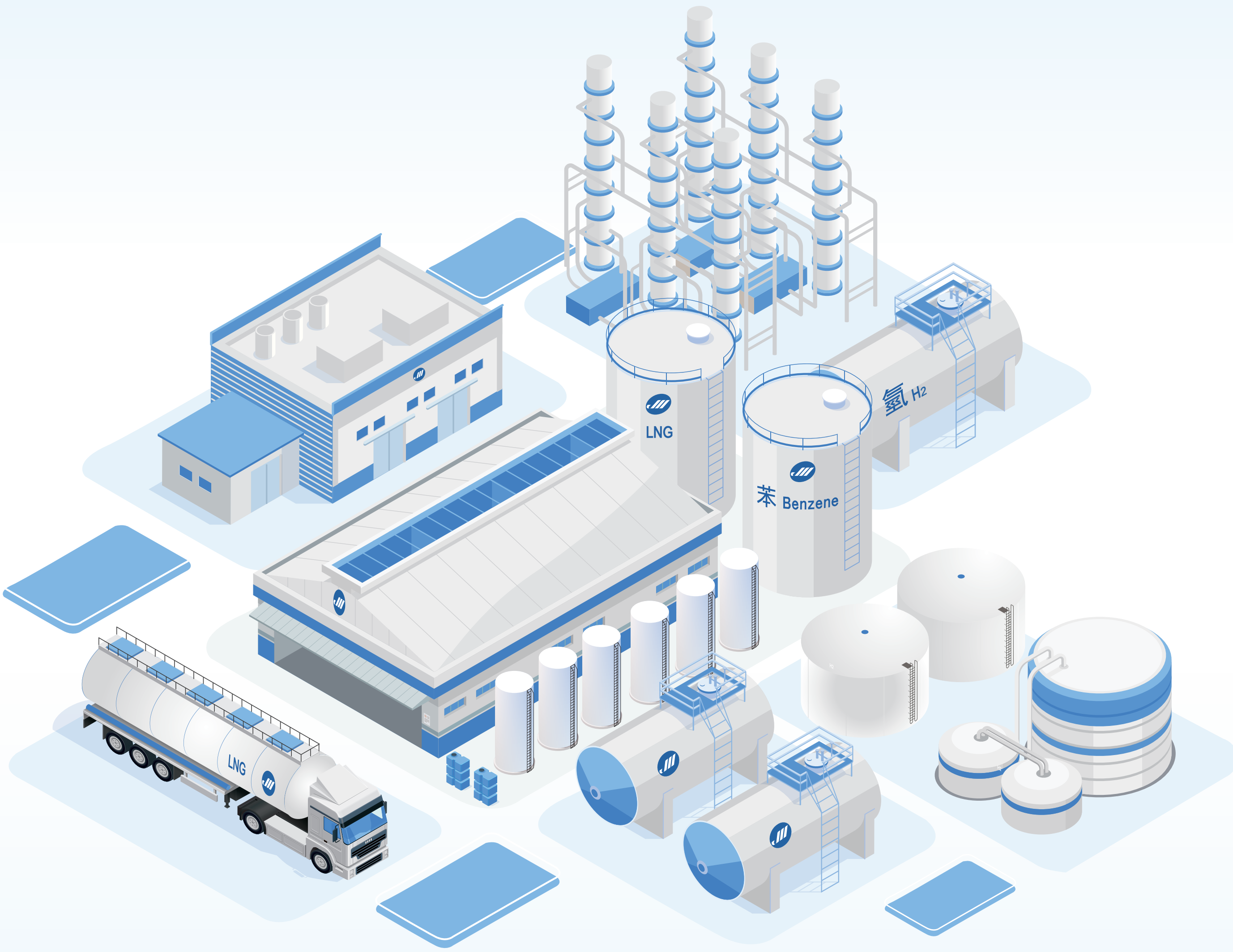
河南金源氫化化工股份有限公司

Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*

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

Stock Code : 2502



2024

Annual Report

* For identification purposes only

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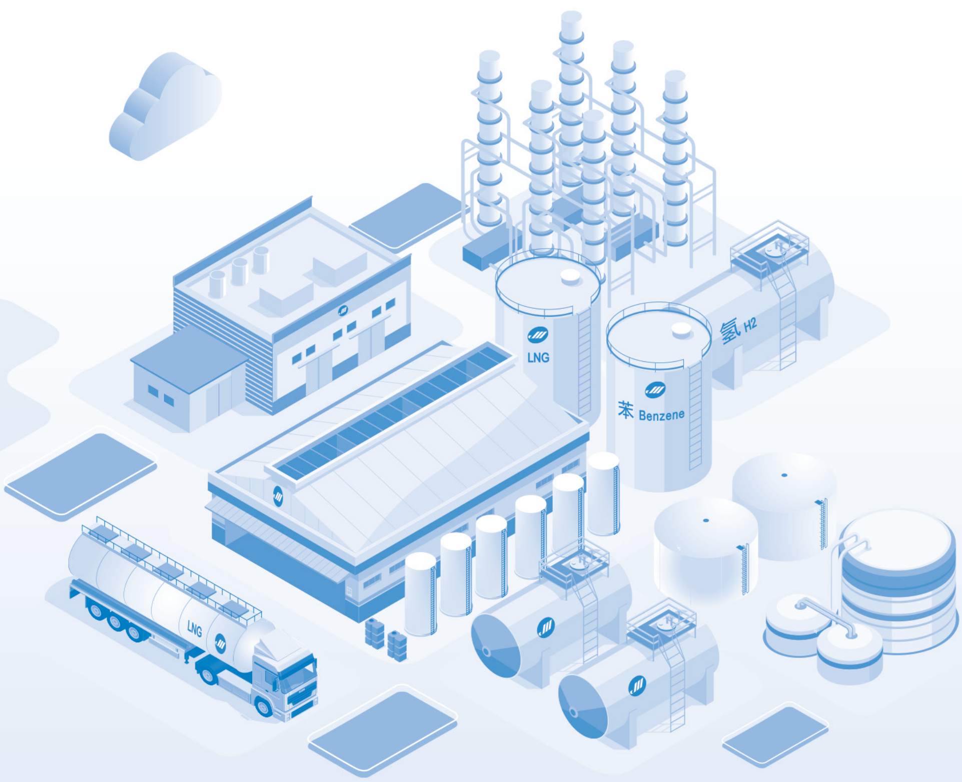
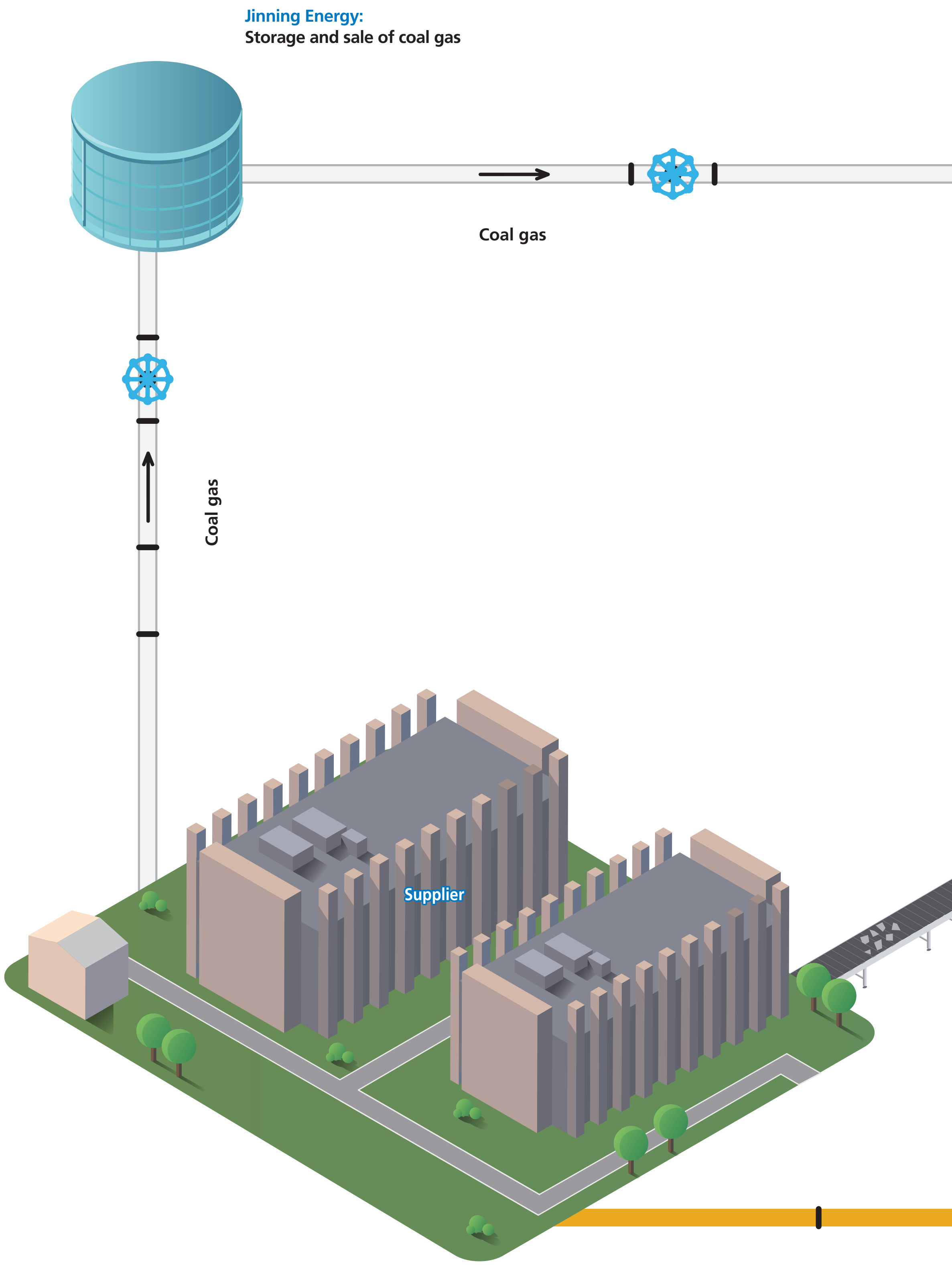
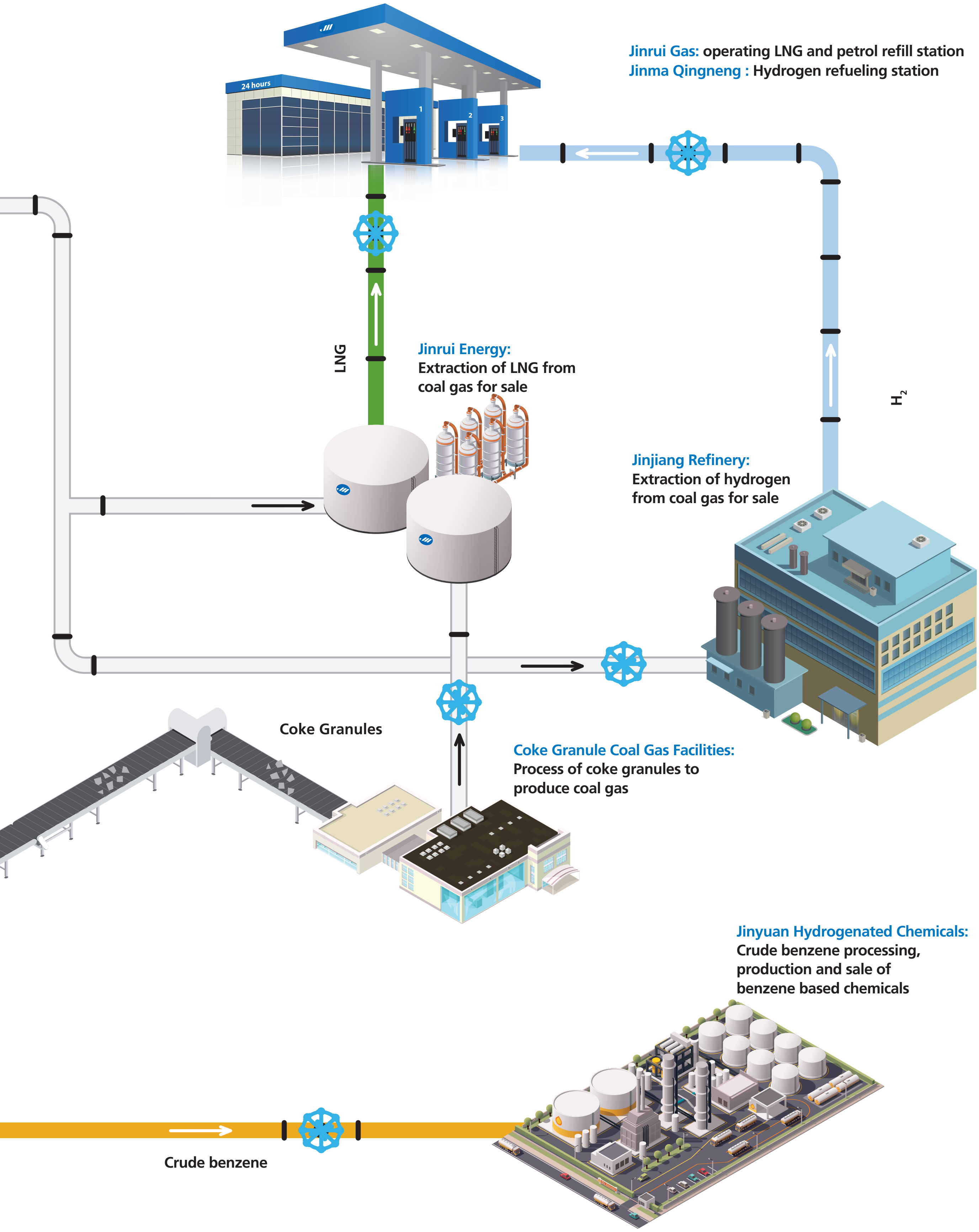


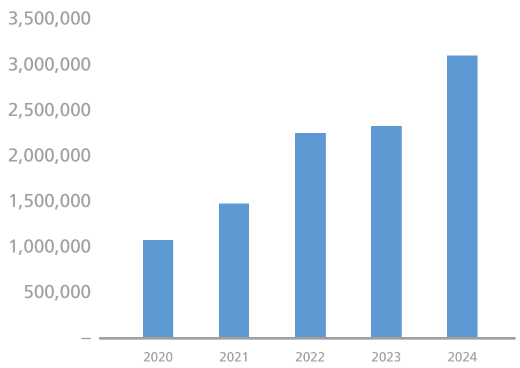

Jinning Energy:
Storage and sale of coal gas
Coal gas
Coal gas
Supplier


24 hours
Jinrui Gas: operating LNG and petrol refill station
Jinma Qingneng : Hydrogen refueling station
LNG
Jinrui Energy:
Extraction of LNG from coal gas for sale
H_2
Jinjiang Refinery:
Extraction of hydrogen from coal gas for sale
Coke Granules
Coke Granule Coal Gas Facilities:
Process of coke granules to produce coal gas
Jinyuan Hydrogenated Chemicals:
Crude benzene processing, production and sale of benzene based chemicals
Crude benzene

FIVE YEAR FINANCIAL HIGHLIGHTS

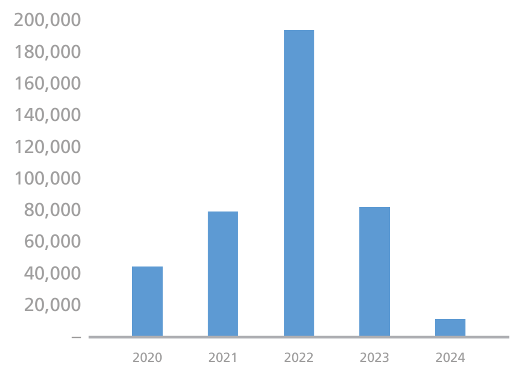
Revenue

For the year ended 31 December
RMB'000



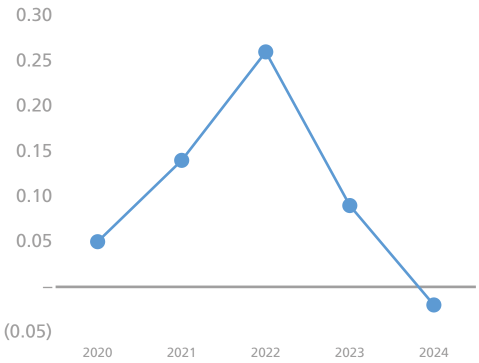
Profit for the year

For the year ended 31 December
RMB'000



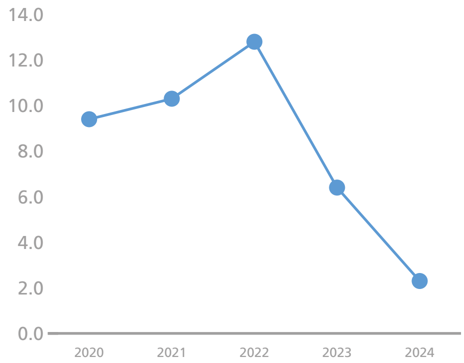
Gross profit margin

For the year ended 31 December
%



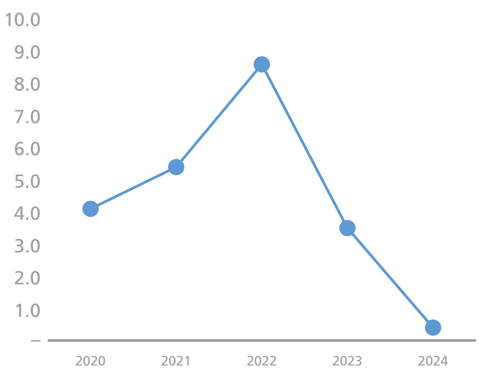
Net profit margin

For the year ended 31 December
%



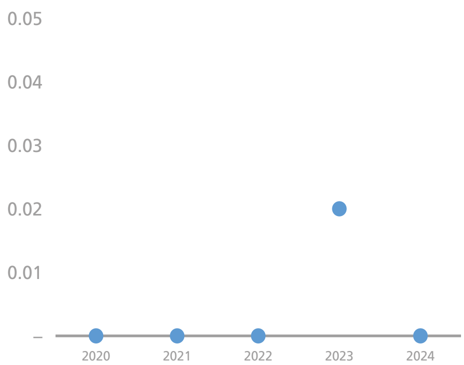
Earnings per share

For the year ended 31 December
RMB



Dividend per share

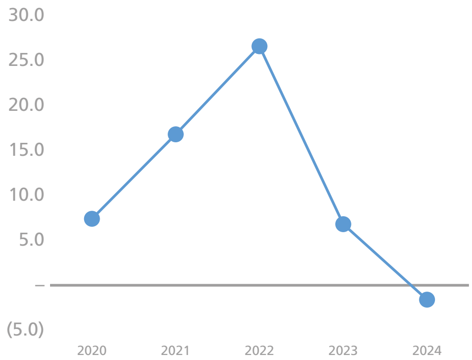
For the year ended 31 December
RMB



Note: The above figure shows the dividend distribution of the Company for the years, which included the paid interim dividend and the final dividend recommended by the Board.

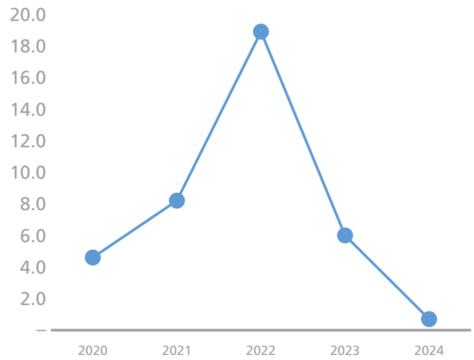
Return on equity

For the year ended 31 December
%



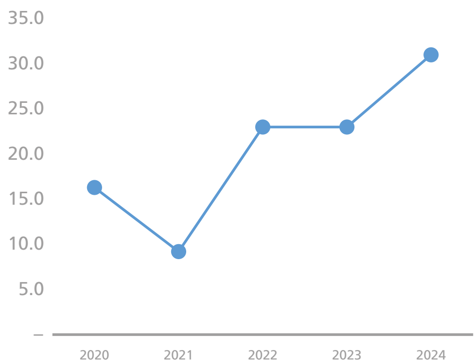
Return on assets

For the year ended 31 December
%



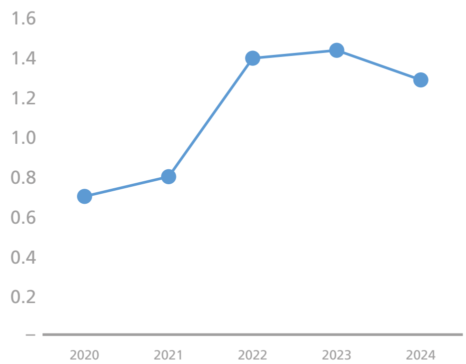
Gearing ratio

For the year ended 31 December
Times



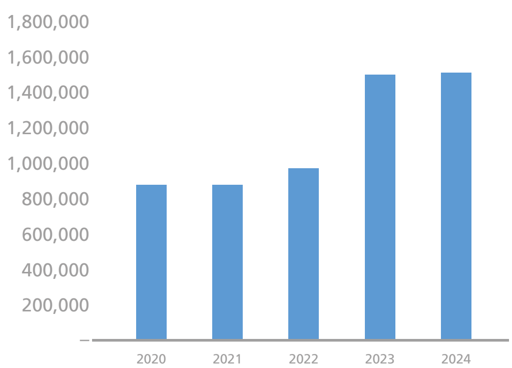
Current ratio

For the year ended 31 December
Times



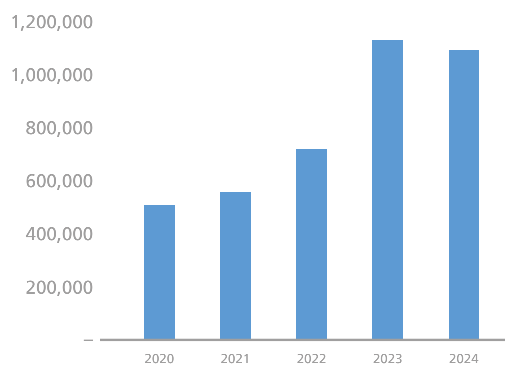
Total assets

For the year ended 31 December
RMB'000



Total equity

For the year ended 31 December
RMB'000



CHAIRMAN'S STATEMENT

I am pleased to present to you the annual results of the Group for the year ended 31 December 2024 (the "**Year**"), being the second year since the Company's listing.

In 2024, the Chinese economy faced multiple challenges. Affected by the global economic slowdown and domestic structural adjustments, economic growth moderated. However, the Group's key product, hydrogenated benzene-based chemicals, which have broad downstream applications, maintained stable domestic demand overall. Compared with 2023, the average selling price of this product recorded an increase of 7.8%, leading to a revenue growth of approximately 58.2%. Nevertheless, due to an approximately 11.6% rise in the average purchase price of its major raw materials, coupled with adjustments in the consumption tax levied on non-aromatic hydrocarbon sales, the product's gross profit margin declined to negative 1.7%.

The Group's other major product, liquefied natural gas ("LNG") under the energy products segment, saw sustained demand growth in China due to stricter environmental policies and improved living standards. As one of the world's largest LNG importers, China's LNG market was subject to price fluctuations influenced by geopolitics, weather conditions, and supply-demand dynamics. The Group's average LNG selling price decreased by approximately 5.5%. However, due to a 5.2% improvement in LNG production costs and a slight decline in the average purchase price of raw materials (primarily coal gas), the gross profit margin of the energy products segment increased from approximately 13.4% in 2023 to about 16.1% in 2024.

Overall, the Group's gross profit margin decreased from 6.4% in 2023 to 2.3% in 2024, while the profit attributable to owners of the Company for the Year declined from approximately RMB54.9 million in 2023 to a loss of approximately RMB16.0 million in 2024.

The Chinese government continues to promote the hydrogen energy industry, with multiple provinces and municipalities issuing hydrogen development plans, focusing on fuel cell vehicles. The demonstration effect of fuel cell vehicle city clusters has become evident, with promotion expanding to more second- and third-tier cities. Meanwhile, fuel cell efficiency has further improved, and costs are expected to fall below approximately RMB2,000/kW, approaching the commercialization threshold. In March this year, the Group's hydrogen production base in Jiyuan City, Henan Province, was officially approved to join the Zhengzhou Fuel Cell Vehicle Demonstration City Cluster. In 2024, the Group newly constructed two hydrogen refuelling stations, bringing the total number in operation to four. The Group will continue to implement its strategy of fully integrating into the hydrogen energy industry chain.

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 & stability and reduce production costs.

In light of the Company's operating performance, the Board has resolved not to declare a final dividend for the year ended 31 December 2024.

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 longstanding trust and support.

HENAN JINYUAN HYDROGENATED CHEMICALS CO., LTD.*
Yiu Chiu Fai
Chairman
23 April 2025

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 2024, 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 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 prices 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) depend 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 2024 and 2023 according to the Group's internal records.

	Year ended 31 December	
	2024	2023
	Average selling price[(1)]	Average selling price[(1)]
	RMB/tonne (except coal gas in RMB/m³)	RMB/tonne (except coal gas in RMB/m³)
Principal Products		
Hydrogenated benzene-based Chemicals	**6,734.73**	6,250.10
Pure benzene	**7,270.64**	6,468.50
Toluene	**6,395.48**	6,465.35
Energy Products		
Coal gas	**0.83**	0.83
LNG	**4,197.57**	4,439.95

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

	2024	2023
	Average purchase price	Average purchase price
Major Raw Materials		
Crude benzene (RMB/tonne)	**6,249.04**	5,600.31
Crude coking coal gas (RMB/m³)	**0.60**	0.61

Crude benzene:

We purchase crude benzene from a number of suppliers located in Henan and Shanxi (including the Jinma Group which accounted for approximately 10.38% 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 its 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 2024 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 2024, the production capacity of the LNG production facilities was approximately 72,000 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 2024 and 2023 were approximately RMB334.0 million and RMB258.8 million, respectively. The Group's finance costs for the years ended 31 December 2024 and 2023 were approximately RMB16.5 million and RMB6.1 million, respectively, accounting for approximately 0.53% and 0.26% 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 operation 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 2024

	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	RMB'000
Revenue	**3,102,000**	2,330,228
Cost of sales	**(3,030,362)**	(2,181,429)
Gross profit	**71,638**	148,799
Other income	**21,619**	8,553
Other gains and losses	**(3,950)**	(4,397)
Selling and distribution expenses	**(16,275)**	(18,420)
Administrative expenses	**(44,938)**	(31,315)
Listing expenses	**–**	(1,415)
Finance costs	**(16,472)**	(6,064)
Share of result of a joint venture	**386**	3,148
Profit before tax	**12,008**	98,889
Income tax expense	**(469)**	(16,568)
Profit for the year	**11,539**	82,321
Other comprehensive income		
Item that may be subsequently reclassified to profit or loss:		
Fair value gain on bills receivables at fair value through other comprehensive income ("**FVTOCI**"), net of income tax	**402**	66
Total comprehensive income for the year	**11,941**	82,387
(Loss) profit for the year attributable to		
– Owners of the Company	**(16,038)**	54,925
– Non-controlling interests	**27,577**	27,396
	11,539	82,321
Total comprehensive (expense) income for the year attributable to:		
– Owners of the Company	**(15,771)**	55,126
– Non-controlling interests	**27,712**	27,261
	11,941	82,387
(Loss) earnings per share (RMB)	**(0.02)**	0.09

Consolidated Financial Information

- **Revenue and gross profit margin**

  The Group's revenue increased by RMB771.8 million or 33.1% from RMB2,330.2 million in 2023 to RMB3,102.0 million in 2024. The increase was mainly due to the increase in the production capacity of hydrogenated benzene-based chemicals from approximately 200,000 tonnes per annum to 400,000 tonnes per annum in the fourth quarter of 2023, and produced approximately 353,683 tonnes (2023: 243,831 tonnes) for the whole year of 2024 and as a result of (i) the adjustment of raw material prices for each product has not been in sync with the product prices, and (ii) the adjustment of the consumption tax of refined oil imposed by the state on the sale of non-aromatic hydrocarbons (by-products of benzene-based product production) (for details, please refer to the Company's supplemental profit warning announcement issued on 21 March 2025), the Group's gross profit margin decreased from 6.4% in 2023 to 2.3% in 2024.

- **Other income**

  Other income mainly consists of interest on bank deposits and on bills receivables as well as government subsidies, increased to RMB21.6 million in 2024 from RMB8.6 million in 2023, this was mainly due to the increase in interest on deposits generated from the balance of funds raised from the listing and the receipt of government subsidies.

- **Other gains and losses**

  Other gains and losses decreased from a net loss of RMB4.4 million in 2023 to a net loss of RMB4.0 million in 2024. This was mainly due to the foreign exchange gain of RMB5.5 million arising from the balance of the listing proceeds in Hong Kong dollars, which was offset by RMB4.9 million in respect of other adjustment payment of the consumption tax on non-aromatic hydrocarbon.

- **Selling and distribution expenses**

  Selling and distribution expenses decreased from RMB18.4 million in 2023 to RMB16.3 million in 2024, the decrease was mainly attributed to a RMB2.7 million decrease in freight expenses on hydrogen transportation due to lower unit prices.

- **Administrative expenses**

  Administrative expenses increased from RMB31.3 million in 2023 to RMB44.9 million in 2024, mainly due to the increase in the Group's audit and intermediary fees and management fees of hydrogen refuelling stations.

- **Finance costs**

  Finance costs increased by RMB10.4 million from RMB6.1 million in 2023 to RMB16.5 million in 2024, this increase was mainly due to an increase in interest-bearing borrowings, and in addition, interest of RMB8.2 million on financing the hydrogenated benzene-based chemical expansion project in 2024 was included in finance costs, while this portion of the interest was included in project costs in 2023.

- **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 and has since then shared in the results of the company with a share of approximately RMB0.4 million in 2024 (2023: RMB3.1 million). The decrease in profit of Jinjiang Refinery in 2024 was mainly due to an 11.7% decrease in the average unit price of hydrogen sold and an 18.1% decrease in hydrogen sales.

- **Profit before tax**

  As a result of the above, the Group's profit before tax decreased by RMB86.9 million from RMB98.9 million in 2023 to RMB12.0 million in 2024.

- **Income tax expense**

  Income tax expense decreased by RMB16.1 million from RMB16.6 million in 2023 to RMB0.5 million in 2024. The decrease reflected the decrease in profit before tax.

- **Total comprehensive income for the year**

  As a result of the above, the Group's total comprehensive income decreased by RMB70.5 million from RMB82.4 million in 2023 to RMB11.9 million in 2024. Total comprehensive income attributable to the owners of the Company in 2024 decreased from profit to loss to RMB15.8 million, with the adjustment of the consumption tax levied on non-aromatic hydrocarbon as refined oil products being one of the main reasons.

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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**%**	%	**%**	%
Hydrogenated benzene-based Chemicals	**2,377,194**	1,502,282	**(39,806)**	42,029	**-1.7**	2.8	**-55.1**	28.1
Energy Products	**604,489**	652,190	**97,372**	87,196	**16.1**	13.4	**134.7**	58.4
Trade	**110,429**	164,882	**6,161**	10,764	**5.6**	6.5	**8.5**	7.2

Hydrogenated benzene-based chemicals production capacity doubled to 400,000 tonnes per annum in the fourth quarter of 2023, resulting in an increase in annual sales of 46.9% to 353,000 tonnes from 2023 to 2024. However, the average selling price recorded an increase of approximately 7.8% in the same period. As a result, the revenue of the product increased by approximately 58.2%. However, as the average purchase price of raw materials (mainly crude benzene) for the product increased by approximately 11.6% plus the adjustment of consumption tax levy on sales of non-aromatic hydrocarbon, the gross profit margin of the product declined and eventually fell to -1.7%.

The energy products segment mainly consists of sales of LNG and coal gas. The production and sales volume of LNG was maintained at approximately 71,000 tonnes as compared to 2023, while the average selling price decreased by approximately 5.5%. As for coal gas, the selling price was maintained but the sales volume decreased by approximately 12.7% 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 7.3% to approximately RMB604.5 million. However, due to the improvement in the production cost of LNG of approximately 5.2%, and the average purchase price of the main raw material (mainly coal gas) also slightly decreased, the gross profit margin of the energy products segment also increased from approximately 13.4% to approximately 16.1%.

In the trading segment, revenue in 2024 decreased by approximately RMB54.5 million or 33.0% as compared with that in 2023, mainly due to the lower sales of the petrol and gas refilling stations, which resulted in a decrease in gross profit margin from approximately 6.5% to approximately 5.6%.

FINANCIAL POSITION

Liquidity and Financial Resources

In 2024, 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 2024.

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	
	2024	2023
	RMB'000	RMB'000
Net cash from operating activities	**96,855**	104,459
Net cash used in investing activities	**(268,856)**	(71,062)
Net cash from financing activities	**2,490**	204,947
Net (decrease) increase in cash and cash equivalents	**(169,511)**	238,344
Cash and cash equivalents at the beginning of the year	**300,710**	62,470
Effect of foreign exchange rate changes	**5,573**	(104)
Cash and cash equivalents at the end of the year, representing bank balances and cash	**136,772**	300,710

- **Cash Flow from Operating Activities**

  The Group's net cash from operating activities of approximately RMB96.9 million for 2024 was primarily attributable to (i) the Group's operating cash flows before movements in working capital of approximately RMB91.0 million; (ii) decrease in bills receivables at fair value through other comprehensive income of approximately RMB35.7 million; and (iii) increase in trade and other payables of approximately RMB17.7 million. Yet the net cash inflow from operating activities are partially offset by (i) increase in inventories of approximately RMB28.6 million; (ii) decrease in contract liabilities by approximately RMB7.9 million; (iii) income tax already paid of approximately RMB11.5 million.

- **Cash Flow used in Investing Activities**

  The Group's net cash used in investing activities of approximately RMB268.9 million for 2024 was primarily due to (i) acquisition of property, plant and equipment of approximately RMB83.0 million; (ii) placement of time deposits of approximately RMB213.9 million; yet partially offset by (i) interest received on bank balances of approximately RMB6.8 million; (ii) receiving of government subsidies relating to assets of approximately RMB7.9 million; (iii) Dividend received from a joint venture of approximately RMB9.8 million.

- **Cash Flow from Financing Activities**

  The Group's net cash from financing activities of approximately RMB2.5 million in 2024 was primarily due to (i) increase in bank borrowings of approximately RMB224.5 million; yet partially offset by (ii) repayment of bank loans of approximately RMB149.2 million; (iii) payment of dividends of approximately RMB46.4 million; and (iv) interest expenses of approximately RMB16.4 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/
	2024	2023	**(decrease)**
	RMB'000	RMB'000	RMB'000
Bank borrowings	**334,040**	258,762	75,278
Secured	**148,040**	166,762	(18,722)
Unsecured	**186,000**	92,000	94,000
	334,040	258,762	75,278
Fixed-rate borrowings	**65,000**	50,000	15,000
Floating-rate borrowings	**269,040**	208,762	60,278
	334,040	258,762	75,278
Carrying amount repayable (based on scheduled payment terms)			
Within one year	**231,395**	142,000	89,395
More than one year, but not more than two years	**46,013**	60,000	(13,987)
More than two years, but not more than five years	**56,632**	56,762	(130)
	334,040	258,762	75,278
Less: Amount due for settlement within 12 months shown under current liabilities	**(231,395)**	(142,000)	(89,395)
Amount due for settlement after 12 months shown under non-current liabilities	**102,645**	116,762	(14,117)

The Group's bank borrowings in 2024 and 2023 were all borrowings denominated in Renminbi. 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 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 2023, RMB176.8 million of the Group's general banking facilities (including bank borrowings and bills payables) were secured by the Group's property, plant and equipment, right-of-use asset. All remaining borrowings were credit borrowings. As at 31 December 2024 and 2023, the Group did not have any bank and other borrowings which were guaranteed by third parties and the Group's related parties.

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

	As at 31 December	
	2024	2023
Effective interest rate per annum:		
– Fixed-rate borrowings	**3.50%-4.10%**	3.85%
– Floating-rate borrowings	**3.41%-5.60%**	3.61%-5.60%

As at 31 December 2024, the Group had obtained banking facilities in an aggregate amount of approximately RMB448.7 million (2023: RMB485.0 million), of which total amount of approximately RMB93.0 million (2023: RMB258.2 million) is still available for use. As at 31 December 2024, the Group had total outstanding bank borrowings of approximately RMB334.0 million (2023: RMB258.8 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 RMB52.0 million falling due in 2024 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 2024 and up to the date of this report. As at 31 December 2024, 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 2024, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during 2024, 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	
	2024	2023
Gearing ratio	**30.6%**	23.0%
Return on equity	**-1.6%**	6.8%
Return on assets	**0.7%**	6.0%

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 an increase of 7.6% to 30.6% in 2024 from 23.0% in 2023, mainly due to the increase 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 as the same year.

Return on equity decreased in 2024 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 same year of the Group.

The return on assets of the Group decreased in 2024, 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	
	2024	2023
	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	**–**	829

Save for the transactions above, the Group has no other material contract commitments as at 31 December 2024.

OFF-BALANCE SHEET ARRANGEMENT

The Group did not have any material off-balance sheet arrangements as at 31 December 2024. 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 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, 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:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Endorsed bills for settlement of payables	**72,285**	45,105
Discounted bills for raising cash	**174,508**	193,917
Outstanding endorsed and discounted bills receivables	**246,793**	239,022

Save as disclosed above and as of 31 December 2024, 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 has not been any material changes in the contingent liabilities of the Group since 31 December 2024 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 2024, 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 at fixed interest rates. The Group is also exposed to cash flow interest rate risk in relation to the Group's floating-rate borrowings.

As at 31 December 2024, the Group had fixed-rate borrowings in the amount of approximately RMB65.0 million (2023: RMB50.0 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 2024 is the carrying amount of those assets stated in the consolidated statements of financial position, and the maximum outstanding amount of contingent liabilities as disclosed in the consolidate financial statement.

The Group mainly conducts transactions with high quality customers that the Group has established long-term relationship with. When transacting with new customers, the Group generally requests advanced 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 review 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 are of the view that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk in trade receivables and amounts due from Shareholders and trading amounts due from related parties, with over 98.3% and 97.8% of exposure concentrated in five largest outstanding balances for the years ended 31 December 2024 and 2023, 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 because 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 2024						
	Interest rate	Carrying amount	On demand or within 6 months	6 months to 1 year	1 year to 5 years	> 5 years	Total
		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
		483,101	318,159	72,577	110,195	1,869	502,800

	As at 31 December 2023						
	Interest rate	Carrying amount	On demand or within 6 months	6 months to 1 year	1 year to 5 years	> 5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	3.61%-5.60%	258,762	121,585	28,544	122,359	–	272,488
Lease liabilities	4.50%-5.96%	4,206	655	6	2,252	2,325	5,238
Trade and other payables	N/A	207,604	189,542	–	18,062	–	207,604
Amount due to a shareholder	N/A	1,977	1,977	–	–	–	1,977
Amount due to a related party	N/A	1,063	1,063	–	–	–	1,063
		473,612	314,822	28,550	142,673	2,325	488,370

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had distributable reserves (i.e. retained profits) of RMB0.0 million (2023: RMB0.0 million). For the year ended 31 December 2024, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the year 2024.

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 dividend 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 2024.

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 hyrodegnated bezene-based chemicals, 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 hyrodegnated bezene-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 353,683 tonnes in 2024, the Company is now better positioned to extend the hyrodegnated bezene-based chemicals industrial chain and develop new materials.

For LNG, production efficiency and stability was enhanced and production costs was reduced, resulting in an improvement of approximately 5.2% in production costs in 2024.

For hydrogen, the Group is planning to enter the hydrogen energy industrial chain, including production, transportation, storage, refuelling and usage. At the beginning of 2024, the Company has already operated two hydrogen refuelling stations:

1. Zhengzhou Chemical Road Hydrogen Refilling Station: annual sales of 206.78 tonnes, mainly serving hydrogen fuel cell dump trucks, coal haulage tractors, city sanitation trucks, cement mixer trucks and refrigerated logistics trucks. Relying on the strong hydrogen refuelling capacity, stable hydrogen supply and competitive refuelling price, the business cooperation between the Company and Zhengzhou Yida Construction Technology Co., Ltd. has already created the largest, strongest demonstration effect and highest quality hydrogen fuel cell dump truck operation scenario in the whole Henan Province.

2. Jiyuan South Second Ring Hydrogen Refuelling Station: annual sales of 390.43 tonnes, mainly serving the inter-provincial raw material coal transport line from Jiyuan to Shanxi for Jinma Group, the raw material coal transport line from Jiyuan to Pingdingshan for hydrogen energy heavy trucks, and the special line from Linfen to Henan for Jinnan Iron & Steel in Shanxi for hydrogen energy heavy trucks.

And in mid-2024, the Company built two new hydrogen refuelling stations:

1. Gongyi Hailuo hydrogen refuelling station: completed and put into operation in April 2024, with a sales volume of 128.65 tonnes achieved, mainly serving the hydrogen fuel cell coal haulers of Datang Gongyi Power Generation Co., Ltd. Power plants have increasingly stringent requirements for the proportion of new energy transport, coupled with the most obvious advantages of hydrogen fuel cell technology in the application of coal haul tractor. The Company, Yutong Commercial Vehicle Co., Ltd. and Zhengzhou Yihuatong Power Science and Technology Co., Ltd. collectively build the Datang Power Plant coal transport business as the core of this tractor transport scenario, being the largest of the Henan Fuel Cell Demonstration Cities.

2. Dengfeng Guojiawa Hydrogen Refuelling Station: completed and put into operation in September 2024, with a sales volume of 20.12 tonnes achieved, mainly serving the coal haulage tractors of Datang Gongyi Power Generation Co., Ltd. and Pingdingshan Power Generation Branch of China National Electric Power Corporation.

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 are 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 on 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 2024 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 2024	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%	9,410	13,481	2025-2027
	228,910	100%	9,410	219,500	

EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group had 402 employees (for the Group in 2023: 413), including 2 senior management (excluding the Directors) (for the Group in 2023: 3), 18 middle management (for the Group in 2023: 16) and 380 ordinary employees (for the Group in 2023: 392). For the year ended 31 December 2024, the staff cost of the Group amounted to approximately RMB42.7 million, compared with that of approximately RMB32.2 million recorded for the same period of last year.

The Company has established a Remuneration and Appraisal Committee which is responsible for making recommendations 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 reimburse the Directors, Supervisors and senior management for expenses which are necessarily and reasonably incurred for providing services to us or discharging their duties in relation to the Company's operations. When reviewing and determining the specific remuneration packages for the Directors, Supervisors and senior management, we take into consideration factors such as their individual performance, qualification, experience and seniority, salaries paid by comparable companies, time commitment and responsibilities of the Directors, Supervisors and senior management, their employment within the Group and desirability of performance-based remuneration.

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	
	2024	2023
Nil to Hong Kong Dollar ("**HK$**") 1,000,000	**2**	3

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, management formulates the training plans annually and the human resources department organizes external and internal trainings covering all employees annually. The training programs include, among others, comprehensive and long-term courses in management and finance; and 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 employers 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 2023 and 2024, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2023 and 2024, 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. The Articles of Association was adopted and became effective on the Company's Listing Date and no changes have been made in the Reporting Period since the Listing Date. Subsequent to 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 PRC Company Law 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 (formerly Appendix 14) 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:

– Reference is made to the Company's announcement dated 16 August 2024, in relation to its failure to comply with the relevant requirements under Chapter 14 and Chapter 14A of the Listing Rules regarding the provision of financial assistance to Xinyang Steel Jingang Energy Co., Ltd. ("**Xinyang Jingang**") during the year ended 31 December 2024 (the "**Xinyang Jingang Financial Assistance Incident**").

– 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.

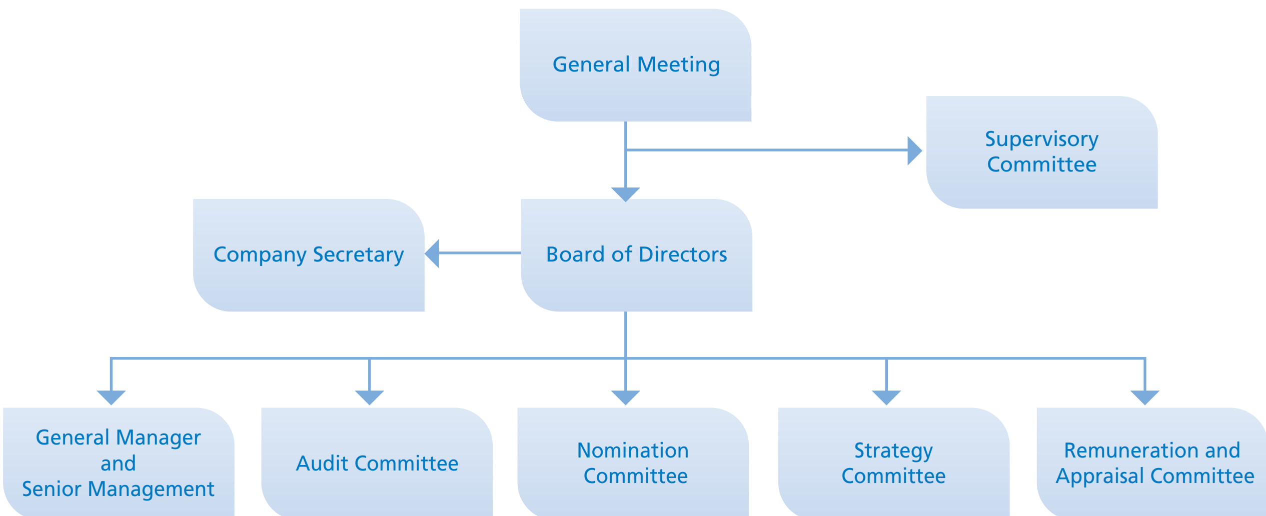
Xinyang Jingang Financial Assistance Incident

On 2 January 2024, Jinning Energy (a 51% subsidiary of the Company) 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 30 June 2024 at an interest rate of 5% per annum. Subsequently, on 30 June 2024, Jinning Energy and Xinyang Jingang entered into a renewal agreement, pursuant to which the loan agreement was extended and renewed under the same terms and conditions (including interest rate) for a further term from 1 July 2024 to 31 December 2024. During the Reporting Period, Xinyang Jingang has repaid the Loan and all accrued interests in full.

The provision of loan under the loan agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. The renewal of the loan under the renewal agreement constituted a connected and discloseable transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. Regrettably, the Company failed to comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in respect of the agreements in a timely manner due to unintentional and inadvertent oversight of the management of Jinning Energy, which did not provide the relevant information to the Board in time. The transactions contemplated under the agreements was noted by the compliance team of the Company during preparation of the Company's interim results for the six months ended 30 June 2024, whom immediately took steps to ascertain the status thereof. As soon as this non-compliance has been discovered, the matter was brought to the attention of the management of the Company, and the Company has proceeded to liaise with Xinyang Jingang for early repayment of the Loan (Xinyang Jingang has repaid the Loan and all accrued interests in full by August 2024) and to publish the relevant announcement with the Board's approval at the earliest opportunity. The Company takes its internal control efforts and its obligations under the Listing Rules very seriously, and has since issued an internal notice and will provide regular trainings to all management staff within its subsidiaries clarifying the proper classification of the provision of financial assistance and stipulating stringent internal control procedures particularly in the areas of, among others, notifiable transactions and corporate governance measures in order to formulate and impose measures to remedy the deficiency identified with a view to avoiding occurrence of similar incidents. The Company has also adopted more stringent internal control policy requiring all such transactions be run through and evaluated by the legal office, corporate department, the company secretary and financial department of the Company before entering into such transactions.

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance structure of the Company is as follows:



The Board is responsible for performing corporate governance functions. In 2024, 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 2024 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 (formerly Appendix 10) 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)
Mr. Wang Kaibao (Vice chairman)
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 passed 9 written resolutions during the year ended 31 December 2024. The attendance of each Director of the Company at the Board meetings and the general meetings held in 2024 is as follows:

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

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

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 function and powers delegated by the Board. The functions and powers of the chairman of 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. Wang Kaibao 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. Wang Kaibao became effective from 16 August 2023. The term of office of each of the three non-executive Directors will end on 28 July 2026.

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 2024.

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 2024 is as follows:

- approved the working report of the Board and annual results announcement for 2023 of the Company;
- reviewed the auditor's report and annual report for 2023 of the Company;
- approved the interim report and interim results announcement for 2024 of the Company;
- considered and proposed the payment of the final dividend for 2023 and considered the payment of the interim dividend for 2024;
- 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 2024, the Company encourages 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 at 31 December 2024, all Directors have complied with the code provisions on continuing professional development under the Code for training.

	Topic	
Directors	**Training on Connected Transactions under the Listing Rules of the Hong Kong Stock Exchange**	**Regulatory Requirements and Compliance of Disclosable Transactions and Connected Transactions of Hong Kong Listed Companies**
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	√	√

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 three meetings during the year ended 31 December 2024. A list of the members and the attendance of each of its members at its meetings during 2024 are as follows:

Director	**Attendance at Audit Committee's meetings**
Ms. Wong Yan Ki Angel (Chairwoman) (independent non-executive Director)	3/3
Mr. Wang Kaibao (non-executive Director)	1/3
Mr. Di Zhigang (independent non-executive Director)	3/3

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 2023 and the unaudited condensed consolidated interim financial statements for 2024 of the Company;
- reviewed the interim report for 2024 of the Company;
- reviewed the report on the 2024 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 re-appointment of the external auditor.

The Audit Committee has reviewed the audited financial statements for the year ended 31 December 2024.

The auditor of the Company has audited the 2024 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 one meeting during the year ended 31 December 2024. A list of the members and the attendance of each of its member at its meetings during 2024 are as follows:

Directors	Attendance at Remuneration Committee's meeting
Mr. Di Zhigang (Chairman) (independent non-executive Director)	1/1
Mr. Yiu Chiu Fai (non-executive Director)	1/1
Ms. Leung Sin Yeng Winnie (independent non-executive Director)	1/1

During the above meetings held in 2024, the Remuneration and Appraisal Committee discussed and considered the remuneration policy and structure of the Directors and the management of the Company.

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 one meeting during the year ended 31 December 2024. A list of the members and the attendance of each of its members at its meeting during 2024 are as follows:

Directors	Attendance at Nomination Committee's meeting
Ms. Leung Sin Yeng Winnie (Chairwoman) (independent non-executive Director)	1/1
Mr. Wang Zengguang (executive Director)	1/1
Ms. Wong Yan Ki Angel (independent non-executive Director)	1/1

A summary of main work performed by the Nomination Committee in 2024 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; and
- reviewed the Board Diversity Policy of the Company.

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 over one-third of the Board members. In addition, the Board is of a wide range of ages, ranging from 37 to 56. 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 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 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 has 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 should 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 researches 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)
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 2024, the listing related audit service fees were approximately RMB0.9 million, other audit service fees were approximately RMB0.1 million and non-audit services was approximately RMB0.2 million.

The fees for non-audit services provided to the Group represented the fees for the review of the internal control system of the Group and the assurance of 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 2024 have been reviewed by the Audit Committee and audited by the external auditor, Deloitte. The Directors confirm their responsibilities of 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 103 to 104 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 36, 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.

Major changes in the information of Directors and Supervisors

The major changes in the information of Directors and supervisors are set out below:

Supervisor	Details of Change
Wong Tsz Leung	From July 2024, Mr. Wong ceased to be the executive director and chief financial officer of Smart-Core Holdings Limited (stock code: 2166), a listed company in Hong Kong, and now serves as non-executive director of the company.

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.jyqhhg.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@hnjmny.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 environment-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 75 of this 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.

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;

(b) in respect to LNG, to improve the efficiency and stability of production and reduce production costs; and

(c) in respect to 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.

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 interest of the Company and Shareholders, the Company formulated the Administrative Rules on Anti-Fraud and Whistleblowing Mechanism based on the actual situation of 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 75 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms its responsibility for overseeing the Group's risk management and internal control system 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 system 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 system**

  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 system**

  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 system 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. After the Xinyang Jingang Financial Assistance Incident, 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 system 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 system (covering finance, operations, compliance and all other material controls) were 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, due to the abovementioned Xinyang Jingang Financial Assistance Incident, the Company has adopted the following remedial measures to strengthen the internal control system of the Group:

(1) 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 in addition to the corporate department and financial department of the Group before entering into such transactions, to ensure that all material transactions and all connected transactions will be subject to an additional layer of evaluation by the company secretary from Listing Rules compliance perspective, reducing oversight in respect of such transactions and thereby reducing the risk of non-compliance with Listing Rules.

(2) Furthermore, by arranging training to the relevant staff of the corporate management department, financial department, legal department, internal audit department, procurement department, and sales department of the Group, and the board secretary office, the company secretary and the Directors of the Company in relation to Listing Rules compliance, the Board expects that the unintentional and inadvertent oversight of the relevant management, who failed to take into account the relevant Listing Rules implications, could be further addressed. The Board considers that the training (which took place on 16 October 2024) provided by the Company's Hong Kong legal advisers has effectively enhanced the understanding of the Listing Rules among key personnel across subsidiary and Company level (especially in respect of the relevant Listing Rules implications from the Company's perspective as a listed company), raised awareness and reinforced the importance of considering Listing Rules implications in the relevant decision making process, thereby mitigating the risk of future oversight.

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 2024 to 31 December 2024 (the "Reporting Period"). The governance of the Group is set out in the section headed "Corporate Governance Report" of this annual report (Pages 40 to 75).

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. and its subsidiaries is represented as "the 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 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 reader.

Statement of the Board on ESG Governance

Abiding by the disclosure requirements of the Environmental, Social and Governance Reporting Guide as set forth in Appendix C2 to Main Board Listing Rules of the Hong Kong Stock Exchange, the Company and the Board have continuously been advancing the optimization of the ESG management system, striving to embed ESG principles comprehensively and profoundly into the Company's major decision-making processes and various business operations, aiming to achieve sustainable development goals.

The Board is the highest-level accountable and decision-making body for ESG matters. It bears full responsibility for the Company's ESG strategies and reports and reviews the Company's ESG-related matters. The secretariat to the Board is responsible for: implementing and advancing the specific ESG-related tasks of the Company; regularly reporting the work progress to superiors; reviewing potential risks, coordinating and implementing daily ESG management tasks; regularly reviewing the Company's annual ESG report and information disclosure matters and submitting them to the Board for consideration and approval. The Chief Executive Officer and senior management are responsible for tracking the implementation progress of various ESG commitments and regularly monitoring the progress of ESG management to ensure the Company's steady progress on the ESG path. The production department is in charge of unified scheduling and management of resources used in production (water, electricity, gas, steam, and sewage). It fulfills its commitments on key ESG issues while adhering to relevant standards. Meanwhile, it assesses ESG-related risks and formulates ESG management policies, strategies, and goals. All departments of the Company and its subsidiaries are responsible for carrying out ESG-related work in accordance with the ESG management system and processes, and under the strategic guidance of the Board, the collaborative leadership of relevant professional departments, and the assistance of internal and external ESG experts within the company.

This report thoroughly discloses the progress and effectiveness of the Company's ESG in 2024, which has been reviewed and approved by the Board before disclosure. The Board and all Directors of the Company guarantee that the information contained in the report is free from false records, misleading statements or material omissions, and assume individual and joint liability for the authenticity, accuracy and completeness of its content.

1. Responsibility and Management

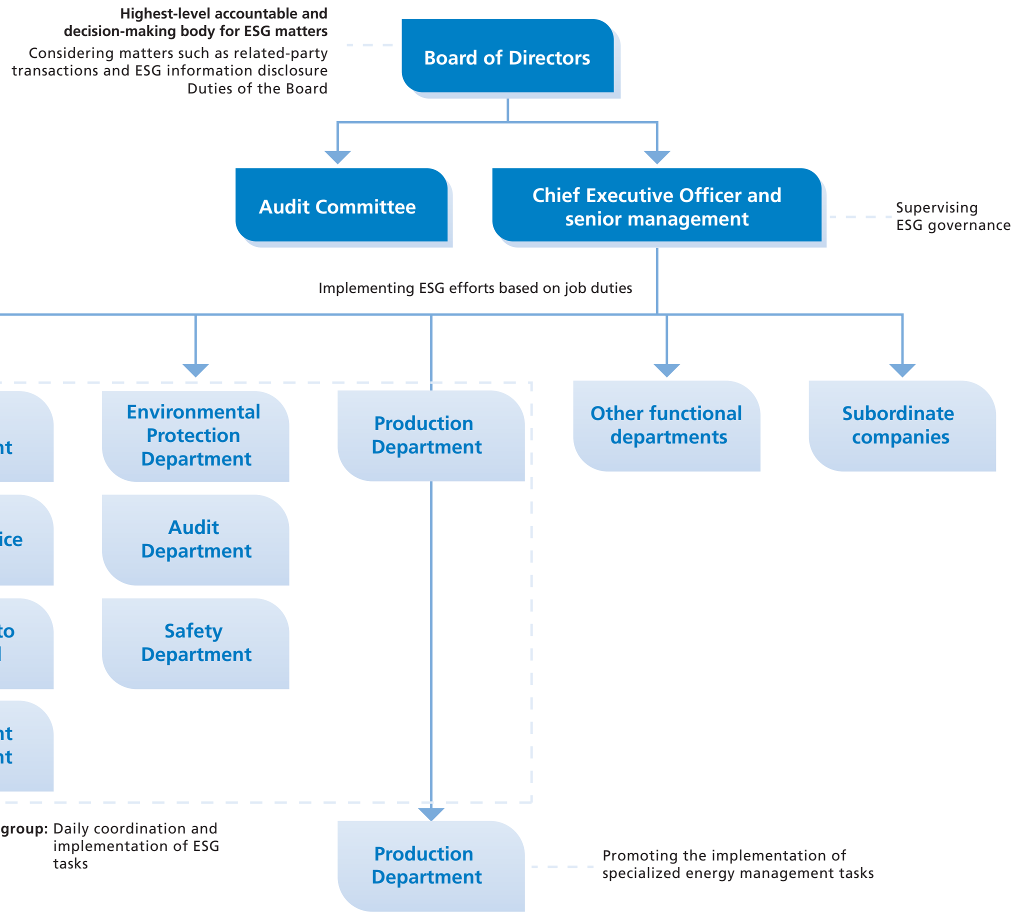
The Group strictly adheres to the provisions of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, deeply integrating the concept of sustainable development into the Group's major decision-making processes and daily business operations, and fulfilling social responsibilities with concrete actions. Meanwhile, the Group maintains communication and interaction with stakeholders through diverse channels, widely collecting their expectations and demands, and joining hands with all parties to achieve common growth on the basis of mutual trust and assistance.

1.1 ESG Management System

The Group has always upheld the core concepts of industry leadership, innovative development, and value creation. With the strong support of strengthening Party building, we have been continuously optimizing our ESG governance concept and unswervingly promoting integrated, coordinated, and safe development. The Group is committed to setting an example in practicing the concept of sustainable development, fulfilling social responsibilities, and building a smart enterprise, striving to become a corporate role-model in the ESG field.

The Group actively participates in various system-building efforts and has achieved remarkable results in the fields of occupational health, environment, and energy management. It has successfully obtained environmental management system certification and energy management system certification. The Group has obtained ISO9001:2015 certification (the standard for quality management systems), ISO14001:2015 certification (the standard for environmental management systems), ISO45001:2018 certification (the standard for occupational health and safety management systems), and ISO50001:2018 certification (the standard for energy management systems) to date. Moreover, the Group has been recognized as a quality benchmarking enterprise at the provincial level, a smart factory at the provincial level, an innovative small and medium-sized enterprise at the provincial level, and an engineering technology research center at the provincial level. The Group has obtained 33 utility model patents.

The Group attaches great importance to ESG work. The Board of Directors assumes responsibilities such as formulating ESG strategies and reviewing reports, and monitors ESG-related affairs. The secretariat to the Board is responsible for the specific implementation and promotion of ESG efforts, reporting progress regularly, identifying risks, and coordinating daily management. The Chief Executive Officer and senior management are in charge of supervising the commitments and performance on key ESG issues. Relevant departments such as the Sales Department, Production Department, Procurement Department, Safety Department, Environmental Protection Department, Secretariat to the Board, Audit Department, and General Office form an ESG working group, which is responsible for the daily coordination and implementation of ESG tasks. Among them, the Production Department is responsible for formulating ESG management policies, strategies, and goals, and promoting the implementation of specialized energy management tasks. Functional departments and subordinate companies were responsible for implementing ESG efforts based on their job duties and collaborating on annual ESG information disclosure and reporting.


Highest-level accountable and decision-making body for ESG matters
Considering matters such as related-party transactions and ESG information disclosure
Duties of the Board
Board of Directors
Audit Committee
Chief Executive Officer and senior management
Supervising ESG governance
Implementing ESG efforts based on job duties
Sales Department
Environmental Protection Department
Production Department
Other functional departments
Subordinate companies
General Office
Audit Department
Secretarial to the Board
Safety Department
Procurement Department
ESG working group: Daily coordination and implementation of ESG tasks
Production Department
Promoting the implementation of specialized energy management tasks

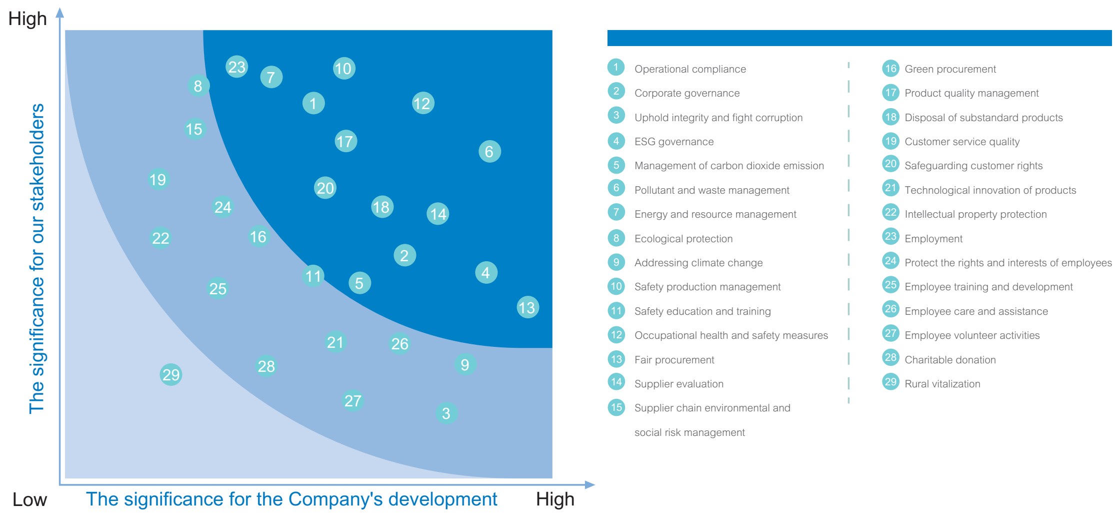
- **Communication with stakeholders**

We are well aware of the importance of maintaining close communication with all stakeholders. During the Reporting Period, the Group held regular online or offline meetings to gain an in-depth understanding of the views and concerns of stakeholders such as government/regulators, shareholders/investors, customers, employees, suppliers/business partners, communities, experts, the public/media regarding environmental, social, and governance (ESG) issues. We also introduced the Group's ESG policies and practices to them. In addition, we established a regular and efficient communication mechanism with stakeholders through various channels such as emails and phone calls to ensure the timely dissemination of important information and actively collect and respond to the expectations and demands of all parties.

Stakeholders	Communication Channels	Topics of Concern
Governments/Regulatory Agencies	• Daily communications • Information bulletin • Government-enterprise collaboration • Censorship by the government	• Ecological protection • Operational compliance • Safety production • Green procurement
Shareholders/Investors	• Regular reports and information disclosure • Shareholders' meeting • Investors' surveys • Roadshow on business results • Teleconference	• Corporate governance • ESG governance • Operational compliance • Product quality • Fighting against corruption and promoting integrity
Customers	• Daily services and communications • Customer satisfaction surveys • Portal • Customer service hotline	• Product quality • Customer service • Customer rights
Employees	• Consultation • Daily communication • Employee trainings	• Employee rights and interests • Employee development • Employee care
Suppliers/Business Partners	• Business negotiation • Business communication	• Win-win cooperation • Long-term partnership
Community	• Volunteer service • Public welfare activities	• Social responsibility • Ecological protection
Experts	• Green and low-carbon development	• Carbon emissions • Energy and resources • Technological innovation of products
Public/Media	• Financial reports, announcements as well as consultation • Portal • Telephone, email and internet communication platform	• Corporate image • Ecological protection • Social responsibility

- **Identification of substantive issues**

In accordance with the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong, the Group communicated with various stakeholders through different forms to identify and determine ESG issues relating to the operation and development of the Company by referring to general international ESG initiatives and standards as well as ESG issues that the whole sector is concerned about, and under the guidance of external experts. We prioritize the identified ESG issues and create a matrix of substantive issues to determine the disclosure level and scope of each issue, ensuring the relevance and effectiveness of ESG information disclosure.



The matrix and list of the substantive issues of the Company

1.2 Adhere to Compliance Operations

The Group has always adhered to law-abiding and compliant operations. It stringently complies with relevant laws and regulations, including the Criminal Law of the PRC, the Company Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Audit Law of the PRC, and takes them as the fundamental guidelines for all business activities. We have continuously improved the internal control and compliance management systems, have established and improved the risk prevention mechanism to ensure that the Company's operations are legal and compliant, thus laying a solid foundation for sustainable development.

- **Upholding Business Ethics**

The Group has always maintained a "zero-tolerance" attitude towards business ethics risks. During the Reporting Period, we continuously optimized the tracking and implementation mechanism of the Compliance Management Regulations and improved the full-process prevention and control system for illegal activities such as corruption, commercial bribery, and fraud. In the field of fraud prevention, we continued to follow policy documents such as the Anti-Corruption and Whistle-blowing Mechanisms, the Whistleblowing and Complaint Management and the Regulations on the Management of Letters and Visits to ensure the timely discovery and proper handling of violation clues. In terms of supervision mechanism, we continued to follow institutional regulations such as the Internal Audit Rules, the Internal Control Evaluation Rules, the Project Audit Operating Procedures, and the Economic Responsibility Audit Measures. We continuously improved the risk control at key points such as off-office audits and financial supervision, and ensured business compliance through a systematic supervision closed-loop.

During the Reporting Period, the Group continued to deepen the construction of a long-term compliance management mechanism. Under the existing control framework, we focused on the following key tasks:

- **Systematic compliance integration:** We deeply integrated risk prevention and control requirements into the operation processes of core business modules such as human resources, administration, and finance. These requirements were clearly defined through departmental job descriptions and institutional documents to ensure the legality and compliance of the production and operation processes.

- **Regular risk supervision:** The Board continued to strengthen the control of strategic risks. The Audit Committee continued to review and supervise the Company's financial reporting procedures and internal control systems. The Audit Department carried out special audits, departure audits, and project audits in accordance with the audit plan, building a solid defence line to fully prevent compliance risks.

- **Keeping whistle-blowing channels open:** Employees, external customers and suppliers are encouraged and supported to report violations in the Company's operations through letters, telephones, intranet communication mailboxes, email mailboxes, visits and other channels. The Company strictly enforces confidentiality requirements for whistle-blowers and consistently adheres to the principle of "one reward per incident" to provide corresponding incentives to whistle-blowers for valid reports that are verified to be true.

- **Hierarchical anti-corruption publicity and education system:** We continued to incorporate anti-corruption training into the regular schedule, comprehensively enhancing employees' clear understanding of legal red lines, and continuously strengthening employees' legal awareness and moral concepts to create a clean and upright corporate atmosphere within the Company.

  During the Reporting Period, there were no lawsuits or corresponding penalties due to corruption, embezzlement, or bribery in our Group. Moreover, there were no legal cases regarding corruption filed against the Group or its employees.

Data of Anti-corruption Training in 2024

Indicators for anti-corruption training	Unit	2024
Number of anti-corruption training sessions by rank		
Directors	Time	**2**
Management	Time	**4**
Employees	Time	**4**
Number of anti-corruption training participants by rank		
Directors	Person-time	**16**
Management	Person-time	**50**
Employees	Person-time	**1,596**

- **Strengthen Risk Management**

The Group has always regarded risk management as an important guarantee for the stable operation of an enterprise. We continuously improve the risk prevention and control system and enhance our capabilities in risk identification, assessment, and response. We have established a multi-dimensional risk management framework covering strategy, finance, operations, compliance, etc. Through regular risk assessments and dynamic monitoring mechanisms, we ensure that all types of risks are effectively managed and controlled.

- **Risk identification and classification:** We conduct comprehensive identification of the existing and newly emerging risks in the Company in a consistent manner, and classify them according to their characteristics. We provide special training sessions for directors, senior management, and all employees on risk management and internal control policies, as well as the duties and obligations of directors and management of listed companies under listing rules and other applicable laws and regulations, so as to enhance the awareness of risk prevention and control among all employees.

- **Risk impact assessment:** On the basis of completing risk identification and classification, relying on the rich experience accumulated in the past, we conduct an in-depth analysis and assessment of the probability of potential risks occurring and the possible degree of losses, and form an accurate and comprehensive understanding of the risk situation.

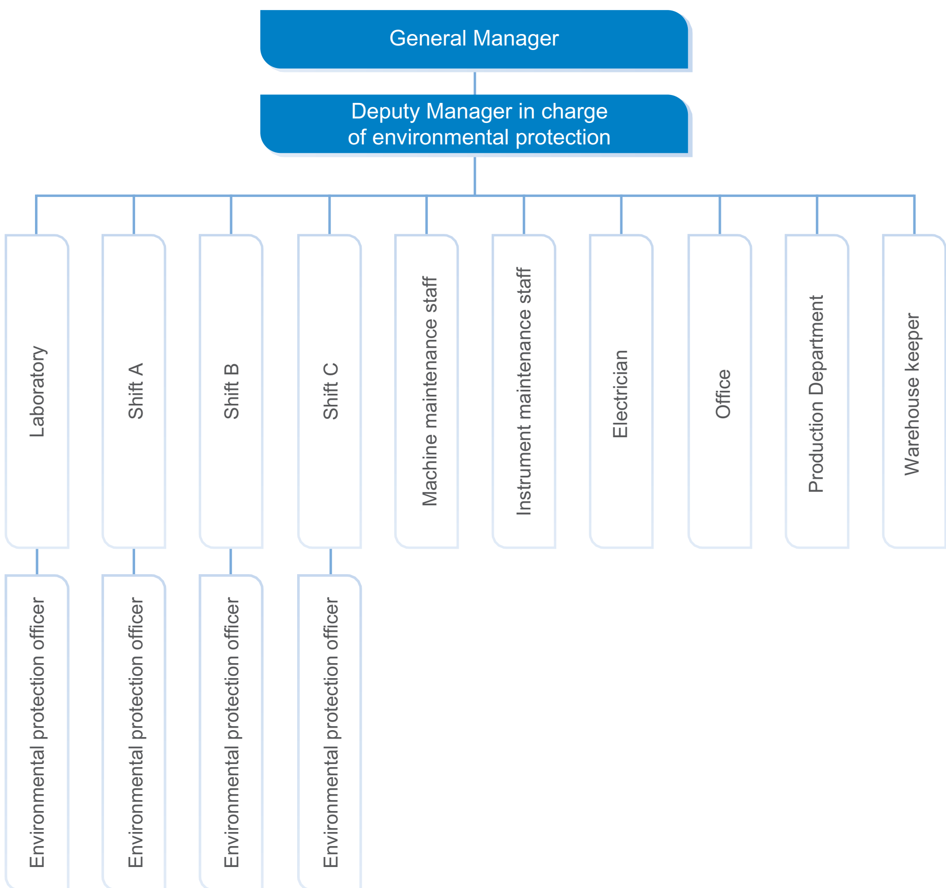
- **Formulation of mitigation measures:** We actively change the risk status. By setting stricter safety standards, we reduce the likelihood of risks occurring at the source. Meanwhile, we rationally plan the financial layout to properly handle potential risk events and the losses they may cause, ensuring that the Company has sufficient capabilities to respond.

- **Experience summary and improvement:** We conduct in-depth cost-benefit assessment of the implemented risk mitigation measures, and carefully examine the effectiveness and efficiency of the risk management process. We provide valuable references for the Company to further optimize the risk management system and promote the continuous improvement of risk management work.

2. Improve the Level of Environmental Management

The Group sticks to the environmental management concept of "green development and compliance with laws and regulations", continuously practising the national "double carbon" target. We have been in strict compliance with national and local laws and regulations including the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Soil Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes, the Emission Standard of Air Pollutants for Boilers, the Regulations on the Administration of Environmental Protection for Construction Projects, and the Regulations of Henan Province on the Prevention and Control of Environmental Pollution by Solid Wastes. We have been improving our environmental management system and deeply integrating the concept of green development into all aspects of production and operation. During the Reporting Period, no major environmental lawsuits or corresponding penalties were incurred by the Group.

The Group has established a comprehensive environmental management organizational structure, forming a four-level management system from top to bottom, which provides a solid organizational guarantee for the Company to continuously improve its environmental performance. The general manager, as the first responsible person for environmental management, leads the Company's environmental protection tasks comprehensively. The deputy manager in charge of environmental protection is responsible for coordinating all environmental protection affairs. Each relevant department is responsible for the daily environmental management tasks within its own department.



Environmental Management Structure of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.

2.1 Strengthen Oversight of Emissions

The Group has always regarded environmental protection as a core element for the sustainable development of an enterprise. We strictly comply with national and local environmental protection laws and regulations and continuously improve our environmental management system. In 2024, on the basis of maintaining the effective operation of the environmental management system certification, we further improved the management system. We formulated the Regulations on Hazardous Waste Management to standardize the management requirements for the collection, storage, transfer and disposal of hazardous waste. We adhered to the combination of source reduction, process control and end-of-pipe treatment, and strengthened the ability to prevent and control environmental risks. In 2024, the Group passed the environmental management system certification.

The Group has always regarded emissions management as the core task of environmental governance and has been continuously implementing the emissions management goals for the period from 2021 to 2025. Through multiple measures such as optimizing production processes, upgrading environmental protection facilities and strengthening process control, we systematically promote the reduction of greenhouse gases, wastewater, waste gas, solid waste and harmful substances.

Emissions Management Goals: 2021-2025

Air pollutants	Implementation of ultra-low emission standards: • Particulates $<$ 5mg/m^3 • Sulfur dioxide emissions from thermal oil furnaces in No. 1 plant and No. 2 plant $<$ 10g/m^3 • Nitrogen oxides from thermal oil furnaces in No. 1 plant $<$ 50mg/m^3 • Nitrogen oxides from thermal oil furnaces in No. 2 plant $<$ 30mg/m^3 • Ammonia leakage $<$ 8mg/m^3
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

The Group has established a series of internal rules, including the Environmental Protection Management System, Air Emission and Dust Management Regulations, Accident Pool Management System, Management System for the Connection Valves of Accident Pools and Sewage Wells, Noise Emission Management Regulations, Solid Waste Recycling and Assessment Regulations, and Waste Treatment Management System, to clarify the requirements for emission management.

Emission Requirements and Emission Reduction Requirements

- **Emission requirements for pollutants:** Strictly implement pollutant emission control, prohibit the discharge or mixing 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, strictly control leakage rates, and fully implement the "Three Simultaneity" requirement for environmental protection in construction projects.
- **Disposal of accident pool wastewater:** 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 Pass" principles.
- **Control of waste gas emissions:** 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 were transported to Jinma Zhongdong's gas purification system for recovery treatment.
- **Control of dust emissions:** A dust control plan must be developed before maintenance and executed after approval. During cleaning, the principle of wetting before sweeping should be followed to suppress dust dispersion.
- **Noise control requirements:** Set the standards of noise ≤60 dB during the day and noise ≤55 dB at night. For different types of noise-generating equipment, take measures such as indoor installation, equipping with soundproofing and vibration reduction facilities, and sealing of the isolated operation rooms. Strengthen maintenance inspections and technical renovations of equipment, re-evaluate control measures when production conditions change, confirm noise performance when new equipment is purchased, plant tall trees to form a protective belt, and encourage teams to carry out technical renovations and QC activities, with rewards for notable achievements.
- **Waste disposal requirements:** Set up classified trash bins around green belts, clarify the handling process for recyclable and non-recyclable waste, ensure that waste disposal facilities are complete and reasonable, mark hazardous waste areas with identification signs, specify methods for transporting non-recyclable waste and handling special waste, prohibit illegal mixed disposal, emphasize protective measures for hazardous waste transportation and clear identification, strictly prohibit unauthorized handling, and clarify responsibilities for the disposal of construction waste and waste generated from major activities.

During the Reporting Period, the Group continuously optimized its pollutant treatment system to ensure that all emission indicators remain stable and meet standards.

- **Waste gas treatment:** The desulphurisation and denitrification system at the production base maintained efficient operation, effectively removing the nitrogen oxides and sulphides generated during the hydrogenation of crude benzene. The treated flue gas was discharged through the induced draft fan and chimney after meeting the emission standards.

- **Wastewater treatment:** The Group continued its strategic cooperation with Jinma Group, relying on its specialized wastewater treatment facilities to ensure that industrial wastewater treatment consistently complies with national safety standards.

- **Solid hazardous waste:** The "dual filing" system was strictly enforced. After approval by the municipal environmental protection bureau and the environmental protection bureau at the location of the entrusting party, qualified third-party organizations are engaged for compliant disposal.

In addition, we continually commissioned professional organizations to carry out standardized collection and treatment of industrial waste, so as to minimize environmental impact. By maintaining long-term cooperation with qualified environmental impact assessment agencies, we regularly conducted compliance testing of indicators such as chemical oxygen demand of wastewater, volatile organic compound of exhaust gas, and equivalent sound level of noise, ensuring that all environmental protection indicators consistently exceed national standards. During the Reporting Period, the Group maintained a good record in the management of hazardous wastewater, industrial solid waste and carbon emissions, making a positive contribution to the improvement of regional environmental quality.

Case: Wastewater stripping transformation project

In 2024, the Company actively responded to environmental protection policies by launching a wastewater stripping transformation project for the treatment of discharged wastewater. This project aims to comprehensively enhance the efficiency and quality of wastewater treatment. Upon successful completion of the transformation, the acid waste gases generated during the production process will be collected and transported to special incineration facilities for burning treatment. Harmless transformation will be achieved for the acid waste gases after high-temperature incineration, and the treated wastewater will be orderly sent to the sewage treatment plant for further advanced purification.

Emissions data from 2022 to 2024

Indicator	Unit	2024	2023	2022
Total emissions volume of SO_2	Ton	**0.1**	0.1	0.1
Intensity of SO_2 emissions	Kg/RMB10,000	**$3.2*10^{-4}$**	$4.3*10^{-4}$	–
Total emissions volume of NO_X	Ton	**3.0**	2.3	2.4
Intensity of NO_X emissions	Kg/RMB10,000	**$9.7*10^{-3}$**	$9.8*10^{-3}$	–
Total emissions volume of particulate	Ton	**0.37**	0.03	0.05
Intensity of particulate emissions	Kg/RMB10,000	**$1.2*10^{-3}$**	$1.3*10^{-4}$	–
Total emissions volume of greenhouse gases	tCO2e	**168,549.32**	150,015.10	–
Total emissions volume of direct greenhouse gases	tCO2e	**70,979.70**	81,417.40	–
Total emissions volume of indirect greenhouse gases	tCO2e	**97,569.62**	68,597.70	–
Intensity of greenhouse gases emissions	tCO2e/RMB10,000	**0.5**	0.6	1
Total discharge volume of sewage	Ton	**0**	0	–
Intensity of sewage discharge	Kg/RMB10,000	**0**	0	–
Production volume of hazardous wastes	Ton	**236.3**	189.3	–
Intensity of hazardous waste production	Kg/RMB10,000	**0.8**	0.8	–
Hazardous waste handling rate	%	**100**	100	–
Production volume of non-hazardous wastes	Ton	**22.4**	90	–
Intensity of non-hazardous waste production	Kg/RMB10,000	**0.1**	0.4	–
Non-hazardous waste handling rate	%	**100**	100	–

Notes: 1. Emission data of SO_2, NOx and particulates in exhaust gas are calculated according to the Group's online monitoring system and self-monitoring statistics; 2. Emission volume of greenhouse gases is calculated based on the Greenhouse Gas Accounting System Corporate Accounting and Reporting Standards issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the Fifth Assessment Report 2013 issued by the Intergovernmental Panel on Climate Change (IPCC) and the Accounting Method and Reporting Guide for Greenhouse Gas Emissions by Independent Coking Enterprise of the PRC (Trial), among which the greenhouse gas emissions factors of the power part are referred according to the Announcement on Issuing the 2022 Electricity CO_2 Emission Factor issued by the Ministry of Ecology and Environment; 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.

2.2 Energy Resource Conservation

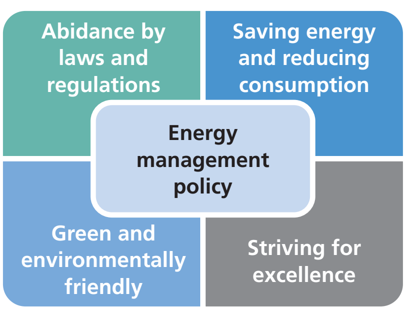
The Group always adheres to the philosophy of environmental protection to "build a green chemical enterprise", and continuously implements the requirements of laws and regulations including the Energy Saving Law of the PRC 《中華人民共和國節約能源法》, the Metrology Law of the PRC 《中華人民共和國計量法》, and the Rules for the Implementation of the Metrology Law of the PRC 《中華人民共和國計量法實施細則》. By continuously improving our energy management system, we ensure the high-quality and stable operation of production systems while continuously advancing energy conservation and emissions reduction, achieving coordinated development of economic benefits and environmental benefits. In terms of energy management, we strictly follow standards and specifications such as the General Rules for Calculation of the Comprehensive Energy Consumption 《綜合能耗計算通則》, and continuously optimize our energy measurement and statistical systems to provide data support for refined energy management; we emphasize both green production and green office practices, and continually improve comprehensive resource utilization efficiency and reduce energy consumption intensity through technological upgrades and process optimization.

In 2024, the Group met all the energy resource targets set at the beginning of the period.

- The energy savings and consumption reduction target was set at RMB30.7385 million, while the actual amount achieved was RMB39.5367 million.
- The water resource consumption targets were set as follows: for per unit product of biphenyl, industrial water consumption should be ≤1.75 m³, domestic water consumption should be ≤0.04 m³, and desalinated water consumption should be ≤0.1 m³; the actual consumption was industrial water ≤0.82 m³, domestic water ≤0.02 m³, and desalinated water ≤0.03 m³.

- **Energy management system**

The Group continues to improve its 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》(ISO50001:2018), and implements management system documents such as 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》. It clarifies the energy management policy and optimizes the functions of the energy management group, to ensure the continuous and smooth operation of the energy management system.



✓ Compliance with energy management laws and regulations and other requirements, reduce energy consumption from the source, and promote the development of circular economy

✓ Adoption of new energy-saving technologies and processes, and continuously improving energy performance through innovation and transformation, reducing energy consumption and improving energy efficiency

✓ Reasonable use of energy, lean management, establishing and maintaining a standardized energy management system and continuously improving its effectiveness

✓ Adhering to people-oriented, full participation, fulfilling social responsibilities, improving product quality, and promoting the Company to achieve green and sustainable development

Key steps for energy management

Assessment of Risks and Opportunities	Implementation of Energy Goals	Conducting of Energy Review
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	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	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**

The Group integrates green production throughout the entire lifecycle of products. We minimize the environmental impact of our operations through systematic environmental protection measures such as waste gas recovery, centralized disposal of waste slag, and wastewater recycling. In terms of energy conservation and consumption reduction, we insist on using first-class energy-efficient equipment and installing variable frequency drives on high-power appliances to continuously optimize process flows and reduce energy consumption. Meanwhile, we continually promote technological innovation, and independently develop and introduce advanced technology to enhance resource utilization efficiency and reduce environmental impacts during the production process.

- **Water resources management**

The Group strictly abided 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 strengthening water resources management. We sourced its water resources from tap water, surface water to ensure a stable supply for production. 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 institutional support for water resource management. The Group sourced its water resources from tap water, surface water and did not have problems sourcing water that is fit for purpose. In our daily operations, we adhere to the principle of prioritizing water conservation, encourage employees to practice water-saving concepts, and implement measures such as recycling the steam condensed from on-site instrument heating to improve the efficiency of water resource utilization.

Data on use of resources from 2022 to 2024

Index	Unit	2024	2023	2022
Diesel	Ton	**6.8**	6.1	–
Gasoline	Ton	**6.3**	7.5	–
Net purchased electricity	MWh	**155,852.83**	15,311.40	–
Net purchased heat	GJ	**76,395.20**	47,851.10	–
Total integrated energy consumption	Ton of standard coal	**57,100.86**	44,467.50	–
Intensity of integrated energy consumption	Ton of standard coal/ RMB10,000	**0.2**	0.2	–
Total freshwater consumption	Million ton	**0.5**	0.1	–
Intensity of freshwater consumption	ton/RMB10,000	**1.6**	0.1	–
Recycling rate of water for industrial use	%	**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 comes 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; 5. Hazardous waste that cannot be utilized is handled in compliance with regulations by qualified units after review and registration by the municipal environmental protection bureau and the environmental protection bureau at the location of the entrusting party; 6. Non-hazardous solid waste has been classified and appropriately utilized, entrusted for disposal, and temporarily stored according to its characteristics. A complete ledger is maintained for the entire process from generation to utilization for statistical monitoring.

2.3 Eco-Environmental Protection

The Group strictly abides by national and local laws and regulations regarding eco-environmental protection, and continuously improves the environmental risk assessment mechanisms, fully considers the impact on the ecological environment and natural resources at all stages of project planning, construction, and operation, ensuring that all production and operational activities comply with environmental protection requirements. By continuously optimizing our environmental management system, we continuously enhance our pollution prevention capabilities, strengthen ecological protection measures, make a positive contribution to the construction of regional ecological civilization, and contribute to the harmonious coexistence between humankind and nature.

- **Soil and groundwater environment protection**

  The Group attaches great importance to the protection of soil and groundwater environments. In strict accordance with national regulations, we developed and implemented the Soil and Groundwater Environment Self-Monitoring Plan during the Reporting Period. We have established a systematic network of monitoring points at our production bases and regularly conduct quality monitoring of soil and groundwater environments, with a particular focus on changes in the concentrations of characteristic pollutants such as heavy metals and volatile organic compounds. After the monitoring data is analyzed and assessed by professional institutions, a detailed Soil and Groundwater Environment Self-Monitoring Report is produced, providing a scientific basis for environmental management decision-making.

- **Conduct comprehensive emergency drills**

  In 2024, the Group successfully conducted an annual comprehensive emergency drill at the tank farm of No. 2 plant, and relevant departments and teams including the Safety Department, Equipment Department, Technology Department, Environmental Protection Department, and Team C of No. 2 plant participated. The drill simulated a leak at the flange before the root valve of the B loading pipeline for the pure benzene tank in the tank farm, which triggered a fire incident. During the drill, on-site operators promptly donned protective gear and used portable gas detectors for testing. Upon confirming the leak, they immediately activated the emergency response plan. When the fire exceeded the internal control capabilities, they promptly called for support from the Jinma Energy's fire brigade. The entire drill lasted 50 minutes, and each emergency team carried out rescue operations in strict accordance with the command center's instructions, successfully achieving the predetermined objectives.

  This drill effectively enhanced employees' familiarity with emergency procedures and their collaborative response capabilities, testing the Company's emergency command system's response efficiency and the collaborative operational mechanisms of various teams. Through simulated real-life scenarios, it further strengthened employees' safety awareness and emergency response skills, accumulating valuable experience for dealing with major hazard incidents.

  In addition, to actively promote the green environmental protection concept, the Group is committed to comprehensive optimization of the plant's environment. During the Reporting Period, the Company undertook grass planting around the facilities in the plant area, selecting grass species suitable for local climate and soil conditions to ensure healthy growth. For areas with exposed soil, a systematic plan for greening projects was implemented to effectively cover bare land. After continuous efforts, there is now no substantial exposed land within the entire plant, significantly reducing dust generation and improving air quality.

2.4 Response to Climate Change

The Group continuously pays attention to the challenges and opportunities brought about by climate change, systematically assessing the real risks posed by extreme weather events and the transitional risks arising from increasingly stringent environmental policies and regulations. In response to identified climate risks, we enhance our climate resilience through measures such as optimizing production layout, upgrading environmental protection facilities, and promoting energy conservation and emission reduction. We integrate climate risk management into daily operations and continuously strengthen the implementation and effectiveness evaluation of response measures. We regularly track domestic and international climate policy developments and continuously improve risk response plans to ensure the Company maintains robust development in the context of climate change. In 2024, the Company was successfully listed as one of the provincial-level green manufacturing entities in Henan Province for 2024.

The Group insists on practicing its commitment to low-carbon development, and steadily advances toward the 2030 emission reduction targets based on the greenhouse gas emission data of 2023. We are committed to achieving a 10% reduction in greenhouse gas emissions intensity from direct operations (Scope 1 and Scope 2) through systemic measures, including optimizing energy structure, enhancing energy efficiency, and promoting clean production technologies.

At the beginning of the Reporting Period, the Group set an energy saving and consumption reduction target of RMB30,738,500 in 2024. During the Reporting Period, through the implementation of various energy-saving measures, we achieved energy saving and consumption reduction of RMB39,536,700 exceeding the target. The emission reduction initiatives we implemented mainly include:

- Increasing the equipment load from 12 million kilocalories to 15 million kilocalories based on the Company's existing equipment, and replacing burners with energy-efficient burners;

- Comprehensively transforming the stabilization tower, and changing the tower trays to high-efficiency jet trays to enhance capacity;

- Replacing equipment motors (such as the circulating hydrogen compressor and high-temperature hot oil pumps) with first-class energy-efficient motors;

- Conducting quarterly leak detection and repair throughout the plant, promptly addressing any issues found to reduce unorganized emissions.

Climate-related risks	Type of risks/ opportunities	Potential impacts	Response to risks
Transitional risks	Policy and regulatory risk	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	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	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	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	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

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 strived to enhance its safety management practices, implemented comprehensive safety education and training programs, continuously improved its occupational health management system, and integrated safety responsibilities into every facet of its operations.

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 and the Fire Protection Law of the People's Republic of China. The Group has established and implemented internal systems such as the Safety Reward and Punishment Management System, 2024 Emergency Response Plan Registration, Safety Education and Training System, Safety Production Responsibility Assessment System, and Special Operations Safety Management System. This comprehensive approach has allowed it to create a safety management system that encompasses all levels and stages of the organization.

During the Reporting Period, the Group set the following safety production objectives:

- No minor injuries, serious injuries or unnatural death
- No major equipment operation accidents or production accidents
- No in-plant traffic accidents
- No incidence of occupational diseases
- No fire or explosion accidents
- "Three-level" safety training for all of the employees
- All special operational personnel certified
- All special equipment inspected
- 100% Full effectiveness achieved with the dual prevention mechanism
- All major hidden hazards properly treated

To achieve the above goals, the Group has taken a range of measures:

- **Enhanced the safety responsibility system:** The Group updated the Safety Production Responsibility System to clearly define the safety responsibilities and authority of personnel at all levels.

- **Promoted the standardization of safety production:** The Group systematically reviewed the Guidelines for Identifying and Managing Safety Risks and Hazards in Hazardous Chemical Enterprises as well as the Safety Standardization Assessment Standards for Hazardous Chemical Operating Units.

- **Deepened the dual prevention mechanism:** Utilizing the job risk control checklist and the hazard identification and remediation checklist, along with its safety intelligent control platform, the Group has established a permanent mechanism for risk identification and hazard investigation that embraces bottom-up employee participation and top-down leadership accountability.

- **Strengthened emergency management:** The Group conducted specialized inspections of emergency supplies and organized training sessions and drills focused on emergency response and first aid knowledge.

- **Utilized intelligent platform applications:** The Group optimized the application and advancement of its safety risk intelligent control platform, further advancing the intelligent, digital, and informational development of the Company's safety management.

- **Reinforced the construction of safety teams:** The Group enhanced safety team construction through initiatives such as pre-job pledges, evaluations before and after shifts, daily safety quizzes, drills every three days, case reviews, accident warning education, and hazard investigations.

- **Improved the hazard identification mechanism:** A comprehensive hazard identification plan has been developed, enabling the Group 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 Group has 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.

Work-related Injury Data in 2022-2024

Indicator	Unit	2024	2023	2022
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

3.2 Safety Education and Training

The Group has established a scientific and systematic safety education and training system. By implementing multi-level safety training, the Group continuously enhanced the safety awareness and operational skills of all employees, thereby strengthening our risk management capabilities and providing a solid talent foundation for achieving safe production. The Company has created targeted training programs tailored for senior executives, safety management personnel, new employees, front-line operators, special equipment operators, and contractors, ensuring the stable operation of its safety production system. During the Reporting Period, the Group organized a total of 288 safety education training sessions, engaging 5,652 participants and accumulating a total of 13,188 training hours.

Person in charge of the Company and safety management personnel	• must pass assessments of safety production knowledge and management capability and obtain safety qualification certificate; • carry out education concentrated on safety knowledge and accident prevention once a month.
New employees	• must undergo training in three-level safety education and pass its examination; • sign three-level safety education card and safety production education and training records for confirmation.
General operators	• must have training for knowledge that the operators should understand and grasp and pass the safety examination; • learn and undertake activities according to the Company's annual plans for safety learning, training and education.
Returning workers and transitioning employees	• those who have been absent from their positions for more than three months must have safety education again and pass the examination; • those who have transferred to new positions or changed the type of work will need to undergo trainings for second-level and three-level safety education and pass the examinations. For example, if their type of work is changed to special equipment operators, they will have to pass the examination and obtain the corresponding qualification certificates in accordance with the training requirements on special equipment operators.
Special equipment operators	• Special equipment operators shall receive special safety and technical training and obtain special equipment operation certificate of the People's Republic of China before operation.
Contractors	• need to sign the Safety Construction Agreement; • accept the safety education and training organized by the Company's safety department, pass the examination, and obtain the Entry Pass ID Card.
Other personnel	• including interns, visitors and persons for the purpose of learning and receiving training for safety education organized by functional departments; • before the new process, new technology, new method, new equipment and new material are put into use, the technical department is responsible for organizing the relevant personnel to carry out the adaptability training of process technology and safety operation procedures; • for those who are engaged in temporary, larger-scale operation (e.g. annual inspection and maintenance) where major accidents may occur, or other work that requires on-site safety education, the person in charge of the operation will liaise with the relevant departments to conduct pre-operation safety education.

Simultaneously, the Group enhanced its corporate safety culture by developing the Implementation Plan for Corporate Safety Culture Construction. In accordance with the Guidelines for Corporate Safety Culture Construction, the Group actively worked on various aspects of safety culture, including strengthening the management of special equipment operators to ensure they possess valid certifications while on duty, implementing targeted rectifications for special operation and hazardous maintenance tasks, continuously carrying out accident warning education by integrating accident case studies into safety examinations. These ongoing efforts aimed to improve employees' safety awareness and operational skills, ultimately establishing a robust foundation for safe production.

Picture: Fire safety training

Picture: Accident education training

Picture: Emergency drill site

3.3 Occupational Health Management

The Group complies with laws and regulations including the Law of the PRC on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), Regulations of Henan Province on Social Insurance for Industrial Injuries (《河南省工傷保險條例》) and Regulations of Henan Province on Prevention and Control of Occupational Diseases (《河南省職業病防治條例》). The Group establishes a sound occupational health management system and provides all-around protection for employees' occupational health through monitoring and assessing occupational hazards, occupational health surveillance and informing and warning of occupational hazards. In 2024, the Group achieved certification for its occupational health and safety management system in accordance with GB/T45001-2020/ISO 45001:2018, providing guarantee for occupational health.

During the Reporting Period, the Group did not record any occupational disease cases, with a 100% coverage rate of occupational disease physical examination. The Group takes following steps focused on occupational health management:

- **Establishing an occupational disease management system:** The Group has established a robust management system for the prevention and control of occupational diseases, set up a corresponding leading led by senior management and clearly defined the responsibilities of each department in this initiative, creating a structured management network that ensures accountability at all levels. Additionally, the Group has developed a comprehensive set of management systems for occupational disease prevention and control, including monitoring systems for occupational hazard factors, health surveillance systems for workers, and maintenance and repair protocols for protective facilities against occupational diseases.

- **Conducting comprehensive occupational health examinations:** The Group regularly organizes occupational health assessments for employees and promptly intervenes in any identified health issues. This enables us to detect health risks early, allowing for timely prevention and treatment.

- **Implementing systematic occupational health training:** The Group has conducted 24 occupational health education training sessions, reaching 471 participants with a total of 24 hours of instruction, which effectively enhance employees' awareness and ability to protect themselves.

- **Strengthening protective facilities:** The Group has installed effective protective facilities, such as ventilation systems and soundproof equipment, in workplaces exposed to occupational disease hazards. Regular maintenance and repair ensure that these facilities remain fully operational.

- **Strictly monitoring hazard factors:** The Group regularly engages professionals to thoroughly identify occupational disease hazard factors present in the production process, helping it to avert potential health risks.

- **Enhancing management of occupation disease protective equipment:** The Group has established comprehensive procedures, covering everything from procurement to disposal. This ensures that employees receive protective gear that meets national standards and are trained in its proper use, thereby providing individual protective assurance.

- **Establishing and strengthening emergency response mechanisms:** The Group has developed emergency response plans for potential occupational disease incidents and equipped necessary emergency response facilities, and conducts regular inspections and maintenance. Drills are organized to improve our readiness to handle unforeseen events effectively.

Case: Management of occupational health protective equipment

The Group places a high priority on the management of occupational health protective equipment. The Group has established a comprehensive management system to ensure the implementation of standard procedures throughout the entire lifecycle of usage:

– **Scientific procurement:** The Group maintains a list of qualified suppliers and procure protective equipment that meets job-specific requirements in accordance with national standards, ensuring reliable product quality;

– **Stringent acceptance inspection:** The Group designates personnel to inspect the appearance, specifications, and labeling of products. Random checks on key performance indicators are conducted, and any non-compliant products are promptly returned or exchanged;

– **Standardized storage:** Dedicated warehouses have been established to maintain a dry and ventilated environment. Items are classified and clearly labeled, with regular checks conducted to assess the condition of the protective equipment;

– **Controlled distribution:** The Group has developed allocation standards for protective equipment based on job requirements and implemented a registration system to track distribution information. Additionally, specialized training is provided for using certain types of protective equipment;

– **Usage management:** The Group organizes training sessions on proper usage methods and carries out regular supervision and inspection of employees' use of protective equipment;

– **Disposal management:** The Group has established standards for evaluating the lifespan and performance of protective equipment and implemented dedicated disposal processes to ensure the safe disposal of waste.

4. Upholding the People-Oriented Approach

The Group is committed to the talent concept of "respecting people, relying on people, cultivating people and satisfying people". The Group upholds the principle of equal employment, diligently safeguards the legitimate rights and interests of our employees, continuously enhances its talent cultivation and management system, and fosters a positive and harmonious work environment. With a humanistic spirit of openness, equality, and inclusiveness, we aim to cultivate a collaborative future for both the Company and its employees.

4.1 Ensuring Equal Employment

The Group 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. We have established and implemented internal policies, including the Regulations on Management of Recruitment of Employees and the Regulations on Management of Employment Contract, continuously improve the corporate employment management policies, clarify employee recruitment processes, and ensure that all procedures are standardized and transparent.

Diverse hiring	We are committed to the principles of "fairness, openness, and justice|, and adhere to all applicable laws regarding compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other employee benefits. We select and recruit employees through a competitive process, dedicated to providing diverse and equitable job opportunities while building a varied talent pool.
Expanding recruitment channels	We utilize a range of strategies to broaden our recruitment channels, actively participate in campus recruitment to create opportunities for graduates, and publish job advertisements across multiple platforms to reach a wider range of potential candidates. Additionally, we actively engage with local government's "Special Talent Programs" to attract high-end and rare talent by leveraging supportive policies.
Comprehensive recruitment considerations	With a strategic focus, we align our recruitment efforts with business strategies, industry trends, and market competition. We take into account the local labor supply and assess whether it meets the Company's social and labor planning needs, thereby continuously fueling the Company's growth and development.

Employment Data in 2024

Indicator	Unit	Number in 2024	Unit	Proportion in 2024
Total Employees	Persons	402	%	–
By Gender				
Male employees	Persons	320	%	79.60
Female employees	Persons	82	%	20.40
By Employment Type				
Full-time employees (contract)	Persons	402	%	100
Part-time employees (labor dispatch, temporary workers)	Persons	0	%	0
By Age				
Under 30 years old	Persons	133	%	33.08
31-40 years old	Persons	215	%	53.48
41-50 years old	Persons	44	%	10.95
Above 51 years old	Persons	10	%	2.49
By Region				
Within Henan Province	Persons	400	%	99.50
Outside Henan Province	Persons	2	%	0.50
Minority Employees				
Number of minority employees	Persons	3	%	0.75

Employee Turnover Indicator in 2024

Indicator	Unit	2024
Annual Turnover Rate of Employees		
Annual turnover rate of full-time employees	%	6.99
By Gender		
Turnover rate of full-time male employees	%	7.58
Turnover rate of full-time female employees	%	4.65
By Age		
Turnover rate of employees under 30 years old	%	11.81
Turnover rate of employees who are 31-40 years old	%	4.52
Turnover rate of employees who are 41-50 years old	%	2.33
Turnover rate of employees over 51 years old	%	18.18
By Region		
Turnover rate of employees within Henan Province	%	6.99
Turnover rate of employees outside Henan Province	%	0

4.2 Protecting the Rights and Interests of Staff

The Group strictly complies with relevant laws and regulations, including the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the People's Republic of China on the Protection of Minors, and the Regulations on the Prohibition of Using Child Labor. We are fully committed to safeguarding the legitimate rights and interests of our employees, aiming to foster a mutually beneficial relationship between employees and the enterprise.

Remuneration and benefits	• Determine employees' wages based on their positions by reference to the list of post wage; • Provide employees with "five social insurances and one housing fund", which includes pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and a housing provident fund; • Grant appropriate welfares at national legal holidays; • Provide special hardship allowances to employees or their families facing special difficulties; • Provide heating fee, cooling fee and quarterly benefits, etc.
Performance assessment	• Offer fair development opportunities by establishing an open and transparent assessment and promotion mechanism, ensuring impartial evaluations and reasonable promotions for employees throughout their tenure; • Adjust employees' job levels based on their performance assessment results.
Statutory holidays	• Adhere to national statutory holiday schedules for employee leave; • Make clear the application procedures for and pay standards of personal leave, sick leave, marriage leave, maternity leave, funeral leave, etc., and provide employees eligible for marriage with 15 days of marriage leave; female employees are entitled to six months of maternity leave, during which the Company provides wages in accordance with national regulations.
Democratic communication	• Set up a suggestion box and a hotline for submitting complaints and reports; • Actively monitor and address employees' reasonable requests through the labor union; • Establish a dispute mediation committee within the Group (Jinma Energy)'s office building.
Compliant hiring	• Sign Employment Contracts with employees in accordance with relevant laws and regulations, ensuring that our hiring practices are both legal and compliant, which helps maintain harmonious and stable labor relations; • Strictly prohibit the use of child labor and forced labor, with all forms of such practices being banned. During the Reporting Period, the Group did not face any lawsuits related to the employment of child labor, forced labor, or serious violations of labor laws.
Occupational health and safety	• Prioritize the occupational health and safety of our employees, and provide a healthy and safe work environment.

4.3 Promoting Employee Development

The Group places a high priority on employee development and the establishment of a talent system. We have created a multi-tiered training framework and implemented a variety of training programs aimed at continuously enhancing the job skills and professional development of employees at all levels. Furthermore, we have introduced a fair and just internal recruitment process that provides a scientific and clear pathway for employee advancement. This enables employees to realize their self-worth while fostering mutual growth for both the Company and its workforce

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

  The Company has formulated an employee training plan based on the development plan and the annual operation plan, and provides tailored training for employees at various levels, which encompasses skill training, special training and comprehensive training. After the training, the training organization department will evaluate the training effect and conduct training satisfaction evaluation to enhance the training processes and better address the diverse needs of employees.

Forms of training	Training objects	Training content
Comprehensive training	Management	• Safety, anti-terrorism, warning education, occupational health training; • Energy management training; • Management capacity improvement training
Comprehensive training	New employees	• Three-level safety education for employees (company, department/workshop, shift).
Skill training (professional skill)	Ordinary employee	• 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)	Ordinary employee	• 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	• Safety training; • Technics training; • Anti-corruption training.

Training Data of Employees in 2024

Indicator	Unit	2024
Total number of employee trainings	Times	**803**
Total number of employees trained	Persons	**16,807**
Total expenditure on training	RMB ten thousand	**25.5**
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 ordinary employees trained	%	**100**
Percentage of middle employees trained	%	**100**
Percentage of senior employees trained	%	**100**
Average hours of training for employees	Hours	**43.50**
Average hours of training for male employees	Hours	**43.29**
Average hours of training for female employees	Hours	**44.43**
Average hours of training for ordinary employees	Hours	**40.02**
Average hours of training for middle employees	Hours	**31.73**
Average hours of training for senior employees	Hours	**67.67**

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

The Company is committed to establishing a transparent promotion mechanism, where employee performance serves as a key criterion for job/rank adjustments, and provides internal employees with three forms of development, namely internal promotion, internal transfer and internal competition. When candidates seek promotion opportunities, the Company's review group evaluates their performance based on skills and other relevant factors, adhering to the principles of fairness, transparency, and equity. Promotions are granted only after a successful review. Meanwhile, the Company assesses the middle and senior management on a monthly basis and incorporates the assessment results into the annual assessment results. The ranks of the mid-level cadres who rank last in the assessment will be adjusted based on the actual situation every year. Moreover, the Company pays attention to the demands of employees through the labour union, and gives feedback to the reasonable demands raised by employees.

The Company views talent recruitment as a fundamental priority crucial to its overall development. To attract high-tech talents, the Company will provide staff with master's degrees a subsidy of RMB2,500 per month, and put them in suitable positions to give full play to their strengths.

4.4 Caring for the Life of Employees

The Group continues to deepen the care of employees by organizing recreational and sports activities, offering assistance to employees in difficulty, and providing health examinations and subsidies to employees, etc., to protect the physical and mental health of employees and enhance their happiness and sense of belonging in career.

Recreational and sports activities	• Hold diversified recreational and sports activities, and reward the top three employees or groups; • Hold Nanshan Brisk Walking Activity, and staff and cadres can participate on a voluntary basis; • Organize staff for recuperation; • Hold employee sports meeting on "May Day", including basketball, rope skipping, table tennis, tug-of-war and other competitions, and reward the individuals and groups who won the places.
Employees support	• Provide different assistance and condolences to employees in need; • Provide living allowance of RMB3,000 per year to employees' children who are admitted to university with a bachelor's degree or above.
Other benefits	• Organize regular medical checkups for employees; • Organise all female employees to conduct gynaecological physical examinations on Women's Day, with a subsidy of RMB150 per person; • Breastfeeding breaks of two hours each day for female employees during breastfeeding period; • Donate RMB9,000 to the Charity Federation Trade Union for living allowances of employees' children in colleges and universities; • Pay RMB19,000 to the mutual fund for the living allowance of employees in difficulty; • Give cakes and dairy products to employees' parents who are 70 years old or above on their birthdays; • Grant a subsidy of RMB200 per person to parents of employees aged 70 or above during the Double Ninth Festival.

5. Practicalize Operation with Responsibility

The Group has been adhering to the core principle of "conceptual operation, integrity as base, cooperation for co-winning", and persists in providing its customers with high-quality products and services. In addition, the Group strives to improve its scientific and technological innovative system, consolidates its innovative foundation, and actively works with the upstream and downstream partners to jointly build a green, environmentally friendly and sustainable industrial chain, for coordinated progress in economic, environmental and social benefits.

5.1 Product Quality Management

The Group complies with the relevant laws and regulations such as the "Product Quality Law of the People's Republic of China" and "the PRC Administrative Measures on the Production Licenses of Industrial Products" 《中華人民共和國工業產品生產授權管理條例》, and adhering to the quality principle of "creating values for our customers with high quality products". The Group continues to improve its quality control system and implements full-process quality monitoring. Leveraging on scientific quality control methods, refined production management and strict implementation standards, the Group ensures stable and reliable product and service quality. Moreover, the Group continues to optimize the system of services for its customers, and reinforces privacy protection and data security mechanism.

There was no complaint in relation to product quality received during the Reporting Period, with a satisfactory rate from class A and class B customers of 98.3% and 96.2%, respectively. No product recall events arose due to potential safety risks or quality or other issues. There was no violation of any laws and regulations in relation to health and safety, advertising, labelling and privacy matters relating to products and services that had a significant impact on the Group.

- **Ensuring product quality**

The Group strictly implements national and industry quality standards and has established a comprehensive quality control system. During the Reporting Period, the Company continued to optimize its quality control process and has passed the re-examination of ISO9001 quality management system certification.

The Company formulates and implements internal systems such as the "Standardization of Process Quality Management System"(工藝質量標準化管理制度) and the "Process Operating Procedures" (工藝操作規程) to conduct standardized quality control for the entire production process. Furthermore, the Company attaches great importance to equipment maintenance and risk management, and performs regular upkeeping and overhauling of production facilities to ensure stable operation of the system. The Company provides insurance covering certain property, machinery and equipment as well as other assets that are owned, operated or deemed to be important, as through its purchase of safety production liability insurance, comprehensive property insurance and machinery damage insurance to cover potential risks in the course of business operations. During the Reporting Period, there was no business interruption due to fire disasters, power shortage or other events beyond our control during the business period.

- **Optimizing customer service**

The Company continues to establish a sound customer service system and improve customer experience and service efficiency. The Company has built a multi-dimensional communication channel matrix, covering traditional channels such as offline face-to-face communication, written letters, and telephone. By integrating consulting platforms, bidding platforms, WeChat, DingTalk and other digital tools and through customer forums and feedback mechanisms such as complaint boxes, a comprehensive customer communication network has been formed. Moreover, the Company carries out regular customer satisfaction surveys and collects Customer Feedback Form from customers to analyse their evaluation on delivery capacity, product usage, after-sales service and other aspects.

The Company continuously deepens the management of customer complaints and implements a systematic closed-loop management process:

- **Identification of problems accurately:** Business staff are trained to master structured listening skills, accurately record the core elements of problems, and clarify ambiguous information through effective questions to ensure clear and complete identification of problems.

- **Professional communication and response:** With the principle of transposition thinking, we analyse problems from the perspective of customers, convey professional understanding and respect, and apply emotion management skills to effectively alleviate customers' negative experience.

- **Efficient solution and implementation:** Preliminary suggestions are provided as soon as possible and reported to department leaders, who organize relevant departments to work out solutions, implement them, give feedback to customers in time, and carry out further communication.

- **Continuously optimizing feedback:** After the problem is solved, special personnel will be assigned to carry out follow-up visit, evaluate the actual effect of the solution, and continue to follow up according to customer feedback.

Through multiple measures to optimize customer service, the Company has achieved steady improvement in customer satisfaction, and significantly enhanced the complaint handling efficiency and service response speed.

- **Privacy protection of customers**

  The Company attaches high importance to the privacy protection of customers, and strictly implements internal privacy protection policies and measures. The Company improves the confidentiality awareness of employees through regular training, and prohibits the disclosure of customer information; it strengthens the protection of customer data in the daily office environment to prevent the leakage of customer data. At the technical level, computer monitoring software is used to strengthen control, and measures such as timing monitoring, peripheral management and application control are taken to comprehensively strengthen information security protection. In case of changes in the division of work among business-related personnel, we will timely inform customers to protect customer information. The Company continuously improves its policies and processes to adapt to changing privacy protection requirements and challenges and effectively protect the interests of its customers.

  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 attaches high importance to the construction of the innovation system, encourages employees to devote to innovation work and bringing efficiency, employs and incorporates domestic and foreign advanced technologies, proactively engages in technological innovation, process optimization, equipment upgradation and other efforts. The Group positively promotes the combination linkage of production, education and research, constructs research platforms that propel the progress of production, education, research and application, and constantly enhances industrial application of new products, technologies and materials.

- **Enhancing the development of innovative ability**

  The Group focuses on innovation-driven development, deepens innovation capacity building, formulates and implements internal systems such as the Administrative Measures for Innovation and Efficiency《創新創效管理辦法》to continuously optimize the incentive mechanism for employees to innovate, fully stimulate employees' innovation vitality, and create a strong atmosphere of innovation within the Group. During the Reporting Period, the Group has a R&D team of 22 employees, and the annual investment for R&D was approximately RMB48,910,000.

  The Group strives to improve technology, promotes the implementation and application of technological achievements, carries out collaboration in production, education and research to improve production efficiency and promote sustainable development. During the Reporting Period, the Company improved the stability of the production system by optimizing the U-shaped gas inlet pipe of the heating furnace; reduced the single drainage time to 40 seconds by optimizing the centralized drainage of the annular coil, to ensure continuous furnace combustion and improve system stability; upgraded the waste water stripping system, removing waste gases through stripping; sent the waste liquid after cooling to the sewage treatment, significantly reducing ammonia and nitrogen levels in the waste water and enhancing environmental protection efficiency; designed the sodium ion exchanger to purify calcium and magnesium ions in spray water, which was applied to the incoming water main pipe of recycling water production, effectively improving the heat exchange efficiency and reducing the scale of spray water. According to the development strategy of the hydrogen energy, the Group conducted the development and utilization of hydrogen-rich tail gas, which was further purified to 99.999%, for use by Jinma Hydrogen gas stations, promoting resource conservation and reuse. Moreover, the Company actively promoted the development of industry standards, and during the Reporting Period, the Company participated in the formulation of national standards for Hydrogen Part 2: Pure Hydrogen, High Purity Hydrogen and Ultra-Pure Hydrogen, facilitating the industry exchange and progress.

Figure: Vertical ring inlet system of benzene hydro heating furnace gas

- **Enhancing intellectual property protection**

The Group strictly complies with the Patent Law of the PRC (《中華人民共和國專利法》) and the laws and regulations of intellectual property protection of locations where it operates, and has established the systematic processes in respect of intellectual property management. On the one hand, it continuously optimizes the management method and strengthens the protection to ensure the compliance of intellectual property work in the entire process; on the other hand, it continues to improve the ability of the whole chain of intellectual property rights from invention, application, protection to management, carries out confidentiality awareness training for technical staff, and maintains the integrity and security of the Company's intellectual property assets. In external cooperation, the Group attaches great importance to privacy and information security in accordance with the Contract Law of the People's Republic of China (《中華人民共和國合同法》), and protects the trade secrets of both parties in strict accordance with the contract. With regard to the transformation of scientific and technological achievements, the Group fully implements the Law on Promoting the Transformation of Scientific and Technological Achievements of the PRC (《中華人民共和國促進科技成果轉化法》) and strictly keeps technical secrets.

During the Reporting Period, the Group has obtained 11 utility model patents, and submitted 19 applications for patents.

5.3 Enhancement of Supply Chain Management

The Group has been adhering to the supplier management concept of fairness, justness and mutual benefit in the establishment of a scientific and transparent supplier management system, formulated and implemented standardized documents such as "The Procurement Management Rules"《採購管理制度》to systematically standardize the procurement process and clarify quality standards and compliance requirements. In compliance with the supplier access principle of "quality priority, reasonable price, contract spirit, and credibility", the Company establishes a risk early warning mechanism in the process of qualification screening and comprehensive evaluation to ensure that the quality of purchased products and services is controllable. Meanwhile, through entering into Code of Conduct for Suppliers《供應商行為準則》and Open and Transparent Procurement Agreement《陽光採購協議》, the Company establishes a cooperative mechanism with transparency, justness and mutual benefit to ensure the continuous stability and high operation efficiency of the supply chain.

- **Supplier rating and classification management:** 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 by the Company, and the selection and evaluation of suppliers providing for raw and auxiliary materials of key materials, important materials and general materials were based on the actual needs of the Company's production. The Company will conduct multidimensional investigation and evaluation on suppliers in respect to their production size, financial capacity and potential quality issues before they became approved.

- **Supplier's assessment and appraisal:** the Company continuously assesses and supervises the quality of the provided materials during the term of the contract, and conducts comprehensive assessment and appraisal on the suppliers annually based on their respective supplying ability, quality retention and other relevant data, as well as adjusts its procurement based on market changes at any time to meet the demand for its production.

- **ESG risk assessment of suppliers:** The Company required suppliers to comply with all applicable environmental, health and safety laws, regulations and requirements. The Group dynamically evaluated the suppliers' ability in taking up environmental and social responsibilities and the extent of environmental and safety influence of their products on the Company. If they fail to meet the production requirements of the Company, their supply qualification will be cancelled so as to ensure the sustainability of supplies from all qualified suppliers.

- **Preferential measures for energy-saving and environmentally-friendly products:** The materials and products purchased by the Company shall meet the requirements of national, local and industrial laws and regulations on environmental protection. Under the condition of ensuring product quality, we preferentially select production processes and products with low energy consumption, no or low pollution. The Company formulated the Procurement Management Rules《採購管理制度》to specify procurement requirements and procedures, ensuring a stable and efficient supply chain operation, elevating the supply chain management level, and enhancing competitiveness.

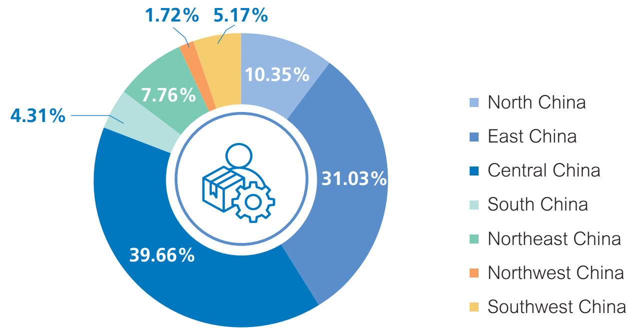
- **Carrying out supplier training:** For materials and products that are flammable, explosive or toxic and hazardous, the Company conducted necessary environmental protection knowledge and professional qualification training for suppliers' storage and transportation personnel to take precautionary measures to avoid fire, explosion and leakage during storage and transportation and other events. For the relevant personnel of the manufacturers who enter the factory for equipment inspection, maintenance or technical support, the Company's security department will conduct relevant training, and then the relevant team will arrange further training to ensure that they fully master the operation skills.

- **Supplier's whistleblowing channel:** The Company attaches great importance to the relevant opinions and claims of suppliers and also sets high requirements for compliance and integrity work of internal employees of the Company. Suppliers' whistleblowing can be directly reported to the secretary of the party committee or general manager of the Company.

Supplier Data in 2024

Indicator	Unit	2024
Number of annual audited suppliers	number	116

During the Reporting Period, the Group cooperated with a total of 116 suppliers. The distribution of suppliers by region is as follows:



6. Community Public Service

The Group adheres to the corporate culture concept of "being loyal internally, being honest externally, and being responsible toward the society". Adhering to the corporate tenet of "benefiting from the society and giving back to the society", the Group actively assumed its social responsibility and fully mobilized and used its own sources to carry out public welfare activities and provide financial and material assistance to assisted areas.

The Company continued to extensively carry out community activities. During the Reporting Period, the Company donated RMB9,000 to the Charity Federation Trade Union for living allowances of employees' children in colleges and universities to facilitate education and assistance; it granted a holiday subsidy of RMB200 per person to parents of employees aged 70 or above during the Double Ninth Festival to show its humanistic care. In addition, the Company contributed RMB19,000 to the mutual fund for the living allowance of employees in difficulties to provide practical support.

The Board hereby presents its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

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 75). 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 7 to 23), "Corporate Governance Report" (pages 24 to 39), "Environmental, Social and Governance Report" (pages 40 to 75) and this section (pages 76 to 88) 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 2020 to 2024) are set out as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000 (restated)	RMB'000	RMB'000
Revenue	**3,102,000**	2,330,228	2,254,533	1,479,594	1,079,233
Cost of sales	**(3,030,362)**	(2,181,429)	(1,966,854)	(1,326,461)	(977,671)
Gross profit	**71,638**	148,799	287,679	153,133	101,562
Other income	**21,619**	8,553	6,354	5,067	7,348
Other gains and losses	**(3,950)**	(4,397)	(5,535)	(9,707)	(5,650)
Impairment losses under expected credit loss model, net of reversal					
Selling and distribution expenses	**(16,275)**	(18,420)	(15,366)	(11,963)	(11,606)
Administrative expenses	**(44,938)**	(31,315)	(31,562)	(22,980)	(21,708)
Listing expense	**–**	(1,415)	–	–	–
Finance costs	**(16,472)**	(6,064)	(8,022)	(2,645)	(8,561)
Share of result of a joint venture	**386**	3,148	–	–	–
Profit before tax	**12,008**	98,889	233,548	110,905	61,385
Income tax expense	**(469)**	(16,568)	(39,467)	(31,429)	(16,751)
Profit for the year	**11,539**	82,321	194,081	79,476	44,634
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss:					
Fair value gain on bills receivables at fair value through other comprehensive income ("**FVTOCI**"), net of income tax	**402**	66	327	35	232
Total comprehensive income for the year	**11,941**	82,387	194,408	79,511	44,866
Total comprehensive (expense) income for the year attributable to:					
—Owners of the Company	**(15,771)**	55,126	138,556	72,504	29,324
—Non-controlling interests	**27,712**	27,261	55,852	7,007	15,542
	11,941	82,387	194,408	79,511	44,866
(Loss) earnings per share (RMB)	**(0.02)**	0.09	0.26	0.14	0.05

Selected Historical Consolidated Assets and Liabilities Data

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000 (restated)	RMB'000	RMB'000
Non-current assets	**1,085,713**	1,111,619	722,973	657,088	676,847
Current assets	**590,685**	551,767	352,464	316,607	295,450
Current liabilities	**456,779**	382,573	259,872	380,214	418,656
Net current assets (liabilities)	**133,906**	169,194	92,592	(63,607)	(123,206)
Total assets less current liabilities	**1,219,619**	1,280,813	815,565	593,481	553,641
Equity attributable to owners of the Company	**985,373**	1,021,775	582,010	458,754	401,550
Total equity	**1,091,550**	1,127,440	719,557	555,149	505,638
Non-current liabilities	**128,069**	153,373	96,008	38,332	48,003
	1,219,619	1,280,813	815,565	593,481	553,641

PAYMENT OF DIVIDENDS

On 27 March 2025, based on the operating results, the Board has resolved not to declare any final dividends for the year ended 31 December 2024. 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 2024, the total revenue from top 5 customers of the Group and the revenue from the largest customer of the Group accounted for 40.44% and 28.47% (2023: 50.84% and 35.75%), 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.

Save as disclosed above and save for the Jinma 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 customers at any time during the year.

During the year ended 31 December 2024, 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 43.59% and 25.30% (2023: 63.39% and 32.56%), respectively, of the total purchase amount of the Group.

Save for the Jinma 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 43 to the consolidated financial statements. On 31 December 2024, distributable reserves (i.e. retained profits) of the Company amounted to RMB0.0 million (2023: RMB0.0 million).

DONATIONS

During 2024, the Group made charitable donations of RMB17,000 (2023: nil).

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 34 to the consolidated financial statements in this report. On 11 March 2024, the Company submitted an application to the China Securities Regulatory Commission in respect of the conversion of all of its Unlisted Shares into H Shares that are listed on the Stock Exchange. On 19 April 2024, the Company received a filing notice from the China Securities Regulatory Commission on the abovementioned application, and subsequently obtained the listing approval from the Stock Exchange. Such conversion was completed on 16 July 2024. For details, please refer to the announcement published by the Company on 16 July 2024.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the year ended 31 December 2024, 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 2024 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)*
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)*
Mr. Li Hebao *(appointed on 28 July 2023)*

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 92 to 100).

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 31 December 2024, 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:

1. The letter "L" denotes the person's long position in such shares.

2. The calculation is based on the total number of 535,421,000 shares in issue of Jinma Energy, of which all are H shares.

3. 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 96.3% 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.

4. 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 2024, 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 2024 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 2024 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 2024 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 2024, 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 2024 and remain so as at the date of this annual report.

DISCLOSEABLE AND CONNECTED TRANSACTION

On 2 January 2024, Jinning Energy (a 51% subsidiary of the Company) 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 30 June 2024 at an interest rate of 5% per annum. Subsequently, on 30 June 2024, Jinning Energy and Xinyang Jingang entered into a renewal agreement, pursuant to which the loan agreement was extended and renewed under the same terms and conditions (including interest rate) for a further term from 1 July 2024 to 31 December 2024. During the Reporting Period, Xinyang Jingang has repaid the Loan and all accrued interests in full.

Jinma Energy is the immediate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Xinyang Jingang is a 70% subsidiary of Jinma Energy and is therefore a connected person of the Company.

The provision of loan under the loan agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. The renewal of the loan under the renewal agreement constituted a connected and discloseable transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. Regrettably, the Company failed to comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in respect of the agreements in a timely manner due to unintentional and inadvertent oversight of the management of Jinning Energy.

Having considered the financial background and repayment ability of Xinyang Jingang, the funding needs of the Group, as well as the interest income earned by the Group, the Board (including the independent non-executive Directors) considers that the relevant loan agreement and renewal agreement were entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

For further details, please refer to the announcement of the Company dated 16 August 2024.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2024, 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 2024 RMB'000	Actual Transaction Amount for 2024 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	7,582
		Purchase of crude coking coal gas	400,000	377,450
		Purchase of crude benzene	261,000	234,247
		Purchase of raw materials for the Coke Granule Coal Gas Facilities	140,000	13,575
		Purchase of the miscellaneous materials	4,000	3,967
		Sale of by-products	37,000	36,565
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	13,568

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 will 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 2024 annual cap for these continuing connected transactions was RMB8.0 million and the transaction amount for the year ended 31 December 2024 was approximately RMB7.6 million.

- **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 will 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 will sell crude coking coal gas to us and deliver the products according to the agreed delivery schedule. Further, the Jinma Group will 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 will 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, we will continue 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 2024 annual cap for these continuing connected transactions was RMB400.0 million and the transaction amount for the year ended 31 December 2024 was RMB377.5 million.

- **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 will 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 will 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 will 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 continue to source some of our crude benzene from the Jinma Group.

  In respect of amount, the 2024 annual cap for these continuing connected transactions was RMB261.0 million and the transaction amount for the year ended 31 December 2024 was approximately RMB234.2 million.

- **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 will 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 will 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 will 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 2024 annual cap for these continuing connected transactions was RMB140.0 million and the transaction amount for the year ended 31 December 2024 was approximately RMB13.6 million.

- **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 will 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 2024 annual cap for these continuing connected transactions was RMB4.0 million and the transaction amount for the year ended 31 December 2024 was approximately RMB3.9 million.

- **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 will 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 will sell 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 will 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 are no less favourable than those offered to Independent Third Parties, we will continue to sell the By-products to the Jinma Group.

  In respect of amount, the 2024 annual cap for these continuing connected transactions was RMB37.0 million and the transaction amount from the Listing Date to 31 December 2023 was approximately RMB36.6 million.

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 will 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 will sell 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 will 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 will 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 are no less favourable than those offered to Independent Third Parties, it is favourable to us for selling the products to the Yugang Coking Group.

In respect of amount, the 2024 annual cap for these continuing connected transactions was RMB35 million and the transaction amount for the year ended 31 December 2024 was approximately RMB13.7 million.

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 conducted in accordance with the Group's pricing policy in all material aspects.

- Nothing has come to their attention that causes them to believe that the transactions were not entered into in accordance with the relevant agreements governing the transactions in all material aspects.

- In respect of the aggregate transaction amount of the above continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed exceeded the relevant annual caps as approved by the Company.

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 39 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. Save as disclosed in this annual report, 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 2024, 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 2024.

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 2024, 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 2024, the Group employed 402 employees, with an average turnover of less than 7.68% over the past three years, reflecting the competitive remuneration and benefits provided by the Group to its employees.

The Group has established a remuneration 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 2024 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 2023 and 2024, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2023 and 2024. 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 2024 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
23 April 2025

In 2024, in strict compliance with the Company Law, the Articles of Association, the Listing Rules of SEHK, the Rules of Procedures for Supervisory Committee Meetings and relevant laws and regulations, all members of the Supervisory Committee of Henan Jinyuan Hydrogenated Chemicals Co., Ltd. conscientiously fulfilled their duties, independently exercised supervision rights in accordance with the law to effectively safeguard the legitimate rights and interests of all shareholders, employees and related parties of the Company. Through a systematic supervision mechanism, the Supervisory Committee continuously monitored the core areas such as the implementation of the Company's business strategy, the flow of raised funds, the financial accounting system, the compliance of related transactions, the implementation of general meeting decisions, the procedures for major resolutions of the Board of Directors, and the standardization of the performance of management duties, which effectively promoted the improvement of the Company's governance system and ensured the compliance and sustainable development of corporate operations.

I. BASIC ASSESSMENT ON THE OPERATION, MANAGEMENT BEHAVIOUR AND RESULTS OF THE COMPANY IN 2024

In 2024, the Supervisory Committee of the Company, in strict accordance with the requirements of the Company Law, the Articles of Association, the Rules of Procedures for Supervisory Committee Meetings, abided by the principle of good faith, and solidly promoted supervision work, focusing on the whole process supervision over the performance of duties by members of the Board of Directors, general manager and other senior executives. Upon verification, it has been confirmed that the Board of Directors and all directors performed their duties in accordance with the law and regulations, actively adapted to the fluctuations in the market environment, strictly implemented the decisions made by the general meeting and the Board of Directors, always upheld professional ethics, and diligently and pragmatically promoted business innovation. There was no violation of laws and regulations, the Articles of Association, or any behavior that was detrimental to the interests of the Company and shareholders. During the term of office, the Supervisory Committee continued to track the Company's business activities and is of the view that the management team efficiently implemented the strategic deployment of the Board of Directors, and demonstrated excellent professionalism and execution.

II. THE MEETINGS OF THE SUPERVISORY COMMITTEE

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

On 26 March 2024, the third meeting of the First Session of the Supervisory Committee was held, out of the three Supervisors who were eligible to attend the meeting, three Supervisors were present at the meeting. The meeting was convened in compliance with the requirements of the Company Law and Articles of Association. The meeting had considered and approved the following proposal: 2023 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 2023; 2023 Annual Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.; 2023 Annual Performance Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.; Proposal on the Distribution of Final Cash Dividends for 2023.

On 28 August 2024, the fourth meeting of the First Session of the Supervisory Committee was held, out of the three Supervisors who were eligible to attend the meeting, three Supervisors were present at the meeting. The meeting was convened in compliance with the requirements of the Company Law and Articles of Association. The meeting had considered and approved the following proposal: Proposal on the Announcement of the 2024 Interim Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.; Proposal on the Announcement of the 2024 Interim Performance Report of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.; Proposal on the Distribution of Interim Dividends for 2024.

III. SUPERVISION OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2024:

(I) Operating the Company according to law

During the Reporting Period, the Supervisory Committee strictly complied with the requirements of the Company Law and the Articles of Association, conscientiously performed its duties by being present at all the general meetings of the Company held during the reporting period and attending all the meetings of the Board in accordance with the law, paying close attention to the business and operation of the Company and supervising the operation of the Company in compliance with the law in 2024, and considered that the Company continuously optimized its internal control system, standardized its governance structure, and established a scientific and effective check and balance mechanism. All major matters were in strict compliance with the statutory approval process, and the decisions of the general meeting and the Board of Directors were effectively implemented. The directors and senior management abided by the principles of integrity and self-discipline, performed their duties diligently and conscientiously, with no violations of laws and regulations, the Articles of Association, or behaviors detrimental to the interests of the Company and shareholders.

(II) Financial conditions of the Company

During the Reporting Period, the Supervisory Committee, taking into account the actual situation of the Company, effectively supervised, inspected and reviewed the financial position of the Company for 2024 by reviewing special financial reports, implementing dynamic audit supervision, listening to the reports of the financial department and conducting regular audits, and considered that the Company's financial system was sound and operated in a standardized manner, with solid financial operation and the preparation of its financial statements was in compliance with the Accounting Systems for Enterprises, the Accounting Standards for Business Enterprises and the relevant financial rules and systems, gave a full, objective and true picture of the financial position and operation results of the Company. The standard unqualified auditor's reports issued by the third-party auditor were in line with the industry standard in terms of professional judgment, and credible and accurate in terms of the audit conclusions.

(III) Related party transactions

The Supervisory Committee of the Company supervised and verified the connected transactions that were conducted during the Reporting Period, and was of the view that the connected transactions of the Company were necessary for the normal transactions of the Company, and its decision-making procedures were in line with the relevant laws and regulations and the Articles of Association, and both parties to the transactions strictly complied with terms of the agreements. The pricing mechanism for related party transactions was reasonable and transparent, and complies with market-based and fair principles. During the execution of transactions, there was no interest transfer or damage to the interests of the Company and other non-related shareholders.

(IV) Internal control assessment of the Company

During the Reporting Period, the Supervisory Committee reviewed the set up and operation of the Company's internal control assessment system and was of the view that the Company established an internal control framework covering the entire business process in accordance with the regulatory requirements and in light of the actual situation of the Company, so as to effectively safeguard the business activities of the Company and to protect the safety and integrity of the Company's assets. The existing internal control system is in compliance with the requirements under relevant national laws and regulations and that can cope with the actual needs of the Company in its production operation management, and could be implemented efficiently. The Company's internal control functions were complete and standardized, and the audit supervision team was professionally staffed to ensure that the supervision efficiency and system execution of key control links met regulatory expectations.

IV. COMPREHENSIVE OPINIONS OF THE SUPERVISORY COMMITTEE ON THE CIRCUMSTANCES OF THE COMPANY IN 2024

(I) During the Reporting Period, the Supervisory Committee strictly implemented the Company Law, the Articles of Association, the Listing Rules of SEHK, the Rules of Procedure for Supervisory Committee Meetings and other regulatory documents, continued to pay attention to the compliance of the Company's major decisions and the legality of the decision-making procedures, exercised its supervisory function over the Board of Directors and management in accordance with the law, to effectively safeguard the legitimate rights and interests of the Company and shareholders.

(II) During the Reporting Period, the senior management officers of the Company had strictly complied with the Articles of Association and various laws and regulations when they performed their duties to safeguard the interests of shareholders, effectively implemented the resolutions of the general meeting, and fulfilled their duties conscientiously. Upon verification, it has been confirmed that there were no irregularities or violations of laws and regulations.

(III) During the Reporting Period, the Supervisory Committee comprehensively reviewed the 2024 financial report of the Company and the relevant documents, and confirmed that the financial operations of the year were sound and robust, the internal control system was effectively implemented, and the cost control was significant. The audit report fully and objectively presents the actual financial position and operating results of the Company during the reporting period.

V. SUPERVISORY COMMITTEE'S OUTLOOK OF WORK IN 2025

In 2025, the Supervisory Committee of the Company will continue to strictly comply with the relevant laws and regulations as well as the requirements of the Articles of Association and the Rules of Procedures for Supervisory Committee Meetings, fully exercise the rights conferred by the laws and regulations in accordance with the law, and perform its supervisory duties faithfully and diligently. In view of the business development of the Company, the Supervisory Committee will continue to optimize the supervision mechanism covering the entire operation process, and promote the regular and systematic supervision, to ensure the standardized operation of the Company. In accordance with the requirements of corporate governance regulations, it will further strengthen the standardization of the company's corporate governance system, strictly supervise the implementation of the resolutions of the general meeting and the decisions of the Board of Directors, and pay attention to the professional ethics, performance of duties and responsibilities and work performance of management personnel. At the same time, the Supervisory Committee will continue to promote organizational capacity building, focus on improving the professional capabilities of supervisors, strengthen the education and training in professional fields such as accounting, audit, and finance, innovate supervision methods, and improve the performance of duties, to fully safeguard the legitimate rights and interests of all shareholders.

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 44, 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 44, 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 56, 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 in July 2016 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. Wang Kaibao (汪開保), aged 52, was appointed as our non-executive Director and the vice chairman of the Board on 16 August 2023. He is responsible for 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 audit committee and the chairman of the strategy committee.

Mr. Wang joined Maanshan Steel in August 1996 and has served in various positions since, including as technician, deputy head, head, factory director and safety director. Since March 2015, he has been the chief engineer. In December 2018, he became the deputy secretary of the party committee and has been promoted as the secretary of the party committee since June 2019, primarily responsible for leading the party committee. From June 2019 to February 2022, he served as the factory director of the coking factory headquarter, primarily responsible for administrative work. Since February 2022, he has also been serving as a manager, primarily responsible for administrative work. He is also a senior engineer. Since May 2020, he has been a non-executive Director of Jinma Energy.

Mr. Wang graduated from Wuhan Metallurgy University of Science and Technology* (武漢冶金科技大學) (now known as Wuhan University of Science and Technology* (武漢科技大學)) with a bachelor's degree in coal chemical technology in July 1996.

Mr. Wang Lijie (王利杰), aged 37, 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 (邸志崗), 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 40, 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 61, 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. Wu Zhiqiang (吳志強), aged 59, was appointed as our shareholder representative Supervisor on 16 August 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. Wu joined Maanshan Steel in July 1986 and has served in various positions. From July 1986 to December 1991, he worked in the preliminary rolling mill, primarily responsible for management of rollers, guides and blades. From January 1992 to December 1998, he served as the chief staff member of the security department of the thermal power plant, primarily responsible for advocating laws and investigating cases. From January 1999 to August 2001, he served as the deputy section chief and section chief of the security department of the thermal power plant, primarily responsible for corporate security, comprehensive management and fire management. From September 2001 to January 2012, he served as the deputy secretary of the disciplinary committee and the chief of the inspection section, primarily responsible for disciplinary inspection, duty crime prevention and performance monitoring. From January 2012 to July 2016, he served as the director of the office of the thermal power plant, primarily responsible for corporate management, secretarial management, file management, general logistics and site management. From July 2016 to October 2017, he served as the deputy director of the management office of the thermal power plant, primarily responsible for external management, sales and technology output. From October 2017 to August 2018, he served as a member of the disciplinary committee of the party workshop research office of the thermal power plant. From September 2019 to April 2020, he served as a member of disciplinary committee of the research office of the thermal power plant. From April 2020 to December 2020, he worked as a commissioner of the energy and environmental protection department. Since April 2020, he has been the senior supervisor of the party committee inspection office, audit department, group supervisory committee secretariat and the supervisory committee secretariat office, primarily responsible for the research, supervision and inspection of the board of supervisors. He joined Magang (Group) Holding Co., Limited, the controlling shareholder of Maanshan Steel, as the person in charge of professional management of the human resources department in January 2021, and was promoted as the chief manager from September 2021 to April 2022, primarily responsible for the development of the shared employment market, contract management, protection of employee rights and interests and dispute resolution. Since April 2023, he has been the company lawyer of Maanshan Steel.

In October 1992, Mr. Wu graduated from Anhui University (安徽大學) in the PRC with a diploma in law. In June 2003, he graduated from Party School of Anhui Provincial Committee of C.P.C (中共安徽省委黨校) with a major in law. In July 2003, 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 law.

In August 1997, Mr. Wu qualified as a lawyer in the PRC. In August 2018, he obtained a level one legal consultant position in state-owned enterprises professional qualification.

Mr. Li Hebao (李合寶), aged 39, 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 page 92 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 (龐吏義), aged 50, 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 105 to 170, which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024, 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), and we have 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 2024, the Group recognised retail sales of LNG, refined oil and hydrogen amounting to approximately RMB171,261,000. 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 cash receipts of different settlement channels during the year; • Performing substantive analytical procedure over the reasonableness of revenue recognised from retail sales 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 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
27 March 2025

	NOTES	Year ended 31/12/2024	Year ended 31/12/2023
		RMB'000	RMB'000
Revenue	5	**3,102,000**	2,330,228
Cost of sales		**(3,030,362)**	(2,181,429)
Gross profit		**71,638**	148,799
Other income	6	**21,619**	8,553
Other gains and losses	7	**(3,950)**	(4,397)
Selling and distribution expenses		**(16,275)**	(18,420)
Administrative expenses		**(44,938)**	(31,315)
Listing expenses		**–**	(1,415)
Finance costs	8	**(16,472)**	(6,064)
Share of result of a joint venture		**386**	3,148
Profit before tax	9	**12,008**	98,889
Income tax expense	10	**(469)**	(16,568)
Profit for the year		**11,539**	82,321
Other comprehensive income:	11		
Item that may be reclassified subsequently to profit or loss:			
Fair value gain on bills receivables at fair value through other comprehensive income ("**FVTOCI**"), net of income tax		**402**	66
Total comprehensive income for the year		**11,941**	82,387
(Loss) profit for the year attributable to:			
– Owners of the Company		**(16,038)**	54,925
– Non-controlling interests		**27,577**	27,396
Profit for the year		**11,539**	82,321
Total comprehensive (expense) income for the year attributable to:			
– Owners of the Company		**(15,771)**	55,126
– Non-controlling interests		**27,712**	27,261
Total comprehensive income for the year		**11,941**	82,387
(Loss) earnings per share (RMB)			
– Basic	14	**(0.02)**	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	31/12/2024	31/12/2023
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	843,436	870,605
Right-of-use assets	16	108,780	112,491
Intangible assets	17	21,605	23,056
Goodwill	19	10,669	10,669
Interest in a joint venture	20	81,497	90,911
Deferred tax assets	21	19,726	3,887
		1,085,713	1,111,619
CURRENT ASSETS			
Inventories	22	144,987	117,484
Trade and other receivables	23	30,722	32,034
Tax recoverable		4,493	9,407
Amount due from a related party	24	23,411	23,411
Bills receivables at FVTOCI	25	34,457	68,721
Time deposits	26	215,843	–
Bank balances and cash	26	136,772	300,710
		590,685	551,767
CURRENT LIABILITIES			
Borrowings	27	231,395	142,000
Trade and other payables	28	193,106	199,010
Amount due to a shareholder	29	1,975	1,977
Amount due to a related party	30	296	1,063
Contract liabilities	31	20,885	28,834
Lease liabilities	32	1,135	652
Tax payable		7,987	9,037
		456,779	382,573
NET CURRENT ASSETS		133,906	169,194
TOTAL ASSETS LESS CURRENT LIABILITIES		1,219,619	1,280,813

	NOTES	31/12/2024	31/12/2023
		RMB'000	RMB'000
CAPITAL AND RESERVES			
Share capital	34	955,640	955,640
Reserves		29,733	66,135
Equity attributable to owners of the Company		985,373	1,021,775
Non-controlling interests		106,177	105,665
TOTAL EQUITY		1,091,550	1,127,440
NON-CURRENT LIABILITIES			
Borrowings	27	102,645	116,762
Payables for purchase of property, plant and equipment		–	18,062
Lease liabilities	32	3,097	3,554
Deferred revenue	35	20,782	14,513
Deferred tax liabilities	21	1,545	482
		128,069	153,373
		1,219,619	1,280,813

The consolidated financial statements on pages 105 to 170 were approved and authorised for issue by the Board of Directors on 27 March 2025 and are signed on its behalf by:

Wang Zengguang
DIRECTOR

Qiao Erwei
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company								
	Share capital	Capital reserve	FVTOCI reserve	Statutory surplus reserve fund	Retained profits	Special reserve	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000 (Note i)	RMB'000	RMB'000 (Note ii)	RMB'000	RMB'000 (Note iii)	RMB'000	RMB'000	RMB'000
1 January 2023	100,000	129,960	(611)	24,793	295,410	32,458	582,010	137,547	719,557
Profit for the year	–	–	–	–	54,925	–	54,925	27,396	82,321
Other comprehensive income (expense) for the year	–	–	201	–	–	–	201	(135)	66
Total comprehensive income for the year	–	–	201	–	54,925	–	55,126	27,261	82,387
Conversion of equity accounts	235,000	3,533	769	(25,015)	(214,287)	–	–	–	–
Acquisition of non-controlling interests	–	2,143	–	–	–	–	2,143	(22,143)	(20,000)
Capital injection from a shareholder *(Note 34)*	381,730	(135,636)	–	–	(30,923)	–	215,171	–	215,171
Issue of shares	238,910	21,977	–	–	–	–	260,887	–	260,887
Transaction costs attributable to issue of shares	–	(30,562)	–	–	–	–	(30,562)	–	(30,562)
Dividends recognised as distribution *(Note 12)*	–	–	–	–	(63,000)	–	(63,000)	(37,000)	(100,000)
Transfer	–	–	(769)	644	(3,788)	3,913	–	–	–
At 31 December 2023 and 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	955,640	(10,103)	(143)	422	3,000	36,557	985,373	106,177	1,091,550

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*

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
OPERATING ACTIVITIES		
Profit before tax	**12,008**	98,889
Adjustments for:		
Interest income on bank deposits	**(8,703)**	(1,864)
Interest income on a loan to a related party	**(933)**	(1,520)
Interest income on bills receivables at FVTOCI	**(891)**	(1,813)
(Gain) loss from disposal of property, plant and equipment	**(588)**	73
Gain from disposal of right-of-use assets	**(351)**	–
Depreciation of property, plant and equipment	**75,510**	49,763
Depreciation of right-of-use assets	**3,428**	2,856
Amortisation of intangible assets	**1,451**	5,902
Allowance for inventories	**1,089**	–
Share of result of a joint venture	**(386)**	(3,148)
Finance costs	**16,472**	6,064
Release of assets-related government subsidies	**(1,650)**	(1,586)
Net foreign exchange (gain) loss	**(5,469)**	104
Operating cash flows before movements in working capital	**90,987**	153,720
Increase in inventories	**(28,592)**	(51,785)
Decrease in bills receivables at FVTOCI	**35,691**	18,110
Decrease in trade and other receivables	**1,312**	13,183
Decrease in amount due from a related party	**–**	8,969
Increase (decrease) in trade and other payables	**17,690**	(24,385)
(Decrease) increase in amount due to a shareholder	**(2)**	1,977
(Decrease) increase in amount due to a related party	**(767)**	1,063
(Decrease) increase in contract liabilities	**(7,949)**	13,408
Cash generated from operations	**108,370**	134,260
Income tax paid	**(11,515)**	(29,801)
NET CASH FROM OPERATING ACTIVITIES	**96,855**	104,459

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
INVESTING ACTIVITIES		
Interest on bank balances received	**6,783**	1,864
Interest on a loan to a related party received	**933**	1,520
Assets-related government subsidy received	**7,919**	–
Purchase of property, plant and equipment	**(83,031)**	(148,404)
Refundable deposit returned to constructors	**(150)**	(1,600)
Refundable deposit received from constructors	**–**	350
Proceeds from disposal of property, plant and equipment	**1,158**	–
Purchase of right-of-use assets	**(1,000)**	–
Loan to a related party	**(30,000)**	–
Repayment from a related party	**30,000**	30,000
Proceeds from disposal of right-of-use assets	**2,655**	–
Dividend received from a joint venture	**9,800**	–
Placement of time deposits	**(213,923)**	–
Placement of restricted bank balances	**–**	(52,003)
Withdrawal from time deposits	**–**	30,000
Withdrawal from restricted bank balances	**–**	67,211
NET CASH USED IN INVESTING ACTIVITIES	**(268,856)**	(71,062)
FINANCING ACTIVITIES		
Interest paid	**(16,415)**	(11,412)
Bank borrowings raised	**224,516**	166,615
Repayment of bank borrowings	**(149,238)**	(73,000)
Repayment of lease liabilities	**(995)**	(24)
Dividends paid to shareholders	**(19,217)**	(63,000)
Dividends paid to non-controlling shareholders of subsidiaries	**(27,200)**	(37,000)
Acquisition of non-controlling interests	**–**	(20,000)
Capital injection from a shareholder to a subsidiary	**–**	5,000
Issue of new shares	**–**	260,887
Transaction costs attributable to issue of shares	**(8,961)**	(23,119)
NET CASH FROM FINANCING ACTIVITIES	**2,490**	204,947
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(169,511)**	238,344
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**300,710**	62,470
Effect of foreign exchange rate changes	**5,573**	(104)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY		
Bank balances and cash	**136,772**	300,710

1. GENERAL INFORMATION

Henan Jinyuan Hydrogenated Chemicals Co., Ltd.* 河南金源氫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 Company Limited 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.

With a series of equity transfer arrangements, the Company was owned by Jinma Energy and Shanghai Jinma Energy Sources Co., Ltd.* 上海金馬能源有限公司 ("**Shanghai Jinma**") since June 2023. On 28 July 2023, the Company was converted from a limited liability company into a joint stock company with 335,000,000 ordinary shares of RMB1 per share. Pursuant to the Reorganisation, the Group acquired the equity interests in Jiyuan Jinning Energy Co., Ltd.* 濟源市金寧能源實業有限公司 ("**Jinning Energy**"), Jinrui Energy and Henan Jinma Qingneng Co., Ltd.* 河南金馬氫能有限公司 ("**Jinma Qingneng**") from Jinma Energy, by issuing 273,410,000 new shares at RMB1 per share. Pursuant to a prospectus issued by the Company dated 12 December 2023 in relation to its global offering of the Company's shares, the Company issued 238,910,000 H shares, which were listed on the Stock Exchange on 20 December 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 IFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to 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 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 application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

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 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.

Prior to the completion of the Reorganisation in 2023, Jinning Energy, Jinrui Energy and Jinma Qingneng are under the common control of Jinma Energy, the Group is regarded as a continuing entity and merger accounting has been applied for the preparation of the consolidated financial statements.

The consolidated financial statements had been prepared under the principles of common control combination as if the Company had been the holding company of Jinrui Energy, Jinning Energy and Jinma Qingneng during year 2023. The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for year 2023 include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the reporting period, or since their respective dates of establishment.

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 item 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.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the consolidated businesses in which the common control combination occurs as if they had been consolidated from the date when the consolidated businesses first came under the control of the controlling party.

The net assets of the consolidated businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the consolidated businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

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

3.2 Material accounting policy information (continued)

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.

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.

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

3.2 Material accounting policy information (continued)

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

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.

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

3.2 Material accounting policy information (continued)

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.

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.

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

3.2 Material accounting policy information (continued)

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.

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.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 by regulation or convention in the market place.

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

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. 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 the current conditions at the reporting date as well as the forecast of future 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.

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 aforegoing, 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 issued by a group entity are classified as either financial liabilities or as equity instruments 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 Company 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 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 2024, the Group's bills receivables at FVTOCI amounting to RMB34,457,000 (2023: RMB68,721,000) 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 41.

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 2024, an allowance of RMB1,089,000 (2023: nil) was recognised based on estimated net realisable value and as at 31 December 2024, the carrying amount of inventories is RMB144,987,000 (2023: RMB117,484,000) (net of allowance for inventories of RMB1,089,000 (2023: nil)).

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2024				
Segments*	**Refined chemicals**	**Energy products**	**Trading#**	**Other Services**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Types of goods or service					
Sales of goods					
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
	2,377,194	742,051	190,614	27	3,309,886
Providing services					
Energy supply	–	–	180	10,898	11,078
Total	2,377,194	742,051	190,794	10,925	3,320,964

\# 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 retails 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	3,320,964	(218,964)	3,102,000

5. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

	For the year ended 31 December 2023				
Segments*	Refined chemicals	Energy products	Trading#	Other Services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service					
Sales of goods					
Hydrogenated benzene-based chemicals	1,502,282	–	–	–	1,502,282
Coal gas	–	476,947	–	–	476,947
LNG	–	308,868	78,630	–	387,498
Refined oil	–	–	157,767	–	157,767
Hydrogen	–	–	1,003	–	1,003
Others	–	–	–	146	146
	1,502,282	785,815	237,400	146	2,525,643
Providing services					
Energy supply	–	–	178	10,788	10,966
Total	1,502,282	785,815	237,578	10,934	2,536,609

\# Included in trading segment represented intra-group retail sales of LNG, refined oil and hydrogen amounting to approximately RMB442,000 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 RMB197,201,000 through gas stations.

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 2023		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Refined chemicals	1,502,282	–	1,502,282
Energy products	785,815	(133,625)	652,190
Trading	237,578	(72,696)	164,882
Other Services	10,934	(60)	10,874
Revenue from contracts with customers	2,536,609	(206,381)	2,330,228

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 2024

	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Services RMB'000	Total 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
	2,377,194	742,051	190,794	10,925	3,320,964
Segment profit	(39,806)	97,372	6,161	8,537	72,264
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					(626)
Profit before tax					12,008

For the year ended 31 December 2023

	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Services RMB'000	Total RMB'000
SEGMENT REVENUE					
External sales	1,502,282	652,190	164,882	10,874	2,330,228
Inter-segment sales	–	133,625	72,696	60	206,381
	1,502,282	785,815	237,578	10,934	2,536,609
Segment profit	42,029	87,196	10,764	9,335	149,324
Other income					8,553
Other gains and losses					(4,397)
Selling and distribution expenses					(18,420)
Administrative expenses					(31,315)
Listing expenses					(1,415)
Finance costs					(6,064)
Share of result of a joint venture					3,148
Unallocated expenses					(525)
Profit before tax					98,889

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 2024						
Amounts included in measure of segment results:						
Depreciation and amortisation	**45,580**	**23,968**	**6,852**	**121**	**3,868**	**80,389**

	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 2023						
Amounts included in measure of segment results:						
Depreciation and amortisation	21,778	27,448	5,529	123	3,643	58,521

Entity-wide disclosures

Geographical information

During the years ended 31 December 2024 and 2023, 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	
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Customer A *(Note)*	**883,116**	833,131

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

6. OTHER INCOME

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Interest income on bank deposits	**8,703**	1,864
Interest income on a loan to a related party	**933**	1,520
Interest income on bills receivables at FVTOCI	**891**	1,813
Release of assets-related government subsidies *(Note 35)*	**1,650**	1,586
Government grants *(Note)*	**8,613**	669
Rental income	**826**	1,101
Others	**3**	–
	21,619	8,553

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. Included in the government grants recognised this year were mainly the grants from the government amounting to RMB6,500,000 for the Group's listing on the Stock Exchange in 2023.

7. OTHER GAINS AND LOSSES

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Net loss arising on bills receivables at FVTOCI	**(4,016)**	(5,495)
Gain (loss) on disposal of property, plant and equipment	**588**	(73)
Gain on disposal of right-of-use assets	**351**	–
Foreign exchange gain (loss), net	**5,469**	(104)
Gain on disposal of scrap steel	**801**	21
Others	**(7,143)**	1,254
	(3,950)	(4,397)

8. FINANCE COSTS

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Interest expense on:		
– bank borrowings	**16,227**	11,941
– lease liabilities	**245**	82
	16,472	12,023
Less: amounts capitalised	**–**	(5,959)
	16,472	6,064
Capitalisation rate – per annum	**N/A**	5.60%

9. PROFIT BEFORE TAX

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Profit before tax has been arrived at after charging:		
Staff costs		
Directors', chief executive's and supervisors' remuneration *(Note 13)*	**1,505**	932
Other staff costs	**34,878**	26,157
Other staff benefits	**6,277**	5,155
Total staff costs	**42,660**	32,244
Capitalised in inventories	**(26,992)**	(20,408)
	15,668	11,836
Depreciation of property, plant and equipment	**75,510**	49,763
Capitalised in inventories	**(70,429)**	(44,891)
	5,081	4,872
Depreciation of right-of-use assets	**3,428**	2,856
Amortisation of intangible assets included in cost of sales	**1,451**	5,902
Auditor's remuneration	**870**	800
Cost of inventories recognised as expenses (including allowance for inventories amounting to RMB1,089,000 (2023: nil))	**2,988,892**	2,180,904

10. INCOME TAX EXPENSE

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
PRC Enterprise Income Tax ("**EIT**")		
– current tax	13,742	16,337
– under-provision in prior years	1,637	493
Deferred tax *(Note 21)*	(14,910)	(262)
	469	16,568

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 profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Profit before tax	12,008	98,889
Tax charge at the applicable income tax rate of 25% (2023: 25%)	3,002	24,722
Tax effect of income not taxable for tax purpose *(Note)*	(7,579)	(7,990)
Tax effect of expenses not deductible for tax purposes	2,286	184
Tax effect of share of result of a joint venture	(96)	(787)
Tax effect of tax losses not recognised	1,298	23
Under-provision in prior years	1,637	493
Income tax at concessionary rate	(79)	(77)
Income tax expense	469	16,568

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 2024, the Group had tax deduction under the scheme of RMB7,579,000 (2023: RMB7,990,000).

11. OTHER COMPREHENSIVE INCOME

	Year ended 31/12/2024	Year ended 31/12/2023
	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	**10,199**	10,985
Reclassification to profit or loss during the year upon derecognition of bills receivables at FVTOCI	**(9,797)**	(10,919)
	402	66

Income tax effect relating to other comprehensive income

	Year ended 31/12/2024			Year ended 31/12/2023		
	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	**536**	**(134)**	**402**	88	(22)	66

12. DIVIDENDS

Subsequent to the end of the reporting period, no final dividend in respect of the year ended 31 December 2024 (2023: RMB19,113,000) has been proposed by the directors of the Company.

The dividends declared by subsidiaries of the Company to the non-controlling shareholders amounted to RMB27,200,000 (2023: RMB37,000,000) during the year ended 31 December 2024.

The dividends were declared and paid to the previous controlling shareholder before the Reorganisation, Jinma Energy, amounted to RMB63,000,000 during the year ended 31 December 2023.

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 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
	571	846	–	88	1,505

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 2023					
Executive directors:					
Mr. Wang Zengguang	–	415	–	40	455
Mr. Qiao Erwei	–	247	–	24	271
Non-executive directors:					
Mr. Yiu Chiu Fai	–	–	–	–	–
Mr. Wang Kaibao	–	–	–	–	–
Mr. Wang Lijie	–	–	–	–	–
Independent non-executive directors#:					
Mr. Di Zhigang	10	–	–	–	10
Ms. Wong Yan Ki Angel	19	–	–	–	19
Ms. Leung Sin Yeng Winnie	15	–	–	–	15
Supervisors:					
Mr. Wong Tsz Leung	–	–	–	–	–
Mr. Wu Zhiqiang	–	–	–	–	–
Mr. Li Hebao	–	139	–	23	162
	44	801	–	87	932

Mr. Cheung Kwong Tat was appointed on 28 July 2023 and resigned on 22 October 2023.

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, two (2023: two) were directors of the Company for the year ended 31 December 2024, whose emoluments is included in the disclosures above. The emoluments of the remaining individuals are as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Salaries, allowance and benefits in kind	**663**	799
Performance related bonuses	**–**	–
Retirement benefit	**87**	87
	750	886

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	
	2024	2023
Nil to Hong Kong Dollar ("**HK$**") 1,000,000	**3**	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) EARNINGS PER SHARE

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

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
(Loss) profit for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	**(16,038)**	54,925
	'000	'000
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**955,640**	612,015

No diluted (loss) earnings 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 2023	137,893	483,172	2,336	36,587	125,818	785,806
Additions#	234	112,820	–	184	247,723	360,961
Transfer	57,266	292,171	–	–	(349,437)	–
Disposals	(85)	–	(22)	–	–	(107)
At 31 December 2023	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**
Depreciation						
At 1 January 2023	33,120	169,648	897	22,661	–	226,326
Provided for the year	7,667	39,203	428	2,465	–	49,763
Eliminated on disposals	(17)	–	(17)	–	–	(34)
At 31 December 2023	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**
Carrying values						
At 31 December 2024	**148,544**	**680,500**	**556**	**13,065**	**771**	**843,436**
At 31 December 2023	154,538	679,312	1,006	11,645	24,104	870,605

Included RMB108,326,000 which represented fair value of the coke granules coal gas facilities acquired from Jinma Energy by issuing new shares, as detailed in Note 34.

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%

16. RIGHT-OF-USE ASSETS

	Leasehold lands	Office premises	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	111,353	–	111,353
Additions	–	3,994	3,994
Depreciation charged during the year	(2,669)	(187)	(2,856)
As at 31 December 2023	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	**104,725**	**4,055**	**108,780**

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 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Expense relating to short-term leases *(Note)*	**24**	161
Total cash outflow for leases	**2,264**	185

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 (2023: 3 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 three (2023: three) leasehold lands with carrying amount of RMB173,000 (2023: RMB194,000) in which the Group obtains the right of use under long-term lease contracts as at 31 December 2024.

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 2023, 31 December 2023 and 2024	93,502	29,019	122,521
Amortisation			
At 1 January 2023	89,051	4,512	93,563
Charge for the year	4,451	1,451	5,902
At 31 December 2023	93,502	5,963	99,465
Charge for the year	–	1,451	1,451
At 31 December 2024	**93,502**	**7,414**	**100,916**
Carrying values			
At 31 December 2024	**–**	**21,605**	**21,605**
At 31 December 2023	–	23,056	23,056

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:

	31/12/2024	31/12/2023
	years	years
Operating license of refined oil	**14.3**	15.3

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
			2024	2023		
Directly held:						
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%	RMB15,000,000/ RMB200,000,000	Provision of multimodal transportation, warehouse and distribution services for coal products
Indirectly held:						
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 2024 and 2023 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 At 31 December		Profit allocated to non-controlling interests Year ended 31 December		Accumulated non-controlling interests At 31 December	
	2024	2023	**2024**	2023	**2024**	2023
	%	%	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Jinning Energy	**49**	49	**20,678**	17,730	**62,640**	61,427
Jinrui Energy and its subsidiary	**19**	19	**6,899**	9,666	**43,537**	44,238
			27,577	27,396	**106,177**	105,665

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	94,474	52,686
Non-current assets	81,086	88,788
Current liabilities	46,341	15,940
Non-current liabilities	1,383	173
Net equity	127,836	125,361
Equity attributable to owners of the Company	65,196	63,934
Equity attributable to non-controlling interests	62,640	61,427

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	427,938	464,050
Expenses *(Note)*	385,739	427,868
Profit for the year	42,199	36,182
Profit attributable to		
– the owners of the Company	21,521	18,452
– the non-controlling interests	20,678	17,730
Profit for the year	42,199	36,182
Other comprehensive income (expense) attributable to		
– the owners of the Company	141	(139)
– the non-controlling interests	135	(135)
Other comprehensive income (expense) for the year	276	(274)
Total comprehensive income attributable to		
– the owners of the Company	21,662	18,313
– the non-controlling interests	20,813	17,595
Total comprehensive income for the year	42,475	35,908
Dividends declared and paid to non-controlling interests	19,600	19,600
Net cash from operating activities	69,413	43,039
Net cash from (used in) investing activities	1,007	(2,793)
Net cash used in financing activities	(10,863)	(40,000)
Net cash inflow	59,557	246

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	51,438	55,104
Non-current assets	290,414	287,476
Current liabilities	97,263	87,871
Non-current liabilities	15,116	21,550
Net equity	229,473	233,159
Equity attributable to owners of the Company	185,936	188,921
Equity attributable to non-controlling interests	43,537	44,238

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	425,579	489,150
Expenses *(Note)*	389,265	451,559
Profit and total comprehensive income for the year	36,314	37,591
Profit and total comprehensive income attributable to		
– the owners of the Company	29,415	27,925
– the non-controlling interests	6,899	9,666
Profit and total comprehensive income for the year	36,314	37,591
Dividends declared and paid to non-controlling interests	7,600	17,400
Net cash from operating activities	57,530	59,926
Net cash used in investing activities	(12,029)	(9,179)
Net cash used in financing activities	(52,121)	(72,342)
Net cash outflow	(6,620)	(21,595)

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

19. GOODWILL

	Jinning Energy	Gas Stations	Total
	RMB'000	RMB'000	RMB'000
Cost			
At 1 January 2023, 31 December 2023 and 2024	8,001	4,835	12,836
Impairment			
At 1 January 2023, 31 December 2023 and 2024 *(Note)*	–	2,167	2,167
Carrying values			
At 31 December 2023 and 2024	8,001	2,668	10,669

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:

	Number of CGUs	
	31/12/2024	31/12/2023
Subsidiary engaged in distribution and sales of coal gas	**1**	1
Gas stations engaged in retail of refined oil	**3**	3
	4	4

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

	31/12/2024	31/12/2023
	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
	10,669	10,669

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:

	31/12/2024	31/12/2023
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 2024 (2023: 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 (2023: 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

	31/12/2024 RMB'000	31/12/2023 RMB'000
Cost of unlisted investment in associates	**87,763**	87,763
Share of post-acquisition results, net of dividends received	**(6,266)**	3,148
	81,497	90,911

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

Name of joint venture*	Place of registration and operations	Fully paid registered capital	Proportion of ownership interest/voting rights attributable to the Group 2024	2023 (Note)	Principal activities
Henan Jinjiang Refinery Co., Ltd. ("**Jinjiang Refinery**") 河南金江煉化有限公司	PRC	RMB100,000,000	**49%**	49%	Manufacture and sale of hydrogen

* English name for identification only

Note: Jinma Qingneng acquired 49% equity interest in Jinjiang Refinery on 31 July 2023 from Jinma Energy with nil consideration. Following the completion of the Reorganisation in August 2023, Jinjiang Refinery was accounted for as a joint venture of the Group under equity method.

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.

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	**87,840**	93,689
Non-current assets	**87,190**	106,063
Current liabilities	**6,249**	11,697
Non-current liabilities	**2,461**	2,523
The above amounts of assets and liabilities include the followings:		
Cash and cash-equivalents	**62,601**	61,034

	Year ended 31/12/2024	Periods from acquisition date to 31/12/2023
	RMB'000	RMB'000
Revenue	**165,649**	111,692
Profit and total comprehensive income for the year/period	**786**	6,425
Dividends received from Jinjiang Refinery during the year/period	**9,800**	–
The above profit for the year/period includes the following:		
Depreciation	**22,142**	7,429
Interest income	**893**	180
Interest expense	**190**	–
Income tax expense (credit)	**141**	(810)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in consolidated financial statements:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Net assets	**166,320**	185,532
Proportion of the Group's ownership interest in the joint venture	**49%**	49%
Carrying amounts of the Group's interest in the joint venture	**81,497**	90,911

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 2023	–	(944)	157	–	(73)	4,025	–	3,165
(Charge) credit to profit or loss	–	(764)	42	–	956	(397)	425	262
Charge to the other comprehensive income	–	–	(22)	–	–	–	–	(22)
At 31 December 2023	–	(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**

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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Deferred tax assets	**19,726**	3,887
Deferred tax liabilities	**(1,545)**	(482)
	18,181	3,405

As at 31 December 2024, the Group had unused tax losses of RMB175,256,000 (2023: RMB1,792,000) available to offset against future profits. Deferred tax asset of RMB42,493,000 (2023: RMB425,000) has been recognised in respect of tax losses of RMB169,974,000. All tax losses will expire within 5 years (2023: 5 years) from the year of origination. No deferred tax asset has been recognised in respect of the rest losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB5,282,000 (2023: RMB92,000) with expiry dates as disclosed in the following table.

	31/12/2024	31/12/2023
	RMB'000	RMB'000
2028	**1,792**	1,792
2029	**173,464**	–
	175,256	1,792

At 31 December 2024 and 2023, the Group had no other material unrecognised deductible temporary differences.

22. INVENTORIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Raw materials	85,215	65,884
Finished goods	59,772	51,600
	144,987	117,484

23. TRADE AND OTHER RECEIVABLES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade receivables – contract with customers	7,792	8,731
Other receivables	389	290
Prepayments to suppliers	12,293	11,151
Prepaid other taxes and charges	10,248	11,862
	30,722	32,034

As at 1 January 2023, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB13,757,000.

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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	7,792	8,708
91 – 180 days	–	23
	7,792	8,731

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 41.

24. AMOUNT DUE FROM A RELATED PARTY

	31/12/2024	31/12/2023
	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)*	**23,411**	23,411

* 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.

	31/12/2024	31/12/2023
	RMB'000	RMB'000
181 – 365 days	**–**	21,039
Over 365 days	**23,411**	2,372
	23,411	23,411

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 41.

25. BILLS RECEIVABLES AT FVTOCI

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Bills receivables	**34,457**	68,721

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 2024 and 2023, 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 41.

26. TIME DEPOSITS/BANK BALANCES AND CASH

Time deposits and bank balances carry interest at prevailing market interest rates ranging from 0.01% to 1.80% (2023: from 0.20% to 1.25%) per annum as at 31 December 2024.

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 41.

27. BORROWINGS

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Bank borrowings	**334,040**	258,762
Secured	**148,040**	166,762
Unsecured	**186,000**	92,000
	334,040	258,762
Fixed-rate borrowings	**65,000**	50,000
Floating-rate borrowings	**269,040**	208,762
	334,040	258,762
Carrying amount repayable: (based on scheduled payment terms)		
Within one year	**231,395**	142,000
More than one year, but not more than two years	**46,013**	60,000
More than two years, but not more than five years	**56,632**	56,762
	334,040	258,762
Less: Amount due for settlement within 12 months shown under current liabilities	**(231,395)**	(142,000)
Amount due for settlement after 12 months shown under non-current liabilities	**102,645**	116,762

The ranges of effective interest rate of the Group's bank borrowings are:

	31/12/2024	31/12/2023
Effective interest rate per annum:		
– Fixed-rate borrowings	**3.50%-4.10%**	3.85%
– Floating-rate borrowings	**3.41%-5.60%**	3.61%-5.60%

28. TRADE AND OTHER PAYABLES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade payables	13,881	37,320
Bills payables	5,000	10,000
	18,881	47,320
Salaries and wages payables	3,469	2,089
Other tax payables	47,079	7,379
Consideration payable for purchase of property, plant and equipment	114,510	130,568
Accruals	–	1,356
Interest payable	817	760
Share issue costs payable	–	7,443
Refundable deposit from suppliers	1,501	1,651
Other payables	6,849	444
	174,225	151,690
	193,106	199,010

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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	12,015	36,705
91 – 180 days	6,095	10,167
181 – 365 days	590	398
Over 1 year	181	50
	18,881	47,320

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade nature		
Jinma Energy	1,975	1,977

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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	1,975	1,977

30. AMOUNT DUE TO A RELATED PARTY

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade nature		
Jinjiang Refinery	296	1,063

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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	296	1,063

31. CONTRACT LIABILITIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Sales of goods	20,885	28,834

As at 1 January 2023, contract liabilities amounted to RMB15,426,000.

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 RMB28,834,000 (2023: RMB15,426,000) recognised in the current year with performance obligation satisfied includes whole contract liabilities balance at the beginning of the year.

32. LEASE LIABILITIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within one year	1,135	652
Within a period of more than one year but not more than two years	619	620
Within a period of more than two years but not more than five years	1,174	1,353
Within a period of more than five years	1,304	1,581
	4,232	4,206
Less: Amount due for settlement within 12 months shown under current liabilities	(1,135)	(652)
Amount due for settlement after 12 months shown under non-current liabilities	3,097	3,554

The weighted average incremental borrowing rates applied to lease liabilities range from 3.99% to 5.96% (2023: from 4.50% 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 2024 under such arrangement are RMB3,258,000 (2023: RMB2,722,000).

34. SHARE CAPITAL

	Number of shares	Share capital
Ordinary shares of RMB1 each	'000	RMB'000
Authorised and issued and fully paid		
At beginning of year 2023	N/A	N/A
Conversion of equity accounts *(Note i)*	335,000	335,000
Issued for the Reorganisation *(Note ii)*	381,730	381,730
Total domestic shares	716,730	716,730
Issue of H shares *(Note iii)*	238,910	238,910
At end of year 2023 and 2024	955,640	955,640

Notes:

(i) On 28 July 2023, the Company was converted from a limited liability company into a joint stock company with 335,000,000 ordinary shares of RMB1 per share.

(ii) On 16 August 2023, the Company acquired the coke granules coal gas facilities from Jinma Energy by issuing 108,320,000 new shares at RMB1 per share to Jinma Energy. On 12 August 2023 and 16 August 2023, the Company issued 201,060,000 and 72,350,000 new shares at RMB1 per share respectively to acquire from Jinma Energy the equity interests in Jinrui Energy and Jinning Energy, and Jinma Qingneng.

(iii) The Company issued 238,910,000 H shares, which were listed on the Stock Exchange on 20 December 2023. The gross proceeds and the related transaction costs of the H shares issued upon the Listing amounted to RMB260,887,000 and RMB30,562,000 respectively.

35. DEFERRED REVENUE

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Assets-related government subsidies	20,782	14,513

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 2024, subsidy income of approximately RMB1,650,000 (2023: RMB1,586,000) was released to profit or loss.

36. CAPITAL COMMITMENTS

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the Group's consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	–	829

37. 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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Property, plant and equipment	118,502	130,129
Right-of-use assets	47,027	50,612
	165,529	180,741

38. 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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Endorsed bills for settlement of payables	72,285	45,105
Discounted bills for raising cash	174,508	193,917
Outstanding endorsed and discounted bills receivables	246,793	239,022

The outstanding endorsed and discounted bills receivables are with maturities no more than 6 months.

39. 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 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Sales of products and provision of services to:		
Jinma Energy	**14,451**	16,455
Bohigh Chemicals *(Note i)*	**27,318**	28,282
Jinma Zhongdong *(Note ii)*	**527**	472
Xinyang Jingang	**1**	19,443
Jinjiang Refinery	**86,779**	109,138
Shanghai Jinma	**1**	–
Purchase of raw materials and provision of services from:		
Jinma Energy	**344,780**	317,096
Jinma Zhongdong	**393,061**	382,854
Jinjiang Refinery	**21,125**	9,589
Sale of right-of-use assets to Jinjiang Refinery	**820**	–
Lease contracts with Jinma Energy:		
Lease liabilities *(Note iii)*	**3,629**	4,068
Interest expense on lease liabilities	**198**	74
Interest income from loan to Xinyang Jingang *(Note iv)*	**933**	1,520

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

39. 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 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Salaries and allowance	1,849	1,255
Retirement benefit	144	134
	1,993	1,389

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.

40. 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.

41. FINANCIAL INSTRUMENTS

Categories of financial instruments

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Financial assets		
Bills receivables at FVTOCI	34,457	68,721
Financial assets at amortised cost		
– Bank balances and cash	136,772	300,710
– Time deposits	215,843	–
– Trade and other receivables*	8,181	9,021
– Amount due from a related party	23,411	23,411

* Excluded prepayments to suppliers and prepaid other taxes and charges.

41. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments (Continued)

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Financial liabilities		
Amortised cost		
– Borrowings	334,040	258,762
– Trade and other payables*	142,558	207,604
– Amount due to a shareholder	1,975	1,977
– Amount due to a related party	296	1,063

* Excluded salaries and wages payables, other tax payables, and included payables for purchase of property, plant and equipment in non-current liabilities.

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 RMB1,009,000 (2023: RMB783,000) for the year ended 31 December 2024. This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings as at 31 December 2024 and 2023.

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.

41. 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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Assets		
Bank balances and cash – HK$	**10,084**	252,078

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.

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Increase in post-tax profit	**378**	9,453

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.

41. 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 2024, 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 19% (2023: 22%).

As at 31 December 2024, the Group also has concentration of credit risk in respect of the five largest outstanding balances, i.e. approximately 98% (2023: 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 2024 and 2023.

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 2024 and 2023.

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 2024 and 2023.

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 2024 and 2023.

41. 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 2024 and 2023, 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 31/12/2024	31/12/2023
				RMB'000	RMB'000
Bills receivables at FVTOCI					
Bills receivables	AAA – A	N/A	12m ECL	**34,457**	68,721
Financial assets at amortised cost					
Trade-related Receivables	N/A	Low risk	Lifetime ECL (not credit-impaired)	**31,203**	32,142
Bank balances and cash and time deposits	AAA – AA+	N/A	12m ECL	**352,615**	300,710
Other receivables	Note	Low risk	12m ECL	**389**	290

Note: For other receivables, the external credit ratings are not available for each individual to be assessed.

41. 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 2024 (2023: Nil).

Gross carrying amount

	31/12/2024			31/12/2023		
Internal credit rating	**Average loss rate**	**Trade-related Receivables**	**ECL (not credit-impaired)**	Average loss rate	Trade-related Receivables	ECL (not credit-impaired)
		RMB'000	**RMB'000**		RMB'000	RMB'000
Low risk	**0.20%**	**31,203**	**–***	0.14%	32,142	–*
Watch list	**1.40%**	**–**	**–***	1.04%	–	–*
		31,203	**–***		32,142	–*

* The amount of ECL loss is immaterial for the years ended 31 December 2024 and 2023.

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 2024, the Group had unutilised bank facilities of approximately RMB93,000,000 (2023: RMB258,238,000).

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.

41. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Liquidity tables

		As at 31 December 2024					
	Interest rate	Carrying amounts	On demand or within 6 months	6 months to 1 year	1 year to to 5 years	>5 years	Total
		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
		483,101	318,159	72,577	110,195	1,869	502,800

		As at 31 December 2023					
	Interest rate	Carrying amounts	On demand or within 6 months	6 months to 1 year	1 year to to 5 years	>5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	3.61%~5.60%	258,762	121,585	28,544	122,359	–	272,488
Lease liabilities	4.50%~5.96%	4,206	655	6	2,252	2,325	5,238
Trade and other payables	N/A	207,604	189,542	–	18,062	–	207,604
Amount due to a shareholder	N/A	1,977	1,977	–	–	–	1,977
Amount due to a related party	N/A	1,063	1,063	–	–	–	1,063
		473,612	314,822	28,550	142,673	2,325	488,370

41. 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)
	31/12/2024	31/12/2023		
Bills receivables at FVTOCI	**Assets- RMB34,457,000**	Assets- RMB68,721,000	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.

42. 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 borrowings	Dividend payable	Lease liabilities	Interest payables	Share issue costs payable	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	165,147	–	154	231	–	165,532
Financing cash flows *(Note)*	93,615	(100,000)	(24)	(11,412)	(23,119)	(40,940)
Dividend declared	–	100,000	–	–	–	100,000
Share issue cost incurred	–	–	–	–	30,562	30,562
New leases entered	–	–	3,994	–	–	3,994
Finance costs recognised	–	–	82	11,941	–	12,023
At 31 December 2023	**258,762**	**–**	**4,206**	**760**	**7,443**	**271,171**
Financing cash flows *(Note)*	**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**

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.

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	31/12/2024	31/12/2023
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	534,678	563,790
Right-of-use assets	58,360	60,561
Investments in subsidiaries	321,607	321,607
Deferred tax assets	19,260	935
	933,905	946,893
CURRENT ASSETS		
Inventories	129,649	106,259
Trade and other receivables	22,637	26,198
Amount due from a subsidiary	–	6,000
Tax recoverable	3,260	6,364
Bills receivables at FVTOCI	32,827	38,389
Time deposits	215,843	–
Cash and cash equivalents	52,488	268,554
	456,704	451,764
CURRENT LIABILITIES		
Borrowings	166,395	112,000
Trade and other payables	143,552	152,903
Amount due to a shareholder	686	997
Amounts due to related parties	296	525
Contract liabilities	11,230	18,699
Lease liabilities	980	497
	323,139	285,621
NET CURRENT ASSETS	133,565	166,143
TOTAL ASSETS LESS CURRENT LIABILITIES	1,067,470	1,113,036
CAPITAL AND RESERVES		
Share capital	955,640	955,640
Reserves	(5,796)	24,429
TOTAL EQUITY	949,844	980,069
NON-CURRENT LIABILITIES		
Borrowings	102,645	106,762
Payables for purchase of property, plant and equipment	–	18,062
Lease liabilities	2,873	3,191
Deferred revenue	12,108	4,952
	117,626	132,967
	1,067,470	1,113,036

43. 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 2023	14,761	–	24,793	190,951	(611)	229,894
Profit for the year	–	–	–	5,492	–	5,492
Other comprehensive income for the year	–	–	–	–	341	341
Total comprehensive income for the year	–	–	–	5,492	341	5,833
Conversion of equity accounts	–	3,533	(25,015)	(214,287)	769	(235,000)
Capital injection from a shareholder	–	32,287	–	–	–	32,287
Issue of shares	–	21,977	–	–	–	21,977
Transaction costs attributable to issue of shares	–	(30,562)	–	–	–	(30,562)
Transfer	1,266	–	644	(1,141)	(769)	–
At 31 December 2023	**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)**

COMPANY NAME

河南金源氫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

West First Ring Road South
Jiyuan
Henan Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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COMPANY WEBSITE

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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. Wang Kaibao (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. Wang Kaibao
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. Wang Kaibao (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

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
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18 Westlands Road
Quarry Bay
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited Jiyuan Branch
No. 131 Xuanhua East Street
Jiyuan, Henan Province
PRC

Bank of China Limited Jiyuan Branch
No. 98 Central Road, Xin Garden
Jiyuan, Henan Province
PRC

Shanghai Pudong Development Bank Zhengzhou Branch
Zijingshan Road Operations Department
1F, Pufa Square
No. 299 Jinshui Road, Jinshui District
Zhengzhou, Henan Province
PRC

China Citic Bank Zhengzhou Branch
No. 1 Shangwu Inner Ring Road
Zhengdong New Area
Zhengzhou, Henan Province
PRC

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
PRC

Bank of China (Hong Kong) Limited Metroplaza Branch
Shop 260-265, Metroplaza
223 Hing Fong Road
Kwai Chung, New Territories
Hong Kong

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 as set out in Appendix C1 (formerly known as Appendix 14) 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. * (河南金源氫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)"	overseas listed foreign 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"	23 April 2025, 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
"Unlisted Share(s)"	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are not listed on any stock exchange

TECHNICAL TERMS

"basic earnings per share"

$$\frac{\text{Profit attributable to owners of the Company}}{\text{Weighted average number of shares in issue during the year}}$$

"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.)
"Fangsheng Chemicals"	濟源市方升化學有限公司 (Jiyuan Fangsheng Chemicals 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.*)
"Maanshan Steel"	馬鞍山鋼鐵股份有限公司 (Maanshan Iron & Steel Company Limited)
"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*)
"Xinyang Co."	安鋼集團信陽鋼鐵有限責任公司 (Angang Group Xinyang Steel Co., Ltd.*)
"Xinyang Jingang"	信陽鋼鐵金港能源有限公司 (Xinyang Steel Jingang Energy Co., Ltd.*)
"Yida Min'an"	河南一達民安市政服務有限公司 (Henan Yida Min'an Municipal Service 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
"Yutong"	宇通商用車有限公司 (Yutong Commercial Vehicle Co., Ltd.*)
"Zenith Steel"	中天鋼鐵集團有限公司 (Zenith Steel Group Co., Ltd.*)

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.

河南金源氫化化工股份有限公司
Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*