainable value for customers with high-quality products. Building a healthy corporate culture within the Group is crucial for the Company to achieve its vision and mission of sustainable development. The Board has the responsibility to build a corporate culture to provide guidance for employees' behaviour. The Board of the Company has evaluated and confirmed that the Company's vision, values and business strategies are in line with its corporate culture.

PRINCIPLES OF DEVELOPMENT

The Company is steadfast in promoting high-quality development. It has won the titles of provincial-level innovative small and medium-sized enterprise, smart factory, and quality benchmark enterprise, and received approval to set up the Henan Engineering Technology Research Centre for Crude Benzene Refining Process, laying a solid foundation for innovation and accelerating the cultivation of new productive forces. Striving to build a first-grade enterprise in safe production standardisation and an A-class enterprise in environmental performance, the Company has continuously improved the intrinsic safety standards and vigorously promoted green and low-carbon recycling development. It has also worked hard to enhance the comprehensive competencies and qualities of employees to build a first-class team and the Company's core competitiveness.

PRINCIPLE OF INTEGRITY

Integrity is the basic principle that the employees of the Company shall follow when they cooperate with each other and conduct business activities with commercial partners. The Company has formulated human resource management policies to build a mutually respectful, inclusive and friendly environment in the workplace. In terms of business ethics, the guidelines for employee conduct are set out in the Group's code of conduct and anti-corruption policies. In order to support the implementation of the above policies, the Group offers relevant training courses on a regular basis to promote and reinforce the Group's values of acting in a lawful, ethical and responsible manner.

For the efforts made by the Company relating to anti-corruption, please refer to the section headed "Environmental, Social and Governance Report" on pages 40 to 81 of this annual report.

ACHIEVEMENT OF EXCELLENCE

The Company has been awarded the 2023 Advanced Unit (Special Contribution Unit for High-Quality Development) in the Jiyuan High-tech Zone, included in the list of Quality Benchmark of Henan Province for 2023 by the Department of Industry and Information Technology of Henan (for its application experience in implementing automated manufacturing to enhance product quality), included in the list of Jiyuan's municipal-level engineering technology research centres whose establishment has been initially approved by the Industrial and Technological Innovation Committee of the Jiyuan Demonstration Zone in 2023, and awarded the Labor Security Integrity Rating of the Jiyuan Demonstration Zone for 2023 by the Human Resources and Social Security Bureau of the Jiyuan Industry-City Integration Demonstration Zone. It also obtained the Energy Management System Certification and certifications for chemical enterprises in sodium carbonate, coking, rubber and plastic products, pharmaceuticals and others. The Company ranked 86th on the list of Henan Province's demonstration enterprises for digital transformation of SMEs in 2023, and was included in the list of engineering technology research centres of Henan Province in 2023. In 2024, the Company was included in the list of green factories in Henan Province, and its subsidiary, Jinrui Energy, was recognized as a specialized and innovative small and medium-sized enterprise in Henan Province in 2025.

DEVELOPMENT STRATEGIES

The Group intends to implement the following strategies to further grow our business, strengthen our market position, and create value for our Shareholders:

- (a) in respect of hydrogenated benzene-based chemicals, to invest in production efficiency and safety, and environmental protection and continue to upgrade our production facilities to maintain our market position in the hydrogenated benzene-based chemicals industry: in 2025, following research and site inspections, the Company plans to carry out a capacity expansion and revamping project to process 300,000 tonnes per annum of crude benzene hydrogenation, reducing the yield of heavy benzene while increasing the yield of higher-priced mixed xylene, thereby enhancing the overall profitability of the Company. To achieve a Grade B environmental performance enterprise by 2026, the Company will reduce the frequency of production suspensions during environmental control periods and improve production efficiency;
- (b) in respect of LNG, to improve the efficiency and stability of production and reduce production costs: the Company plans to carry out a quality enhancement and capacity expansion project in 2026, thereby improving production stability and continuity. In addition, deep cryogenic liquefaction capacity and LNG output, while reducing production costs; and
- (c) in respect of hydrogen, to focus on hydrogen supply to fuel cell vehicles, build a network of hydrogen gas stations and expand the Group's footprint in hydrogen energy industry chain, the Company will continue to develop hydrogen application scenarios and stabilise the existing hydrogen supply network.

ADMINISTRATIVE RULES ON ANTI-FRAUD AND WHISTLEBLOWING MECHANISM

In order to prevent corruption, strengthen the governance and internal control of the Company, reduce the risk of the Company, improve its operation, ensure the achievement of the Company's operation goals and its sustainable, stable and healthy development, as well as to safeguard the lawful interests of the Company and Shareholders, the Company formulated the Administrative Rules on Anti-Fraud and Whistleblowing Mechanism based on the actual situation of the Company.

For the efforts made by the Company relating to anti-corruption, please refer to the section headed "Environmental, Social and Governance Report" on pages 40 to 81 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms its responsibility for overseeing the Group's risk management and internal control systems on an ongoing basis and reviewing their effectiveness. The Audit Committee is authorised by the Board to review the Group's risk management and internal control systems at least annually. Such systems are established to manage rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable rather than absolute assurance against material misstatement or loss.

The Group has an internal audit function to conduct analyses and independent assessments on whether the Group's risk management and internal control systems are adequate and effective.

Risk management and internal control procedures

The risk management and internal control procedures of the Group are as follows:

- **Main features of risk management and internal control systems**

Taking a risk-based approach which focuses on control and integrating risk management, internal control and process management to establish a sound comprehensive risk management and internal control system.

- **Risk management procedures**

First, establish a Risk Database for risk management at three levels, classify the risk levels based on the features or processes of the operation and management activities that involve risks, identify and set a list of risks; then assess the identified risks in terms of their possibilities of occurrence and impacts through scored surveys and questionnaires, and rank the risks based on their levels of importance; last, conduct risk diagnosis for risk liabilities, and provide suggestions for dealing with the risks.

- **Procedures for reviewing the effectiveness of the risk management and internal control systems**

Pursuant to the Company's Internal Control Evaluation Policy and the operation monitoring – internal evaluation of internal control procedures as set out in the Internal Control Manual, as well as the requirements of the Audit Committee, the Audit Department and the Corporate Governance Department of the Company carry out risk and internal control evaluation annually to review whether the risk management and internal control systems have deficiencies, and formulate reports to be reviewed by the Audit Committee and the Board.

- **Procedures for resolving material internal control deficiencies**

If the Audit Department, the Corporate Governance Department, externally-engaged consulting firms or listing regulatory authorities identify any material internal control deficiencies, the Company's Corporate Governance Department shall respond to such deficiencies as material and key risks facing the Company, and shall develop countermeasures and improve the Company's Risk Database and internal control processes in a timely manner, including timely updating the relevant internal manuals.

- **Internal control measures**

The Company has established and clearly defined internal control organisational bodies and their responsibilities. The Board is the decision-making body on internal control. It is responsible for establishing a sound internal control system and its effective implementation, and for reviewing the effectiveness of the internal control system design, supervising the self-evaluation of internal control, as well as coordinating internal control audit and other relevant matters. The Company's Corporate Governance Department is the centralised management department for internal control system operation, and is responsible for organising the establishment, daily maintenance and supervision of the internal control system. The Company's Audit Department is the centralised management department for internal control system evaluation, and is responsible for organising the evaluation of internal control system. The Company's various departments are internal control execution departments, and are responsible for implementing the management policies and business processes within their respective scope of responsibilities, as well as for conducting self-supervision of such implementations. As part of our internal control measures, the Company has established appropriate internal controls and mechanisms to monitor related-party transactions, connected transactions and continuing connected transactions (if any) to ensure compliance with the relevant requirements of the Listing Rules. Since 2024, the Company has adopted a more stringent internal control policy requiring (i) all financial assistance transactions of any amount, acquisitions or disposals of revenue-generating business or assets of any form and amount, and transactions out of the ordinary and usual course of business of the Group with a consideration of RMB5 million or above, and (ii) all connected transactions of any amount, to be run through and evaluated by the company secretary, as an active complementary control from Listing Rules compliance perspective.

The Audit Department incorporates the Company's internal control evaluation into its annual work plan each year. The Company will organise internal and external professionals to participate in the supervision and evaluation of internal control, and adopt qualitatively and quantitatively integrated methods to enhance the accuracy of the supervision and evaluation results. The Company also incorporates the internal control evaluation results into the performance appraisal system for departments.

- **Handling and dissemination of inside information**

Regarding handling and dissemination of inside information, the Company has established a set of management policies pursuant to the SFO and the Listing Rules, which mainly include the definition of inside information, the issuance criteria, the responsibilities of the Company's directors, senior management, controlling shareholders and other relevant staff, so that the public can obtain the disclosed inside information in an equal, timely and effective manner.

Opinions of the Audit Committee and the Board

The Audit Committee reviews the Group's risk management and internal control systems annually. Based on the management's assessment, the Audit Committee reviewed and firmly believed that there was no event that led the Audit Committee to believe that the Company's risk management and internal control systems (covering finance, operations, compliance and all other material controls) was inadequate and no significant control failings or weaknesses were identified during the Reporting Period and will identify, assess and manage the significant risks facing the Company on an ongoing basis.

During the Reporting Period, the Company has adopted the following measures to strengthen the internal control system of the Group:

- (1) The Company has strengthened its internal control such that, once the utilization rate of continuing connected transactions annual cap reaches 80%: (i) the head of the finance department is required to issue a written notice to the head of the shipment department alerting that annual cap must not be exceeded by arranging shipment; (ii) all shipment instructions must be jointly approved by the head of finance department (previously, only the head of sales department's approval was required) before being issued to the head of the shipment department for arranging shipment. The relevant workflow in IT system has been upgraded during the Reporting Period to enable online joint approval of the head of the finance department before any shipment instruction can further proceed in the system.
- (2) In addition, the Company has during the Reporting Period, and will in the future, provide bi-annual training conducted by an external law firm, in relation to continuing connected transactions listing rules and regulations (including continuing connected transactions' annual cap requirements), the relevant continuing connected transactions internal control manual and procedures to the personnel of the finance, sales, shipment and operational management departments.

The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programmes received by staff and budget of the Company's accounting, internal audit, financial reporting functions and ESG performance and reporting, and considered that the Group's risk management and internal control system was adequate and effective and the Company concurred with the opinions of the Audit Committee. The Audit Committee also considered that the Company's processes for financial reporting and Listing Rules compliance were effective.

The Audit Committee also confirmed that the Company's resources, staff qualifications and experience in accounting and financial reporting functions, as well as training programs received by staff and the relevant budgets were adequate.

The Audit Committee has reported its above findings to the Board and the Board has concurred with the relevant findings.

Report Description

This is the Group's Environmental, Social and Governance report, covering the Group's overall performance in environmental and social areas during operations of its main businesses (production, processing and sale of hydrogenated benzene-based chemicals and energy products) from 1 January 2025 to 31 December 2025 (the "Reporting Period"). The governance of the Group is set out in the section headed "Corporate Governance Report" of this annual report (pages 24 to 39).

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code as set forth in Appendix C2 to the Listing Rules. For ease of presentation and reading, Henan Jinyuan Hydrogenated Chemicals Co., Ltd. is represented as "the Group", "our Group", "our Company" and "the Company" in this report.

Reporting principles:

Materiality: The Report is in compliance with the materiality principle stipulated by the Stock Exchange. The materiality pertaining to the ESG issues of the Group is determined by the Board. Readers can find the content related to stakeholder communication, identification process of substantive issues and the matrix of substantive issues in this report.

Quantitative: The statistical criteria, methods, assumptions and/or calculation tools for the quantitative KPIs herein, as well as the sources of the conversion factors, are explained in different sections of the report.

Consistency: Consistent statistical methodologies are applied to the data disclosed in this report.

Balance: This report provides an unbiased picture of the Group's performance during the Reporting Period without statements that may inappropriately influence a decision or judgment by the readers.

Statement of the Board on ESG Governance

The Company and its Board strictly adhere to the disclosure requirements of the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, continuously improving the ESG management system, and are committed to deeply integrating ESG concepts into the Company's strategic decision-making and daily operations, effectively promoting the implementation of sustainable development goals.

As the highest decision-making and supervisory body, the Board is fully responsible for reviewing and approving ESG strategies, annual reports and major matters, and bears ultimate responsibility for overall ESG performance. The Chief Executive Officer and senior management focus on the implementation of ESG commitments, supervising the effectiveness of strategy and target execution. The Office of the Board Secretary leads and coordinates ESG execution, responsible for report preparation, risk identification, daily coordination and regular reporting. Led by the Office of the Board Secretary, an ESG working group composed of multiple departments collaborates to promote the implementation of specific tasks, forming a closed-loop management system from top-level design to frontline execution, ensuring systematic, normalized and efficient operation of ESG work.

This report comprehensively discloses the progress and achievements of the Group's ESG work in 2025, and has been formally reviewed and approved by the Board before release. The Company's Board of Directors and all directors confirm that the contents of this report are true, accurate and complete, with no false records, misleading statements or material omissions, and assume individual and joint legal liability.

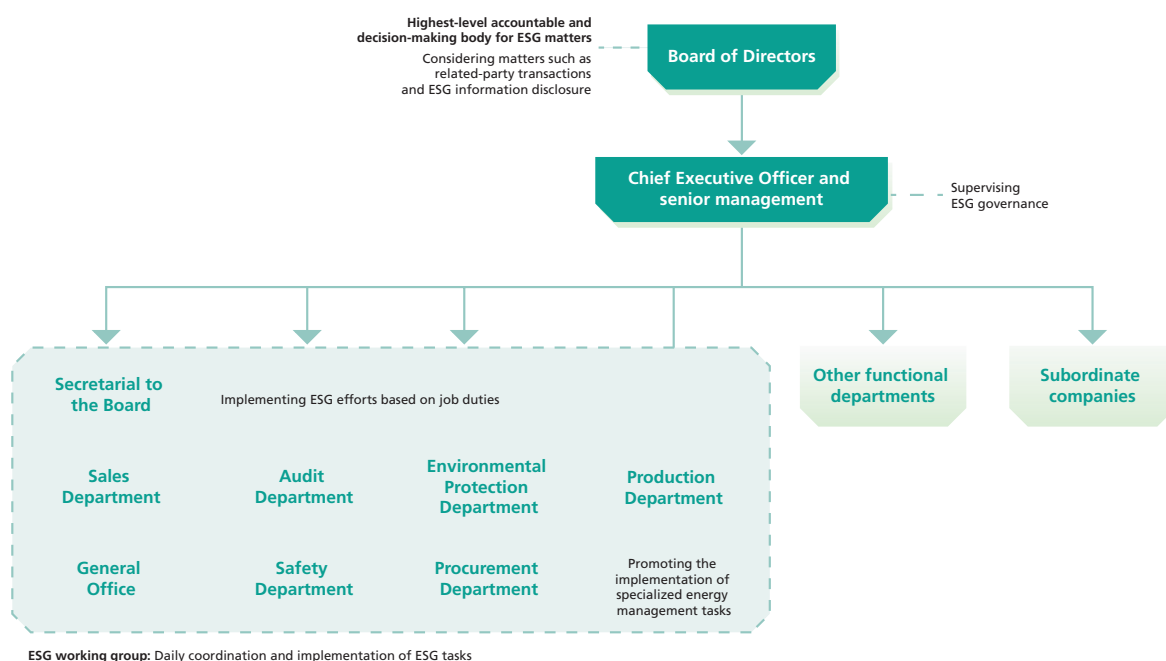
1. Responsibilities and Management

The Group systematically integrates the concept of sustainable development into major decisions and daily operations, fulfilling corporate social responsibility through practical actions. Simultaneously, through diversified communication channels, the Group actively maintains regular interaction with stakeholders such as the government, investors, customers, employees, suppliers and communities, listening extensively to and responding to their concerns and expectations, committed to promoting value co-creation and shared growth on the basis of mutual trust and collaboration.

1.1 ESG Management System

Adhering to the core philosophy of “Industry Leadership, Innovative Development, Value Creation”, the Group, under the guidance of Party building, continuously deepens the construction of its ESG governance system, unwaveringly promoting integrated, safe and sustainable development. The Group is committed to setting a benchmark in implementing sustainable development concepts, fulfilling social responsibilities and building a smart enterprise, aspiring to become a model enterprise in the ESG field.

In terms of ESG governance structure, the Group has built a three-tier architecture of “Top-Level Design – Middle-Level Coordination – Frontline Implementation”, effectively achieving a vertically integrated and horizontally coordinated ESG governance landscape. The Board, as the highest responsible body, is fully responsible for ESG strategy formulation, report review and supervision of major matters. The Chief Executive Officer and senior management focus on the implementation of commitments and performance supervision of key ESG issues. The Office of the Board Secretary leads the coordination of specific ESG execution, regularly reporting progress, identifying risks and coordinating daily affairs. An ESG working group, composed of multiple departments including Sales, Production, Procurement, Safety, Environmental Protection, Audit, and Administration, collaborates to advance various tasks. The Production Department leads the formulation of ESG guidelines, strategies and objectives, specifically advancing energy management initiatives and centrally dispatching resources such as water, electricity, gas and steam. Various functional departments and subsidiaries, according to their responsibilities, diligently carry out ESG-related work following relevant systems and processes, and actively cooperate with annual information disclosure and reporting.



ESG Governance Structure

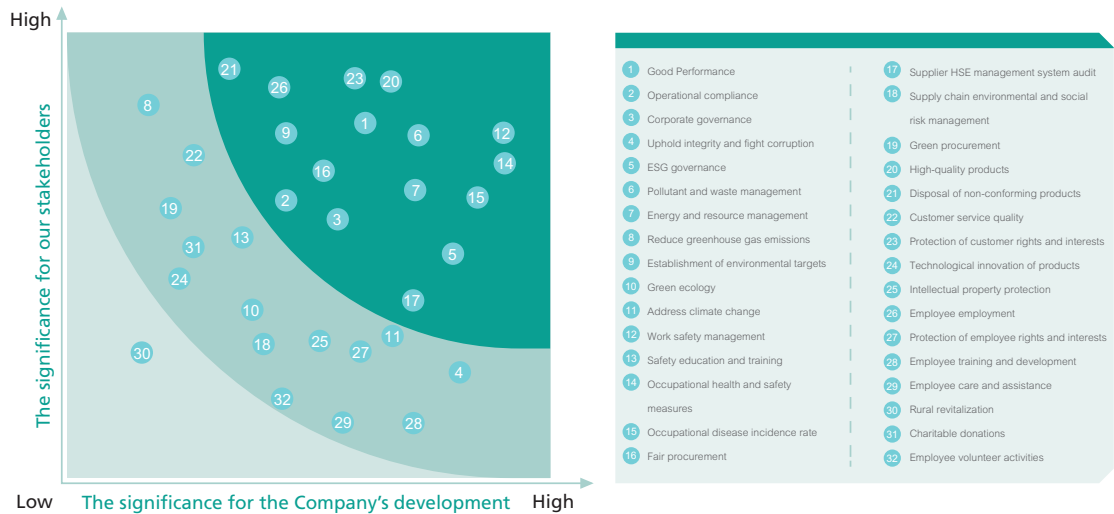
● Stakeholder Communication

Leveraging multiple channels such as email, telephone and opinion platforms, the Group has established a regular and multi-dimensional communication mechanism to ensure timely transmission of key information and proactive response to stakeholder expectations and feedback, promoting more open, inclusive and collaborative ESG work. During the Reporting Period, the Group organized regular online and offline meetings to actively listen to the concerns and suggestions of governments/regulators, shareholders/investors, customers, employees, suppliers/partners, communities, industry experts, as well as the public and media on environmental, social and governance (ESG) issues, while simultaneously introducing the Group's strategic direction, policy framework and practical progress in the ESG field.

Stakeholder	Communication Channels	Topics of Concern
Government/Regulatory Bodies	<ul style="list-style-type: none"> • Daily communications • Information announcement • Government-enterprise collaboration • Supervision by the government 	<ul style="list-style-type: none"> • Ecological protection • Operational compliance • Safe production • Green procurement
Shareholders/Investors	<ul style="list-style-type: none"> • Regular reports and information disclosure • Shareholders' meeting • Investors' surveys • Roadshow on business results • Teleconference 	<ul style="list-style-type: none"> • Corporate governance • ESG governance • Operational compliance • Product quality • Measures against corruption and promoting integrity
Customers	<ul style="list-style-type: none"> • Regular services and communications • Customer satisfaction surveys • Portal website • Customer service hotline 	<ul style="list-style-type: none"> • Product quality • Customer service • Customer rights
Employees	<ul style="list-style-type: none"> • Consultation • Regular communication • Employee trainings 	<ul style="list-style-type: none"> • Employee rights and interests • Employee development • Employee care
Suppliers/Partners	<ul style="list-style-type: none"> • Business negotiations • Business communication 	<ul style="list-style-type: none"> • Win-win cooperation • Long-term partnership
Community	<ul style="list-style-type: none"> • Volunteer service • Public welfare activities 	<ul style="list-style-type: none"> • Social responsibility • Ecological protection
Experts	<ul style="list-style-type: none"> • Green and low-carbon development 	<ul style="list-style-type: none"> • Carbon emissions • Energy and resources • Technological innovation of products
Public/Media	<ul style="list-style-type: none"> • Consultations including financial reports and announcements • Portal • Telephone, email and internet communication platform 	<ul style="list-style-type: none"> • Corporate image • Ecological protection • Social responsibility

● **Identification of Material Issues**

Following the Environmental, Social and Governance Reporting Code in Appendix C2 to the Main Board Listing Rules of the Hong Kong Stock Exchange, and combining international mainstream ESG initiatives and standards, key industry issues and its own business characteristics, the Group, with professional support, engaged in communication with stakeholders through various channels to systematically identify and screen ESG issues highly relevant to the Group.



Materiality Issues Matrix

1.2 **Adherence to Compliance Operations**

The Group consistently regards compliance with laws and regulations as the fundamental principle for business development, strictly abiding by national laws such as the Company Law, the Criminal Law, the Anti-Unfair Competition Law, the Anti-Money Laundering Law, and Audit Law, ensuring that all business activities are conducted orderly within a legal framework. On this basis, it continuously strengthens internal control and compliance management mechanisms, systematically identifying, assessing and preventing various operational risks, deeply integrating compliance requirements into systems and daily operations, thereby laying a solid legal foundation for the Group’s stable operations and sustainable development.

● **Upholding Business Ethics**

The Group steadfastly maintains a “zero tolerance” stance on business ethics risks. Through continuous improvement of the execution tracking mechanism of the Compliance Management Regulations, it systematically strengthens the whole-chain prevention and control of illegal and non-compliant acts such as corruption, commercial bribery and fraud, covering pre-event prevention, in-process control and post-event accountability. In terms of fraud prevention, it strictly follows systems including the Anti-Fraud and Whistleblowing Mechanism Management Regulations, Whistleblowing and Complaint Management Regulations, and Letters and Visits Work Procedures to ensure timely identification, efficient verification and proper handling of various non-compliance clues. In building the supervision system, it deeply implements internal regulations such as the Internal Audit System, Internal Control Evaluation Guidelines, Project Audit Operating Procedures and Economic Responsibility Audit Measures, continuously optimizing the supervisory effectiveness of key areas such as exit audits and financial reviews, constructing an institutionalized supervision loop covering key areas and business processes, effectively ensuring the legality, compliance, integrity and efficiency of corporate operations.

During the Reporting Period, the Group did not experience any lawsuits or administrative penalties arising from corruption, embezzlement or bribery, nor were there any concluded corruption cases against the Group or its employees. To continuously ensure compliant operations, the Group implemented the following main measures:

- Refining the system framework: Embedding compliance management into the system processes of various business modules such as human resources, administration, finance, legal, engineering, procurement and sales, with each department performing its duties according to specifications to ensure full-process legality and compliance in production and operation.
- Strengthening supervision and review: The Board oversees overall risks related to the business, with the Audit Committee reviewing and supervising financial reporting procedures and internal control systems. The Audit Department, under the guidance of the Audit Committee, conducts annual audits, off-office audits and special audits to promptly identify and rectify non-compliant actions, preventing operational risks.
- Maintaining open whistleblowing channels: Encouraging employees, external customers and suppliers to report non-compliant acts via letters, phone calls, intranet mailboxes, emails and visits. The Company handles reports promptly, strictly protects whistleblower privacy, and rewards validated reports based on the “one incident, one reward” principle.
- Enhancing integrity training: Organizing specialized anti-corruption training, focusing on communicating the importance of ethical standards and integrity culture, enhancing employees’ legal awareness and professional ethics, and fortifying the ideological defense against corruption.

Anti-corruption Training Data 2025

Anti-corruption Training Indicator	Unit	2025
Number and duration of training sessions		
Number of anti-corruption training sessions	Time	4
Duration of anti-corruption training	Hour	4
Number of anti-corruption training participants by rank		
Number of participants from the Board in anti-corruption training	Person-time	16
Number of participants from management in anti-corruption training	Person-time	16
Number of participants from general employees in anti-corruption training	Person-time	224



Anti-corruption Training

● Strengthening Risk Management

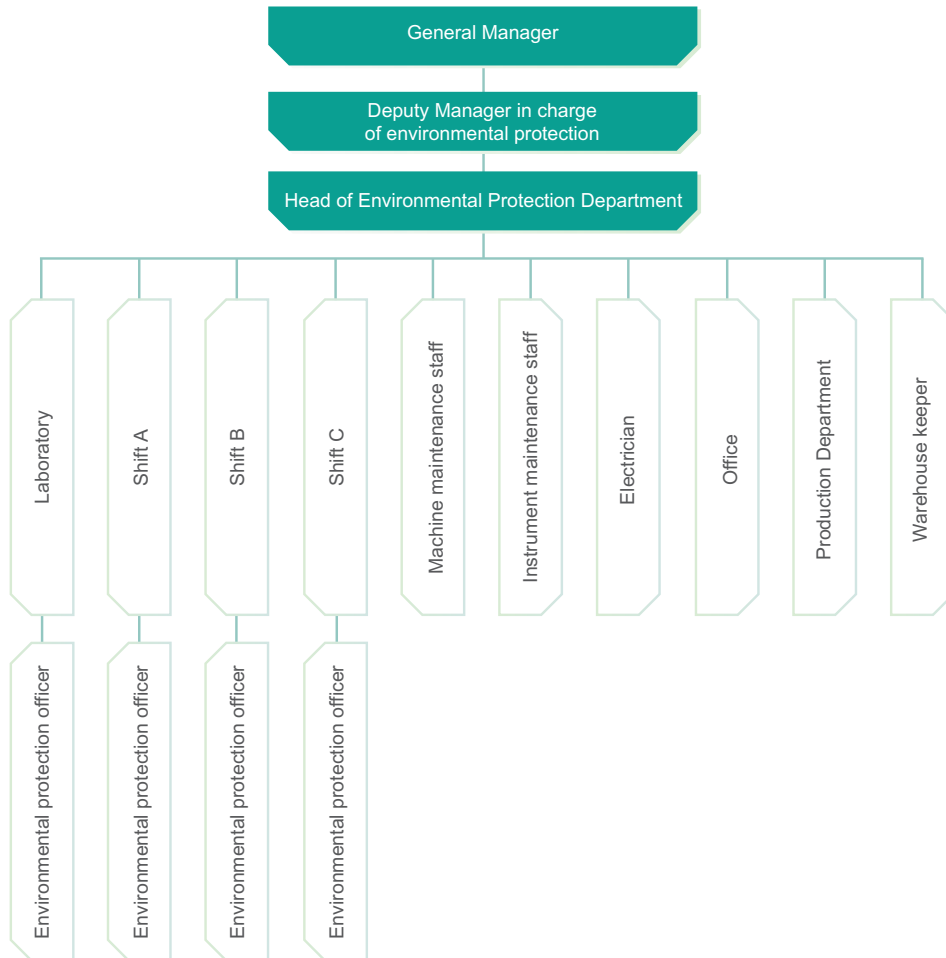
The Group consistently regards risk management as a core pillar for stable corporate operations, continuously improving a comprehensive risk management system covering strategy, finance, operations and compliance, and enhancing its full-cycle capabilities for risk identification, assessment, response and review to ensure effective control of all types of risks.

- Risk Identification and Classification:** Systematically identifying existing and emerging risks, scientifically classifying them by nature and source. Simultaneously, providing targeted training for the Board, senior management and all employees on risk management policies, internal control requirements, and the responsibilities of directors and executives under listing rules and relevant laws, enhancing overall risk awareness and compliance literacy.
- Risk Impact Assessment:** Conducting regular risk assessments and dynamic monitoring based on identification, combined with historical data and industry experience, to deeply analyze the probability and potential business, financial or reputational impact of various risks, forming a precise and quantitative understanding of the risk landscape.
- Risk Mitigation Strategy Formulation:** Proactively intervening at the source of risks, such as raising safety and operational standards to reduce the likelihood of events, while optimizing financial resource allocation, establishing contingency reserves and response mechanisms to enhance corporate resilience and recovery capacity against major risk shocks.
- Review and System Optimization:** Conducting cost-benefit analyses of implemented risk response measures, systematically evaluating the efficiency and effectiveness of risk management processes, summarizing lessons learned, and continuously iterating systems, tools and methodologies to drive the evolution of the risk management system towards being more scientific, agile and forward-looking.

2. Improve the Level of Environmental Management

The Group regards environmental protection as a core element of sustainable development, continuously optimizing and improving environmental management standards. Adhering to the core concept of “Green Development, Compliant Operations”, it strictly follows national and local laws and regulations such as the Environmental Protection Law of the PRC, Water Pollution Prevention and Control Law of the PRC, Soil Pollution Prevention and Control Law of the PRC, Solid Waste Pollution Prevention and Control Law of the PRC, Emission Standard of Air Pollutants for Boilers, Regulations on Environmental Protection Management for Construction Projects, and Regulations of Henan Province on the Prevention and Control of Environmental Pollution by Solid Wastes. It has formulated and implemented internal systems including the Standardized Environmental Protection Management Manual and Environmental Protection Assessment Rules, continuously optimizing environmental management mechanisms and workflows, deeply integrating green development into the entire production and operation process. During the Reporting Period, the Group passed the ISO 14001 environmental management system certification and experienced no major environmental lawsuits or corresponding penalties.

The Group has established and continuously improves its environmental management structure, formulating the Environmental Responsibility System to form a top-down, with clearly defined responsibilities four-level management system that promotes accountability. The General Manager, as the primary responsible person for environmental protection, leads the Company’s environmental management work. The Deputy General Manager in charge of environmental protection coordinates, supervises and implements various environmental protection matters. Relevant departments are responsible for daily environmental management within their respective areas. This systematic and standardized management mechanism provides strong support for continuously improving environmental performance.



Jinyuan Hydrogenated Chemicals Environmental Management Structure

2.1 Strengthening Emission Control

The Group consistently regards emission management as a core aspect of environmental control, continuously refining its emission management mechanisms. It has formulated and systematically advanced the implementation of emission management objectives, effectively reducing emissions of wastewater, exhaust gas, general solid waste and hazardous substances through a combination of measures including optimizing production processes, upgrading environmental protection facilities and strengthening process control.

● System Framework Development

The Group has established a comprehensive system framework, building an emission management system covering organizational responsibilities, process control, risk prevention and emergency response based on the Standardized Environmental Protection Management System. Simultaneously, through the Environmental Pollution Incident Management Regulations, it clarifies incident classification, reporting procedures, investigation and handling, and accountability mechanisms to ensure rapid and orderly handling of environmental emergencies. Various specific systems standardize management requirements for different types of emissions: the Exhaust Gas and Dust Management Regulations and Noise Emission Management Regulations specify air and noise control standards; the Accident Pool Management System and Accident Pool and Sewage Well Interconnection Valve Management System strengthen water environment risk prevention; the Solid Waste Recycling and Assessment Regulations and Waste Management Regulations establish rules for the full-process classification, recycling and compliant disposal of solid waste; the Hazardous Waste Management Regulations set standardized requirements for the collection, storage, transfer and disposal of hazardous waste, embodying a full-process management concept encompassing source reduction, process control and end-of-pipe treatment. This establishes a comprehensive and well-structured emission management system, continuously strengthening the Group's environmental risk prevention capabilities.

● Emission Management Targets

The Group has formulated systematic emission management Targets to effectively fulfill its corporate environmental protection responsibilities:

Emission Management Targets: 2021-2025

Air emissions	Implement ultra-low emission standards: <ul style="list-style-type: none"> ● Particulates < 5 mg/m³ ● Sulfur dioxide emissions from thermal oil furnaces in No. 1 plant and No. 2 plant < 10g/m³ ● Nitrogen oxides from thermal oil furnaces in No. 1 plant < 50mg/m³ ● Nitrogen oxides from thermal oil furnaces in No. 2 plant < 30mg/m³ ● Ammonia leakage < 8mg/m³
Wastewater	100% wastewater recycling rate
Solid wastes	Solid wastes that can be comprehensively utilized are fully utilized to achieve zero discharge; solid wastes that cannot be comprehensively utilized are all entrusted to qualified companies for transportation and compliant disposal

- **Emission Management Measures**

To ensure the achievement of emission targets, the Company has established systematic emission management requirements and implemented relevant measures from source control, process management to end-of-pipe treatment, mainly including:

- **Emission requirements for pollutants:** Strictly implement emission standards, prohibit the discharge of untreated wastewater, enhance the recovery and utilization of harmful gases such as benzene gas and hydrogen sulphide, and standardize the collection and disposal of solid waste. Implement an Emission Permit system to ensure compliant emissions in emergencies. Continuously strengthen equipment maintenance, control leakage rates, and implement the “Three Simultaneity” requirement for environmental protection in construction projects, systematically controlling pollution sources.
- **Zero Wastewater Discharge:** By achieving closed-loop circulation of production water and sealed transportation and treatment of wastewater, recycling all cooling system spray water and sending production wastewater via sealed pipelines to partner units for treatment, achieve zero discharge of industrial wastewater at source.
- **Accident wastewater hierarchical control:** The wastewater level in the accident pool must not exceed one-quarter. After testing in the laboratory, the discharge direction of the wastewater will be determined. Discharge must be reported to and approved by the on-duty department head, and the connecting valve should remain normally closed; any abnormalities must be reported promptly. The on-duty department head should be responsible for identifying the cause of the incident and holding accountable those responsible, with severe losses addressed according to the “Four No Compromise” principles.
- **Targeted Recovery of Waste Gas:** During hydrogen production and other processes, the analytic gas, waste gas and gas released from each tank’s top will be collected through three pipelines into one, and connected to the negative pressure pipeline of the Jinma Coking Chemical Phase II fan room for recovery treatment. All the production waste gas and storage tank waste gas in No. 2 plant will be transported to Jinma Zhongdong’s gas purification system for recovery treatment.
- **Full-process dust control:** Dust control plans shall be formulated and implemented before maintenance work. Routine cleaning strictly follows the principle of watering before sweeping to control dust generation at the source.
- **Multi-layered noise control mechanism:** Adhere to daytime (≤ 60 dB) and nighttime (≤ 55 dB) noise limits at the plant boundary. Measures, including indoor installation, noise and vibration reduction, and isolation of operating areas, shall be implemented for high-noise equipment. Build a multi-tiered noise prevention system through equipment modifications, green belt noise reduction, new equipment noise performance control, and encouraging employee QC activities.
- **Closed-loop waste classification management:** Install segregated waste collection facilities, strictly carry out the separation of recyclable and non-recyclable waste. Hazardous waste storage points have warning signs, and transportation and disposal are fully monitored, unauthorized disposal is strictly prohibited. Construction waste is cleared by contractors, while waste from large events is disposed of by the Company, achieving closed-loop management with sorted collection, compliant transfer and targeted disposal.

Simultaneously, we have established a comprehensive emission and environmental quality monitoring system, supporting and verifying the effectiveness of our environmental protection efforts through systematic and scientific monitoring activities. The Group conducts routine monitoring of conventional emissions such as air emissions, wastewater, noise and solid waste, ensuring strict compliance with national and local ultra-low emission standards and the Group’s emission management objectives. By building a comprehensive monitoring network, the Group not only achieves compliant control of emission points but also strengthens source prevention and process traceability of environmental risks, providing a solid foundation for environmental management decisions, continuous improvement and fulfilling environmental responsibilities.

During the Reporting Period, the Group maintained a good record in the management of hazardous wastewater, air emissions, solid waste and hazardous waste, meeting the Group’s emissions management targets.

Emissions data from 2023 to 2025

Indicator	Unit	2025	2024	2023
Total emissions volume of SO ₂	Ton	0.2	0.1	0.1
Intensity of SO ₂ emissions	Kg/RMB10,000	8.6*10 ⁻⁴	3.2*10 ⁻⁴	4.3*10 ⁻⁴
Total emissions volume of NO _x	Ton	4.1	3.0	2.3
Intensity of NO _x emissions	Kg/RMB10,000	1.6*10 ⁻²	9.7*10 ⁻³	9.8*10 ⁻³
Total emissions volume of particulate	Ton	0.48	0.37	0.03
Intensity of particulate emissions	Kg/RMB10,000	1.6*10 ⁻³	1.2*10 ⁻³	1.3*10 ⁻⁴
Total emissions volume of greenhouse gases	tCO ₂ e	171,798.95	168,549.32	150,015.10
Total emissions volume of direct greenhouse gases (Scope 1)	tCO ₂ e	88,333.19	70,979.70	81,417.40
Total emissions volume of indirect greenhouse gases (Scope 2)	tCO ₂ e	83,465.76	97,569.62	68,597.70
Intensity of greenhouse gases emissions	tCO ₂ e/RMB10,000	0.6	0.5	0.6
Total discharge volume of sewage	Ton	0	0	0
Intensity of sewage discharge	Kg/RMB10,000	0	0	0
Production volume of hazardous wastes	Ton	300.4	236.3	189.3
Intensity of hazardous waste production	Kg/RMB10,000	1.2	0.8	0.8
Hazardous waste handling rate	%	100	100	100
Production volume of non-hazardous wastes	Ton	3	22.4	90
Intensity of non-hazardous waste production	Kg/RMB10,000	0.01	0.1	0.4
Intensity of non-hazardous waste production	%	100	100	100

Notes:

1. Emission data of SO₂, NO_x and particulates in air emissions are calculated according to the Group's online monitoring system and self-monitoring statistics;
2. Greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as specified in the Implementation Guidance on Climate-related Disclosures under the ESG Framework of The Stock Exchange of Hong Kong. Greenhouse gas emissions are determined by multiplying activity data by their corresponding latest applicable emission factors. Activity data is sourced from energy monitoring systems and statistical inventories (see section 2.2 "Conservation of Energy and Resources" for energy consumption data), while emission factors are sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2023), the Guidelines for Accounting and Reporting Greenhouse Gas Emissions by Independent Coking Enterprises in China (Trial), and the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity by the Ministry of Ecology and Environment. During the Reporting Period, the update to the greenhouse gas calculation methodology relates solely to the electricity carbon dioxide emission factors being updated to the latest published data;
3. Production volume of hazardous wastes is calculated according to the statistical ledger of the production system of the Group;
4. Non-hazardous wastes are mainly wastewater biochemical treatment sludge, coke pellet gas sludge and domestic wastes, and the total emission volume of domestic wastes is calculated at 0.5kg/person/day;
5. Intensity data are calculated by dividing emission/discharge/production volume by revenue;
6. The source of emissions data comes from the subsidiaries of the Group;
7. The quantification of Scope 3 emissions relies heavily on activity data from upstream and downstream partners along the value chain, as well as emission factor databases applicable to specific categories. During the Reporting Period, Scope 3-related data could not be obtained comprehensively and systematically without undue cost or effort; data available under existing conditions contains significant gaps, and the reliability of quantification results is insufficient with limited reference value. Accordingly, the Group has not yet disclosed quantified Scope 3 emission data. The Group is continuing to advance the development of a value chain data collection system, progressively improving the identification and management of key Scope 3 emission categories, and plans to gradually expand the scope of Scope 3 emission quantification and make corresponding disclosures in future reporting periods as data availability and calculation capabilities improve.

2.2 Energy Resource Conservation

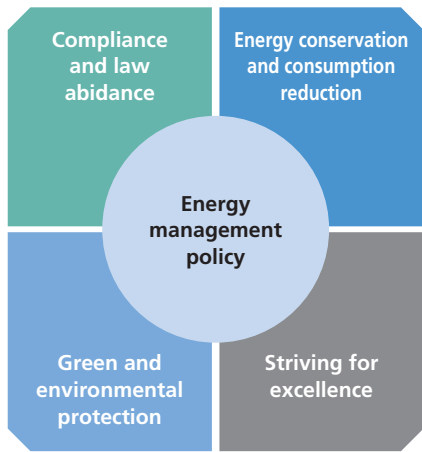
The Group takes “build a green chemical enterprise” as its core philosophy of environmental protection, and fully adheres to the requirements of laws and regulations including the Energy Saving Law of the PRC 《中華人民共和國節約能源法》, the Metrology Law of the PRC 《中華人民共和國計量法》, and the Rules for the Implementation of the Metrology Law of the PRC 《中華人民共和國計量法實施細則》 to advance energy management work, and strictly follows standards including the General Rules for Calculation of the Comprehensive Energy Consumption 《綜合能耗計算通則》, continuously optimizing energy measurement and statistical systems to consolidate the data foundation for refined energy management.

During the Reporting Period, the Group established clear energy efficiency targets. The target for utility consumption per ton of benzene co-products was set as: coal gas consumption $\leq 175.3 \text{ m}^3$, hydrogen consumption $\leq 33.7 \text{ m}^3$, electricity consumption $\leq 79.1 \text{ kWh}$, steam consumption $\leq 0.086 \text{ tons}$. By the end of the Reporting Period, actual utility consumption per ton of benzene co-products performed well. Units consumption of hydrogen, electricity and steam all excelled the set targets, achieving actual hydrogen consumption $\leq 33.56 \text{ m}^3/\text{ton benzene}$, electricity consumption $\leq 75.29 \text{ kWh}$ and steam consumption $\leq 0.07 \text{ ton}$, demonstrating significant energy-saving results.

● Energy management system

The Group establishes and improves the energy management system, strictly adheres to the requirements of the Energy Management Systems Requirements with Guidance for Use 《能源管理體系要求及使用指南》 (ISO 50001: 2018), formulates and implements internal systems including the Energy Management Guide 《能源管理手冊》, Energy Management Rules and Regulations 《能源管理規章制度》, and Energy System Procedure Documents 《能源體系程序文件》. During the Reporting Period, the Group’s Energy Management Systems certification (ISO 50001) remained valid.

By establishing a clear energy management policy, our continuously optimizes the function configuration and coordination mechanisms of the energy management team, effectively promoting the normalized operation and continuous improvement of the energy management system.



- ✓ Compliance and law abidance: Compliance with energy management laws and regulations and other requirements, reduce energy consumption from the source, and promote the development of circular economy;
- ✓ Energy conservation and consumption reduction: Adoption of new energy-saving technologies and processes, and continuously improving energy performance through innovation and transformation, reducing energy consumption and improving energy efficiency;
- ✓ Striving for excellence: Reasonable use of energy, lean management, establishing and maintaining a standardized energy management system and continuously improving its effectiveness;
- ✓ Green and environmental protection: Adhering to people-oriented, full participation, fulfilling social responsibilities, improving product quality, and promoting the Company to achieve green and sustainable development.

Under the guidance of the energy management policy, the Group has established a standardized and systematic energy management process, advancing energy management through three key steps: assessing risks and opportunities, implementing energy targets, and conducting energy reviews.

Assessment of Risks and Opportunities

Assess and analyze the risks and opportunities of energy management regularly, plan and implement measures for response to risks and opportunities and evaluate their effectiveness, and promote continuous improvement of energy management system and energy performance

Implementation of Energy Targets

The Company and its departments shall formulate an energy management plan annually to establish and implement energy goals and indicators, and assign them into various departments and positions. The accomplishment of energy-saving goals is considered in the employees' performance assessment, and performance assessments are carried out and reward and punishment measures are executed based on the accomplishment of goals

Conducting of Energy Review

Determine energy assessment methods and standards based on its own characteristics and requirements of relevant laws and regulations, conduct regular energy assessment using methods and tools such as direct measurement, onsite investigation, energy balance, energy audit and energy efficiency benchmarking, and record the results

- **Energy-saving and environmental protection measures**

On the basis of ensuring safe, stable and efficient production system operation, the Group systematically advances energy conservation and emission reduction, continuously optimizing the energy consumption structure to achieve coordinated development of economic benefits and environmental protection.

In terms of green production, we integrate energy-saving concepts into the entire process from raw material procurement and manufacturing to waste disposal. Through measures such as waste gas recovery and utilization and water recycling, we have significantly enhanced the internal circulation efficiency of energy and resources. In terms of process equipment, we actively promote the use of top-tier energy-efficient equipment and install variable frequency drives on high-power electrical appliances, continuously optimizing production processes to reduce energy consumption intensity. Furthermore, the Group continuously drives technological innovation, actively introducing advanced technologies and processes based on independent research and development, comprehensively improving resource utilization efficiency, and promoting the Company's transformation and upgrading towards a resource-conserving and environmentally friendly development model.

Case Study: Process Equipment Optimization for Energy Saving



During the Reporting Period, the Group implemented comprehensive measures combining equipment upgrades, operational model optimization and process improvements, achieving significant energy conservation and consumption reduction results while enhancing the recycling rate of energy and resources, thereby providing solid technical support for sustainable development:

- Energy recycling: An 8,000 m³ liquefied natural gas storage tank was constructed. The BOG (mainly methane) generated during its operation is recovered through compressors and reused as feedstock gas in the purification stage of the production process, achieving closed-loop energy utilization.
- Catalyst management optimization: The catalyst replacement method was optimized from traditional periodic replacement to dynamic replacement based on analytical test results. This improvement reduced the generation of approximately 180 tons of spent coarse de-tarring catalyst, achieving material reduction and efficient utilization at the source.
- Process energy optimization: By utilizing a hydrogenation pre-heater steam, the temperature of the process gas before entering the hydrogenation unit was increased, thereby significantly reducing the operating load of the hydrogenation electric heater. This optimization saves approximately 7,582 kWh of electricity per day for the Company, effectively reducing direct energy consumption in the production process.

In terms of green office practices, the Group fully implements energy-saving and consumption-reduction measures in daily operations. We actively promote electronic office work, transitioning daily inspection records and lab reports online, and advocate green behaviors such as double-sided printing and cartridge recycling, significantly reducing the use of consumables like paper and toner. Simultaneously, the Group strictly enforces the "turn off water and lights when leaving" policy for electricity and water usage, making green office a shared code of conduct for all employees, effectively reducing energy and resource consumption in the office operations.

● Water resources management

The Group strictly abides by the Water Law of the People's Republic of China 《中華人民共和國水法》 and relevant laws and regulations, continuously improving and strengthening water resources management. In terms of system development, we continuously optimize internal management systems such as the Administrative Provisions on the Identification, Evaluation and Update of Environmental Factors 《環境因素識別、評價及更新管理規定》, to provide robust institutional support for systematic water resource management. We have built a dual-channel water supply system combining municipal tap water and surface water to ensure stable production water supply. In daily operations, we actively implement the principle of prioritizing water conservation, guiding employees to develop water-saving awareness, and continuously improve water resource utilization efficiency through specific measures such as recovering condensed steam from on-site instrument heating, achieving intensive, economical and sustainable use of water resources.

Case Study: Wastewater Stripping Upgrade



During the Reporting Period, the Group completed the upgrade of the Company's wastewater stripping system, which was officially put into operation in April. Following the upgrade, the stripping unit is capable of collecting all acidic exhaust gas generated during the treatment process and delivering it to the incineration system for centralized disposal. Meanwhile, the treated wastewater that meets the required standards is sent to the wastewater treatment station for further purification. This enables effective separation and resource-oriented treatment of pollutants in wastewater, providing solid technical support for water conservation and reuse, and effectively promoting the Company's green development and sustainable water resource management.

Data on use of resources from 2023 to 2025

Indicator	Unit	2025	2024	2023
Diesel	Ton	5.0	6.8	6.1
Gasoline	Ton	4.9	6.3	7.5
Net purchased electricity	MWh	149,581.04	155,852.83	15,311.40
Net purchased heat	GJ	-66,904.92	76,395.20	47,851.10
Total integrated energy consumption	Ton of standard coal	49,543.53	57,100.86	44,467.50
Intensity of integrated energy consumption	Ton of standard coal/ RMB10,000	0.2	0.2	0.2
Total freshwater consumption	Million ton	0.2	0.5	0.1
Intensity of freshwater	Ton/RMB10,000	0.6	1.6	0.1
Recycling rate of water for industrial use	%	100	100	100
Packaging	Ton	N/A	N/A	N/A

Notes:

1. The integrated energy consumption data above is calculated according to the General Rules for Calculation of the Comprehensive Energy Consumption 《綜合能耗計算通則》;
2. The intensity data above is calculated by dividing consumption volume by revenue;
3. The resource consumption data is derived from the production-oriented subsidiaries of the Group;
4. As methane, benzene and other compounds are bulk industrial products, no packaging is used in the process of production and transportation.

2.3 Eco-Environmental Protection

The Group strictly complies with national and local laws and regulations on eco-environmental protection. Throughout project planning, construction and operation, we always prioritize the sustainability of the ecological environment and natural resources. We have established a systematic environmental risk assessment mechanism to ensure that all production and operation activities fully comply with environmental protection requirements, continuously improving our environmental management system and enhancing its capabilities in pollution prevention and ecological protection. In its practice of promoting green development, the Group actively fulfills its corporate environmental responsibilities, committed to contributing to regional ecological civilization construction and the harmonious coexistence between humans and nature.

- **Soil and groundwater environment protection**

The Group regards soil and groundwater environmental protection as a crucial part of eco-environmental protection. In accordance with relevant national laws, regulations and technical specifications, it has formulated and systematically implemented the Soil and Groundwater Environment Self-Monitoring Plan. It has scientifically established monitoring points within its production base, built a monitoring network covering key areas, and regularly tracks and monitors soil and groundwater quality, focusing on the distribution and trends of characteristic pollutants such as heavy metals and volatile organic compounds. All monitoring data are analyzed and assessed by qualified professional institutions, providing reliable data support and scientific basis for environmental risk control, sustainable land use and related management decisions.

Simultaneously, we actively carries out plant environment improvement and ecological restoration work, focusing on systematic greening of bare land. By covering and greening bare soil through measures including planting turf, it has basically achieved no large areas of bare land across the plant. Additionally, we conduct regular maintenance of existing green areas, including reseeding grass seeds in loess-exposed areas and regularly trimming lawns and plants such as *Ligustrum lucidum*, actively contributing to regional ecological restoration and soil and water conservation.

- **Environmental protection culture building**

The Group continuously strengthens the development of an environmental protection culture, integrating environmental concepts into daily management. During the Reporting Period, the Group organized a series of specialized environmental protection training sessions, covering key areas such as emergency response to environmental incidents, hazardous waste management, environmental protection law, water pollution prevention and solid waste pollution prevention, totaling six special training sessions.

Case Study: 2025 Comprehensive Emergency Drill



On 17 April, 2025, the Group conducted its “2025 Comprehensive Emergency Drill”, simulating a leakage and subsequent fire caused by a loading pipeline of Benzene Tank B. During the drill, on-site personnel responded rapidly, with coordinated handling between the central control room and the emergency response team. The evaluation team comprehensively assessed the drill process through observation, Q&A, and plan comparison. A report was subsequently prepared, along with recommendations for improvement. The drill enhanced employees’ proficiency in emergency response procedures, strengthened the Company’s emergency response capability for major hazard installations, and tested the effectiveness of its emergency command system and coordination mechanisms. This laid a solid foundation for preventing major environmental incidents and safeguarding regional ecological security.



2.4 Response to Climate Change

The Group's ESG governance framework provides overarching management for climate change response efforts. At the management level, we integrate climate risk management into the Company's daily operations system, continuously driving the implementation and periodic evaluation of response measures, while simultaneously monitoring changes in domestic and international climate policies to continuously improve contingency plans, thereby ensuring the Company's stable and sustainable development against the macro backdrop of climate change.

The Group has organically integrated the management and monitoring of climate-related risks into its ESG management system, establishing a three-tier climate governance structure comprising the "governance layer-management layer-execution layer", and continuously enhancing climate governance skills and capabilities at each tier. The Board, serving as the governance layer, is the leadership core of the climate governance system. It regularly assesses risks and opportunities arising from climate change and incorporates climate factors into major strategic decisions. The management layer supervises the implementation of relevant work, promptly coordinates cross-departmental collaboration and resource allocation, and ensures the effective operation of the climate change response management system. Meanwhile, management provides regular updates to the Board on the Group's climate risk and opportunity management through ESG reporting, while various functional departments and subsidiaries actively support the Group's annual climate-related disclosure and reporting.

We actively respond to the national strategy of "achieving carbon peak by 2030 and carbon neutrality by 2060," deeply integrating climate change response into the Company's long-term development blueprint. Based on our 2023 greenhouse gas emission data, we have established and are steadily advancing towards our 2030 emission reduction target. We are committed to achieving a 10% reduction in greenhouse gas emission intensity from direct operations (Scope 1 and Scope 2) through a series of systematic measures, including optimising our energy structure, enhancing energy efficiency, and promoting clean production technologies. In 2025, the Group has achieved the above targets.

The Group continuously monitors the opportunities and challenges presented by climate change, systematically assessing physical risks, transition risks, and climate-related opportunities. In response to the identified climate-related risks and opportunities, we evaluate their impact timeframes based on the Company's strategic decision-making cycle, and continuously enhance our climate resilience by optimising our industrial layout, improving the efficiency of environmental protection facilities, and increasing investment in energy conservation and emission reduction.

Climate-related risks	Type of risks	Impact period	Impact scope	Potential impacts	Response to risks
Transitional risks	Policy and regulatory risk	Medium-term (4-10 years)	Operation	Restrictions on greenhouse gas emissions tend to be increasingly stricter in relevant national policies, laws and regulations, and external regulatory authorities have gradually increased the requirements for information disclosure	Strengthen the development and application of energy-saving technologies and the development of renewable energy, optimize and adjust pollution preventive facilities, and actively transform to develop clean energy
	Market risk	Medium-term (4-10 years)	Operation and value chain	The risks brought by climate change are gradually becoming more aware to the market, and consumers tend to choose green and low-carbon products	Reduce waste gas emissions in the production process and provide clean products and services
	Reputational risk	Short-term (1-3 years)	Operation and value chain	Failure to take proactive and effective actions to respond to climate change or to disclose information in a timely manner so as to respond to the needs of stakeholders may damage the Company's reputation	Continuously improve the level of information disclosure, maintain communication and exchange with stakeholders, identify and respond to their requirements and expectations for the Company
Physical risks	Acute risk	Short-term (1-3 years)	Operation	Disasters such as floods, rain, snow, freezing, and high temperature are likely to occur under seasonal extreme weather, which may cause the Company to face risks such as asset damage, personnel loss, and business interruption	A special weather response system and disaster contingency plans are formulated and implemented to control the adverse impact of extreme weather on the Company's production and operation
	Chronic risk	Long-term (over 10 years)	Operation	Equipment and facilities may be damaged due to the rising temperature, which may affect the Company's normal operation and increase its operating cost	Intensify inspection and maintenance of production and operation equipment

Climate-related opportunities	Type of opportunities	Impact period	Impact scope	Potential impacts	Response measures
Market opportunities	Energy transition	Medium-term (4-10 years)	Operation and value chain	As the global energy consumption shifts towards cleaner and low-carbon sources, the demand for clean energy has significantly increased	Expanding the clean energy product line, creating new growth drivers, and enhancing market competitiveness
Operational opportunities	Energy conservation and resource recycling	Short-term (1-3 years)	Operation	Through the implementation of energy-saving retrofits and resource recycling, enterprises can reduce production costs and enhance resource utilisation efficiency	Adopting advanced energy-saving technologies to reduce energy consumption per unit of product; establishing a system for the recycling and reuse of industrial solid waste and wastewater to lower raw material procurement costs

The Company continues to establish and improve the identification, assessment and response mechanisms for climate risks and opportunities, actively advancing data collection, business and financial impact assessment, scenario analysis and strategic integration, to lay the foundation for comprehensive and standardized disclosure of climate-related information in the future. In respect of value chain emissions, the Company will progressively enhance the identification and management of key Scope 3 emission categories, laying the groundwork for the subsequent formulation of more targeted value chain emission reduction objectives.

With respect to climate-related financial impacts (current and anticipated), scenario analysis and climate resilience assessment, as well as the amount of assets and capital deployment associated with climate-related risks and opportunities, the Group has not yet developed relevant quantified results based on the principles of financial effect relief, capability relief and reasonable information relief. Financial-related disclosures rely upon a sound climate-related financial accounting system, cross-scenario modeling capabilities and an asset-level risk exposure assessment framework. At the current stage, without incurring undue cost or effort, the Group does not yet possess the conditions to obtain relevant complete data and conduct systematic quantitative assessments; the reliability and reference value of quantification results would be significantly limited. Going forward, the Group will progressively establish an independent tracking and accounting mechanism for climate-related financial impacts, improve asset classification frameworks and capital expenditure classification tracking systems, and gradually conduct standardized scenario analysis by introducing scenario parameters aligned with international climate agreements.

The Group currently does not formally apply internal carbon pricing mechanisms in decision-making processes such as investment decisions, transfer pricing or scenario analysis. We will continue to monitor carbon market policy developments and industry practices, and assess the feasibility of introducing an internal carbon pricing mechanism when conditions are met.

During the Reporting Period, we systematically advanced the implementation of a series of emission reduction measures, which mainly include: completing the burner upgrade for the thermal oil heater, where the adoption of high-efficiency and energy-saving burners significantly reduced system gas consumption, saving approximately 474 tonnes of standard coal and correspondingly reducing carbon dioxide emissions by approximately 711 tonnes; establishing and strictly implementing a plant-wide leak detection and repair programme on a quarterly basis, ensuring that any identified leakage points are promptly repaired, effectively reducing fugitive emissions; and incorporating the achievement of energy conservation and emission reduction targets into the performance appraisal and excellence recognition system of relevant departments and personnel, while granting special incentives for major energy-saving technological renovation projects that yield significant environmental benefits, thereby motivating all employees to participate in green practices.

3. Focus on Safety and Health

Adhering to a safety policy that emphasizes “people-oriented principles, prioritizing safety; focusing on prevention and comprehensive governance; encouraging full participation for collective safety; promoting health while pursuing scientific development”, the Group strives to enhance its safety management practices, implements comprehensive safety education and training programs, continuously improves its occupational health management system, and integrates safety responsibilities into every facet of its operations. In 2025, the Group’s member companies achieved the goal of zero accidents and zero casualties throughout the year, maintaining a stable and positive workplace safety performance.

3.1 Management on Safety Operation

The Group consistently prioritizes safety operations in its development and strictly complies with relevant laws and regulations, including the Work Safety Law of the People’s Republic of China, the Fire Protection Law of the People’s Republic of China, and the Regulations on the Safety Management of Hazardous Chemicals. In 2025, the Company revised and released a new version of the Work Safety Responsibility System, further clarifying the safety responsibilities and authorities of personnel at all levels; Jinrui Energy systematically reviewed and updated nine safety management system documents, continuously deepening the standardization of workplace safety management; Jinma Qingneng formulated and implemented the Quality Management Manual for Vehicle Gas Cylinder Filling at Hydrogen Refueling Stations, establishing a safety management system that covers all levels and stages of the organization.

During the Reporting Period, the Company achieved all of its established workplace safety production targets, including:

- Zero minor injuries, serious injuries or unnatural deaths
- Zero major equipment operation accidents or production accidents
- Zero in-plant traffic accidents
- Zero incidence of occupational diseases
- Zero fire or explosion accidents
- “Three-level” safety training for all of the employees
- 100% certification of special operational personnel
- 100% inspection of special equipment
- 100% success rate achieved with the dual prevention mechanism
- 100% treatment of major hidden hazards properly

Work-related Injury Data from 2023-2025

Indicator	Unit	2025	2024	2023
Deaths of full-time employees who died from work-related injuries	Persons	0	0	0
Percentage of full-time employees who died from work-related injuries	%	0	0	0
Days of work lost due to work-related injuries (days lost per 200,000 work hours)	Days	0	0	0

To achieve the above targets, the Company has implemented a series of safety management measures, which mainly include the following:

- **Enhanced the safety responsibility system:** The Company updated the Work Safety Responsibility System, refining the safety responsibilities and authorities of personnel from management to frontline employees, thereby strengthening accountability for safety across all staff;
- **Promoted the standardization of safety production:** The Company strengthened the implementation of the Guidelines for Identifying and Managing Safety Risks and Hazards in Hazardous Chemical Enterprises and the Safety Standardization Assessment Standards for Hazardous Chemical Operating Units to enhance management standardization;
- **Deepened the dual prevention mechanism:** Supported by the risk control checklist and the hazard identification and remediation checklist, the Company achieved the regular operation of dynamic risk identification and closed-loop hazard rectification;
- **Strengthened emergency management:** The Company conducted regular inspections of emergency supplies and organized emergency training and drills to enhance its capability to respond to unexpected incidents;
- **Optimized the application of the intelligent safety platform:** The Company continuously improved the digital and information-based level of safety risk management and control;
- **Reinforced the construction of safety teams:** The Company fully implemented safety team construction, activating the “smallest safety unit” through measures such as pre – and post-shift meetings, daily safety quizzes, and emergency drills;
- **Improved the hazard identification mechanism:** A comprehensive hazard identification plan has been developed, enabling the Company to conduct thorough and professional investigations of hazards in seasonal, routine, and critical periods and track and rectify the findings, forming a complete closed-loop management framework;
- **Conducted diverse safety training:** The Company ensured that employees acquire essential safety knowledge and emergency handling skills through various formats, including theoretical discussions and case analyses, thereby enhancing overall safety awareness.

Case: Jinrui Energy Safety Management Inspection Practices

During the Reporting Period, Henan Jinrui Energy Co., Ltd., a subsidiary of the Group, conducted a total of 40 safety inspections, identifying and rectifying 156 hidden hazards with a rectification rate of 100%, and identified 1,477 hidden hazards through self-inspections with a rectification rate of 98.5%.



3.2 Safety Education and Training

The Company has established a comprehensive three-level safety education and training system (company-level, department-level, and team-level), and developed differentiated training programs based on different job categories: principal responsible persons and safety management personnel must pass the assessment on work safety knowledge and management capabilities, obtain safety qualification certificates, and regularly participate in specialized learning; new employees must undergo three-level safety education and training, pass the examination, and sign for confirmation on the Three-level Safety Education Card; special operation personnel must undergo specialized technical training, pass the assessment, and obtain a "Special Operations Certificate" before they may begin work; contractors must sign the Safety Construction Agreement and pass the Company's safety training examination.

The Company has deepened its corporate safety culture by developing the Implementation Plan for Corporate Safety Culture Construction, organizing job-related emergency skills competitions, accident warning education, and special initiatives for the "Work Safety Month", continuously strengthening employees' safety awareness and skills. Relying on diverse formats such as pre-job pledges, pre –and post-shift evaluations, daily safety quizzes, emergency drills every three days, and accident case reviews, the Company integrates safety awareness training into daily management.

During the Reporting Period, the Company organized a total of 288 safety education and training sessions, with 5,652 participants and a total training duration of 13,188 hours. Among these, Jinrui Gas organized 165 safety training sessions and completed four safety knowledge examinations on natural gas/hydrogen, fire protection, and anti-terrorism; Jinrui Energy conducted 22 company-level safety training sessions (with a cumulative participation of 1,054 person-times), 72 team-level safety activities, and 4,384 person-times of daily safety quizzes, and provided specialized safety education to 132 external construction personnel, achieving a 100% pass rate.

Case: "Work Safety Month" Series Themed Activities

The Group closely followed the theme of "Everyone Speaks Safety, Everyone Knows How to Respond – Identify Hidden Hazards Around Us", meticulously organizing the "Work Safety Month" series of activities over a period of more than one month.

The activities were led by a special task force established under the Company's senior management. Safety awareness was strengthened through launching ceremonies, safety pledges, specialized training, and expert lectures. Accident warning education and case reviews were systematically conducted to enhance risk awareness. Comprehensive major hazard inspections were organized, with external experts engaged for in-depth diagnostics, and a "Find Hidden Hazards Around Us" competition was held to stimulate the participation of all employees. Concurrently, emergency drills for major hazard sources, job skills competitions, and finger-pointing and verbal description exercises were carried out to effectively enhance emergency response capabilities.

The activities covered all employees, with over 30 training sessions, drills, inspections, and other initiatives carried out, effectively promoting the implementation of safety responsibilities, closed-loop risk management and control, and the deep embedding of safety culture, injecting strong momentum into the Company's intrinsic safety development.



Fire safety training



Pre-job pledge of a safety team

3.3 Occupational Health Management

The Group strictly complies with laws and regulations including the Law of the PRC on Prevention and Control of Occupational Diseases and the Regulations of Henan Province on Prevention and Control of Occupational Diseases. Through monitoring and assessing occupational hazards, occupational health surveillance, and informing and warning of occupational hazards, the Group establishes a sound occupational health management system, providing all-around protection for employees' occupational health.

During the Reporting Period, Jinyuan Hydrogenated Chemicals held the ISO 45001:2018 occupational health and safety management system certification, further strengthening the foundation for occupational health management; no occupational disease cases were recorded, with a 100% coverage rate of occupational health physical examinations.



Occupational Health and Safety Management System Certification

The occupational health management measures taken by the Company mainly include:

- Establishing an occupational disease prevention and control leading group led by senior management of the Company to coordinate and advance occupational health management, and formulating and improving a series of management systems such as the Monitoring System for Occupational Hazard Factors and the Occupational Health Surveillance System, thereby strengthening the organizational and institutional foundation for occupational health management;
- Strictly implementing the requirements for employee occupational health examinations, regularly conducting occupational health examinations for employees exposed to occupational hazard factors, and establishing and continuously improving employee health surveillance files, achieving early identification, early intervention, and early prevention of occupational health risks;
- Systematically conducting occupational health education and training, with training content covering the identification of occupational hazard factors, protective measures, and the use of personal protective equipment; organizing 24 training sessions throughout the year, covering 471 employee participants, with a cumulative training duration of 24 hours, effectively enhancing employees' self-protection capabilities;
- Continuously increasing investment in protective facilities, installing protective facilities such as dust collection equipment and ventilation systems in workplaces, providing protective equipment such as dust masks, noise-proof earplugs, and gas masks for positions exposed to occupational hazard factors including dust, noise, and toxic and hazardous gases, while also equipping emergency response facilities such as eyewash stations, emergency showers, and first aid supplies;
- Developing the Special Emergency Response Plan for Occupational Disease Accidents, equipping necessary emergency rescue equipment and protective gear, conducting regular facility inspections and maintenance, and organizing targeted emergency drills, effectively enhancing the capability to respond to and handle unexpected occupational health incidents;
- Regularly engaging professionals to comprehensively identify occupational hazard factors present in the production process, including dust, noise, benzene, and formaldehyde, and relying on specialized equipment to conduct routine monitoring and assessment in accordance with national standards, dynamically tracking hazard levels, and immediately implementing corrective measures such as enhancing ventilation and updating equipment for positions exceeding the standards, continuously strengthening the full-process prevention and precise control of occupational hazards.

In addition, the Company implements full lifecycle management for occupational health protective equipment: strictly controlling the procurement source by selecting qualified products in accordance with national standards; conducting stringent acceptance inspection and random sampling upon arrival to ensure quality compliance; establishing dedicated warehouses for classified storage and regularly checking inventory status; developing job-specific distribution standards and implementing a registration system for collection, with special equipment accompanied by usage training; ensuring proper wearing through daily supervision and assessment; and establishing disposal standards and procedures to prevent the misuse or arbitrary discarding of ineffective equipment, thereby effectively safeguarding employees' occupational health rights and interests.

4. Upholding the People-Oriented Approach

The Group consistently upholds the talent concept of “respecting people, relying on people, cultivating people, and fulfilling people”, adheres to the principle of equal employment, and safeguards the legitimate rights and interests of employees in accordance with the law. It continuously improves its talent cultivation and management system, fosters an open, fair, and inclusive workplace environment, creates a positive and harmonious working atmosphere, and promotes the alignment of employee growth with corporate development, achieving mutual success and shared progress.

4.1 Ensuring Equal Employment

The Group adheres to the fundamental principles of “fairness, openness, and justice”, strictly complies with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, and other relevant laws and regulations, ensuring that every employee receives equal treatment in all aspects including recruitment, compensation, and promotion, and effectively maintains harmonious and stable labor relations.

Diverse hiring	<p>Adhering to the employment philosophy of equal opportunities and anti-discrimination, the Group strictly complies with national and local laws and regulations concerning recruitment, promotion, equal opportunities, diversity, and anti-discrimination. No discriminatory conditions based on gender, ethnicity, age, religious belief, or disability status are imposed at any stage of recruitment, providing diverse and equitable job opportunities and building a diversified talent pool.</p>
Expanding recruitment channels	<p>The Group recruits talent extensively through diverse channels such as campus recruitment and mainstream recruitment websites, while actively engaging with local government talent programs and establishing talent cooperation mechanisms with universities and vocational colleges, continuously broadening the sources for attracting high-quality talent.</p>
Comprehensive recruitment considerations	<p>Recruitment is conducted in strict accordance with the Regulations on Management of Recruitment of Employees and the Regulations on Management of Employment Contract. Comprehensive assessments are performed on candidates’ professional ethics, competencies, and qualification certificates, ensuring that recruitment procedures are standardized and transparent, and that hiring outcomes are fair and just.</p>

Employment Data in 2025

Indicator	Unit	Number in 2025	Unit	Proportion in 2025
Total Employees	Persons	392	%	/
By Gender				
Male employees	Persons	315	%	80.36
Female employees	Persons	77	%	19.64
By Employment Type				
Full-time employees (contract)	Persons	392	%	100
Part-time employees (labor dispatch, temporary workers)	Persons	0	%	0
By Age				
Under 30 years old	Persons	96	%	24.49
31-40 years old	Persons	228	%	58.16
41-50 years old	Persons	59	%	15.05
Above 51 years old	Persons	9	%	2.30
By Organisational Level				
Frontline employees	Persons	371	%	94.64
Middle management	Persons	15	%	3.83
Senior management	Persons	6	%	1.53
By Region				
Within Henan Province	Persons	386	%	98.47
Outside Henan Province	Persons	6	%	1.53
Minority Employees				
Number of minority employees	Persons	3	%	0.77

Employee Turnover Indicator in 2025

Indicator	Unit	2025
Annual Turnover Rate of Employees		
Annual turnover rate of full-time employees	%	5.77
By Gender		
Turnover rate of full-time male employees	%	6.80
Turnover rate of full-time female employees	%	1.28
By Age		
Turnover rate of employees under 30 years old	%	4.00
Turnover rate of employees who are 31-40 years old	%	8.06
Turnover rate of employees who are 41-50 years old	%	0
Turnover rate of employees over 51 years old	%	0
By Region		
Turnover rate of employees within Henan Province	%	5.77
Turnover rate of employees outside Henan Province	%	0

4.2 Protecting the Rights and Interests of Staff

The Group strictly complies with laws and regulations including the Labour Law, safeguarding the legitimate rights and interests of employees in accordance with the law. It has established and improved management mechanisms in areas such as working hours, remuneration, leave systems, democratic communication, and occupational health, committed to creating a safe, fair, and dignified working environment for its employees.

Remuneration and benefits	<ul style="list-style-type: none"> • A position-based salary system is implemented, with remuneration reasonably determined based on employees' positions and performance. A mechanism for annual dynamic salary adjustments has been established, and the Group pays the five social insurances and one housing fund for all employees in accordance with the law. • A range of special benefits are provided, including living subsidies for employees' children entering university, gynaecological examination subsidies for female employees, and festival allowance for employees with parents aged 70 or above on the Double Ninth Festival.
Performance assessment	<ul style="list-style-type: none"> • A performance appraisal system centred on key performance indicators has been established, with regular assessments conducted on employees' work performance. The results of these assessments are directly linked to salary adjustments and promotion development, fully motivating employees' work enthusiasm.
Statutory holidays	<ul style="list-style-type: none"> • The Group strictly implements the national statutory holiday and paid annual leave systems, and provides various types of leave such as marriage leave, maternity leave, paternity leave, and nursing leave in accordance with the law and based on employees' actual circumstances, effectively safeguarding employees' right to rest as stipulated by law.
Democratic communication	<ul style="list-style-type: none"> • Complaint boxes have been set up, and complaint hotlines are provided. The Group also pays close attention to and provides feedback on employees' reasonable demands through the labor union. Jinrui Energy has additionally established a "Two Enterprises, Three New" Party Member Demand and Suggestion Collection Form, providing party members with a more open channel for expressing opinions and ensuring that employees' voices receive timely responses.
Compliant hiring	<ul style="list-style-type: none"> • The Group strictly complies with laws and regulations including the Law of the People's Republic of China on the Protection of Minors and the Regulations on the Prohibition of Using Child Labor. Through improving employee onboarding screening and conducting regular on-site inspections, the Company strictly prohibits the use of child labor and forced labor; upon discovery of any such practices, the Company will immediately terminate the relevant employment relationships, cooperate with regulatory authorities in investigations, and take rectification measures against the involved personnel or suppliers. • During the Reporting Period, written labour contracts were signed for each employee in accordance with the law, ensuring that employment relationships are legal, standardized, and transparent.
Occupational health and safety	<ul style="list-style-type: none"> • The Group has obtained occupational health and safety management system certification, and has formulated annual work plans and implementation plans for occupational disease prevention and control, effectively safeguarding employees' occupational health rights and interests.

4.3 Promoting Employee Development

The Group places a high priority on employee development and the establishment of a talent system, and regards talent cultivation as the cornerstone of sustainable development. Through the establishment of a multi-tiered, diversified training system, we systematically enhance the job-specific skills and professional competencies of employees across all levels. Concurrently, we have put in place fair, just, and transparent internal competition and promotion mechanisms. By fostering a sound talent development framework and offering diverse career pathways, we effectively support employees in realizing their self-worth, while driving mutual growth and shared success between the Company and its workforce.

- **Strengthen professional training to improve the overall quality of employees**

The Company systematically formulates employee training plans closely aligned with strategic development plans and annual operational objectives, conducting differentiated training by level and category. The Company provides comprehensive training, skills training, certification training and specialized training across areas such as vocational skills, certification programs, and academic advancement, driving a holistic improvement in employee capabilities. Upon completion of the training, the Company assesses the training effectiveness and concurrently conducts participant satisfaction surveys. Timely feedback is collected and summarized to optimize course design and implementation approaches, effectively meeting the diverse and personalized learning and development needs of employees.

Forms of training	Training objects	Training content
Comprehensive training	Management	<ul style="list-style-type: none"> • Safety, anti-terrorism, warning education, occupational health training; • Energy management training; • Management capacity improvement training.
Comprehensive training	New employees	<ul style="list-style-type: none"> • Three-level safety education for employees (company, department/workshop, shift).
Skill training (professional skill)	Frontline employee	<ul style="list-style-type: none"> • Party class study (once every 10 days); • Safety training (on a weekly basis); • Technical skills training (on a weekly basis); • Conduct different professional trainings for employees in different positions.
Skill training (certified training)	Frontline employee	<ul style="list-style-type: none"> • Qualification certificate training for safety management personnel; • Operation certificate training for special operation personnel; • Special equipment operation certificate training; • Training of certified safety engineers; • Qualification certificate training for occupational health management personnel.
Special training	All staff	<ul style="list-style-type: none"> • Safety training; • Technics training; • Anti-corruption training.

Training Data of Employees in 2025

Indicator	Unit	2025
Total number of employee trainings	Times	564
Total number of employees trained	Persons	8,529
Total expenditure on training	RMB ten thousand	13.62
Percentage of employees trained (Percentage of employees trained = (Number of employees trained/Number of employees) * 100%)	%	100
Percentage of male employees trained	%	100
Percentage of female employees trained	%	100
Percentage of frontline employees trained	%	100
Percentage of middle employees trained	%	100
Percentage of senior employees trained	%	100
Average hours of training for employees	Hours	51
Average hours of training for male employees	Hours	54
Average hours of training for female employees	Hours	42
Average hours of training for frontline employees	Hours	51
Average hours of training for middle employees	Hours	53
Average hours of training for senior employees	Hours	52

- **Broaden development pathways and optimize talent development from multiple dimensions**

The Company is committed to building a diversified and multi-dimensional talent development system, facilitating internal growth channels. It fills key position vacancies through internal competitions, optimizes talent structure via internal deployment, and stimulates organizational vitality based on performance results. It fully implements a “dual-track” career development path for management and technical sequences, allowing technical professionals clear growth space and value recognition within their field. Employees who obtain intermediate or senior technical titles or professional qualification certificates receive corresponding salary adjustments, strengthening the incentive linkage between capability and reward.

To attract and retain high-level talent, the Company implements a special talent subsidy policy, providing a monthly living allowance of RMB2,500 for externally recruited employees with a postgraduate degree. Additionally, following relevant cadre management systems, the Company regularly conducts cadre reviews and dynamic optimization, promptly incorporating outstanding talents with strong political integrity, exceptional professional competence, and high recognition among employees, providing them with broader platforms and development opportunities, continuously building a high-quality, professional talent team.

4.4 Caring for the Life of Employees

The Group highly values employees’ cultural and spiritual well-being, as well as their daily welfare. Through a variety of recreational and sports activities, caring employee support measures, and various living benefits, it enhances employees’ sense of belonging and happiness, fostering a positive corporate culture.

<p>Recreational and sports activities</p>	<ul style="list-style-type: none"> • Actively organize employees to participate in various recreational and sports activities, and reward the top three employees or groups; • Hold Nanshan Brisk Walking Activity annually, and staff and cadres can participate on a voluntary basis; • Organize staff for recuperation;
<p>Employees support</p>	<ul style="list-style-type: none"> • Actively implement employee mutual support and care mechanisms. In 2025, employees voluntarily contributed a total of RMB12,100 to the mutual aid fund, which is specifically allocated to assist colleagues in financial difficulty and deliver warmth and support to those in need. • During the Reporting Period, the Company donated RMB9,270 to the Charity Federation Trade Union to subsidize the university education expenses of employees’ children, helping them pursue their academic aspirations.
<p>Other benefits</p>	<ul style="list-style-type: none"> • Continuously improve the employee welfare system, and provide a number of special benefits such as subsidies for postgraduate degrees, subsidies for gynecological physical examination for female employees, and consolation money for the elderly during the Double Ninth Festival on the basis of statutory five insurances and housing fund, so as to effectively enhance the sense of gain and happiness of employees.

5. Implementation of Operation with Responsibility

The Group steadfastly upholds the core values of “conceptual operation, integrity as base, cooperation for co-winning”, providing customers with excellent quality products and services. The Group continuously improves its technological innovation system, solidifying the foundation for high-quality development. The Group collaborates with upstream and downstream partners to jointly promote green transformation, building a low-carbon, circular, and sustainable industrial ecosystem, striving to achieve an organic integration of economic benefits, ecological benefits, and social value.

5.1 Product Quality Management

The Group strictly complies with laws and regulations such as the “Product Quality Law of the People’s Republic of China” and the “Administrative Measures on the Production Licenses of Industrial Products”. Adhering to the quality tenet of “Empowering Customer Value with Excellent Products”, the Group systematically advances the optimization of its quality management system, fully implementing quality control covering R&D, procurement, production to delivery. Relying on scientific quality control methods, refined production operations, and stringent standards, the Group ensures the stability and reliability of products and services.

During the Reporting Period, the Group did not have any product recalls due to safety or quality issues, nor did it have any significant regulatory violations concerning health and safety, advertising, product labeling, or data privacy.

● Ensuring product quality

The Group strictly aligns with national and industry quality standards and has established and continuously improved a quality management system covering the entire business chain. During the Reporting Period, the Company further optimized its internal management processes, and its ISO 9001:2015 quality management system certification remained valid.



Quality Management System Certificate

The Company has formulated and implemented normative documents such as the “Standardization of Process Quality Management System” (《工艺质量标准化管理制度》), “Process Quality Standardization Management Manual” (《工艺质量标准化管理手册》), and “Process Operating Procedures” (《工艺操作规程》), fully implementing standardized and refined quality control throughout the production process. Simultaneously, the Company highly emphasizes equipment reliability and risk prevention and control, conducting regular facilities maintenance and overhauls to ensure safe and stable production system operation. The Company insures key factories, core equipment, and other important assets under comprehensive property insurance, machinery damage insurance, and work safety liability insurance to effectively transfer potential operational risks. During the Reporting Period, there was no business interruption due to fire, power outage, or force majeure, maintaining continuous and efficient operations.

In addition, the Company strictly complies with the Advertising Law of the People’s Republic of China, and has established a compliance review mechanism for advertising and labeling content to ensure regulatory requirements are met prior to publication. In the event of customer complaints, regulatory inquiries or administrative penalties arising from advertising or labeling issues, the Company takes corrective measures such as delisting, correction and recall.

- **Optimizing customer service**

The Company adheres to a customer-centric service philosophy, continuously improving the customer service system, building a multi-dimensional customer communication network covering online and offline channels, standardizing sales service processes, and focusing on enhancing service experience and response efficiency.

- **Service Attitude and Methods:** Providing full-process services including pre-sales consultation, in-sales coordination, and after-sales technical support. Choosing communication methods flexibly based on customer needs, utilizing traditional channels (face-to-face, letters, phone, etc.) and digital tools (consultation platforms, bidding systems, WeChat, DingTalk, etc.), and establishing interactive mechanisms including customer forums and suggestion boxes to ensure smooth and efficient information feedback.
- **Issue Response Mechanism:** Responding promptly and handling issues raised by customers efficiently, planning each service and recording implementation processes as a basis for continuous improvement; as well as establishing a product recall mechanism, and upon discovery of any safety or compliance risks in its products, immediately initiating assessment, notification, recovery and disposal procedures, and reporting to the regulatory authorities.
- **Information Collection and Needs Analysis:** During negotiations, deeply understanding customers' production scale, product structure, industry reputation, and management status, filling out Customer Service Files to support customized service.
- **Contract and Delivery Management:** After reaching cooperation intent, clarifying customer requirements regarding specifications, technology, quality, delivery time, transportation, etc., and incorporating them into contract terms. Organizing product allocation before shipment, tracking logistics throughout to ensure safe and timely delivery.
- **Complaint Handling:** Establishing a 24-hour response mechanism. Upon receiving feedback, quickly analyzing the cause, organizing corrective actions, reporting to management, and arranging follow-up calls to ensure issue closure and sustained customer satisfaction. Conducting root cause analysis for quality issues, promoting technical improvements to enhance customer satisfaction and trust.
- **Customer Satisfaction Survey:** Conducting regular customer satisfaction surveys, distributing and collecting Customer Satisfaction Questionnaires, systematically analyzing dimensions such as product quality, delivery capability, and after-sales service, continuously optimizing service processes and quality to effectively meet customer needs.

Through systematic implementation of customer service optimization measures, the Company has effectively driven continuous improvement in customer satisfaction, with service response speed significantly enhanced. During the Reporting Period, the Group received no customer complaints, and satisfaction ratings for various customer categories all reached the highest level.

- **Privacy protection of customers**

The Company places high importance on customer privacy protection, strictly complying with the Data Security Law of the People's Republic of China and other laws and regulations, formulating and implementing customer information security management measures. It establishes a confidentiality responsibility system, clarifying employees' responsibilities and obligations in managing customer data, regularly conducting confidentiality education and training, strengthening all-employee information security awareness, and setting up supervision and disciplinary mechanisms, strictly prohibiting employees from disclosing customer information to external parties in any form. For customer data inevitably encountered in daily office work, strict confidentiality processes are enforced to prevent information leakage due to management oversight. The Company utilizes self-developed computer monitoring software for real-time monitoring, peripheral control, application permission management, and endpoint security protection, comprehensively preventing information leakage risks, recording employee network behavior, enabling timely traceability and early warning of non-compliant operations. When transferring responsibilities or during personnel changes, customer data is promptly archived and relevant customers are notified, ensuring customer information remains under control throughout the flow process, effectively safeguarding customer privacy.

During the Reporting Period, there was no case involving the Group in respect of any infringement to customer privacy.

5.2 Encouraging Innovation and Development

The Group places the construction of its innovation system at a strategic height, actively fostering an environment that encourages employees to innovate and create value. It systematically introduces and integrates advanced domestic and international technologies and experiences, continuously promoting technological innovation, process improvement, and equipment upgrades. It deepens industry-university-research collaboration, jointly building R&D platforms with universities and research institutions, strengthening the integration of "research-production-application", accelerating the transformation and large-scale application of new products, new technologies, and new materials in industrial settings, continuously enhancing the Company's core competitiveness and sustainable development capability.

- **Enhancing the development of innovative ability**

The Group adheres to an innovation-driven development strategy, systematically advances the development of innovation capabilities, and has formulated and implemented policies such as the Management Measures for Innovation and Efficiency Enhancement (《創新創效管理辦法》). It has also refined a full-chain incentive mechanism covering areas from idea generation to outcome conversion and reward distribution, effectively unlocking employee innovation potential and cultivating a strong culture of innovation within the Company. The Company focuses on technology upgrades and result transformation, deepening industry-university-research collaboration to promote the efficient application of cutting-edge research results on the production front, effectively improving operational efficiency and enabling green, low-carbon, and sustainable development. During the Reporting Period, the Group had 34 R&D personnel, with total R&D investment reaching RMB12.93 million.

The Company actively participates in the development of the national hydrogen energy standard system. As a contributing entity, it participated in the formulation of the national standard "Hydrogen – Part 2: Pure Hydrogen, High Purity Hydrogen and Ultra-Pure Hydrogen" (GB/T 3634.2-2025), which was officially released and implemented. This standard specifies the technical indicators and determination methods for different grades of hydrogen, providing a unified specification for hydrogen production, labeling, packaging, storage, transportation, and application, effectively promoting upstream and downstream collaboration and high-quality development in the industrial chain. By deeply participating in standard setting, the Company not only enhances its technical influence in the hydrogen energy industry but also contributes to promoting industry standardization, normalization, and green and low-carbon transformation.

Case Study: Intelligent Upgrading of Benzene Hydrogenation Unit Drainage System

To enhance the operational safety and efficiency of the benzene hydrogenation unit, the Company implemented an innovative technological upgrade to the original liquid discharge system. By optimizing the structure for discharging sulfur-containing wastewater, the system achieved automated control of liquid discharge from the circulator trap. This significantly reduced the frequency of manual intervention and equipment failure rates, effectively improving inherent safety levels. Additionally, a secondary separation water tank was installed between the high-pressure separator water sump and the sulfur-containing water treatment workshop to perform secondary oil-water separation on the mixed liquid from the high-pressure separator water sump and the circulator trap. This not only increased the hydrogenation oil yield, but also cut off the risk of leakage from the high-pressure system to the low-pressure system, significantly reducing safety hazards.

This retrofit solution has successfully been granted a national utility model patent authorization, fully demonstrating the Company's practical achievements in process optimization and safety technology innovation, and providing a replicable and scalable technical example for similar units.



● Enhancing intellectual property protection

The Group has established an intellectual property management system covering the full cycle of creation, application, protection and management, in strict accordance with the Patent Law and relevant intellectual property regulations in the jurisdictions where it operates. The Company ensures that all intellectual property activities are conducted legally and in compliance with applicable requirements by continuously improving management mechanisms and strengthening policy implementation. It also organizes regular confidentiality and intellectual property training sessions for technical personnel to effectively safeguard the security and integrity of the Company's core technology assets. In the course of external collaborations, the Company clearly stipulates clauses for the protection of trade secrets and data information in cooperation agreements, strictly safeguarding the privacy and confidentiality of both parties. In the process of promoting the transformation of scientific and technological achievements, the Company strictly adheres to the Law on Promoting the Transformation of Scientific and Technological Achievements (《促進科技成果轉化法》) and implements full-process control over technical secrets, ensuring that innovative outcomes are not compromised, disclosed or lost during the transformation process.

During the Reporting Period, the Group applied for a total of 17 patents, and 10 patents were granted.

5.3 Enhancement of Supply Chain Management

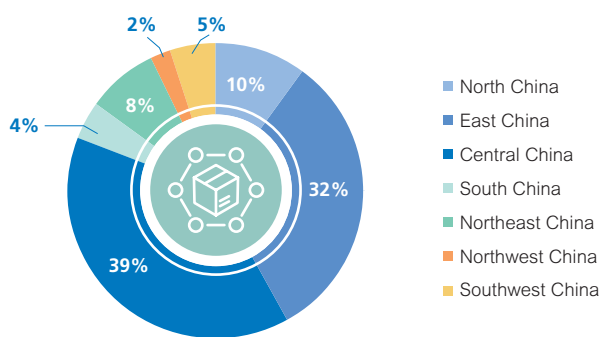
The Company consistently upholds the supplier management philosophy of fairness, justice, mutual benefit and win-win, committed to building a standardized, efficient, and sustainable supply chain system. By formulating and strictly implementing standardized documents such as the Procurement Management System, it systematically manages the entire process from demand submission, supplier selection, contract signing, to performance acceptance, clarifying core requirements regarding product quality, delivery timeliness, compliance operations, and ESG aspects. Simultaneously, it strengthens full lifecycle management of all suppliers, promoting information transparency, contractual cooperation, and standardized evaluation, continuously enhancing supply chain resilience and collaborative efficiency, providing solid support for the Company's high-quality development.

- **Supplier Access:** Adhering to the access principles of "Quality Priority, Reasonable Price, Contract Spirit, Credibility First", building a scientific and transparent supplier selection and evaluation system, establishing a risk early warning mechanism during qualification screening and comprehensive evaluation, conducting multi-dimensional assessments and evaluations from aspects such as production scale, financial strength, and potential quality issues, timely identifying and intervening in potential performance risks, credit anomalies, or quality fluctuations, ensuring procured products and services are controllable, traceable, and reliable throughout the process.
- **Supplier rating and classification management:** Classifying raw and auxiliary materials into critical, important, and general categories based on production needs. According to the impact of the purchased product provided by the supplies on the production of the Company's products and its quality, the suppliers were divided into qualified providers, temporary providers and unqualified providers, implementing differentiated management strategies.
- **Supplier's assessment and appraisal:** Conducting ongoing supervision of supplied material quality, delivery timeliness, and service responsiveness during contract execution. Based on key indicators such as supply capability and quality stability, conducting comprehensive supplier evaluations and hierarchical assessments annually.
- **ESG risk assessment of suppliers:** Requiring all suppliers to strictly comply with applicable environmental, occupational health, and safety laws and regulations. Dynamically assessing their performance capabilities in environmental protection, social responsibility, and product safety, focusing on potential impacts their products or operations may have on the Company's environment and safety. Terminating cooperation with suppliers who fail to meet the Company's ESG or production requirements, ensuring the stability and sustainability of the qualified supplier base.
- **Carrying out supplier training:** For external contractor units and on-site service personnel, organizing unified safety access training by the Group's Safety Department, followed by team-level secondary training by the relevant workshop, ensuring familiarity with company safety regulations and mastery of correct operating procedures.

- Green Procurement:** Strictly enforcing environmental compliance requirements. Procured materials and products must comply with relevant national, local, and industry environmental laws and regulations. While ensuring quality, we prioritize the selection of environmentally friendly and energy-efficient products manufactured using low-energy and clean production processes, actively promote the use of non-polluting or low-polluting green materials, and advance green procurement practices and sustainable development.
- Transparent Procurement:** Highly valuing supplier feedback and integrity-related compliance, establishing a reporting channel directly accessible to the Party Committee Secretary, encouraging named or anonymous reporting of violations or improper demands. Signing the Supplier Code of Conduct and Transparent Procurement Agreement to build a transparent, fair, and mutually beneficial cooperation mechanism, ensuring the continued stability and high efficiency of the supply chain.

Supplier Data in 2025

Indicator	Unit	2025
Total number of suppliers (all adopting the applicable practices)	number	117
North China	number	12
East China	number	37
Central China	number	46
South China	number	5
Northeast China	number	9
Northwest China	number	2
Southwest China	number	6
Number of annual audited suppliers	number	117
Supplier annual audit rate	%	100
Supply chain ESG assessment rate	%	100



Proportion of suppliers by region

6. Community Public Service

The Company adheres to the corporate culture of “being loyal internally, being honest externally, and being responsible toward the society”, adhering to the tenet of “benefiting from the society and giving back to the society”, actively fulfilling corporate social responsibility, integrating resources to engage in public welfare, and effectively supporting assisted areas and community development. In 2025, the Company conducted 3 volunteer activities with 150 participants.

During the Reporting Period, the Company donated RMB9,270 to the Charity Federation Trade Union, specifically to subsidize employees’ children for university subsidies. The Company contributed RMB12,000 to the mutual aid fund, designated to support employees in financial difficulty, effectively alleviating their living pressures, demonstrating corporate warmth and responsibility through practical actions. Additionally, the Company actively responded to local government calls, proactively participating in various city-level public welfare activities, such as participating in emergency duty during extreme weather events such as heavy rainfall, helping ensure public safety and order, showcasing the corporate citizen’s sense of responsibility and social warmth.



Jinyuan Hydrogenated Emergency Team Members Participating in Jiyuan City Heavy Rain Warning and Preparedness Duty

The Board hereby presents its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

We are a supplier of hydrogenated benzene-based chemicals and energy products in Henan province, primarily focusing on (i) the production and processing of hydrogenated benzene-based chemicals, which principally include pure benzene, toluene and xylene; and (ii) the production and processing of energy products comprising LNG and coal gas; and (iii) hydrogen purification and operation of hydrogen gas station. The Group is committed to optimal resource utilisation and environmentally responsible production throughout the production cycle. The Group has adopted a number of environmentally responsible measures to alleviate the impact of operations of the Group on the environment.

Discussion and analysis of the business of the Group, significant factors affecting the results and financial position of the Group and financial ratios of the Group are provided in the section headed "Management Discussion and Analysis Overview" of this annual report (pages 7 to 23). The Group's environmental policies and performance are provided in the section headed "Environmental, Social and Governance Report" of this annual report (pages 40 to 81). In addition, description of the principal risks and uncertainties faced by the Group, the future development of the Group and details regarding the Group's relationships with its key stakeholders, including employees, are provided in "Employees and Remuneration" and "Pension Scheme" in the section headed "Management Discussion and Analysis Overview" (pages 22 to 23), "Corporate Governance Report" (pages 24 to 39), "Environmental, Social and Governance Report" (pages 40 to 81) and this section (pages 82 to 94) of this annual report. The particulars of important events that have occurred since the end of Reporting Period are provided in the section headed "Management Discussion and Analysis Overview" of this annual report (pages 7 to 23). These discussions form part of this Directors' report.

FIVE YEAR FINANCIAL SUMMARY

Summaries of the results, assets and liabilities of the Group for the past five financial years (extracted from the audited financial statements published by the Group for 2021 to 2025) are set out as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(restated)	
Revenue	2,598,599	3,102,000	2,330,228	2,254,533	1,479,594
Cost of sales	(2,567,719)	(3,030,362)	(2,181,429)	(1,966,854)	(1,326,461)
Gross profit	30,880	71,638	148,799	287,679	153,133
Other income	9,299	21,619	8,553	6,354	5,067
Other gains and losses	(2,640)	(3,950)	(4,397)	(5,535)	(9,707)
Impairment losses under expected credit loss model, net of reversal					
Selling and distribution expenses	(13,371)	(16,275)	(18,420)	(15,366)	(11,963)
Administrative expenses	(38,132)	(44,938)	(31,315)	(31,562)	(22,980)
Listing expense	–	–	(1,415)	–	–
Finance costs	(14,420)	(16,472)	(6,064)	(8,022)	(2,645)
Share of result of a joint venture	(1,824)	386	3,148	–	–
(Loss) profit before tax	(30,208)	12,008	98,889	233,548	110,905
Income tax expense	12,679	(469)	(16,568)	(39,467)	(31,429)
(Loss) profit for the year	(17,529)	11,539	82,321	194,081	79,476
Other comprehensive income:					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Fair value gain on bills receivables at fair value through other comprehensive income ("FVTOCI"), net of income tax	42	402	66	327	35
Total comprehensive (expense) income for the year	(17,487)	11,941	82,387	194,408	79,511
Total comprehensive (expense) income for the year attributable to:					
– Owners of the Company	(34,235)	(15,771)	55,126	138,556	72,504
– Non-controlling interests	16,748	27,712	27,261	55,852	7,007
	(17,487)	11,941	82,387	194,408	79,511
(Loss) earnings per share (RMB)	(0.04)	(0.02)	0.09	0.26	0.14

Selected Historical Consolidated Assets and Liabilities Data

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	1,033,462	1,085,713	1,111,619	722,973	657,088
Current assets	482,759	590,685	551,767	352,464	316,607
Current liabilities	376,009	456,779	382,573	259,872	380,214
Net current assets (liabilities)	106,750	133,906	169,194	92,592	(63,607)
Total assets less current liabilities	1,140,212	1,219,619	1,280,813	815,565	593,481
Equity attributable to owners of the Company	951,138	985,373	1,021,775	582,010	458,754
Total equity	1,051,213	1,091,550	1,127,440	719,557	555,149
Non-current liabilities	88,999	128,069	153,373	96,008	38,332
	1,140,212	1,219,619	1,280,813	815,565	593,481

PAYMENT OF DIVIDENDS

On 23 March 2026, based on the operating results, the Board has resolved not to declare any final dividends for the year ended 31 December 2025. There is no arrangement under which the shareholders of the Company ("Shareholders") have waived or agreed to waive any dividends.

KEY RELATIONSHIP WITH STAKEHOLDERS – KEY CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the total revenue from top 5 customers of the Group and the revenue from the largest customer of the Group accounted for 41.38% and 21.59% (2024: 40.44% and 28.47%), respectively, of the total revenue of the Group. The top three largest customers are the Company's joint ventures or independent third parties, and such revenue was generated from the sales of hydrogenated benzene-based chemicals, coal gas and LNG of the Group and there is no collectability problem upon due.

None of the Directors of the Company, close associates of the Directors or Shareholders (which, to the best knowledge of the Board, own more than 5% of the Company's issued shares (excluding treasury shares)) had an interest in any of the Group's five largest customers at any time during the year.

During the year ended 31 December 2025, the aggregate amount of purchase attributable to the Group's top five suppliers and the purchase amount attributable to the largest supplier of the Group accounted for 39.95% and 23.96% (2024: 43.59% and 25.30%), respectively, of the total purchase amount of the Group.

None of the Directors of the Company, close associates of the Directors or Shareholders (which, to the best knowledge of the Board, own more than 5% of the Company's issued shares (excluding treasury shares)) had an interest in any of the Group's five largest suppliers at any time during the year.

In recent years, the Group has been operating with stable production and sales level. Such efficiency relied on the close and effective relationship management with major suppliers and customers via good communication and execution in all aspects, which included quality control, logistics and payment, resulting in a win-win situation.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of key subsidiaries and joint ventures of the Group are provided in Note 18 and Note 20 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company during the year are provided in Note 42 to the consolidated financial statements. On 31 December 2025, distributable reserves (i.e. retained profits) of the Company amounted to RMB0.0 million (2024: RMB0.0 million).

DONATIONS

During 2025, the Group made charitable donations of RMB9,270 (2024: RMB17,000).

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 34 to the consolidated financial statements in this report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including treasury shares) of the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has compliance procedures in place to ensure its compliance with relevant laws, rules and regulations. During the Reporting Period, save as disclosed in this report, the Group has complied with relevant laws and regulations which have material influence on its operation.

DIRECTORS AND SUPERVISORS

During the year ended 31 December 2025 and as at the date of this report, the Directors and Supervisors of the Company were as follows:

Executive Directors:

Mr. Wang Zengguang (*General manager*) (*appointed on 28 July 2023*)

Mr. Qiao Erwei (*Deputy general manager and Board secretary*) (*appointed on 22 October 2023*)

Non-executive Directors:

Mr. Yiu Chiu Fai (*Chairman*) (*appointed on 28 July 2023*)

Mr. Wang Kaibao (*Vice chairman*) (*appointed on 16 August 2023 and resigned on 30 January 2026*)

Mr. Xu Fenglei (*Vice chairman*) (*appointed on 30 January 2026*)

Mr. Wang Lijie (*appointed on 28 July 2023*)

Independent Non-executive Directors:

Ms. Wong Yan Ki Angel (appointed on 22 October 2023)

Mr. Di Zhigang (appointed on 28 July 2023)

Ms. Leung Sin Yeng Winnie (appointed on 16 August 2023)

Supervisors:

Mr. Wong Tsz Leung (appointed on 28 July 2023)

Mr. Wu Zhiqiang (appointed on 16 August 2023 and resigned on 30 January 2026)

Mr. Li Hebao (appointed on 28 July 2023)

Mr. Zhou Feng (appointed on 30 January 2026)

None of the Directors or Supervisors has entered into any service agreement with the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

For the biographical details of the Directors, Supervisors and the senior management of the Company, please refer to the section headed "Directors, Supervisors and Senior Management" of this annual report (pages 98 to 105).

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 31 December 2025, the interests and short positions (if any) of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Long position in associated corporation**Jinma Energy**

Name	Nature of interest	Class of securities	Number of shares held ^(Note 1)	Approximate percentage of shareholding ^(Note 2)
Mr. Yiu Chiu Fai	Interest in controlled corporation ^(Note 3)	H shares	162,000,000 (L)	30.26%
	Beneficial owner	H shares	2,681,000 (L)	0.50%
Mr. Wang Lijie	Interest in controlled corporation ^(Note 4)	H shares	42,900,000 (L)	8.01%

Notes:

- The letter "L" denotes the person's long position in such shares.
- The calculation is based on the total number of 535,421,000 shares in issue of Jinma Energy, of which all are H shares.
- Mr. Yiu Chiu Fai (a non-executive Director) is the legal and beneficial owner of the entire issued share capital of Golden Star. Golden Star, which in turn, holds 100% of the issued share capital of Jinma Coking, and Jinma HK is wholly owned by Jinma Coking. Jinma HK holds 30.26% of the issued share capital of Jinma Energy. Accordingly, Mr. Yiu is deemed to be interested in Jinma Energy's interest held by Jinma HK by virtue of the SFO.
- Mr. Wang Lijie (a non-executive Director) is the legal and beneficial owner of 33.44% of the equity interest in Jinma Xingye. Jinma Xingye holds 8.01% of the issued share capital of Jinma Energy. Accordingly, Mr. Wang is deemed to be interested in Jinma Xingye's interest in Jinma Energy by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors nor the chief executive had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed, during the year 2025 or as at the end of the year, none of the Directors or Supervisors of the Company, or the entities connected with the Directors or Supervisors, has participated or is or was materially interested, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party.

NON-COMPETITION UNDERTAKING

Jinma Energy has confirmed to the Company that during the Reporting Period, it has complied with the non-competition undertaking (the “**Non-competition Undertaking**”) given by it to the Company on 4 December 2023. Details of the Non-competition Undertaking are set out in the section headed “Relationship with our Controlling Shareholder” of the prospectus of the Company dated 12 December 2023.

The independent non-executive Directors have also reviewed the status of compliance by Jinma Energy with the undertakings in the Non-competition Undertaking and have confirmed that, as far as the independent non-executive Directors can ascertain, there is no breach of any of the undertakings in the Non-competition Undertaking.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year 2025 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No other contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during 2025 and until the Latest Practicable Date.

PERMITTED INDEMNITY PROVISION

The Company has taken out appropriate insurance coverage for Directors', Supervisors' and the chief executive's liabilities in respect of legal actions against its Directors, Supervisors and chief executive arising out of corporate activities. The level of the coverage is reviewed annually. In 2025, no permitted indemnity provision was in force for the benefit of the Company's Directors, Supervisors and the chief executive.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the year ended 31 December 2025 and remain so as at the date of this annual report.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the Group conducted the following continuing connected transactions in respect of its business, details of which are disclosed in compliance with the requirements under Chapter 14A of the Listing Rules:

Name of Connected Person	Relationship with the Group	Nature of Transaction	Annual Cap for	Actual Transaction
			2025	Amount for
			RMB'000	RMB'000
Jinma Energy (and its associates (excluding the Group))	Jinma Energy is interested in 75% of the total share capital of the Company and is a substantial shareholder and controlling shareholder of the Company.	Purchase of general services	8,000	6,359
		Purchase of crude coking coal gas	400,000	379,791
		Purchase of crude benzene	261,000	158,560
		Purchase of raw materials for the Coke Granule Coal Gas Facilities	140,000	6,573
		Purchase of the miscellaneous materials	4,000	3,792
		Sale of by-products	37,000	23,248
Yugang Coking Group	Yugang Coking is held as to 88.03% by Golden Fair Chemicals (Holdings) Limited, which is in turn indirectly held as to 65.92% by Mr. Wang Lijie, a director of the Company.	Sale of products	35,000	51

Purchase and sale of services or products from or to the Jinma Group

- Purchase of general services from the Jinma Group**

On 6 December 2023, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2023 to 31 December 2025 in relation to the purchase of general services (such as wastewater treatment, chemical examination, maintenance and construction consultation services) (the "General Services") by the Group from the Jinma Group (the "Purchase of General Services Framework Agreement").

Pursuant to the Purchase of General Services Framework Agreement, we may, from time to time, procure from the Jinma Group certain General Services by entering into specific agreements with the Jinma Group, setting out details of the requisite service specifications. Payment from our Group to the Jinma Group for such General Services shall be settled by us on a monthly basis.

We have historically purchased wastewater treatment, chemical examination, maintenance and construction consultation services from the Jinma Group, which has all along been providing stable and reliable services to us. Considering that we do not currently have wastewater treatment facilities, the Directors consider it to be beneficial for us to continue purchasing wastewater treatment service from the Jinma Group instead of constructing our own wastewater facilities or engaging third party providers which are expected to charge at a higher rate in view of additional transportation costs. In addition, if we were to perform the chemical examination, maintenance and construction consultation services on our end, we would be required to employ additional staff and provide requisite training and to construct and/or acquire relevant venue and facilities. Hence, by engaging such centralised services from the Jinma Group, we can lower our costs, and it is considered beneficial for us to continue purchasing the General Services from the Jinma Group.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB8.0 million and the transaction amount for the year ended 31 December 2025 was approximately RMB6.4 million.

On 1 December 2025, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2026 to 31 December 2028 in relation to the purchase of the General Services by the Group from the Jinma Group.

- **Purchase of crude coking coal gas from the Jinma Group**

On 6 December 2023, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2023 to 31 December 2025 in relation to the purchase of crude coking coal gas by our Group from the Jinma Group (the **"Purchase of Crude Coking Coal Gas Framework Agreement"**).

Pursuant to the Purchase of Crude Coking Coal Gas Framework Agreement, we may from time to time place purchase orders with the Jinma Group, specifying the amount of crude coking coal gas required by us, the requisite product specifications, as well as the expected delivery schedule. The Jinma Group shall sell crude coking coal gas to us and deliver the products according to the agreed delivery schedule. Further, the Jinma Group shall be obliged to first satisfy our requirements for crude coking coal gas before it is permitted to sell its crude coking coal gas to any other party. Payment from our Group to the Jinma Group for the purchase of crude coking coal gas shall be settled by us on a monthly basis.

We have historically purchased substantially all of our crude coking coal gas from the Jinma Group. Considering that (i) the chemical properties and industry/market characteristics of crude coking coal gas make it desirable for us to source from the Jinma Group, (ii) it is consistent with the national strategic policy of promoting circular economic development, and (iii) we are able to rely on the Jinma Group for an adequate and stable supply of crude coking coal gas, it is in our interest to source crude coking coal gas from the Jinma Group as a raw material for our production of coal gas.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB400.0 million and the transaction amount for the year ended 31 December 2025 was RMB379.8 million.

On 1 December 2025, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2026 to 31 December 2028 in relation to the purchase of crude coking coal gas by the Group from the Jinma Group.

- **Purchase of crude benzene from the Jinma Group**

On 6 December 2023, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2023 to 31 December 2025 in relation to the purchase of crude benzene by the Group from the Jinma Group (the **"Purchase of Crude Benzene Framework Agreement"**).

Pursuant to the Purchase of Crude Benzene Framework Agreement, we may from time to time place purchase orders with the Jinma Group, specifying the amount of crude benzene required by us, the requisite product specifications, as well as the expected delivery schedule. The Jinma Group shall sell crude benzene to us and deliver the products according to the agreed delivery schedule. Payment from our Group to the Jinma Group for the purchase of crude benzene shall be settled by us on a monthly basis.

As a result of such a long-term relationship between us and the Jinma Group, the Jinma Group is familiar with our business processes, requirements and quality standards and is able to supply crude benzene that meets with our procurement standards on a continuous basis. Further, the geographic proximity of the relevant facilities of the Jinma Group minimises transportation cost and time. As such, we believe that it is in our interest to source some of our crude benzene from the Jinma Group.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB261.0 million and the transaction amount for the year ended 31 December 2025 was approximately RMB158.6 million.

On 1 December 2025, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2026 to 31 December 2028 in relation to the purchase of crude benzene by the Group from the Jinma Group.

- **Purchase of raw materials for the Coke Granule Coal Gas Facilities from the Jinma Group**

On 6 December 2023, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2023 to 31 December 2025 in relation to the purchase of raw materials for the Coke Granule Coal Gas Facilities including coke granules, oxygen and steam (the "**Coke Granules Coal Gas Raw Materials**"), by our Group from the Jinma Group (the "**Purchase of Coke Granule Coal Gas Raw Materials Framework Agreement**").

Pursuant to the Purchase of Coke Granule Coal Gas Raw Materials Framework Agreement, we may from time to time place purchase orders with the Jinma Group, specifying the amount of the Coke Granules Coal Gas Raw Materials required by us, the requisite product specifications, as well as the expected delivery schedule. The Jinma Group shall sell the Coke Granules Coal Gas Raw Materials (as the case maybe) to us and deliver the products according to the agreed delivery schedule. Payment from our Group to the Jinma Group for the purchase of the Coke Granules Coal Gas Raw Materials shall be settled by us on a monthly basis.

The geographical proximity of the Jinma Group could minimise transportation cost and time for delivery of such raw materials. Hence, given that we will only purchase coke granule coal gas raw materials from the Jinma Group if the relevant price is comparable to (or better than) the price offered by an independent third party, sourcing coke granules, oxygen and steam directly from the Jinma Group could maximise our operational efficiency and stability of our operations. In light of the above, we believe that it is in our interest of flexible sourcing to purchase coke granule coal gas raw materials from the Jinma Group as raw materials for our production of coke granule coal gas.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB140.0 million and the transaction amount for the year ended 31 December 2025 was approximately RMB6.6 million.

On 1 December 2025, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2026 to 31 December 2028 in relation to the purchase of the Coke Granules Coal Gas Raw Materials by the Group from the Jinma Group.

- **Purchases of miscellaneous materials from the Jinma Group**

On 6 December 2023, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2023 to 31 December 2025 in relation to the purchase of compressed air, nitrogen, desalinated water and other chemicals (collectively, the "**Miscellaneous Materials**") by our Group from the Jinma Group (the "**Miscellaneous Purchases Framework Agreement**").

Pursuant to the Miscellaneous Purchases Framework Agreement, we may, from time to time, procure the Miscellaneous Materials from the Jinma Group. Payment from our Group to the Jinma Group for the Miscellaneous Materials shall be settled by us on a monthly basis.

The geographical proximity of the Jinma Group could minimise transportation cost and time for delivery of such Miscellaneous Materials. Hence, sourcing the Miscellaneous Materials directly from the Jinma Group could maximise our operational efficiency and stability of our operations. In light of the above, we believe that it is in our interest to source the Miscellaneous Materials from the Jinma Group as ancillary materials required in our production process.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB4.0 million and the transaction amount for the year ended 31 December 2025 was approximately RMB3.8 million.

On 1 December 2025, the Company entered into a framework agreement with Jinma Energy for a term from 1 January 2026 to 31 December 2028 in relation to the purchase of the Miscellaneous Materials by the Group from the Jinma Group.

- **Sale of by-products to the Jinma Group**

On 6 December 2023, we entered into a framework agreement with Jinma Energy for a term from 1 January 2023 to 31 December 2025 in relation to the sale of by-products including steam and chemical products such as heavy benzol (collectively, the “**By-products**”) from our Group to the Jinma Group (the “**Sale of By-products Framework Agreement**”).

Pursuant to the Sale of By-products Framework Agreement, the Jinma Group may from time to time place purchase orders with us, specifying the amount of By-products required by the Jinma Group, the requisite product specifications, as well as the expected delivery schedule. Following our acceptance of the orders, we have sold the relevant By-products to the Jinma Group and deliver the products according to the agreed delivery schedule. Payment to us from the Jinma Group for the purchase of By-products shall be settled by the Jinma Group on a monthly basis.

As it is beneficial to us to have uptakers for our By-products, considering the geographical proximity and long history of relationship between us and the Jinma Group, and that the selling price of the By-products is no less favourable than those offered to independent third parties, it is in our interest to sell the By-products to the Jinma Group.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB37.0 million and the transaction amount for the year ended 31 December 2025 was approximately RMB23.2 million.

On 1 December 2025, we entered into a framework agreement with Jinma Energy for a term from 1 January 2026 to 31 December 2028 in relation to the sale of the By-products from the Group to the Jinma Group.

Sale of products to Yugang Coking Group

On 6 December 2023, we entered into a framework agreement with Yugang Coking for a term from 1 January 2023 to 31 December 2025 in relation to the sale of products including coal gas and LNG from our Group to the Yugang Coking Group (the “**Yugang Coking Supply Framework Agreement**”).

Pursuant to the Yugang Coking Supply Framework Agreement, the Yugang Coking Group may from time to time place purchase orders with us, specifying the amount of products required by the Yugang Coking Group, the requisite product specifications, as well as the expected delivery schedule. Following our acceptance of the orders, we have sold the relevant products to the Yugang Coking Group and deliver the products according to the agreed delivery schedule. Payment to us from the Yugang Coking Group for the purchase of products shall be settled by the Yugang Coking Group on a monthly basis.

We have historically sold our products to the Yugang Coking Group and other independent third parties. The sale of products to the Yugang Coking Group would contribute to the overall sales of our Group's products and the implementation of our sales plan. Considering the geographical proximity and long history of relationship between us and the Yugang Coking Group, and that the selling price of the products is no less favourable than those offered to independent third parties, it is favourable for us to sell the products to the Yugang Coking Group.

In respect of amount, the 2025 annual cap for these continuing connected transactions was RMB35 million and the transaction amount for the year ended 31 December 2025 was approximately RMB51,000.

On 1 December 2025, we entered into a framework agreement with Yugang Coking for a term from 1 January 2026 to 31 December 2028 in relation to the sale of products including coal gas and refined oil from the Group to the Yugang Coking Group.

Opinions of Independent Non-executive Directors and Auditor

The independent non-executive Directors of the Company have reviewed the continuing connected transactions set out above and confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of the Group's business; (ii) on normal commercial terms or on terms no less favourable than those entered into by independent third parties with the Group; and (iii) pursuant to the relevant agreements governing these transactions on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Group's auditor has issued an unqualified letter containing its findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. The auditor confirms and states in the letter that:

- Nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed have not been approved by the Board of the Company.
- For transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the Group's pricing policy.
- Nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions.
- With respect of the aggregate transaction amount of each of the above continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed have exceeded the relevant annual caps as approved by the Company.

The price and the terms of the above transactions have been determined in accordance with the pricing policies set out in the Prospectus. Except for the connected transactions (including continuing connected transactions) disclosed above and other transactions disclosed as fully exempt continuing connected transactions in the Prospectus, all the related parties' transactions set out in Note 38 to the consolidated financial statements of the Group do not constitute continuing connected transactions or connected transactions of the Company that are required to comply with the relevant annual review, disclosure or shareholder's approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules (if applicable) in respect of the aforementioned transactions.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SECURITIES

As at 31 December 2025, so far as is known to the Directors, the following parties (other than a Director, Supervisor or chief executive officer) were directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Name	Nature of Interest	Class of Shares	Number of Shares Held ^(Note 1)	Approximate percentage of shareholding in the total Share Capital of the Company ^(Note 2)
Jinma Energy	Beneficial owner	H Shares	713,380,000 (L)	74.65%
	Interests in controlled corporation ^(Note 3)	H Shares	3,350,000 (L)	0.35%

Notes:

1. The letter "L" denotes the entity/person's long position in such Shares. The letter "S" denotes the entity/person's short position in such Shares.
2. This percentage is based on the total share capital of the Company of 955,640,000 H Shares.
3. Shanghai Jinma is wholly owned by Jinma Energy. Accordingly, Jinma Energy is deemed to be interested in Shanghai Jinma's interest in the Company by virtue of the SFO.

Save as disclosed above, there was no other interest recorded in the register that was required to be kept under Section 336 of the SFO as at 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is available to the Group and to the best knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules since the Listing Date and up to the date of this report.

PROVISION OF FINANCIAL ASSISTANCE AND GUARANTEES FOR AFFILIATED COMPANIES

For the year ended 31 December 2025, no financial assistance or guarantees in respect of any banking facilities were provided by the Company to its affiliated companies.

EMPLOYEES AND REMUNERATION POLICY

Employees are the Group's important asset. As at 31 December 2025, the Group employed 392 employees, with an average turnover of less than 6% over the past three years, reflecting the competitive remuneration and benefits provided by the Group to its employees.

The Group has established a remuneration and appraisal committee to review the remuneration policy for all Directors and the management of the Group based on the Group's overall operating results, individual performance and comparison of market practices. The Group has made full contributions to social insurance (including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident funds for its employees in accordance with the relevant PRC labour laws and regulations. Other relevant information is provided in Note 33 Retirement Benefit Plans to the "Consolidated Financial Statements".

Details of Directors' remuneration for 2025 are provided in Note 13 to the "Consolidated Financial Statements" in this annual report.

PENSION SCHEMES

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

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

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Deloitte Touche Tohmatsu ("**Deloitte**") who will retire from the office of auditor at the forthcoming annual general meeting of the Company and, being eligible, will offer itself for re-election. Since the Listing Date and up to the date of this annual report, the Company has not changed its auditor.

On behalf of the Board

Yiu Chiu Fai

Chairman

Hong Kong

24 April 2026

In 2025, all members of the Supervisory Committee of the Company strictly complied with the Company Law, the Articles of Association, the Listing Rules, the Rules of Procedures for Supervisory Committee and relevant laws and regulations, faithfully performed their supervisory duties, focusing on safeguarding the Company's standardized operation and protecting the legitimate rights and interests of the Company and its shareholders. Their efforts concentrated on key areas including financial supervision, supervision of the performance of duties by the Board of Directors and senior management, internal control and compliance supervision, and oversight of major operational matters, steadily advancing various supervisory tasks throughout the year. During the year, the Supervisory Committee convened meetings, verified information, and participated in decision-making in accordance with laws and regulations, effectively playing its supervisory and balancing role, assisting the Company in mitigating operational risks and enhancing its governance standards. This report presents the work of the Supervisory Committee for the year:

I. BASIC ASSESSMENT ON THE OPERATION, MANAGEMENT BEHAVIOUR AND RESULTS OF THE COMPANY IN 2025

In 2025, the Supervisory Committee of the Company strictly complied with the requirements of the Company Law, the Articles of Association, the Rules of Procedures for Supervisory Committee and relevant laws and regulations, adhered to the principles of independence, objectivity and fairness, diligently performed its supervisory duties, with a focus on the full-process supervision over the performance of duties by the Board of Directors and all directors, the general manager and other senior management. Through supervision and verification, the Board of Directors and all directors were able to perform their duties in compliance with laws and regulations, actively respond to changes in the market environment, strictly implement the resolutions of the general meetings and the various decisions of the Board of Directors, act diligently and responsibly, and operate steadily. There were no violations of laws and regulations, the Articles of Association, or any behavior detrimental to the interests of the Company and all shareholders. The Company's management earnestly implemented the operational strategies and work arrangements determined by the Board of Directors, demonstrating strong professional competence and execution capabilities, with standardized and orderly management and control, and overall stable and controllable operations.

II. THE MEETINGS OF THE SUPERVISORY COMMITTEE

During the Reporting Period, the Supervisory Committee of the Company convened four meetings:

On 27 March 2025, the fifth meeting of the First Session of the Supervisory Committee was held. Three of the three Supervisors who were eligible to attend were present. The meeting was convened in compliance with the requirements of the Company Law and the Articles of Association. The meeting considered and approved the following proposals: *2024 Work Report of the Supervisory Committee of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*; *Audited Financial Statements and Auditor's Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd. for the Year Ended 31 December 2024*; *2024 Annual Results Announcement of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*; *Proposal on the Distribution of Final Cash Dividends for 2023*.

On 23 April 2025, the sixth meeting of the First Session of the Supervisory Committee was convened by way of written resolutions. The meeting was convened in compliance with the requirements of the Company Law and the Articles of Association. The meeting considered and approved the following proposal: *2024 Annual Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*

On 26 August 2025, the seventh meeting of the First Session of the Supervisory Committee was held. Two out of three Supervisors eligible to attend were present. The meeting was convened in compliance with the requirements of the Company Law and the Articles of Association. The meeting considered and approved the following proposals: *Proposal on the Announcement of the 2025 Interim Results Announcement of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*; *Proposal on the Distribution of Interim Dividends for 2025*.

On 20 September 2025, the eighth meeting of the First Session of the Supervisory Committee was convened by way of written resolutions. The meeting was convened in compliance with the requirements of the Company Law and the Articles of Association. The meeting considered and approved the following proposal: *Proposal on the Announcement of the 2025 Interim Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*

III. SUPERVISORY OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2025:

(I) Operating the Company according to law

During the Reporting Period, the Supervisory Committee strictly followed the Company Law, the Articles of Association and relevant regulatory requirements, faithfully and diligently performed its supervisory duties. It attended all general meetings held during the Reporting Period in accordance with the law, fully attended Board meetings, continuously monitored the Company's operational management, major decision-making and internal control operations, and conducted comprehensive supervision over the Company's standardized operation in 2025. The Supervisory Committee is of the view that: the Company continuously improved its internal control system and perfected its corporate governance structure, forming a scientific and effective mechanism for decision-making, execution and supervisory checks and balances. Major operational and investment matters all strictly followed statutory review procedures, and the various resolutions of the general meetings and the Board of Directors were effectively implemented. The Company's directors and senior management consistently adhered to the requirements of diligence, responsibility, integrity and self-discipline when performing their duties, exercised their powers and fulfilled their obligations in accordance with laws and regulations. No violations of laws and regulations, the Articles of Association, or any behavior detrimental to the interests of the Company and shareholders were found.

(II) Financial conditions of the Company

During the Reporting Period, the Supervisory Committee conducted comprehensive and effective supervision, inspection and review of the Company's financial condition for 2025 by reviewing special financial reports, implementing dynamic audit supervision, listening to work reports from the finance department and carrying out regular inspections, taking into account the Company's actual operating situation. The Supervisory Committee is of the view that: the Company's financial management system is sound and operates in a standardized manner, with an overall stable financial condition. The preparation of the financial statements strictly follows the Accounting Standards for Business Enterprises and relevant national financial and accounting systems, truly, accurately and completely reflecting the Company's financial position, results of operations and cash flows during the Reporting Period. The third-party audit institution providing audit services to the Company issued a standard unqualified auditor's report on the annual financial statements. Its engagement process was compliant, its professional judgments were objective, and its audit conclusions were true and reliable.

(III) Related party transactions

The Supervisory Committee of the Company conducted full-process supervision and verification of the related party transactions that occurred during the Reporting Period. The Supervisory Committee is of the view that: all related party transactions that occurred during the Reporting Period were based on normal production, operation and business development needs. The decision-making procedures complied with relevant laws, regulations, regulatory requirements and the provisions of the Articles of Association. Both parties to the transactions strictly executed the terms of the agreements. The pricing for related party transactions followed the principles of fairness, justice, openness and market-based fairness. The pricing mechanism was reasonable and transparent. There were no instances of interest transfer or damage to the legitimate rights and interests of the Company and other non-connected shareholders during the transactions.

(IV) Internal control assessment of the Company

During the Reporting Period, the Supervisory Committee supervised and reviewed the establishment and operation of the Company's internal control system. The Supervisory Committee is of the view that: the Company has established an internal control system covering all businesses and processes based on regulatory requirements and its own actual situation, which can effectively ensure the legality and compliance of the Company's operations and management, as well as the safety and integrity of its assets. The current internal control system complies with relevant national laws and regulations and meets the actual needs of the Company's production and operation management. It is well-implemented and operates effectively. The Company's internal control and management departments are established in a sound and standardized manner. The internal audit and supervision team possesses professional competence. The supervision of key control points is robust, and the system is implemented effectively, meeting regulatory requirements and corporate governance expectations.

IV. SUPERVISORY COMMITTEE'S OUTLOOK OF WORK IN 2026

In 2026, the Supervisory Committee will continue to uphold its statutory supervisory duties, closely align with the Company's operational and development goals, focus on the core areas of compliance control, risk prevention, and rights protection, and continuously optimize supervision methods and enhance supervision effectiveness. Key tasks will include:

1. **Deepen full-process financial supervision:** Continuously monitor key areas such as financial accounting, statement auditing and fund management, strengthen supervision over large-sum fund flows, asset disposals and cost control, ensure the authenticity and compliance of financial data, and safeguard the Company's fund security.
2. **Strengthen performance of duties and compliance supervision:** Continuously supervise the performance of duties by the Board of Directors and senior management, standardize major decision-making procedures; focus on compliance priorities such as environmental protection, safety, related party transactions and information disclosure, to build a solid compliance operational defense line.
3. **Improve the effectiveness of risk prevention and control supervision:** Focus on the Company's key work areas such as project operations, market development, cost reduction and efficiency enhancement, increase risk identification and supervision efforts, urge the management to improve the risk control system, and help the Company achieve stable operation.
4. **Strengthen self-development and standardized performance:** Continuously strengthen professional training for Supervisors, deeply study regulatory policies and industry knowledge, optimize supervision processes, enhance the professionalism and independence of supervision, and effectively play the supervisory and safeguarding role of the Supervisory Committee.

DIRECTORS

The Board currently consists of eight Directors, of whom two are executive Directors, three are non-executive Directors and three are independent non-executive Directors. The term of office of all Directors (of the current session of the Board) shall end on 28 July 2026, and the Directors may be appointed for consecutive terms. The Board shall be responsible for and shall have general power to manage and develop the Company's business.

Executive Directors

Mr. Wang Zengguang (王增光), aged 45, was appointed as our Director and general manager on 28 July 2023 and was redesignated as an executive Director on 16 August 2023. He is responsible for the overall management, formulation and implementation of business strategies of our Group. He is also a member of the nomination committee and the strategy committee.

Mr. Wang has over 18 years of experience in corporate management. From March 2003 to February 2017, Mr. Wang worked in the Jinma Group and held various positions successively. He served in Jinma Energy as a worker and participated in its early construction works from March 2003 to December 2003, as deputy director of the production management department from January 2004 to July 2009, as deputy director and director of the coal preparation workshop from July 2009 to January 2015 and was simultaneously appointed as the production director of Jinma Energy's production management department as well as the assistant general manager of Henan Bohai Chemical Co., Ltd* (河南博海化工有限公司), a member of the Jinma Group, in January 2015.

In February 2017, Mr. Wang was appointed as the deputy general manager of our Predecessor and has been working in various positions within our Group and the Jinma Group since. From January 2018 to July 2023, he served as Jinma Energy's deputy general manager. In June 2020, he was appointed as the secretary of the party branch of our Predecessor as well as an executive director of our Predecessor. From November 2020 to January 2023, he served as the general manager of our Predecessor, primarily responsible for the overall operations and management. From November 2020 to July 2023, he also served as an executive director of our Predecessor, primarily responsible for supervision and management. Mr. Wang does not hold any position in the Jinma Group.

In July 2004, Mr. Wang graduated from Party School of Henan Committee of C.P.C (中共河南省委黨校) in the PRC with a diploma in economic management. In August 2015, he graduated from Zhengzhou University (鄭州大學) in the PRC through online education, majoring in business administration. In July 2023, he graduated from China University of Petroleum (East China) (中國石油大學(華東)) in the PRC through online education, majoring in chemical engineering and technology.

Mr. Qiao Erwei (喬二偉), aged 45, was appointed as our deputy general manager on 28 July 2023, the board secretary on 1 August 2023 and our executive Director on 22 October 2023. He is responsible for participating in the daily operations and management of our Group. Mr. Qiao joined the Jinma Group in November 2003 and served in various positions, including as shift supervisor, safety officer and "safety, environmental protection and quality" system internal auditor of the coking workshop, dispatcher of the production department and as deputy director of the cooperate development management department until January 2020. From January 2020 to August 2021, he was appointed as the deputy manager of Jinrui Energy, primarily responsible for production operation management. From August 2021 to January 2022, he was appointed as the manager of Jinrui Energy. In March 2022, he was appointed as the director of Jinrui Energy and has been responsible for the operations of Jinrui Energy since. Mr. Qiao does not hold any position in the Jinma Group.

Mr. Qiao graduated from Zhengzhou University (鄭州大學) in the PRC in December 2007, majoring in law. He also obtained an intermediate certificate in economic professional and technical qualification and a certificate as a registered safety engineer in November 2003 and September 2006 respectively.

Non-executive Directors

Mr. Yiu Chiu Fai (饒朝暉), aged 57, was appointed as our Director and the chairman of the Board on 28 July 2023 and was redesignated as a non-executive Director on 16 August 2023. He is also the chairman of the board of Shenzhen Jinma Energy Co., Ltd.* (深圳市金馬能源有限公司) (a member of the Jinma Group) and a director of Henan Jinma Zhongdong Energy Company Limited* (河南金馬中東能源有限公司) ("Jinma Zhongdong" which is a member of the Jinma Group). He is responsible for providing strategic advice and recommendations on the operations and management of our Group. He is also a member of the remuneration and appraisal committee.

Mr. Yiu has over 30 years of experience in corporate management. Mr. Yiu joined the Jinma Group in May 2006 as a director. Mr. Yiu was appointed as an executive director and the chairman of the board of directors of Jinma Energy from July 2016 to June 2025, and as a non-executive director and the chairman of the board of directors of Jinma Energy since September 2025, and is mainly responsible for formulating corporate and operational strategies and making major corporate decisions.

Prior to joining our Group and the Jinma Group, Mr. Yiu was a department manager of Xiamen Commercial Foreign Trade Corporation from August 1990 to September 1993, a director and deputy general manager of Shangxiang Minmetals Investment Ltd. from December 1993 to June 1997, an executive director of Asia Energy Logistics Group Limited (formerly known as Central China Enterprises Limited), a company listed in Hong Kong, (stock code: 351) from June 1998 to September 2000, and the chairman of Yugang Coking from June 2002 to July 2012.

Mr. Yiu obtained a bachelor's degree in law from Xiamen University in July 1990. He also obtained a master's degree in business administration from the University of South Australia in April 2003 through long distance learning.

Mr. Xu Fenglei (徐風雷), aged 56, was appointed as a non-executive Director of the Company in January 2026. Mr. Xu has served as a non-executive director, vice chairman of the board and chairman of the strategic development committee of Henan Jinma Energy Company Limited* (河南金馬能源股份有限公司) (the controlling shareholder of the Company, a company listed on the Hong Kong Stock Exchange with stock code: 6885) since June 2025. Mr. Xu currently serves as the deputy head of the Safety and Environmental Protection Department and the deputy head of the Carbon Neutrality Office of Magang (Group) Holding Co., Ltd. ("Magang Group"), together with its subsidiaries, collectively referred to as "Magang Group & Magang Shares".

Mr. Xu joined Magang Coking Company in August 1994. He has held various positions in Magang Coking Company, the Engineering Management Department of Magang Group, Anhui Magang Chemical Energy Technology Co., Ltd.* (安徽馬鋼化工能源科技有限公司), and the Technical Transformation Department of Magang Group & Magang Shares, including deputy director of the Tar Workshop, director of the Recovery Workshop, director of the Second Gas Purification Workshop, factory manager of the Refined Benzene Plant, factory manager of the Third Gas Purification Plant, director of the Technical Transformation Office, and head of the Benzene Hydrogenation Project Team of Magang Coking Company; deputy manager of the Engineering Management Department of Magang Group; deputy general manager, general manager and chairman of Anhui Magang Chemical Energy Technology Co., Ltd.* (安徽馬鋼化工能源科技有限公司); chairman of Shanxi Fuma Carbon Material Technology Co., Ltd.* (山西福馬炭材料科技有限公司); deputy head of the Technical Transformation Department of Magang Group & Magang Shares; and deputy head of the Energy and Environmental Protection Department, deputy head of the Safety Production Management Department, and deputy head of the Technical Transformation Department of Magang Group.

Mr. Xu obtained a bachelor's degree in engineering in coal chemical engineering from the Department of Chemical Engineering of East China Institute of Metallurgy (華東冶金學院). He holds the professional qualification of senior engineer.

Mr. Wang Lijie (王利杰), aged 38, was appointed as our Director on 28 July 2023 and was redesignated as a non-executive Director on 16 August 2023. He is responsible for participating in formulating our Group's corporate and operational strategies and the overall business operations and management of our Group. He is also a member of the strategy committee.

Mr. Wang has almost 10 years of experience in corporate management. From January 2012 to October 2013, he served as the deputy general manager of Yugang Coking, primarily responsible for procurement. From November 2013 to October 2019, he served as a general manager of Shanghai Jinma, primarily responsible for the overall operations and management. Since February 2015, he has been the chairman of the board of directors of Jinma Xingye, primarily responsible for the overall operations and management. Since May 2019, he has been the general manager of Shenzhen Jinma Energy Co., Ltd.* (深圳市金馬能源有限公司) (a member of the Jinma Group), primarily responsible for the overall operations and management. Since March 2022, he has been a director of Xiamen Jinma ITG Co., Ltd.* (廈門金馬國貿有限公司) (an associate of the Jinma Group), primarily responsible for business operation management.

Mr. Wang completed the new business leaders development programme from Beijing University in the PRC in September 2016.

Independent non-executive Directors

Ms. Wong Yan Ki, Angel (黃欣琪), aged 53, was appointed as our independent non-executive Director on 22 October 2023. She is primarily responsible for supervising compliance and corporate governance issues of our Group and providing independent opinion and advice to the Board. She is also the chairman of the audit committee and a member of the nomination committee.

Ms. Wong has over 30 years of experience in accounting, auditing, corporate finance and capital market. She worked for Kwan Wong Tan & Fong (Kwan Wong Tan & Fong merged with Deloitte Touche Tohmatsu in August 1997) from October 1995 to July 1997 then from August 1997 to November 1999, she worked for Deloitte Touche Tohmatsu. She later served a number of roles at Great East Packaging Holdings Limited (偉東包裝製品集團有限公司) from October 1999 to March 2003, including group financial controller and assistant finance manager. Between April 2003 and December 2007, she held various positions at Benefit Capital Limited (百富達融資有限公司) including vice president and executive director. From April 2005 to November 2005, she also acted as chief financial officer of Shengda (Group) Holdings Ltd. (勝達國際控股有限公司). Since November 2007, she has been an executive director of Advanced Capital Limited (匯財資本有限公司), where she is responsible for operation management and major decisions.

Ms. Wong has been an independent non-executive director of Betta Pharmaceuticals Co., Ltd.* (貝達藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300558), Many Idea Cloud Holdings Limited (多想雲控股有限公司), a company listed on the Stock Exchange (stock code: 6696), and Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (國鴻氫能科技(嘉興)股份有限公司), a company listed on the Stock Exchange (stock code: 9663), since January 2021, October 2022 and October 2023, respectively.

Previously, Ms. Wong also served as a director of various public companies listed in different regions. From August 2009 to January 2011, she acted as a non-executive director of Esmart Holdings Limited, (currently known as Duty Free International Limited), a company listed on Stock Exchange of Singapore Dealing and Automated Quotation System of the Singapore Exchange Limited (stock code: DutyFree), during which she acted as the chairman of the board from February 2010 to January 2011. She served as an independent non-executive director of (i) China Best Group Holding Limited, a company listed on the Stock Exchange (stock code: 0370), from June 2011 to September 2014; (ii) Oriental Unicorn Agricultural Group Limited (currently known as China Demeter Financial Investments Limited), a company listed on the GEM of the Stock Exchange (stock code: 8120), from October 2011 to May 2013; (iii) China Shengda Packaging Group Inc., a company formerly listed on the Nasdaq Stock Exchange (stock code: CPGI), from August 2014 to September 2015; (iv) China Public Procurement Limited (currently known as Cherish Sunshine International Limited), a company listed on the Stock Exchange (stock code: 1094), from December 2015 to July 2018; (v) Miko International Holdings Limited, a company listed on the Stock Exchange (stock code: 1247), July 2017 to July 2018; and (vi) Yuhua Energy Holdings Limited (currently known as Jintai Energy Holdings Limited), a company listed on the Stock Exchange (stock code: 2728), from November 2016 to December 2018, respectively. From March 2013 to January 2021, Ms. Wong served as an independent non-executive director of Hengxing Gold Holding Company Limited* (恆興黃金控股有限公司), a company listed on the Stock Exchange (stock code: 2303), which was delisted in February 2021. From November 2015 to April 2023, she also served as the independent director of BIT Mining Limited (formerly known as 500.com Limited), a company listed on the New York Stock Exchange (stock code: BTCM).

Ms. Wong obtained a bachelor's degree in economics, majoring in international accounting, from Xiamen University (廈門大學) in the PRC in July 1994, a post-graduate certificate in professional accounting from the City University of Hong Kong in November 2000 and a master's degree of business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in October 2009. She obtained the certificate of follow-up training courses for independent directors of listed companies from the Shenzhen Stock Exchange in the PRC in May 2022 and September 2024 respectively.

Ms. Wong has been admitted as a member or fellow member of several associations. She has been successively admitted as fellow member of the Institute of Financial Accountants in the United Kingdom since October 2003, fellow member of the Society of Registered Financial Planners in Hong Kong since November 2003, fellow member of the Singapore Institute of Directors since October 2009, member of the Hong Kong Institute of Directors since November 2014, fellow member of the Institute of Public Accountants (FIPA) (澳洲公共會計師協會資深會員) since April 2015, founding member of the Hong Kong Independent Non-executive Director Association (香港獨立非執行董事協會) since January 2016, fellow member of CPA Australia (澳洲會計師公會) since May 2017, member of the Guangdong Association of Management Accountants since December 2017, member of the Association of Chinese Internal Auditors in Hong Kong (香港華人內部審計師公會) since April 2022, and member of the Institute of Certified Management Accountants of Australia since June 2024, respectively.

Mr. Di Zhigang (鄧志崗), aged 40, was appointed as our independent non-executive Director on 28 July 2023. He is primarily responsible for supervising compliance and corporate governance issues of our Group and providing independent opinion and advice to the Board. He is also a member of the audit committee and the chairman of the remuneration and appraisal committee.

Mr. Di was a research and development engineer at Shanghai Electric Group Co., Ltd. Central Academe (上海電氣集團股份有限公司中央研究院) from July 2014 to October 2016, primarily responsible for research and development work. From November 2016 to April 2020, he served as a stack engineer in Shanghai Refire Technology Co., Ltd. (上海重塑能源科技有限公司), primarily responsible for supplier selection, development and test evaluation work. Since May 2020, he has been a senior manager and chief scientist of Shanghai Yunliang New Energy Technology Co., Ltd.* (上海韻量新能源科技有限公司), primarily responsible for design and development work and management of the product development team.

Mr. Di graduated from Northeastern University (東北大學) in the PRC with a bachelor's degree in materials science and engineering in July 2007. He then obtained a master's degree in materials science from Northeastern University in the PRC and a doctor's degree in materials physics and chemistry from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2009 and June 2014 respectively.

In 2020, Mr. Di completed the 11th high-level talent training course in the Jiading District in the PRC. In 2022, he was awarded as an outstanding youth engineer in Shanghai in the PRC. In the same year, he obtained a first prize in the Science and Technology Award by the Shanghai Transportation Engineering Society* (上海市交通工程學會科學技術獎). In 2023, he obtained a first prize in the Shanghai Science and Technology Award for Scientific and Technological Progress* (上海市科學技術獎科技進步獎).

Ms. Leung Sin Yeng Winnie (梁善盈), aged 41, was appointed as our independent non-executive Director on 16 August 2023. She is primarily responsible for supervising compliance and corporate governance issues of our Group and providing independent opinion and advice to the Board. She is also a member of the remuneration and appraisal committee and the chairman of the nomination committee.

Ms. Leung has over 13 years of experience in corporate finance before engaging in asset management. In 2020, Ms. Leung founded Transcend Capital Partners ("Transcend"), a venture capital firm investing in start-ups in Asia, and has been its general partner since. In October 2022, Transcend Capital Partners II L.P., Transcend's second fund, was appointed as co-investment partner of the Innovation and Technology Venture Fund (ITVF) established by the Government of Hong Kong. It is an ESG-conscious fund that invests in startups in Asia. Prior to founding Transcend, she was an investment banker in UBS AG from August 2006 to June 2019, primarily responsible for advising on corporate finance.

Ms. Leung graduated with first class honours from the Hong Kong University of Science and Technology with a bachelor of business administration in global business and finance in November 2006.

Ms. Leung has been licensed under the SFO as a representative of Pollock Asset Management Limited to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities since March 2021, May 2021 and April 2021, respectively.

SUPERVISORS

The Supervisory Committee of the Company currently consists of three Supervisors, of whom two are shareholder representatives, and one is an employee representative. Shareholder representative Supervisors are elected by the Shareholders and employee representative Supervisors are elected by employee representatives. The Supervisors are appointed for a term of three years and may be appointed for consecutive terms. The Supervisory Committee is responsible for overseeing the Board and senior management in discharging their responsibilities and reviewing financial statements of the Group.

Mr. Wong Tsz Leung (黃梓良), aged 62, was appointed as our shareholder representative Supervisor and elected as the chairman of the supervisory committee on 28 July 2023. He is primarily responsible for overseeing the affairs of the supervisory committee, supervising our operations and financial activities and supervising our Directors and senior management in the performance of their duties.

Mr. Wong has approximately 28 years of experience in financial strategic planning and management. He was the chief financial controller of OSSIMA Publishing Group Limited from January 1995 to September 2005. In February 2012, he joined the Jinma Group as a supervisor of Jinma Energy's predecessor. In July 2016, he was appointed as a shareholder representative supervisor of Jinma Energy, primarily responsible for overseeing the affairs of the supervisory committee. Since November 2010, he has been the financial manager of Jinma HK, primarily responsible for Jinma HK's daily financial work.

Mr. Wong served as an executive director and the chief financial officer of Smart-Core Holdings Limited (stock code: 2166), a listed company in Hong Kong, from October 2016 to June 2024, and has been serving as non-executive director of that company since July 2024.

Mr. Wong obtained a master's degree in business administration from the University of Wales in December 2011 via its distance learning programme.

Mr. Zhou Feng (周峰), aged 46, was appointed as a shareholder representative supervisor of the Company in January 2026. Mr. Zhou joined Magang Group & Magang Shares in July 2002 and currently serves as the director of the Inspection Office of the Party Committee Inspection Office of Magang Group. Previously, he held various positions in Magang (Group) Holding Co., Ltd. and Maanshan Iron & Steel Co., Ltd.*, including equipment technician, equipment engineer, technical supervisor, deputy plant manager, trade union chairman, and deputy director of the Inspection Office of the Party Committee Inspection Office of Magang Group.

Mr. Zhou holds the professional qualification of senior engineer and obtained a master's degree in control engineering from Anhui University of Technology.

Mr. Li Hebao (李合寶), aged 40, was appointed as our employee representative Supervisor on 28 July 2023. He is primarily responsible for supervising our operations and financial activities, supervising our Directors and senior management in the performance of their duties.

Mr. Li joined our Group in August 2011 and served as a section chief of the plant area of our Predecessor, primarily responsible for ensuring stable production in the plant area. In October 2016, he was appointed as the deputy general manager of our Predecessor, primarily responsible for environmental protection and production. Prior to joining our Group, he worked in Henan Kaifeng Jinkai Chemical Co., Ltd.* (河南省開封市晉開化工有限公司) from July 2007 to June 2010, and was primarily responsible for on-site production.

Mr. Li obtained a diploma in chemical engineering from Henan University of Technology (河南工業大學) in the PRC in July 2007. In July 2017, he graduated from Henan Institute of Science and Technology (河南科技學院) in the PRC majoring in chemical engineering and technology through correspondence education.

In November 2019, Mr. Li became an intermediate certified safety engineer in the PRC.

SENIOR MANAGEMENT

Members of the senior management are responsible for the day-to-day operation of the business of the Company. For the biographical details of Directors who form part of the senior management, please see pages 98 to 102 of this section.

Mr. Wei Xiaohui (衛曉輝), aged 44, is a deputy general manager of our Company, primarily responsible for the overall management and daily business operations of our Group.

Mr. Wei joined the Jinma Group in February 2004 and worked in the chemical production workshop until June 2011. In July 2011, he joined our Predecessor and served in various positions, including being primarily responsible for project construction work, process management work and overall production work. From July 2012 to February 2023, he served as the deputy general manager of our Predecessor, primarily responsible for process management and overall production work. From February 2023 to July 2023, he served as the general manager of our Predecessor, primarily responsible for the overall operations and management.

Mr. Wei obtained a diploma in quality management and inspection technology from Henan University (河南大學) in July 2002. He graduated from the Henan Institute of Science and Technology (河南科技學院) in July 2019 through correspondence education, majoring in chemical engineering and technology.

Mr. Pang Liyi (龐史義), aged 51, is the financial controller of our Company, primarily responsible for the financial management of our Group.

From January 2000 to May 2005, he served as the manager of the capital verification department and the director of Henan New Sunshine Certified Public Accountants Co., Ltd.* (河南新陽光會計師事務所有限公司), primarily responsible for verification work, audit and evaluation, and judicial accounting appraisal. From May 2005 to October 2010, he served as the deputy director of the audit department of Yugang Coking, primarily responsible for overall audit work. Since November 2010, he has been working in the Jinma Group. From November 2010 to May 2021, he served as the deputy director of Jinma Energy's financial department, primarily responsible for the overall operations and management of the financial department. He was then promoted as the director of Jinma Energy's financial department in June 2021, primarily responsible for overseeing the financial department. From March 2022 to July 2023, he served as the financial department director of Jinma Zhongdong, primarily responsible for overseeing the works of the financial department.

Mr. Pang graduated from Henan University (河南大學) in the PRC with a diploma in accounting in June 1997. In April 2005, he graduated from the Open University of China (國家開放大學), formerly known as China Central Radio and TV University (中央廣播電視大學), majoring in accounting.

Mr. Pang obtained the Chinese Certified Public Accountant qualification in October 2000. Mr. Pang qualified as a registered tax agent in the PRC in June 2001, a registered public valuer in the PRC in September 2001 and a senior accountant in Henan province of the PRC in September 2013. Since November 2016, he has been a non-practising member of the Chinese Institute of Certified Public Accountants.

To the Shareholders of Henan Jinyuan Hydrogenated Chemicals Co., Ltd

(a joint stock company established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Henan Jinyuan Hydrogenated Chemicals Co., Ltd (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 110 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Revenue recognition on retail of liquefied natural gas ("LNG"), refined oil and hydrogen

As explained in Note 5 to the consolidated financial statements, retail sales of LNG, refined oil and hydrogen are recognised when the control of the goods has been transferred, being at the point the customers purchase the goods at the gas stations operated by the Group. For the year ended 31 December 2025, the Group recognised retail sales of LNG, refined oil and hydrogen amounting to approximately RMB137,691,000.

We identified revenue recognition from contracts with customers relating to retail sales of LNG, refined oil and hydrogen attributable to trading segment as a key audit matter due to its financial significance and revenue is one of the key performance indicators to the Group which give rise to an inherent risk of occurrence of these revenue to the Group.

Our procedures in relation to occurrence of revenue recognition on retail sales of LNG, refined oil and hydrogen included:

- Understanding the key controls related to the occurrence assertion of revenue recognition relating to retail sales and evaluating the design and operating effectiveness of these controls;
- Reconciling the total revenue recognised for retail sales to the total daily transaction reports provided by gas stations;
- Performing substantive analytical procedure over the reasonableness of revenue recognised from retail sales of LNG and refined oil with reference to certain inputs (i.e. purchased quantities and market price of major products); and
- Checking, on a sample basis, the recorded transactions by examining the underlying supporting evidences including settlement records and transaction records from the gas stations.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yip Tin Hang, Michael.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23 March 2026

For the year ended 31 December 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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At 31 December 2025

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

At 31 December 2025

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

The consolidated financial statements on pages 110 to 176 were approved and authorised for issue by the Board of Directors on 23 March 2026 and are signed on its behalf by:

Wang Zengguang
DIRECTOR

Qiao Erwei
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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For the year ended 31 December 2025

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

Notes:

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

* For identification purpose only

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

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

For the year ended 31 December 2025

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

1. GENERAL INFORMATION

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

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

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

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

* For identification purpose only

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

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

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

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

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

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

3.1 Basis of preparation of consolidated financial statements

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

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

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

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

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

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

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

Goodwill

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

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

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

Investment in a joint venture

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Investment in a joint venture (continued)

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

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

Revenue from contracts with customers

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

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

Leases

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

The Group as a lessee

Short-term leases

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

Right-of-use assets

The cost of right-of-use assets includes:

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

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

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

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

Lease liabilities

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

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

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

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

Borrowing costs

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Government grants

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

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

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

Employee benefits

Retirement benefit costs

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

Short-term employee benefits

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

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

Taxation

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Property, plant and equipment

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

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

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

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

Intangible assets

Intangible assets acquired in a business combination

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Inventories

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

Financial instruments

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

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

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

Financial assets

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

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

Classification and subsequent measurement of financial assets

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

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

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

(i) Amortised cost and interest income

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

(ii) Bills receivables classified as at FVTOCI

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

Impairment of financial assets subject to impairment assessment under IFRS 9

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

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

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

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

(i) Significant increase in credit risk

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)**3.2 Material accounting policy information** (continued)**Financial instruments** (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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

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

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

(ii) Definition of default

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

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

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

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

Derecognition of financial liabilities

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

Deferred tax asset

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

Fair value measurement of bills receivables at FVTOCI

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

Allowance for inventories

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

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

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

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

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue from contracts with customers (continued)

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

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Performance obligations for contracts with customers and revenue recognition policies

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

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

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

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

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

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

Segment information

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

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

5. REVENUE AND SEGMENT INFORMATION (continued)**Segment revenues and results**

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

For the year ended 31 December 2025

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

For the year ended 31 December 2024

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

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

Inter-segment sales are charged at prevailing market rates.

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

Other segment information

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

Entity-wide disclosures

Geographical information

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

5. REVENUE AND SEGMENT INFORMATION (continued)**Entity-wide disclosures** (continued)**Information about major customers**

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

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

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

6. OTHER INCOME

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

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

7. OTHER GAINS AND LOSSES

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

8. FINANCE COSTS

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

9. (LOSS) PROFIT BEFORE TAX

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

10. INCOME TAX CREDIT (EXPENSE)

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

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

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

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

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

11. OTHER COMPREHENSIVE INCOME

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

Income tax effect relating to other comprehensive income

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

12. DIVIDENDS

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

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

13. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS**Directors', Chief Executive's and Supervisors' emoluments**

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

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

13. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)**Directors', Chief Executive's and Supervisors' emoluments** (continued)

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

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

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

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

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

13. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)**Five individuals with the highest emoluments**

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

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

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

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

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

14. LOSS PER SHARE

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

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

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

15. PROPERTY, PLANT AND EQUIPMENT

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

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

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

15. PROPERTY, PLANT AND EQUIPMENT (continued)**Impairment assessment**

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

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

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

16. RIGHT-OF-USE ASSETS

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

16. RIGHT-OF-USE ASSETS (continued)

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

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

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

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

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

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

Restrictions or covenants on leases

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

17. INTANGIBLE ASSETS

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

Notes:

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

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

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

18. PARTICULARS OF SUBSIDIARIES

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

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

* English name for identification only

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

18. PARTICULARS OF SUBSIDIARIES (continued)

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

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

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

18. PARTICULARS OF SUBSIDIARIES (continued)

Jinning Energy

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Current assets	<u>64,560</u>	<u>94,474</u>
Non-current assets	<u>73,825</u>	<u>81,086</u>
Current liabilities	<u>13,233</u>	<u>46,341</u>
Non-current liabilities	<u>1,285</u>	<u>1,383</u>
Net equity	<u>123,867</u>	<u>127,836</u>
Equity attributable to owners of the Company	<u>63,172</u>	<u>65,196</u>
Equity attributable to non-controlling interests	<u>60,695</u>	<u>62,640</u>
	Year ended	Year ended
	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Revenue	<u>406,575</u>	<u>427,938</u>
Expenses (Note)	<u>375,544</u>	<u>385,739</u>
Profit for the year	<u>31,031</u>	<u>42,199</u>
Profit attributable to		
– the owners of the Company	<u>15,826</u>	<u>21,521</u>
– the non-controlling interests	<u>15,205</u>	<u>20,678</u>
Profit for the year	<u>31,031</u>	<u>42,199</u>
Other comprehensive income (expense) attributable to		
– the owners of the Company	<u>–</u>	<u>141</u>
– the non-controlling interests	<u>–</u>	<u>135</u>
Other comprehensive income (expense) for the year	<u>–</u>	<u>276</u>
Total comprehensive income attributable to		
– the owners of the Company	<u>15,826</u>	<u>21,662</u>
– the non-controlling interests	<u>15,205</u>	<u>20,813</u>
Total comprehensive income for the year	<u>31,031</u>	<u>42,475</u>
Dividends declared and paid to non-controlling interests	<u>17,150</u>	<u>19,600</u>
Net cash from operating activities	<u>36,908</u>	<u>69,413</u>
Net cash (used in) from investing activities	<u>(15,710)</u>	<u>1,007</u>
Net cash used in financing activities	<u>(65,943)</u>	<u>(10,863)</u>
Net cash (outflow) inflow	<u>(44,745)</u>	<u>59,557</u>

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

18. PARTICULARS OF SUBSIDIARIES (continued)**Jinrui Energy and its subsidiaries**

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Current assets	54,282	51,438
Non-current assets	286,075	290,414
Current liabilities	105,446	97,263
Non-current liabilities	27,318	15,116
Net equity	207,593	229,473
Equity attributable to owners of the Company	168,213	185,936
Equity attributable to non-controlling interests	39,380	43,537
	Year ended	Year ended
	31/12/2025	31/12/2024
	RMB'000	RMB'000
Revenue	347,026	425,579
Expenses (<i>Note</i>)	338,906	389,265
Profit and total comprehensive income for the year	8,120	36,314
Profit and total comprehensive income attributable to		
– the owners of the Company	6,577	29,415
– the non-controlling interests	1,543	6,899
Profit and total comprehensive income for the year	8,120	36,314
Dividends declared and paid to non-controlling interests	5,700	7,600
Net cash from operating activities	23,879	57,530
Net cash used in investing activities	(4,558)	(12,029)
Net cash used in financing activities	(17,103)	(52,121)
Net cash inflow (outflow)	2,218	(6,620)

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

19. GOODWILL

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

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

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

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

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

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

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

19. GOODWILL (continued)

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

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

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

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

20. INTEREST IN A JOINT VENTURE

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

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

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

* English name for identification only

20. INTEREST IN A JOINT VENTURE (continued)

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

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

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

	<u>Year ended</u> <u>31/12/2025</u>	<u>Periods from</u> <u>acquisition date</u> <u>to 31/12/2024</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Revenue	<u>155,775</u>	<u>165,649</u>
(Loss) Profit and total comprehensive (expense) income for the year/period	<u>(3,723)</u>	<u>786</u>
Dividends received from Jinjiang Refinery during the year/period	<u>4,900</u>	<u>9,800</u>
The above profit for the year/period includes the following:		
Depreciation	<u>22,278</u>	<u>22,142</u>
Interest income	<u>1,965</u>	<u>893</u>
Interest expense	<u>3</u>	<u>190</u>
Income tax (credit) expense	<u>(117)</u>	<u>141</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in consolidated financial statements:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Net assets	<u>152,597</u>	<u>166,320</u>
Proportion of the Group's ownership interest in the joint venture	<u>49%</u>	<u>49%</u>
Carrying amounts of the Group's interest in the joint venture	<u>74,773</u>	<u>81,497</u>

21. DEFERRED TAX ASSETS/LIABILITIES

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

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

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

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

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

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

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

22. INVENTORIES

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

23. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

The Group does not hold any collateral over these balances.

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

24. AMOUNT DUE FROM A RELATED PARTY

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

* English name for identification only

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

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

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

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

The Group does not hold any collateral over these balances.

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

25. BILLS RECEIVABLES AT FVTOCI

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

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

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

Details of impairment assessment are set out in Note 40.

26. TIME DEPOSITS/BANK BALANCES AND CASH

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

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

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

27. BORROWINGS

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

The ranges of effective interest rate of the Group's bank borrowings are:

	<u>31/12/2025</u>	<u>31/12/2024</u>
Effective interest rate per annum:		
– Fixed-rate borrowings	3.40%-4.10%	3.50%-4.10%
– Floating-rate borrowings	3.25%-5.60%	3.41%-5.60%

28. TRADE AND OTHER PAYABLES

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

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

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

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

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

29. AMOUNT DUE TO A SHAREHOLDER

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

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

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

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

30. AMOUNT DUE TO A RELATED PARTY

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

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

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

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

31. CONTRACT LIABILITIES

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

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

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

32. LEASE LIABILITIES

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

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

33. RETIREMENT BENEFIT PLANS

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

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

34. SHARE CAPITAL

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

35. DEFERRED REVENUE

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

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

36. PLEDGE OF ASSETS

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

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

37. TRANSFER OF FINANCIAL ASSETS

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

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

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

38. RELATED PARTIES' TRANSACTIONS

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

(a) Transactions with related parties

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

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

Notes:

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

* English name for identification only

38. RELATED PARTIES' TRANSACTIONS (continued)**(b) Compensation of key management personnel**

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

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

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

39. CAPITAL RISK MANAGEMENT

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

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

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

40. FINANCIAL INSTRUMENTS**Categories of financial instruments**

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

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

40. FINANCIAL INSTRUMENTS (continued)**Categories of financial instruments** (continued)

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

* Excluded salaries and wages payables, other tax payables.

Financial risk management objectives and policies

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

Interest rate risk

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

Sensitivity analysis

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

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

40. FINANCIAL INSTRUMENTS (continued)**Interest rate risk** (continued)**Sensitivity analysis** (continued)

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

Foreign currency risk

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

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

Sensitivity analysis

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

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

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

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

40. FINANCIAL INSTRUMENTS (continued)

Credit risk and impairment assessment

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

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

Trade-related Receivables arising from contracts with customers

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

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

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

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

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

Other receivables

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

Bank balances and cash and time deposits

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

40. FINANCIAL INSTRUMENTS (continued)**Credit risk and impairment assessment** (continued)**Bills receivables at FVTOCI**

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

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

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

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

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

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

40. FINANCIAL INSTRUMENTS (continued)

Credit risk and impairment assessment (continued)

Bills receivables at FVTOCI (continued)

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

Gross carrying amount

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

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

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

Liquidity risk

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

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

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

40. FINANCIAL INSTRUMENTS (continued)**Liquidity risk** (continued)**Liquidity tables**

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

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

40. FINANCIAL INSTRUMENTS (continued)**Fair value measurements of financial instruments**

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

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

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

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

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

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)**Movement in the Company's reserves:**

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

COMPANY NAME

河南金源氢化化工股份有限公司
Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*

SHARE LISTING

Stock abbreviation: Jinyuan HChem
H Share: The Stock Exchange of Hong Kong Limited
Stock Code: 2502

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Henan Province
PRC

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BOARD OF DIRECTORS**Executive Directors**

Mr. Wang Zengguang (General Manager)
Mr. Qiao Erwei (Deputy General Manager & Board Secretary)

Non-executive Directors

Mr. Yiu Chiu Fai (Chairman)
Mr. Xu Fenglei (Vice Chairman)
Mr. Wang Lijie

Independent Non-executive Directors

Ms. Wong Yan Ki Angel
Mr. Di Zhigang
Ms. Leung Sin Yeng Winnie

SUPERVISORS

Mr. Wong Tsz Leung (Chairman)
Mr. Wu Zhiqiang
Mr. Li Hebao

AUDIT COMMITTEE

Ms. Wong Yan Ki Angel (Chairman)
Mr. Xu Fenglei
Mr. Di Zhigang

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Di Zhigang (Chairman)
Mr. Yiu Chiu Fai
Ms. Leung Sin Yeng Winnie

NOMINATION COMMITTEE

Ms. Leung Sin Yeng Winnie (Chairman)
Mr. Wang Zengguang
Ms. Wong Yan Ki Angel

STRATEGY COMMITTEE

Mr. Xu Fenglei (Chairman)
Mr. Wang Zengguang
Mr. Wang Lijie

COMPANY SECRETARY

Ms. Lee Kwan Ying Adrienne

AUTHORIZED REPRESENTATIVES

Mr. Wang Zengguang
Ms. Lee Kwan Ying Adrienne

AUDITOR

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Registered Public Interest Entity Auditors
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H SHARE REGISTRAR

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PRINCIPAL BANKERS

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Jiyuan, Henan Province
PRC

Bank of China Limited Jiyuan Branch
No. 98 Central Road, Xin Garden
Jiyuan, Henan Province
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Zijingshan Road Operations Department
1F, Pufa Square
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China Citic Bank Zhengzhou Branch
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China Guangfa Bank Zhengzhou Shangdu Road Sub-branch
No. 31 Shangdu Road
Zhengzhou, Henan Province
PRC

Zhongyuan Bank Co., Ltd. Jiyuan Branch
No. 481 Huang He Central Road
Jiyuan, Henan Province
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Bank of China (Hong Kong) Limited Metroplaza Branch
Shop 260-265, Metroplaza
223 Hing Fong Road
Kwai Chung, New Territories
Hong Kong

China Merchants Bank Co., Ltd. Zhengzhou Branch
China
Zhengzhou City, Henan Province
No. 96, East Agricultural Road

In this report, unless the context otherwise requires, the following expressions have the following meanings.

GENERAL TERMS

“Board”	the board of Directors of our Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this annual report, Taiwan, the Macau Special Administrative Region of the PRC and the Hong Kong Special Administrative Region of the PRC
“Code”	Corporate Governance Code effective during the reporting period as set out in Appendix C1 to the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as the same may be amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Henan Jinyuan Hydrogenated Chemicals Co., Ltd. * (河南金源氢化化工股份有限公司)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of our Company
“Group” or “our Group”	our Company and its subsidiaries
“H Share(s)” or “Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange
“HK” or “Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“Latest Practicable Date”	17 April 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
“Listing Date”	20 December 2023, the date on which the H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LNG”	liquefied natural gas

“PRC Company Law” or “Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on July 1, 1994, which was last amended and became effective on 26 October 2018, as amended, supplemented or otherwise modified from time to time
“Reporting Period”	the year ended 31 December 2024
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the member of the Supervisory committee of our Company established pursuant to the PRC Company Law
“Supervisory Committee”	the Supervisory committee of our Company established pursuant to the PRC Company Law

TECHNICAL TERMS

“basic loss per share”	$\frac{\text{Loss attributable to owners of the Company}}{\text{Weighted average number of shares in issue during the year}}$
“current ratio”	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$
“dividend payout ratio”	$\frac{\text{Dividend}}{\text{Profit attributable to owners of our Company}}$
“gearing ratio”	$\frac{\text{Total interest-bearing bank borrowings}}{\text{Total equity}}$
“return on assets”	$\frac{\text{Profit and total comprehensive income}}{\text{Average total assets}}$
“return on equity”	$\frac{\text{Profit attributable to owners of our Company}}{\text{Average equity attributable to owners of our Company}}$

ABBREVIATED NAMES OF COMPANIES

“Bohigh Chemical”	河南博海化工有限公司 (Henan Bohigh Chemical Co., Ltd.)
“Golden Star”	金星化工(控股)有限公司 (Golden Star Chemicals (Holdings) Limited)
“Jinjiang Refinery”	河南金江煉化有限責任公司 (Henan Jinjiang Refinery Co., Ltd.*)
“Jinma Coking”	金馬焦化(英屬維爾京群島)有限公司 (Jinma Coking (BVI) Limited)
“Jinma Energy”	河南金馬能源股份有限公司 (Henan Jinma Energy Co., Ltd.*)
“Jinma Group”	Jinma Energy and its subsidiaries but excluding our Group
“Jinma HK”	金馬能源(香港)有限公司 (Jinma Energy (Hong Kong) Limited), formerly known as 金馬焦化(香港)有限公司 (Jinma Coking (Hong Kong) Limited)
“Jinma Qingneng”	河南金馬氫能有限公司 (Henan Jinma Qingneng Co., Ltd.*)
“Jinma Xingye”	濟源市金馬興業投資有限公司 (Jiyuan Jinma Xingye Investment Co., Ltd.*)
“Jinma Zhongdong”	河南金馬中東能源有限公司 (Henan Jinma Zhongdong Energy Co., Ltd.)
“Jinning Energy”	濟源市金寧能源實業有限公司 (Jiyuan Jinning Energy Co., Ltd.*)
“Jinrui Energy”	河南金瑞能源有限公司 (Henan Jinrui Energy Co., Ltd.*)
“Jinrui Gas”	河南金瑞燃氣有限公司 (Henan Jinrui Gas Co., Ltd.*)
“Shanghai Jinma”	上海金馬能源有限公司 (Shanghai Jinma Energy Sources Co., Ltd.*)
“Shenzhen Jinma”	深圳市金馬能源有限公司 (Shenzhen Jinma Energy Co., Ltd.*)
“Yugang Coking”	豫港(濟源)焦化集團有限公司 (Henan Hongkong (Jiyuan) Coking Group Co., Ltd.)
“Yugang Coking Group”	Yugang Coking and its subsidiaries

In this report, if there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese which are marked with “*” is for identification purpose only.



河南金源氢化化工股份有限公司
Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*