



**Anchun International Holdings Ltd.**

(Incorporated in Singapore)

(Company registration number: 200920277C)

**Condensed Interim Financial Statements  
For the six months and full year ended 31 December 2024**

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**A. Unaudited condensed consolidated statement of profit or loss and other comprehensive income  
For the six months and full year ended 31 December 2024**

The Group's operations are principally conducted in the People's Republic of China ("PRC"). Accordingly, the condensed consolidated financial statements have been prepared in Chinese Renminbi ("RMB"), being the functional currency of the Company and its subsidiary.

	Group			Group			
	Unaudited	Unaudited	Change	Unaudited	Audited	Change	
	Second half year ended			Full year ended			
	31/12/2024	31/12/2023	31/12/2024	31/12/2023			
RMB'000	RMB'000	%	RMB'000	RMB'000	%		
<b>Revenue</b>	110,672	58,888	88	177,372	133,622	33	
Cost of sales	(79,894)	(43,386)	84	(136,163)	(102,890)	32	
<b>Gross profit</b>	30,778	15,502	99	41,209	30,732	34	
<b>Other items of income</b>							
Finance and other income	6,941	5,553	25	9,581	8,230	16	
(Impairment)/ write-back of losses on trade receivables, net	(2,310)	135	N.M	(1,234)	135	N.M	
(Impairment)/ write-back of losses on contract assets, net	(3,758)	1,417	N.M	(3,758)	117	N.M	
<b>Other items of expenses</b>							
Marketing and distribution expenses	(3,775)	(3,833)	(2)	(6,790)	(6,643)	2	
Administrative expenses	(10,394)	(11,985)	(13)	(20,802)	(22,375)	(7)	
Research expenses	(2,427)	(5,264)	(54)	(6,708)	(7,994)	(16)	
<b>Finance costs</b>							
- Bank charges	(16)	(2)	700	(19)	(7)	171	
<b>Profit before tax</b>	<b>15,039</b>	<b>1,523</b>	<b>887</b>	<b>11,479</b>	<b>2,195</b>	<b>423</b>	
Income tax	(541)	205	N.M	(541)	192	N.M	
<b>Total comprehensive income for the period/year attributable to owners of the Company</b>	<b>14,498</b>	<b>1,728</b>	<b>739</b>	<b>10,938</b>	<b>2,387</b>	<b>358</b>	
<b>Earnings per share (RMB cents):</b>							
Basic	17	31.05	3.67	747	23.43	5.06	363
Diluted	17	31.05	3.67	747	23.43	5.06	363

N.M. - not meaningful

**B. Unaudited condensed statements of financial position**  
**As at 31 December 2024**

	Note	Group			Company		
		Unaudited 31/12/2024 RMB'000	Audited 31/12/2023 RMB'000	Change %	Unaudited 31/12/2024 RMB'000	Audited 31/12/2023 RMB'000	Change %
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	11	36,846	41,750	(12)	–	–	–
Intangible assets	9	896	213	321	–	–	–
Investment in a subsidiary		–	–	–	75,631	75,631	–
Investment properties	12	2,008	2,487	(19)	–	–	–
Right of use asset	10	11,152	11,518	(3)	–	–	–
Prepayments		170	40	325	–	–	–
		51,072	56,008	(9)	75,631	75,631	–
<b>Current assets</b>							
Inventories		23,404	24,425	(4)	–	–	–
Trade and other receivables	13	35,846	43,108	(17)	47,504	37,886	25
Contract assets	4.4	104,014	88,777	17	–	–	–
Prepayments		5,141	3,539	45	43	55	(22)
Short term deposits		120,000	100,000	20	–	–	–
Cash and cash equivalents	15	76,937	79,018	(3)	3,006	6,669	(55)
		365,342	338,867	8	50,553	44,610	13
<b>Total assets</b>		416,414	394,875	5	126,184	120,241	5
<b>EQUITY AND LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables		54,522	36,719	48	13,072	12,793	2
Contract liabilities	4.4	27,625	35,412	(22)	–	–	–
Other liabilities		22,146	20,264	9	820	833	(2)
Income tax payable	18	2,045	3,273	(38)	–	–	–
		106,338	95,668	11	13,892	13,626	2
<b>Net current assets</b>		259,004	243,199	6	36,661	30,984	18
<b>Total liabilities</b>		106,338	95,668	11	13,892	13,626	2
<b>Net assets</b>		310,076	299,207	4	112,292	106,615	5
<b>Equity attributable to owners of the Company</b>							
Share capital	16	149,278	149,278	–	149,278	149,278	–
Treasury/employee benefit trust shares		(4,994)	(4,994)	–	(4,994)	(4,994)	–
Other reserves		130,617	128,857	1	(10)	(10)	–
Accumulated profits/(losses)		35,175	26,066	35	(31,982)	(37,659)	(15)
<b>Total equity</b>		310,076	299,207	4	112,292	106,615	5
<b>Total equity and liabilities</b>		416,414	394,875	5	126,184	120,241	5

**C. Unaudited condensed statements of changes in equity**  
**For the year ended 31 December 2024**

**Statement of Changes in Equity**

	Share Capital	Treasury/ Employee benefit trust shares	Other reserves	Loss on reissuance of EBT shares	Contribution from shareholder	Statutory reserve fund	Statutory reserve fund - safety production reserve	Merger reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group Audited</b>										
Balance at 1 January 2023	149,278	(4,197)	128,640	(10)	1,725	44,822	7,103	75,000	29,582	303,303
Profit for the year, representing total comprehensive income	—	—	—	—	—	—	—	—	2,387	2,387
Purchase of treasury share	—	(797)	—	—	—	—	—	—	—	(797)
<u>Others</u>										
Transfer to statutory reserve, net	—	—	(753)	—	—	—	(753)	—	753	—
Transfer to statutory reserve fund, net	—	—	970	—	—	970	—	—	(970)	—
Transfer to staff welfare payable, net	—	—	—	—	—	—	—	—	(32)	(32)
Dividend paid	—	—	—	—	—	—	—	—	(5,654)	(5,654)
<b>Balance at 31 December 2023</b>	<b>149,278</b>	<b>(4,994)</b>	<b>128,857</b>	<b>(10)</b>	<b>1,725</b>	<b>45,792</b>	<b>6,350</b>	<b>75,000</b>	<b>26,066</b>	<b>299,207</b>
<b>Group Unaudited</b>										
Balance at 1 January 2024	149,278	(4,994)	128,857	(10)	1,725	45,792	6,350	75,000	26,066	299,207
Profit for the year, representing total comprehensive income	—	—	—	—	—	—	—	—	10,938	10,938
<u>Others</u>										
Transfer to statutory reserve, net	—	—	(293)	—	—	—	(293)	—	293	—
Transfer to statutory reserve fund, net	—	—	2,053	—	—	2,053	—	—	(2,053)	—
Transfer to staff welfare payable, net	—	—	—	—	—	—	—	—	(69)	(69)
<b>Balance at 31 December 2024</b>	<b>149,278</b>	<b>(4,994)</b>	<b>130,617</b>	<b>(10)</b>	<b>1,725</b>	<b>47,845</b>	<b>6,057</b>	<b>75,000</b>	<b>35,175</b>	<b>310,076</b>

**C. Unaudited condensed statements of changes in equity (cont'd)**  
**For the year ended 31 December 2024**

**Statement of Changes in Equity (cont'd)**

	Share capital	Treasury/Employee benefit trust shares	Other reserves	Treasury shares	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Company Audited</b>						
Balance at 1 January 2023	149,278	(4,197)	(10)	(10)	(28,850)	116,221
Loss for the year, representing total comprehensive income for the year	–	–	–	–	(3,155)	(3,155)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury share	–	(797)	–	–	–	(797)
Dividend paid	–	–	–	–	(5,654)	(5,654)
<b>Balance at 31 December 2023</b>	<b>149,278</b>	<b>(4,994)</b>	<b>(10)</b>	<b>(10)</b>	<b>(37,659)</b>	<b>106,615</b>
<b>Company Unaudited</b>						
Balance at 1 January 2024	149,278	(4,994)	(10)	(10)	(37,659)	106,615
Profit for the year, representing total comprehensive income for the year	–	–	–	–	5,677	5,677
<b>Balance at 31 December 2024</b>	<b>149,278</b>	<b>(4,994)</b>	<b>(10)</b>	<b>(10)</b>	<b>(31,982)</b>	<b>112,292</b>

**D. Unaudited condensed consolidated statement of cash flows**  
**For the year ended 31 December 2024**

	Note	Group	
		Unaudited	Audited
		Full year ended	
		31/12/2024	31/12/2023
		RMB'000	RMB'000
<b>Operating activities</b>			
Profit before tax		11,479	2,195
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	6	7,197	7,806
Depreciation of right-of-use assets	6	366	365
Depreciation of investment properties	6	479	630
Amortisation of intangible assets	6	290	372
Gain on disposal of property, plant and equipment, net	6	(40)	(62)
Impairment/ (write-back of) losses on financial assets, net	6	4,992	(252)
Write-off of property, plant and equipment	6	154	149
Write-back of inventory obsolescence	6	(11)	–
Unrealised exchange loss/(gain)	6	16	(78)
Finance costs	6	19	7
Finance income	6	(2,914)	(2,949)
<b>Operating cash flows before changes in working capital</b>		<b>22,027</b>	<b>8,183</b>
<u>Changes in working capital</u>			
Decrease/(increase) in:			
Inventories		1,032	7,332
Trade and other receivables		6,027	12,897
Contract assets		(18,994)	(6,680)
Prepayments		(1,594)	(254)
(Decrease)/increase in:			
Trade and other payables		17,303	(3,627)
Contract liabilities		(7,787)	(4,383)
Other liabilities and provision		1,849	(947)
Total changes in working capital		(2,164)	4,338
<b>Cash flows generated from operations</b>		<b>19,863</b>	<b>12,521</b>
Interest received		2,914	2,949
Interest paid		(19)	(7)
Income tax paid		(1,264)	(845)
<b>Net cash generated from operating activities</b>		<b>21,494</b>	<b>14,618</b>

**D. Unaudited condensed consolidated statement of cash flows (cont'd)**  
**For the year ended 31 December 2024**

	Note	Group	
		Unaudited	Audited
		Full year ended	
		31/12/2024	31/12/2023
		RMB'000	RMB'000
<b>Investing activities</b>			
Proceed from disposal of property, plant and equipment	11	40	127
Purchase of Intangible assets - software	9	(973)	(15)
Purchase of property, plant and equipment	11	(2,626)	(5,087)
Placements of fixed deposits		(120,000)	(160,000)
Withdrawals of fixed deposits		100,000	120,000
<b>Net cash used in investing activities</b>		<b>(23,559)</b>	<b>(44,975)</b>
<b>Financing activities</b>			
Purchase of treasury shares		–	(797)
Dividends paid		–	(5,654)
<b>Net cash used in financing activities</b>		<b>–</b>	<b>(6,451)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,065)</b>	<b>(36,808)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>79,018</b>	<b>115,748</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(16)</b>	<b>78</b>
<b>Cash and cash equivalents at end of year</b>	15	<b>76,937</b>	<b>79,018</b>



**E. Notes to the unaudited condensed consolidated financial statements  
As at and for the six months and full year ended 31 December 2024**

**1. Corporate information**

Anchun International Holdings Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2024 comprise the Company and its subsidiary (collectively, the "Group"). The principal activity of the Company is investment holding.

The principal activities of the Group are those relating to the provision of integrated chemical systems engineering and technology solutions to the petrochemical and chemical industries.

**2. Basis of preparation**

The condensed interim financial statements for the full year ended 31 December 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000"), except when otherwise indicated.

**2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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 and in any future periods affected.

There are no significant judgements made in applying accounting policies that have a significant effect on the amounts recognised in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following:

- Note 4 and Note 13 - Provision for expected credit losses of trade receivables and contract assets
- Note 4 - Contracts and revenue recognition

**3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**4. Segment revenue information**

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Catalyst Business

The catalyst business segment involves manufacturing of a variety of catalysts for use in the process of gas-making, ammonia synthesis and methanol synthesis.

(ii) Chemical Systems and Components ("CSC") Business

This segment involves manufacturing of chemical equipment designed by the chemical engineering and technology consultancy services department.

(iii) Chemical Engineering and Technology ("CET") Engineering Services

This segment involves providing chemical systems engineering and technology design services for the production of ammonia and methanol related products such as agriculture fertilisers and biodiesel which are mainly used in the agriculture and energy industries.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

4. Segment revenue information (cont'd)

4.1. Reportable segments

	<b>Catalyst Business</b> RMB'000	<b>CSC Business</b> RMB'000	<b>CET Engineering Services</b> RMB'000	<b>Total</b> RMB'000
<b>Group</b>				
<b>1 January 2024 to 31 December 2024</b>				
<b>Revenue</b>				
External customers	18,331	151,285	7,756	177,372
Total revenue	18,331	151,285	7,756	177,372
<b>Results:</b>				
Segment gross profit	7,401	29,750	4,058	41,209
Finance income				2,914
Other income				6,667
Impairment losses on financial assets, net				(4,992)
Marketing and distribution expenses				(6,790)
Administrative expenses				(20,802)
Research expenses				(6,708)
Finance costs				(19)
Profit before tax				11,479
<b>Other material non-cash items</b>				
Depreciation and amortisation				(8,331)
Gain on disposal of property, plant and equipment, net				40
Write-off of property, plant and equipment				(154)

4. Segment revenue information (cont'd)

4.1. Reportable segments (cont'd)

	<b>Catalyst Business</b> RMB'000	<b>CSC Business</b> RMB'000	<b>CET Engineering Services</b> RMB'000	<b>Total</b> RMB'000
<b>Group</b>				
<b>1 January 2023 to 31 December 2023</b>				
<b>Revenue</b>				
External customers	19,798	104,065	9,759	133,622
Total revenue	19,798	104,065	9,759	133,622
<b>Results:</b>				
Segment gross profit	5,900	19,502	5,330	30,732
Finance income				2,949
Other income				5,281
Write-back of impairment losses on financial assets				135
Write-back of impairment loss on contract assets				117
Marketing and distribution expenses				(6,643)
Administrative expenses				(22,375)
Research expenses				(7,994)
Finance costs				(7)
Profit before tax				2,195
<b>Other material non-cash items</b>				
Depreciation and amortisation				(9,173)
Gain on disposal of property, plant and equipment, net				62
Write-off of property, plant and equipment				(149)

Geographical information

No geographical information is provided as the principal assets employed by the Group are located in the PRC and the Group's revenue and profits are derived primarily from customers in the PRC.

Information about major customers

During the financial year ended 31 December 2024, revenue from two (2023: two) major customers amount to RMB54,132,000 (2023: RMB44,367,000), arising from sales by the CSC Business (2023: CSC Business segment).

4. Segment revenue information (cont'd)

4.2. Disaggregation of Revenue

	The Group 6 months ended 31 December 2024 CET			Total revenue RMB'000
	Catalyst Business RMB'000	CSC Business RMB'000	Engineering Services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	12,834	92,758	5,080	110,672
<b>Major product or service lines</b>				
Catalyst	12,834	–	–	12,834
Chemical systems and components	–	92,758	–	92,758
Engineering and design services	–	–	5,080	5,080
	12,834	92,758	5,080	110,672
<b>Timing of transfer of goods or services</b>				
At a point in time	12,834	–	–	12,834
Over time	–	92,758	5,080	97,838
	12,834	92,758	5,080	110,672

	The Group 6 months ended 31 December 2023 CET			Total revenue RMB'000
	Catalyst Business RMB'000	CSC Business RMB'000	Engineering Services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	10,531	41,882	6,475	58,888
<b>Major product or service lines</b>				
Catalyst	10,531	–	–	10,531
Chemical systems and components	–	41,882	–	41,882
Engineering and design services	–	–	6,475	6,475
	10,531	41,882	6,475	58,888
<b>Timing of transfer of goods or services</b>				
At a point in time	10,531	–	–	10,531
Over time	–	41,882	6,475	48,357
	10,531	41,882	6,475	58,888

4. Segment revenue information (cont'd)

4.2. Disaggregation of Revenue (cont'd)

	The Group			Total revenue RMB'000
	12 months ended 31 December 2024			
	Catalyst Business RMB'000	CSC Business RMB'000	Engineering Services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	18,331	151,285	7,756	177,372
<b>Major product or service lines</b>				
Catalyst	18,331	–	–	18,331
Chemical systems and components	–	151,285	–	151,285
Engineering and design services	–	–	7,756	7,756
	18,331	151,285	7,756	177,372
<b>Timing of transfer of goods or services</b>				
At a point in time	18,331	–	–	18,331
Over time	–	151,285	7,756	159,041
	18,331	151,285	7,756	177,372

	The Group			Total revenue RMB'000
	12 months ended 31 December 2023			
	Catalyst Business RMB'000	CSC Business RMB'000	Engineering Services RMB'000	
<b>Primary geographical market</b>				
People's Republic of China	19,798	104,065	9,759	133,622
<b>Major product or service lines</b>				
Catalyst	19,798	–	–	19,798
Chemical systems and components	–	104,065	–	104,065
Engineering and design services	–	–	9,759	9,759
	19,798	104,065	9,759	133,622
<b>Timing of transfer of goods or services</b>				
At a point in time	19,798	–	–	19,798
Over time	–	104,065	9,759	113,824
	19,798	104,065	9,759	133,622

4. Segment revenue information (cont'd)

4.3. Judgement and methods used in estimating revenue

*Recognition of revenue from sale of chemical equipment over time*

For the sale of chemical equipment where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the chemical equipment to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the sale of chemical equipment. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the complete construction of the chemical equipment.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of amounts incurred to construct other similar chemical equipment.

4.4. Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	<b>31/12/2024</b> RMB'000	<b>Group</b> <b>31/12/2023</b> RMB'000	<b>01/01/2023</b> RMB'000
Receivables from contracts with customers (Note 13)	15,909	17,019	19,225
Contract assets	104,014	88,777	82,419
Contract liabilities	27,625	35,412	39,795

During current financial year, the Group has recognised impairment losses of RMB1,234,000 (2023: write-back of impairment losses of RMB135,000) on receivables.

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for sale of chemical equipment.

Contract assets are transferred to receivables when the rights become unconditional. During the reporting period, the Group has recognised a net impairment loss on contract assets of RMB3,758,000 (2023: write-back of impairment losses of RMB117,000 on contract assets). Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances received from customers for sale of chemical equipment.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	<b>31/12/2024</b> RMB'000	<b>Group</b> <b>31/12/2023</b> RMB'000
Contract assets reclassified to receivables	36,460	48,432

(ii) Significant changes in contract liabilities are explained as follows:

	<b>31/12/2024</b> RMB'000	<b>Group</b> <b>31/12/2023</b> RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	23,339	24,768

4. Segment revenue information (cont'd)

4.5. Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 is RMB129,987,000 (2023: RMB175,127,000). The Group expects to recognise RMB91,009,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 31 December 2024 in the financial year 2025 and RMB38,978,000 in the financial year 2026.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 31 December 2023:

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>				
<b><i>Financial assets</i></b>				
Trade and other receivables (excluding sales tax receivables)	35,833	43,098	47,491	37,876
Cash and bank balances	196,937	179,018	3,006	6,669
<b>Total undiscounted financial assets</b>	<b>232,770</b>	<b>222,116</b>	<b>50,497</b>	<b>44,545</b>
<b><i>Financial liabilities</i></b>				
Trade and other payables (excluding sales tax and other tax payables)	40,001	27,068	13,071	12,793
Other liabilities	22,146	20,264	820	833
<b>Total undiscounted financial liabilities</b>	<b>62,147</b>	<b>47,332</b>	<b>13,891</b>	<b>13,626</b>
<b>Total net undiscounted financial assets</b>	<b>170,623</b>	<b>174,784</b>	<b>36,606</b>	<b>30,919</b>



6. Profit before taxation

6.1. Significant items

	Group			
	6 months ended 31/12/2024	6 months ended 31/12/2023	12 months ended 31/12/2024	12 months ended 31/12/2023
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Income</u>				
Interest income on bank balances and deposits	2,475	2,127	2,914	2,949
Government grants	504	555	862	1,102
Sales of scrap materials and parts	350	396	1,126	909
Rental income from investment properties	1,946	1,287	3,106	2,431
Gain from contract penalty	100	-	102	23
(Loss)/gain on disposal of property, plant and equipment, net	(22)	(53)	40	62
Net foreign exchange gain/(loss)	18	(3)	(16)	78
<u>Expenses</u>				
Depreciation of property, plant and equipment	3,530	3,949	7,197	7,806
Depreciation of investment properties	163	315	479	630
Depreciation of right-of-use asset	183	182	366	365
Amortisation of intangible assets	187	175	290	372
Impairment/ (Write-back of impairment) losses on financial assets (net)	6,068	(1,552)	4,992	(252)
Write-off of property, plant and equipment	54	33	154	149
Finance costs	16	2	19	7

6.2. Related party transactions

There are no significant related party transactions apart from those disclosed elsewhere in the financial statements.

7. Net Asset Value

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net asset value per share (RMB per share)	6.64	6.41	2.41	2.28

Net asset value per ordinary share as at 31 December 2024 and as at 31 December 2023 were calculated based on the existing number of shares in issue excluding EBT shares and treasury shares of 46,690,900 and 46,690,900 ordinary shares as at 31 December 2024 and 31 December 2023 respectively.

**8. Fair value of assets and liabilities**

**8.1. Fair value measurement**

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date **(Level 1)**;
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly **(Level 2)**; and
- c) Unobservable inputs for the asset or liability **(Level 3)**

The following table shows an analysis of the Group's assets not measured at fair value, for which fair value is disclosed:

		<b>Group RMB'000</b>		
		<b>Fair value measurements at the end of the reporting period using</b>		
		<b>Significant observable inputs other than quoted prices (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Carrying amount</b>
<b>Note</b>				
	<b>31 December 2024</b>			
	<b>Investment properties</b>			
	– Xiang Kai Shi Hua Tower	8,637	–	–
	– Lufeng Road, Hi-Tech Industrial Development Zone	–	7,722	1,197
	– Lusong Road, Hi-Tech Industrial Development Zone	–	2,817	811
	<b>31 December 2023</b>			
	<b>Investment properties</b>			
	– Xiang Kai Shi Hua Tower	8,637	–	–
	– Lufeng Road, Hi-Tech Industrial Development Zone	–	8,975	1,531
	– Lusong Road, Hi-Tech Industrial Development Zone	–	2,854	956

9. Intangible assets

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	RMB'000	RMB'000
<b>Cost</b>		
At 1 January	2,363	2,348
Additions	973	15
At 31 December	3,336	2,363
<b>Accumulated amortisation</b>		
At 1 January	(2,150)	(1,778)
Amortisation charge for the year	(290)	(372)
At 31 December	(2,440)	(2,150)
<b>Net carrying amount</b>		
At 31 December	896	213

Intangible assets relate to computer software purchased from vendors and have an average remaining amortisation period of 2 years (2023: 2 years). The amortisation of intangible asset is included in the "Administrative expenses" line item in the consolidated statement of comprehensive income.

10. Right-of-use assets

The Group has land use rights over three plots of state-owned land in the People's Republic of China ("PRC") where the Group's PRC manufacturing and storage facilities reside. The land use rights are not transferable.

The Group also has certain leases of dormitories with lease term of less than 12 months in which the Group applies the 'short-term lease' recognition exemptions for these leases.

10. Right-of-use assets (cont'd)

<b>Group</b>	<b>Land use rights</b> RMB'000
<b>Cost:</b>	
At 1 January 2023	18,271
At 31 December 2023 and 1 January 2024 and 31 December 2024	18,271
At 31 December 2024	18,271
<b>Accumulated depreciation:</b>	
At 1 January 2023	(6,388)
Depreciation charge for the year	(365)
At 31 December 2023 and 1 January 2024	(6,753)
Depreciation charge for the year	(366)
At 31 December 2024	(7,119)
<b>Net carrying amount:</b>	
At 31 December 2024	11,152
At 31 December 2023	11,518

11. Property, plant and equipment

For the year ended 31 December 2024, the Group acquired assets amounting to RMB2.6 million (31 December 2023: RMB5.1 million) and disposed of assets net book value amounting to RMB0.04 million (31 December 2023: RMB0.2 million). Depreciation expense for the year amounted to RMB7.2 million (31 December 2023: RMB7.8 million).

**12. Investment properties**

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases. Investment properties are initially measured at cost, including transaction costs. The Group has adopted the cost model which is to measure investment properties at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	RMB'000	RMB'000
<b>Cost</b>		
At 1 January	17,026	17,026
At 31 December	17,026	17,026
<b>Accumulated depreciation</b>		
At 1 January	(14,539)	(13,909)
Depreciation charge for the year	(479)	(630)
At 31 December	(15,018)	(14,539)
<b>Net carrying amount</b>		
At 31 December	2,008	2,487
<b>Fair value</b>	19,176	20,466

**12.1 Valuation**

The fair value of investment property in Xiang Kai Shi Hua Tower is determined based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market.

The fair value of investment properties in Lufeng Road and Lusong Road is determined based on discounted cash flows method. Fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life. This method involves the projection of a series of cash flows on an investment property. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews and lease renewal. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is estimated as gross cash flow less maintenance cost and other operating and management expenses. The series of periodic net operating cash flow is then discounted. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum, and an opposite change in the long-term vacancy rate and discount rate.

12. Investment properties (cont'd)

12.1 Valuation (cont'd)

The investment properties held by the Group as at 31 December 2024 and 31 December 2023 are as follows:

Description and location	Existing Use	Tenure of land	Unexpired lease term
10 <sup>th</sup> floor, Xiang Kai Shi Hua Tower, Changsha, PRC	Offices	Leasehold, 50 years lease from 2 August 1999	25 years (2023: 26 years)
No. 65, Lufeng Road, Hi-Tech Industrial Development Zone, Changsha, PRC	Manufacturing	Leasehold, 50 years lease from 16 August 2002	28 years (2023: 29 years)
No. 539, Lusong Road, Hi-Tech Industrial Development Zone, Changsha, PRC	Manufacturing	Leasehold, 50 years lease from 28 February 2007	32 years (2023: 33 years)

13. Trade and other receivables

13.1. Trade and other receivables

	Group		Company	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Trade receivables	15,909	17,019	–	–
Bills receivable	17,446	23,637	–	–
VAT/GST receivables	13	10	13	10
Amount due from a subsidiary (non-trade)	–	–	47,491	37,876
Other receivables	2,478	2,442	–	–
<b>Total trade and other receivables</b>	<b>35,846</b>	<b>43,108</b>	<b>47,504</b>	<b>37,886</b>
Add:				
Contract assets	104,014	88,777	–	–
Cash and bank balances	196,937	179,018	3,006	6,669
Less:				
VAT/GST receivables	(13)	(10)	(13)	(10)
<b>Total financial assets carried at amortised cost</b>	<b>336,784</b>	<b>310,893</b>	<b>50,497</b>	<b>44,545</b>

**13. Trade and other receivables (cont'd)**

**13.2. Expected credit losses**

The movement in allowance for expected credit losses of trade and other receivables and contract assets computed based on lifetime ECL are as follow:

	Group			
	Trade and other receivables	Contract assets	Trade and other receivables	Contract assets
	31/12/2024 RMB'000	31/12/2024 RMB'000	31/12/2023 RMB'000	31/12/2023 RMB'000
Movements in the allowance accounts:				
At beginning of financial year	23,841	5,367	24,516	10,346
Charge/(reversal) for the year	1,234	3,758	(135)	(117)
Bad debts written-off against allowances	(1,013)	–	(540)	(4,862)
At end of financial year	24,062	9,125	23,841	5,367

**14. Borrowings**

The Group has no outstanding borrowings and debt securities as at 31 December 2024 (31 December 2023: Nil).

**15. Cash and cash equivalents**

	Group		Company	
	31/12/ 2024 RMB'000	31/12/2023 RMB'000	31/12/2024 RMB'000	31/12/2023 RMB'000
Cash at banks and on hand	66,723	52,434	1,719	2,728
Short-term deposits	130,214	126,584	1,287	3,941
Total	196,937	179,018	3,006	6,669
Less: Short-term deposits (Maturity >3 months)	(120,000)	(100,000)	–	–
Cash and cash equivalents	76,937	79,018	3,006	6,669

**Cash at banks**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

**Short-term deposits**

Short-term deposits are placed for varying periods between one to three months (2023: one to three months) and earned interests at the respective short-term deposit rates.

**16. Share capital**

Ordinary shares

	<b>Number of Shares</b>	<b>Amount RMB'000</b>
Ordinary shares including employee benefit trust ("EBT") shares & treasury shares as at 31 December 2024 and 31 December 2023	50,500,000	149,278

Convertibles

The Company did not have outstanding options, convertibles or subsidiary holdings as at 31 December 2024 and 31 December 2023.

EBT shares

The Company has no EBT shares as at 31 December 2024. (31 December 2023: Nil).

Treasury shares

The Company has 3,649,100 treasury shares (approximately 7.23% of the total number of issued shares) as at 31 December 2024 (31 December 2023: 3,649,100).

**17. Earnings per share**

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.



**17. Earnings per share (cont'd)**

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the periods ended 31 December:

	<b>Group</b>			
	<b>Second half year ended</b>		<b>Full year ended</b>	
	<b>31/12/2024</b>	<b>31/12/2023</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Profit for the period/year attributable to owners of the Company used in the computation of basic and diluted loss per share	14,498	1,728	10,938	2,387
Weighted average number of ordinary shares for basic earnings per share computation ('000) #	46,691	47,111	46,691	47,151
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	46,691	47,111	46,691	47,151
Basic earnings per share (RMB cents)	31.05	3.67	23.43	5.06
Diluted earnings per share (RMB cents)	31.05	3.67	23.43	5.06

# The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury and EBT shares transactions during the period/year.

As at 31 December 2024, no treasury shares and EBT shares are granted to employees under the Performance Share Plan 2014. (2023: Nil)

**18. Income tax expense/(credit)**

**Major components of income tax expense/(credit)**

The major components of income tax expense/(credit) for the years ended 31 December 2024 and 2023 are:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	RMB'000	RMB'000
<b>Current income tax:</b>		
– Current year	1,300	–
– Over provision in respect of previous years	(1,264)	(192)
– Withholding tax on dividends in foreign jurisdiction	505	–
Income tax expense/(credit) recognised in profit or loss	541	(192)

18. Income tax expense/(credit)

**Relationship between tax expense/(credit) and accounting profit**

The reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	RMB'000	RMB'000
Profit before tax	11,479	2,195
Tax at the domestic rates applicable to profit in the countries where the Group operates	1,644	266
Adjustments:		
– Non-deductible expenses	739	614
– Income not subject to taxation	(153)	(122)
– Deferred tax assets not recognised	–	241
– Effect of partial tax exemption and tax relief	(930)	(999)
– Withholding tax on dividends in foreign jurisdiction	505	–
– Over provision in respect of previous years	(1,264)	(192)
Income tax expense/(credit) recognised in profit or loss	541	(192)

Anchun International Holdings Ltd. (the "Company")

The Company is incorporated in Singapore and is subject to a tax rate of 17% for the financial year ended 31 December 2024 (2023: 17%).

Hunan Anchun Advanced Technological Co., Ltd ("Hunan Anchun")

Hunan Anchun was granted the High and New Technology Enterprise ("HNTE") by China's Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology in 2007. The HNTE certification allows Hunan Anchun to be taxed at a concessionary rate of 15% with effect from 1 January 2008.

**F. Other information required by Listing Rule Appendix 7.2  
For the six months and full year ended 31 December 2024**

**1. Review**

The condensed consolidated statement of financial position of the Group as at 31 December 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the current financial period/year then ended and certain explanatory notes have not been audited or reviewed.

**2. Review of performance of the Group**

**A) Income Statements**

**Revenue**

**FY2024 VS FY2023**

Revenue increased by RMB43.7million or 33% from RMB133.7 million in FY2023 to RMB177.4 million in FY2024. The increase was mainly due to the increase of revenue from CSC business and partially offset by the decrease of revenue from Catalyst business and Engineering services, further described as follows:

**Revenue from our CSC Business**

Revenue from our CSC Business increased by RMB47.2 million or 45% from RMB104.1 million in FY2023 to RMB151.3 million in FY2024. The increase was due to higher percentage of completion for CSC contracts and increase in number of contracts during FY2024.

**Revenue from our Catalyst Business**

Revenue from our Catalyst Business decreased by RMB1.5 million or 8% from RMB19.8 million in FY2023 to RMB18.3 million in FY2024. This was mainly due to decrease of revenue from sales of ammonia catalysts and catalyst processing business.

**Revenue from our Engineering Services**

Revenue from our Engineering Services decreased by RMB2.0 million or 20% from RMB9.8 million in FY2023 to RMB7.8 million in FY2024 mainly due to decrease of revenue from EPC Services.

**2H2024 vs 2H2023**

The Group's revenue increased by RMB51.8 million or 88% from RMB58.9 million in 2H2023 to RMB110.7 million in 2H2024 due to the increase in the number of contracts and higher percentage of completion for CSC business amounting to RMB50.9 million and Catalyst business amounting to RMB2.3 million, partially offset by the decrease of revenue from Engineering services amounting to RMB1.4 million due to the EPC services segment.

**Gross profit and gross profit margin**

**FY2024 VS FY2023**

Our overall gross profit increased by RMB10.5 million or 34% from RMB30.7 million in FY2023 to RMB41.2 million in FY2024, consistent with the increase of RMB43.7 million in revenue. Our gross profit margin for both reporting years remain relatively the same at 23%.

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

**Gross profit and gross profit margin (cont'd)**

2H2024 vs 2H2023

Overall gross profit increased by RMB15.3 million or 99% from RMB15.5 million in 2H2023 to RMB30.8 million in 2H2024 and our gross profit margin increased from 26% in 2H2023 to 28% in 2H2024.

The fluctuations in the overall gross profit were mainly due to the following:

- 1) Gross profit of Catalyst business increased by RMB2.2 million from RMB3.5 million in 2H2023 to RMB5.7 million in 2H2024 mainly attributable to the increase of revenue from hydrocarbon catalysts business in 2H2024. The gross profit margin increased from 33% in 2H2023 to 44% in 2H2024 mainly due to higher margin from patented technologies which contributed higher gross margin in 2H2024.
- 2) Gross profit of CSC business increased by RMB14.3 million from RMB7.6 million in 2H2023 to RMB21.9 million in 2H2024 mainly attributable to the increase in number of contracts in progress, higher percentage of completion for CSC contracts in 2H2024. The gross profit margin increased by 6% from 18% in 2H2023 to 24% in 2H2024 mainly attributable to increase of revenue from patented technologies which contributed higher gross margin.
- 3) Gross profit of engineering design decreased by RMB1.2 million from RMB4.4 million in 2H2023 to RMB3.2 million in 2H2024. The gross profit margin decreased by 5% from 68% in 2H2023 to 63% in 2H2024 mainly attributable to the decrease of revenue from EPC services segment which contributed higher gross margin in 2H2024.

**Finance and other income**

FY2024 VS FY2023

Finance and other income increased by RMB1.4 million or 16% from RMB8.2 million in FY2023 to RMB9.6 million in FY2024. The increase was mainly due to write-back of advances from customers after the cancellation of contracts by the customers amounting to RMB1.0 million and rental income of RMB0.6 million.

2H2024 vs 2H2023

Finance and other income increased by RMB1.3 million or 25% from RMB5.6 million in 2H2023 to RMB6.9 million in 2H2024. The increase was mainly due to write-back of advances from customers after the cancellation of contracts by the customers amounting to RMB1.0 million and interest income on bank balances amounting to RMB0.3 million.

**Marketing and distribution expenses**

FY2024 vs FY2023

Marketing and distribution expenses increased RMB0.2 million or 2% from RMB6.6 million in FY2023 to RMB6.8 million in FY2024. The increase was mainly attributable to the increase in sales staff's salary and bonus amounting to RMB0.4 million and after-sales maintenance of RMB 0.2 million, which is partially offset by the decrease in promotional expenses amounting to RMB0.4 million in FY2024 as compared to FY2023.

2H2024 vs 2H2023

Marketing and distribution expenses for both reporting periods remain relatively the same at RMB 3.8 million.

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

Administrative expenses

FY2024 vs FY2023

Administrative expenses decreased by RMB1.6 million or 7% from RMB22.4 million in FY2023 to RMB20.8 million in FY2024. The decrease is analysed in the table below:

Item by nature	FY2024	FY2023	FY2024 vs. FY2023 (Change)		Comments
	RMB'000	RMB'000	RMB'000	%	
Unallocated manufacturing overheads allocated in administrative expenses	2,215	4,547	(2,332)	(51)	The decrease is due to the higher volume of production resulting in lower unallocated manufacturing overheads recorded under administrative expenses in FY2024 over FY2023.
Salaries, bonuses and fees	6,497	6,008	489	8	Include salaries of executive directors and heads of department deployed in administrative functions. Increase is due to higher provision of bonuses in FY2024.
Safety cost	293	753	(460)	(61)	Decrease in safety inspection fee and safety cost for catalyst business is due to higher adhoc expense costs incurred during production in FY2023 compared to FY2024.
Travelling expenses	420	230	190	83	Increase in travelling expenses for the IFA2024 and annual general meeting of the Company held on 25 April 2024.
Professional fees	1,743	1,499	244	16	Increase in professional services for advising on commercial matters.
Factory repair and maintenance	177	791	(614)	(78)	Decrease of repair and maintenance cost incurred for factory and investment property.
Staff welfare expenses	1,440	1,230	210	17	Increase is due to higher employee medical examination expenses in FY2024 over FY2023.
Staff compensation	526	204	322	158	Increase in staff compensation for work-related injuries and termination of labor contracts.
Meeting expenses	476	30	446	N.M	Increase is due to 30th anniversary in FY2024.
Other expenses	7,015	7,083	(68)	(1)	Other expenses are an aggregation of expenses. These change expenses are less than RMB0.1 million individually.
<b>Total</b>	<b>20,802</b>	<b>22,375</b>	<b>(1,573)</b>	<b>(7)</b>	

N.M. - not meaningful

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

Administrative expenses (cont'd)

2H2024 vs 2H2023

Administrative expenses decreased by RMB1.6 million or 13% from RMB12.0 million in 2H2023 to RMB10.4 million in 2H2024 as explained below:

Item by nature	2H2024	2H2023	2H2024 vs.2H2023 (Change)		Comments
	RMB'000	RMB'000	RMB'000	%	
Unallocated manufacturing overheads allocated in administrative expenses	723	3,199	(2,476)	(77)	The decrease is due to the higher volume of production resulting in lower unallocated manufacturing overheads recorded under administrative expenses in 2H2024 over 2H2023.
Salaries, bonuses and fees	3,137	2,107	1,030	49	Include salaries of executive directors and heads of department deployed in administrative functions. Increase is due to higher provision of bonuses in 2H2024.
Staff compensation	526	16	510	N.M	Increase in staff compensation for work-related injuries and termination of labor contracts.
Safety cost	157	422	(265)	(63)	Decrease in safety inspection fee and safety cost for catalyst business is due to higher adhoc expense costs incurred during production in 2H2023 compared to 2H2024.
Factory repair and maintenance	177	791	(614)	(78)	Decrease of repair and maintenance cost incurred for factory and investment property.
Staff welfare expenses	886	610	276	45	Increase is due to higher employee medical examination expenses in 2H2024 over 2H2023.
Other expenses	4,788	4,840	(52)	(1)	Other expenses are an aggregation of expenses. These change expenses are less than RMB0.07 million individually.
<b>Total</b>	<b>10,394</b>	<b>11,985</b>	<b>(1,591)</b>	<b>(13)</b>	

N.M. - not meaningful

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

**Research expenses**

FY2024 vs FY2023

Research expenses decreased by RMB1.3 million or 16% from RMB8.0 million in FY2023 to RMB6.7 million in FY2024. This was mainly attributable to lower expenses incurred for carbon monoxide ("CO") split shift reactor improvement efforts in FY2024.

2H2024 vs 2H2023

Research expenses decreased by RMB2.9 million or 54% from RMB5.3 million in 2H2023 to RMB2.4 million in 2H2024. This was mainly attributable to lower expenses incurred for CO split shift reactor improvement efforts in 2H2024.

**Income tax expenses**

FY2024 vs FY2023

Income tax expenses increased by RMB0.7 million from a RMB0.2 million of income tax credit in FY2023 to an income tax expense of RMB0.5 million in FY2024. Due to higher profits of the Group's subsidiary in FY2024 as compared to FY2023, income tax expenses amounted to RMB1.3 million. There was also a provision of withholding income tax on dividend in foreign jurisdiction of RMB0.5 million. The income tax expenses of the financial year was then offset with the overprovision of income tax amounting to RMB1.26 million in respect of previous financial years.

2H2024 vs 2H2023

Income tax expenses increased by RMB0.7 million from an income tax credit of RMB0.2 million in 2H2023 to an income tax expense of RMB0.5 million in 2H2024. Due to higher profits of the Group's subsidiary in 2H2024 as compared to 2H2023, income tax expenses amounted to RMB1.3 million. There was also a provision of withholding income tax on dividend in foreign jurisdiction of RMB0.5 million. The income tax expenses of the financial year was then offset with the overprovision of income tax amounting to RMB1.26 million in respect of previous financial years.

**Net profit attributable to owners of the Company**

FY2024 vs FY2023

The net profit attributable to owners of the Company increased by RMB8.5 million from a net profit of RMB2.4 million in FY2023 to a net profit of RMB10.9 million in FY2024 as explained above.

2H2024 vs 2H2023

The net profit attributable to owners of the Company increased by RMB12.8 million from a net profit of RMB 1.7 million in 2H2023 to a net profit of RMB 14.5 million in 2H2024 as explained above.

B) Balance Sheet Statements

**Non-current assets**

Non-current assets decreased by RMB4.9 million or 9% from RMB56.0 million as at 31 December 2023 to RMB51.1million as at 31 December 2024. Non-current assets comprised property, plant and equipment, investment property, intangible assets, right of use asset and prepayments.

Property, plant and equipment decreased by RMB5.0 million or 12% from RMB41.8 million as at 31 December 2023 to RMB36.8 million as at 31 December 2024, mainly due to depreciation charges of RMB7.2 million. The decrease was partially offset by additions during the year.

2. Review of performance of the Group (cont'd)

B) Balance Sheet Statements(cont'd)

Current assets

Current assets increased by RMB26.4 million or 8% from RMB338.9 million as at 31 December 2023 to RMB365.3 million as at 31 December 2024. The increase was mainly due to the following:

- a) The increase in contract assets of RMB15.2 million was due to the increase in works incurred for contracts where billings for contractual milestones have not been satisfied.
- b) The increase in prepayments of RMB1.6 million was mainly due to higher volume of purchases of raw materials from vendors.
- c) The decrease in inventories of RMB1.0 million was mainly due to the decrease of finished hydrocarbon catalysts goods for catalysts business contract orders.
- d) The decrease in trade and other receivables of RMB1.1 million was due to settlements with our customers.
- e) The decrease in bills receivable of RMB6.2 million was due to the settlement of outstanding bills receivable. Settlement of the mentioned bills receivables have been transferred to cash and cash equivalents.
- f) The decrease in cash and bank equivalents of RMB2.1 million was due to the increase of cash flow from operating activities of RMB21.5 million, net cash used in investing activities of RMB23.6 million.

The breakdown and aging of items of trade and other receivables are as follows:

Item by nature	31/12/2024 RMB'000	< 6 months RMB'000	6-12 months RMB'000	1-2years RMB'000	>2years RMB'000
<b>Trade Receivables</b>					
Receivables from sales	39,718	6,553	8,547	5,103	19,515
Less: Impairment losses on trade receivables, net	(23,809)	(1,084)	(1,414)	(2,098)	(19,213)
<b>Sub-total</b>	<b>15,909</b>	<b>5,469</b>	<b>7,133</b>	<b>3,005</b>	<b>302</b>
<b>Other Receivables</b>					
A. Bills receivable	17,446	17,446			
B. Operation cash advances	904	904			
C. Bid bonds	1,574	1,574			
D. GST receivables	13	13			
<b>Total</b>	<b>35,846</b>	<b>25,406</b>	<b>7,133</b>	<b>3,005</b>	<b>302</b>



2. Review of performance of the Group (cont'd)

**B) Balance Sheet Statements(cont'd)**

**Current liabilities**

Current liabilities increased by RMB10.1 million or 11% from RMB95.7 million as at 31 December 2023 to RMB106.3 million as at 31 December 2024.

- a) The decrease in contract liabilities of RMB7.8 million was due to revenue recognition as the Group satisfies the contract obligations according to the Group's revenue recognition policy and there was lesser advance received from customers as at year end.
- b) The increase in trade and other payables of RMB17.8 million was due to increase of purchase of raw materials for new sale contracts, VAT payables by the subsidiary and withholding income tax payables.
- c) The increase in other liabilities of RMB1.9 million was mainly due to increase in provision of staff bonuses.
- d) The decrease in income tax payable of RMB1.26 million was due to the reversal of overprovision of income tax in respect of previous financial years.

**C) Cash Flow Statements**

**FY2024**

The Group reported a net cash inflow from operating activities of RMB21.5 million mainly due to operating income before changes on working capital of RMB22.0 million, along with the receipt of interest of RMB2.9 million. This was offset by a net decrease in working capital of RMB2.2 million and tax payments of RMB1.2 million.

The net cash provided by investing activities was RMB23.6 million primarily due to a net placement of fixed deposits of RMB20.0 million and investments in fixed and intangible assets totaling RMB3.6 million.

There were no cash inflows or outflows related to financing activities during the year.

**FY2023**

The Group reported a net cash inflow from operating activities amounting to RMB14.6 million, mainly due to operating income before changes on working capital of RMB8.2 million. This was accompanied by a net increase in working capital and interest received of RMB4.3 million and RMB2.9 million respectively, which was partially offset by tax payments of RMB0.8 million.

The net cash provided by investing activities was RMB45.0 million, largely resulting from a net placement of fixed deposits of RMB40.0 million, along with the purchase of fixed assets of RMB5.0 million during the reporting period.

The net cash used in financing activities of RMB6.4 million was primarily related with dividend payment and the repurchase of treasury share, which amounted to RMB5.6 million and RMB0.8 million respectively.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Company has not previously disclosed to shareholders any forecast or prospect statement.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.**

The Group has continued its efforts to diversify into non-fertiliser industries, which has resulted in revenue of RMB87.4 million for FY2024 representing 49% (RMB127.5 million for FY2023 representing 95%) of the total revenue. The Group will continue to remain vigilant over its costs structure and its research efforts.

The Group's order book as of 31 December 2024 was approximately RMB130 million (31 December 2023: RMB175.1 million), of which RMB56.8 million (31 December 2023: RMB123.3 million) is from the non-fertiliser industries.

The Group's integrated strengths in engineering design, equipment manufacture, catalyst and technological capabilities will continue to drive sustainable growth. With the accelerated pace of the energy transformation and shift in the energy consumption structure, green ammonia, green methanol and green hydrogen are set to become increasingly popular. We will continue to build upon our R&D efforts as we explore new areas of uses and applications for our various patented technologies to bring solutions that have increasing relevance in the world today.

**5. Dividend information**

**(a) Current financial year reported on**

There is no FY2024 interim dividend declared or paid in the current financial year.

For the financial year ended 31 December 2024, the Directors have recommended a final one-tier tax exempt dividend of RMB0.12 for each ordinary share ("FY24 Final Dividend") as follows, subject to shareholders' approval at the forthcoming Annual General Meeting to be held in April 2025. With this, the total dividends for the financial year ended 31 December 2024 will be RMB0.12 for each ordinary share (FY2023: Nil): -

Name of dividend	FY2024 Final Dividend (proposed)
Dividend type	Cash
Dividend rate	RMB0.12 per share
Tax rate	Tax-exempt (one-tier)

**(b) Corresponding period of the immediately preceding financial year**

The Company does not recommend any dividend for the financial year ended 31 December 2023.

**(c) Date payable**

To be announced in due course.

**(d) Books closure date**

To be announced in due course.

**6. Interested person transactions**

The Group does not have a general mandate from shareholders for interest person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

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Zheng, ZhiZhong  
Executive Director and Chief Executive Officer

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Dai, FengYu  
Executive Director

Singapore  
27 February 2025