

CHINA RISUN GP (1907.HK)

"Traditional Core Business + Hydrogen Energy New Track" Dual-Engine Growth Strategy
China | Chemical industry |

7 Nov 2025

Overview

CHINA RISUN GP (1907.HK), founded in 1995, has grown into a leading integrated producer, supplier, and service provider of coke, coking products, fine chemicals, and hydrogen energy products in China and globally. According to a 2024 industry report by Frost & Sullivan, the company is the world's largest independent coke producer and supplier; the world's largest processor of crude benzene from coking, the second-largest processor of high-temperature coal tar, and the second-largest producer of caprolactam by capacity. It is also China's largest producer of phthalic anhydride from industrial naphthalene and methanol from coke oven gas, as well as the largest supplier of high-purity hydrogen in the Beijing-Tianjin-Hebei region by output.

Company performance review

Core Business Under Pressure, Trade Business Becomes the Only Growing Segment

In H1 2025, the company's revenue was RMB 20.549 billion with a year-on-year decrease of 18.5%. Among this, revenue from the coke and coking products production business was RMB 6.358 billion, down 35.2% YoY, mainly due to supply-demand imbalances, declining coking coal prices, and export challenges, which led to a significant drop in coke prices. Revenue from the fine chemical products production business was RMB 9.096 billion, down 12.6% YoY, primarily because of falling crude oil prices and weak demand, which significantly reduced the average prices of products such as caprolactam and pure benzene. However, losses in the styrene segment narrowed due to improved supply-demand dynamics. Revenue from the operations management business was RMB 1.275 billion, down 47% YoY, mainly as agreements for three projects—Wanshan Chemical, Baoshun Chemical, and Chenyao Chemical—were completed, leading to a decrease in operations management income. Revenue from the trade business was RMB 3.73 billion, up 53.3% YoY, driven by increased trade volume of coke. Revenue from other businesses was RMB 90 million, down 43.2% YoY, mainly due to the completion and sale of real estate projects, which reduced income from commercial housing, partially offset by increased rental income from Risun Building. Profit for the period was RMB 87 million, down 34.9% YoY. Basic earnings per share were 0.66 cents with a decrease of 74% YoY.

Cost Control Drives Profit Improvement, Gross Profit Margin Rises 0.8 Percentage Points YoY

In H1 2025, the cost of sales was RMB 18.862 billion, down 19.23% year-on-year. Breaking it down: The cost of sales for the coke and coking products production business was RMB 5.602 billion, a decrease of 38.3% YoY, primarily due to the continuous decline in coking coal market prices, which led to a corresponding reduction in coal blending costs; the cost of sales for the fine chemical products production business was RMB 8.34 billion, down 12.4% YoY, mainly because raw material prices fell to varying degrees compared to the previous year; the cost of sales for the operations management business was RMB 1.213 billion, a decrease of 47.1% YoY, also influenced by the completion of the three projects mentioned in the revenue section; driven by increased business volume, the cost of sales for the trade business was RMB 3.641 billion, up 57.3% YoY; due to reduced property sales, the cost of sales for other businesses was RMB 66 million, down 56.2% YoY. The gross profit margin was 8.2%, an increase of 0.8 percentage points YoY, reflecting the company's effective cost control measures. Notably, the gross profit margin for the coke and coking products segment improved by 4.4 percentage points YoY.

Coke Business Strengthens Leading Position with Diversified Growth Drivers

Buy

CMP HK\$2.29
(Closing price as of 05 Nov)
Target 3.13 HKD (+36.7%)

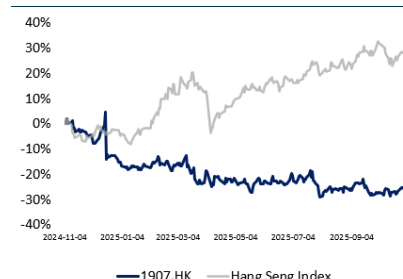
COMPANY DATA

O/S SHARES (MN) :	4295
MARKET CAP (HKD bn) :	9.84
52 - WK HI/LO (HKD):	3.38/2.29

SHARE HOLDING PATTERN, %

Xuegang Yang	74.13%
--------------	--------

PRICE VS. HSI



Source: Phillip Securities (HK) Research

KEY FINANCIALS

RMB mn	FY24	FY25E	FY26E	FY27E
Revenue	47543	43563	44870	48460
Net profit	20	84	105	187
EPS (RMB)	0.01	0.02	0.02	0.04
P/B ratio, x	0.74	0.73	0.71	0.68
Dividend Yield, %	1.4%	0.3%	0.4%	0.6%

Source: Company reports, Phillip Securities Est.

Analyst

Margaret Li (+852 2277 6535)
margaretli@phillip.com.hk

As the world's largest independent coke producer and supplier, the company's coke business is poised to maintain steady growth, driven by capacity expansion, deepening internationalization, and optimization of the industry's supply structure. Downstream demand for coke primarily stems from the steel industry. Data from the National Bureau of Statistics show that China's crude steel output from January to August 2025 reached 672 million tonnes, down 2.8% year-on-year. China Steel News projects that China's crude steel output in 2025 will decline by 2% to approximately 986 million tonnes. However, coupled with steel capacity expansion in Southeast Asia (largely driven by Chinese investments), this indicates that coke demand remains resilient. Currently, the company's managed coke capacity stands at 26.6 million tonnes, with 17 operational coke production lines. Supported by the capital-light expansion of operations management services and the commissioning of overseas projects such as those in Indonesia, the stability of business revenue has been further enhanced. The company is developing the Pingxiang production base in the Xiangdong Industrial Park, constructing coke production facilities with an annual capacity of 1.8 million tonnes, expected to be completed by the end of 2025 or early 2026. Additionally, the company has successfully commissioned the first coke oven of the 3.2-million-tonne-per-year coking project in the Indonesia Sulawesi Park. To date, the company has established subsidiaries/offices in 11 countries and regions, including Indonesia, Singapore, and Japan, with business operations spanning 41 countries. The establishment of Brazil office will further expand its presence in the Latin American market, underscoring the company's deepening global footprint. The Central Financial and Economic Affairs Commission has repeatedly emphasized curbing "low-price, disorderly competition" and facilitating the exit of inefficient production capacity. The sixth meeting of the commission in July this year explicitly called for "addressing low-price, disorderly competition in accordance with laws and regulations." It is expected to accelerate the phase-out of capacity from small and medium-sized coking enterprises and increase industry concentration. Amid the industry's "anti-involution" trend and capacity consolidation, leading companies are set to become stronger. We believe the company will directly benefit from this trend, continuously expanding its market share and strengthening its pricing power.

Scale Leadership and Industrial Chain Extension Drive Long-Term Chemical Growth

The company's chemical business has established significant scale and market position advantages, with its core products occupying key roles in the global industrial chain. Starting from coking, the company has adopted a vertically integrated business development model, extending into three chemical industrial chains: carbon materials, aromatics, and alcohol-ammonia. The total managed capacity reaches 6.04 million tonnes per year, of which 660,000 tonnes per year come from operations management service projects. The company aims to achieve an operational scale of over 1.65 million tonnes per year for caprolactam by 2030, further solidifying its leading position in the industry. Its production bases are distributed across multiple locations, including Xingtai, Dingzhou, Cangzhou, Leting, Yuncheng and Dongming in Shandong Province, and Hohhot in Inner Mongolia. The company is committed to becoming a globally leading nylon new materials enterprise. In October 2025, it plans to commence production of 50,000 tonnes per year of hexamethylenediamine. Through continuous R&D and innovation, the company will further extend its reach into downstream sectors such as PA66 and high-temperature nylon, among other new materials.

Venturing into the Clean Energy Blue Ocean, Building a Hydrogen Business Growth Engine

In H1 2025, the company's high-purity hydrogen sales volume reached 11.43 million cubic meters with a year-on-year increase of 22.9%, while revenue from the hydrogen segment was RMB 56 million, up 47.4% year-on-year. Since 2020, the company has actively expanded into the hydrogen sector and has established a foundation for scaled production capacity. As of the end of March in 2025, the company operates five high-purity hydrogen production lines located in Dingzhou,

Xingtai, Tangshan, and Hohhot (Inner Mongolia), with a total production capacity of 34 tonnes per day. It also operates four hydrogen refueling stations with a combined capacity of 5 tonnes per day, making it the second-largest high-purity hydrogen supplier in China and the largest in the Beijing-Tianjin-Hebei region. Guided by its core development strategy of "Production-Storage-Transportation-Refueling-Application + R&D," the company has built a comprehensive value chain covering hydrogen supply, storage and transportation technologies, and end-use applications. Additionally, the company plans to advance hydrogen industrialization projects in Hebei, Inner Mongolia, and other regions, gradually expanding into applications such as synthetic ammonia and hydrogen fuel. In September 2025, the company successfully launched the 5,000 Nm³/h hydrogen project at its Leting Park, achieving full operational status. The first shipment of high-purity hydrogen was loaded and dispatched, marking a significant milestone in scaling the company's hydrogen business and further enhancing its market share. This success solidifies the company's leading position in the Beijing-Tianjin-Hebei hydrogen market. The company has expressed its intention to continue exploring merger and acquisition opportunities in the hydrogen sector. A successful acquisition would help address technological gaps and accelerate the commercialization process.

CHINA RISUN GP and Haidian District State-owned Assets Investment Group Co., Ltd have established a strategic cooperation relationship

This partnership is expected to provide critical support for CHINA RISUN GP in its industrial upgrading, business expansion, and market-oriented transformation through resource synergies, complementary businesses, and capital empowerment, delivering long-term benefits to the company.

Company valuation

As a global leader in coking and fine chemicals, CHINA RISUN GP leverages its scale advantages and integrated industrial chain capabilities, demonstrating resilience across industry cycles through its traditional businesses, while its fine chemical and hydrogen energy initiatives provide long-term growth potential. In the short term, the focus should be on the pace of coke profit recovery and the effectiveness of cost control measures; in the long term, performance will depend on the industrialization progress of its hydrogen energy business and the success of its international expansion. The company is currently trading at a historical low valuation, with a potential valuation rebound expected by year-end.

We forecast the company's revenue for 2025–2027 to be RMB 43.563 billion, RMB 44.870 billion, and RMB 48.460 billion, respectively, with BVPS of RMB 2.9, RMB 3.0, and RMB 3.1. The target price is set at HKD 3.13, corresponding to a projected price-to-book (P/B) ratio of 0.96x for 2026, which is in line with the average P/B ratio over the past three years. The rating is "Buy." (Current price as of November 5)

Risk factors

Macroeconomic downturn, intensifying industry competition and the decline of coke price

Financial

Consolidated Statement of Profit or Loss

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Total Revenue	46066	47543	43563	44870	48460
Cost of sales	-42741	-44053	-40392	-41505	-44507
Gross profit	3325	3490	3171	3365	3952
Operating expenses	-2246	-2632	-2268	-2348	-2536
Finance costs	-1350	-1410	-1292	-1331	-1438
Profit before tax	682	109	300	375	667
Income tax expense	308	-12	-45	-56	-100
Profit for the year	990	98	255	319	567
Profit for the year attributable to					
– Owners of the Company	861	20	84	105	187
EPS(RMB)	0.19	0.01	0.02	0.02	0.04
DPS(RMB)	0.06	0.03	0.01	0.01	0.01
Dividend payout ratio	31%	663%	31%	31%	31%
Weighted shares outstanding	4423	4454	4454	4454	4454

Key Financial Data

Dec Y/E	FY23	FY24	FY25E	FY26E	FY27E
Valuation Ratio					
P/B ratio	0.72	0.74	0.73	0.71	0.68
Dividend Yield, %	2.9%	1.4%	0.3%	0.4%	0.6%
Per share data(RMB)					
EPS	0.19	0.01	0.02	0.02	0.04
BVPS	2.9	2.9	2.9	3.0	3.1
DPS(RMB)	0.06	0.03	0.01	0.01	0.01
Growth & Margin					
Growth					
Revenue Growth	6.8%	3.2%	-8.4%	3.0%	8.0%
Gross Profit Growth	-22.2%	4.9%	-9.1%	6.1%	17.4%
Net Profit Growth	-46.8%	-90.1%	160.8%	25.0%	78.2%
Margin					
Gross Profit Margin	7.2%	7.3%	7.3%	7.5%	8.2%
Net Profit Margin	2.1%	0.2%	0.6%	0.7%	1.2%
Key Ratios					
ROE	6.67%	0.16%	0.65%	0.80%	1.37%
ROA	1.60%	0.03%	0.13%	0.16%	0.27%

Consolidated Statement of Financial Position

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Current assets					
Inventories	3406	3078	2972	3054	3275
Accounts receivable	1452	2684	2274	2342	2530
Cash and cash equivalents	1239	2088	5978	7048	9302
Others	11036	13253	11449	11720	12467
Total current assets	17134	21103	22672	24165	27573
Non-current assets					
PPE	26897	27832	28332	28617	29092
Others	9805	10906	11289	11198	11462
Total current assets	36702	38738	39621	39814	40554
Total Assets	53836	59841	62293	63979	68127
Current liabilities					
Accounts and bills payables	4429	6785	5141	5282	5665
Short-term Bank and other loans	17509	20884	26138	26922	29076
Others	8018	6127	6125	6137	6172
Total current liabilities	29955	33796	37403	38342	40913
Non-current liabilities					
Long-term Bank& other loans	8197	9488	8041	8283	8945
Others	1212	680	680	680	680
Total non-current liabilities	9408	10168	8722	8963	9625
Total liabilities	39364	43964	46125	47305	50538
Equity attributable to equity holders of the Company	12898	12760	12881	13173	13707
Non-controlling interests	1574	3117	3288	3501	3881
Total equity	14472	15877	16169	16674	17589
Total liabilities and equity	53836	59841	62293	63979	68127

Consolidated Statement of Cash Flow

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
CFO	2204	1436	4892	4162	4229
Net profit before tax	682	109	300	375	667
Minority shareholders' interests	129	78	171	213	380
Change in working capital&others	-940	-1083	1921	1007	600
Depreciation and Amortization	2334	2332	2500	2567	2582
CFI	-1713	-3644	-3383	-2760	-3322
Purchase of PP&E	-1930	-2678	-3383	-2760	-3322
Short term and long term investment,net	218	-966	0	0	0
CFF	-455	3051	2381	-332	1346
Cash payments for distribution of dividends, profits or repayment of interest	-1588	-1467	-1426	-1358	-1471
Cash received from financing	1133	4518	3807	1025	2816
Net increase in cash and cash equivalents	39	848	3890	1070	2253
Cash and cash equivalents at 31 December	1239	2088	5978	7048	9302

Current Price as of: 05 Nov

Exchange rate: HKD/RMB = 0.92

Source : PSHK Est.

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within $\pm 5\%$ from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate serves as an officer of the listed corporation covered in this report.

Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on <http://www.phillip.com.hk>.

© 2025 Phillip Securities (Hong Kong) Limited

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd

250 North Bridge Road, #06-00 Raffles City Tower,
Singapore 179101

Tel : (65) 6533 6001 Fax: (65) 6535 3834

www.phillip.com.sg

INDONESIA

PT Phillip Securities Indonesia

ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A,
Jakarta 10220, Indonesia

Tel (62) 21 5790 0800 Fax: (62) 21 5790 0809

www.phillip.co.id

THAILAND

Phillip Securities (Thailand) Public Co. Ltd.

15th Floor, Vorawat Building, 849 Silom Road,
Silom, Bangrak, Bangkok 10500 Thailand

Tel (66) 2 2268 0999 Fax: (66) 2 2268 0921

www.phillip.co.th

UNITED STATES

Phillip Futures Inc.

141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA

Tel (1) 312 356 9000 Fax: (1) 312 356 9005

MALAYSIA

Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3, Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur

Tel (60) 3 2162 8841 Fax (60) 3 2166 5099

www.poems.com.my

CHINA

Phillip Financial Advisory (Shanghai) Co. Ltd.

No 436 Heng Feng Road, Green Tech Tower Unit 604
Shanghai 200 070

Tel (86) 21 5169 9400 Fax: (86) 21 6091 1155

www.phillip.com.cn

FRANCE

King & Shaxson Capital Ltd.

3rd Floor, 35 Rue de la Bienfaisance
75008 Paris France

Tel (33) 1 4563 3100 Fax : (33) 1 4563 6017

www.kingandshaxson.com

AUSTRALIA

PhillipCapital Australia

L Level 10, 330 Collins Street
Melbourne VIC 3000 Australia

Tel: (61) 3 9618 8238 Fax: (61) 3 9200 2277

www.phillipcapital.com.au

HONG KONG

Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway Hong Kong

Tel (852) 2277 6600 Fax: (852) 2868 5307

www.phillip.com.hk

JAPAN

Phillip Securities Japan, Ltd

4-2 Nihonbashi Kabutocho, Chuo-ku
Tokyo 103-0026

Tel: (81) 3 3666 2101 Fax: (81) 3 3664 0141

www.phillip.co.jp

INDIA

PhillipCapital (India) Private Limited

No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg,
Lower Parel West, Mumbai 400013

Tel: (9122) 2300 2999 Fax: (9122) 6667 9955

www.phillipcapital.in

UNITED KINGDOM

King & Shaxson Ltd.

6th Floor, Candlewick House, 120 Cannon Street
London, EC4N 6AS

Tel (44) 20 7929 5300 Fax: (44) 20 7283 6835

www.kingandshaxson.com

SRI LANKA

Asha Phillip Securities Limited

Level 4, Millennium House, 46/58 Navam Mawatha,
Colombo 2, Sri Lanka

Tel: (94) 11 2429 100 Fax: (94) 11 2429 199

www.ashaphillip.net/home.htm