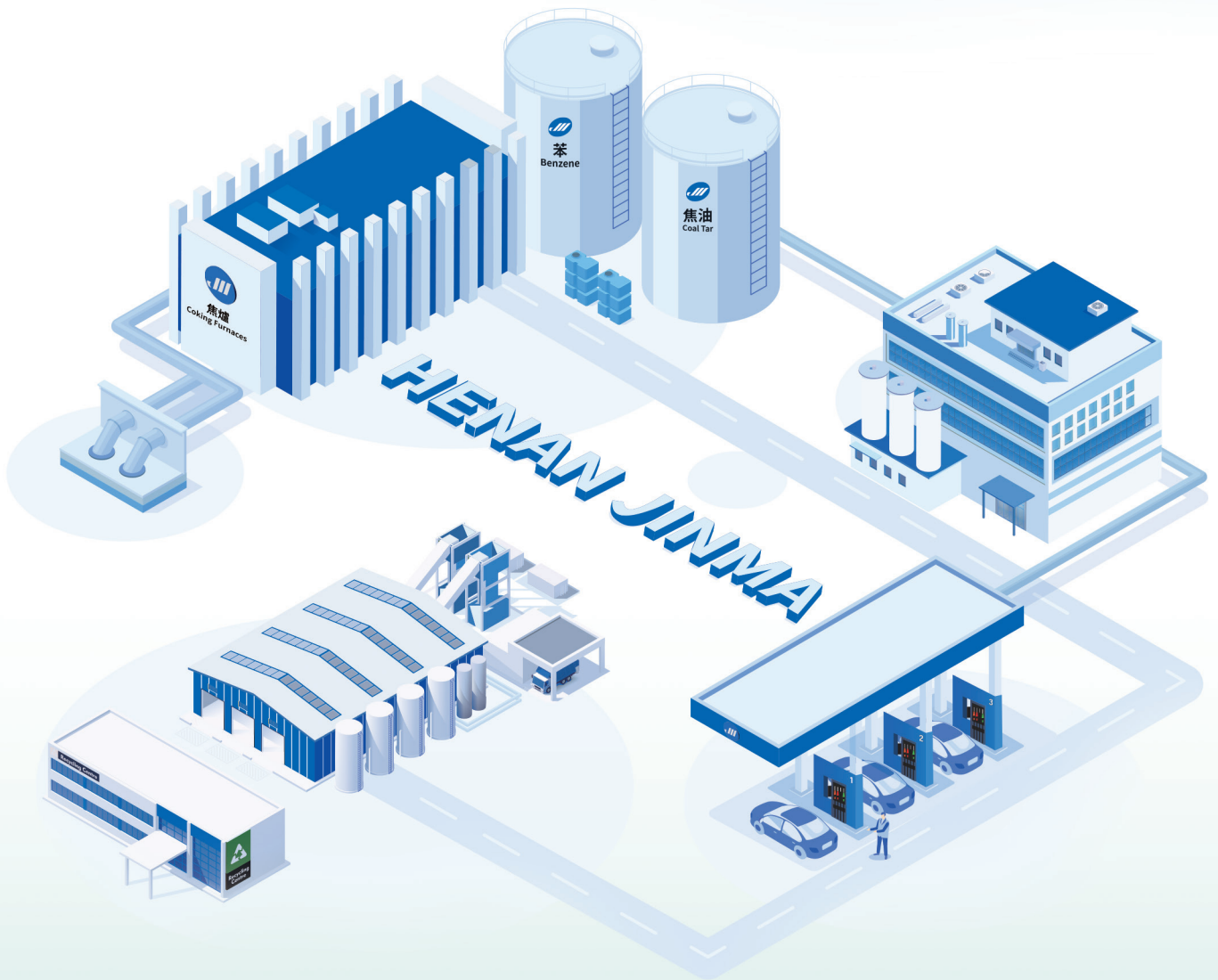




河南金馬能源股份有限公司  
HENAN JINMA ENERGY COMPANY LIMITED

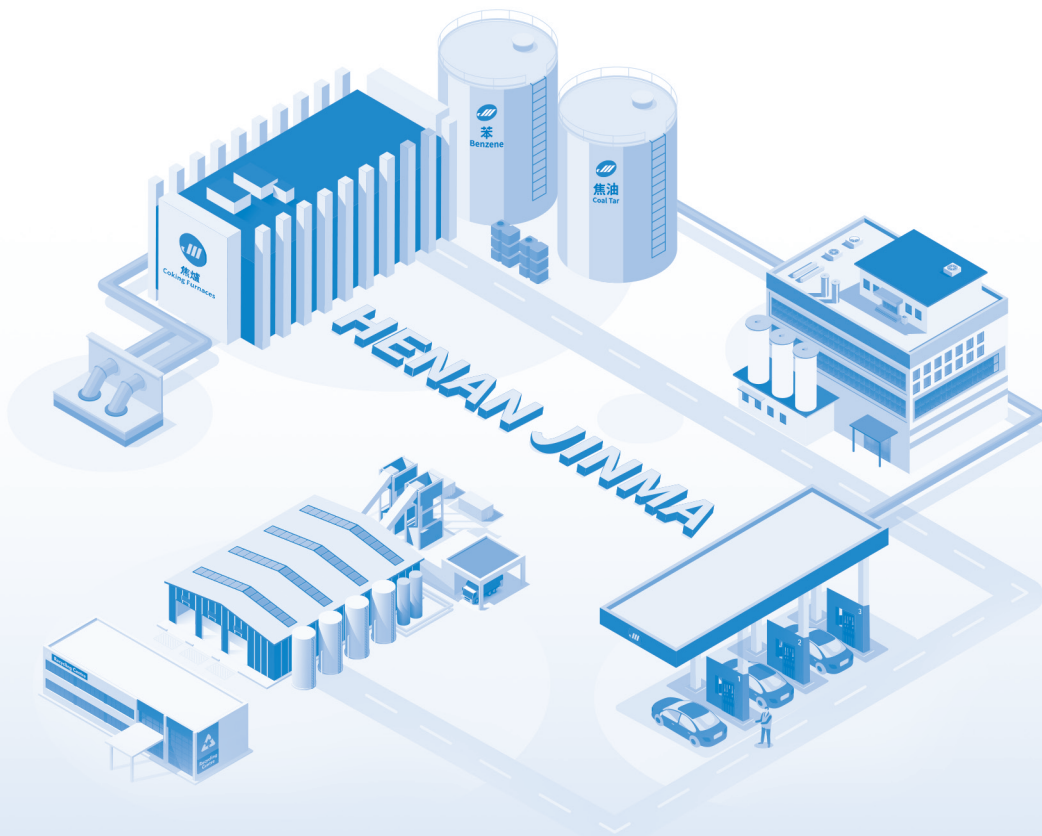
(A joint stock company incorporated in the People's Republic of China with limited liability)  
Stock Code: 6885

# 2024 INTERIM REPORT



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## 2 MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan province. The Group operates a vertically integrated business model along the coking chemical value chain from coke production to the processing of coking by-products into refined chemicals and energy products. The Group's vertically integrated business model enables the Group to maximize the value of the Group's coking by-products, thereby allowing the Group to achieve a high recovery and re-utilization business model.

Capitalizing on the Group's years of operations in the coking chemical industry and the Group's long-term relationships with coal suppliers, the Group also engages in the trading of coal, coke, LNG and nonferrous materials mainly through the Group's trading company. As a continuing effort in extending the Group's vertical integration business model and expanding the Group's product portfolio along the coking chemical value chain, the Group has actively engaged in and developed the business of the production and sale of LNG and hydrogen recently. The Group's production value chain has expanded to higher-end new energy product following the research and development as well as investment in hydrogen.

In the first half of 2024, the Group's revenue was mainly generated from the following major business segments:

- **Coke:** which involves the production and sale of coke;
- **Refined chemicals:** which involves the processing of coking by-products into a series of benzene-based and coal tar-based refined chemicals and sale of these by-products;
- **Energy products:** which involves the processing of coking furnace crude gas into coal gas, extraction of LNG from coal gas and sale of coal gas and LNG; in addition, hydrogen is also extracted from coal gas for sale, and heat generated from the coking furnaces is utilized to produce electricity for sale; and
- **Trading:** which mainly involves the trading of coal, coke, hydrogen and LNG.

The Board believes that as China aims to hit peak emissions of carbon dioxide and for carbon neutrality which bring changes to the economic and social development mode, the coking coal industry in China will continue with its supply-side reform and speedup its industry consolidation as well as structural improvement and reform. In addition, the refined chemicals and energy products segment of business will strengthen its competitiveness by means of product line extension and technological development. All of these will bring new opportunities to the Group's long-term business development and growth. The Company will continue to seize the market opportunity to achieve a stable improvement in the Group's results through continuous investment in production process and environmental protection facilities, constantly improve the standard of serving the iron and steel and chemical industry in the PRC.

## FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2024	2023	Change
	<b>RMB million (unaudited)</b>	RMB million (unaudited)	RMB million
Revenue	<b>6,299.5</b>	5,890.7	408.8
Gross profit	<b>70.1</b>	216.2	(146.1)
(Loss) profit for the period	<b>(209.3)</b>	29.6	(238.9)
Basic (loss) earnings per share (in RMB)	<b>(0.29)</b>	0.08	(0.37)
Interim dividend per share (in RMB)	–	0.05	(0.05)
Gross profit margin	<b>1.1%</b>	3.7%	(2.6%)
Net (loss) profit margin	<b>(3.3%)</b>	0.5%	(3.8%)
	<b>As at 30 June 2024</b>	As at 31 December 2023	Change
	<b>RMB million (unaudited)</b>	RMB million (audited)	RMB million
Total assets	<b>11,769.8</b>	12,535.0	(765.2)
Total equity	<b>4,604.5</b>	4,840.2	(235.7)

### FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION 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 the Demand in Downstream Industries

The Group sells all its products in the PRC. General economic conditions of the PRC affect the market prices and demands for the Group's products, as well as the prices of coal, the primary raw material for the production of the Group's coke, refined chemicals and energy products. During economic downturns, the average selling prices of the Group's products may decrease and the Group may need to adjust the Group's purchase and sale strategies to adapt to such condition, such as reducing the Group's purchase of raw materials or engaging in more financing activities to increase the Group's working capital. The Group's trading activities may also decrease during economic downturns. When economic conditions recover, the Group may increase the selling prices of the Group's products along with the increase in market demands and raw material prices. In addition, the Group may increase the Group's prepayments for raw materials in order to secure raw material supplies. The Group's trading activities may also increase as the demands for coke, coal, hydrogen and LNG trading increase when economic conditions recover. The Group's results of operations, working capital position, as well as operating cash flow changed correspondingly as a result.

Sale of the Group's products of coke, LNG and refined chemicals depend primarily on the domestic consumption of such products by the iron and steel industry and the chemical industry. Coke is a key raw material used in the production of iron and steel, while refined chemicals are mainly used as raw materials in various downstream industries such as rubber, textiles and pharmaceutical industries and LNG is mainly provided for the use in production in surrounding industrial parks and for supplying gas to logistics customers, heavy trucks and buses at gas stations. Coking refined chemicals are often taken as cost-competitive substitutes for petroleum-based refined chemicals in China as it has rich coal resources, the price of which is relatively cheaper than petroleum resources. Therefore, the demand and pricing for the Group's refined chemicals are also affected by the petroleum price and the development in the petrochemical industry.

#### Prices of the Group's Raw Materials and Products

The Group is exposed to movements in the market prices of the Group's products and coal, as well as changes in the spread between those prices. The Group generally sells the Group's products based on the prevailing market prices in the regions where the Group sells its products, by reference to various factors applicable to individual customers. Market forces of supply and demand generally determine the pricing of the Group's products. Historically, market prices of coke and its refined chemicals have fluctuated as a result of alternating periods of increase and decrease in demand. The prices of the Group's products are affected by a number of factors including:

- supply of and demand for the Group's products, which is mainly affected by (i) the PRC laws, regulations and policies affecting the coal, coking and iron and steel industries, (ii) the demands in the iron, steel and chemical industries and (iii) the PRC domestic as well as global economic cycles;
- price of coal, the Group's principal raw material, which is affected by the supply of and demand for coal and subject to the PRC domestic as well as global economic cycles;

- the Group's product characteristics and quality (as different types of coke command different prices in the market);
- prices of chemicals in the international market; and
- the Group's transportation costs, the availability of transportation capacity and means of transportation.

In addition, as most of the Group's refined chemicals, such as pure benzene, toluene, coal asphalt and industrial naphthalene, can be produced from both coking by-products and petroleum, prices of the Group's products are also affected by the fluctuations in petroleum prices. Historically, when petroleum price went down, the prices of the Group's products usually decreased.

The following table sets forth the average selling price (net of VAT) of each of the Group's principal products during the first six months of 2024 and the year of 2023 according to the Group's internal records.

	<b>For the first six months of 2024 Average selling price<sup>(1)</sup></b>	2023 Average selling price <sup>(1)</sup>
	<b>RMB/ton (except coal gas, in RMB/m<sup>3</sup>)</b>	RMB/ton (except coal gas, in RMB/m <sup>3</sup> )
<b>Coke</b>	<b>2,118.19</b>	2,225.74
Coke	<b>2,251.2</b>	2,366.59
Coke breeze	<b>991.7</b>	1,233.18
<b>Refined Chemicals</b>		
Benzene based chemicals	<b>7,020.01</b>	6,312.49
Pure benzene	<b>7,445.26</b>	6,468.50
Toluene	–	6,465.35
Coal tar based chemicals	<b>4,347.94</b>	4,491.57
Coal asphalt	<b>4,561.16</b>	4,752.35
Anthracene oil	<b>3,910.98</b>	4,072.05
Industrial naphthalene	<b>5,057.65</b>	5,034.84
<b>Energy Products</b>		
Coal gas	<b>0.81</b>	0.83
LNG	<b>4,067.5</b>	4,360.35

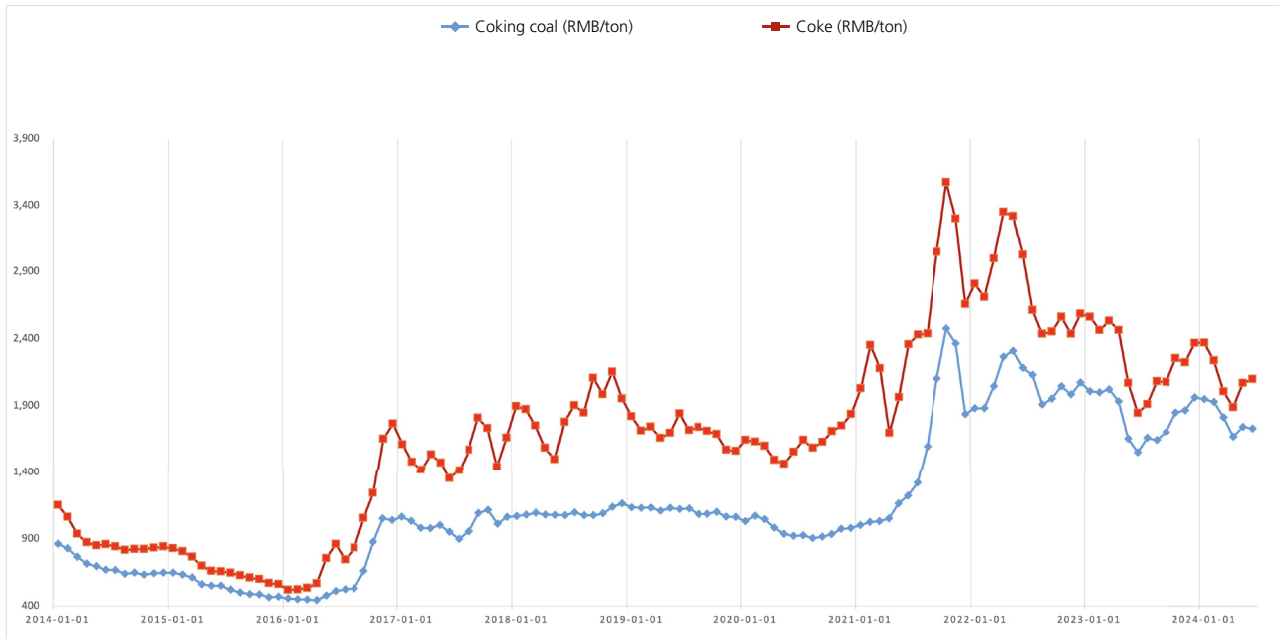
- (1) Calculated by dividing the revenue of each relevant product by the sales volume of such product (except that the average selling prices of the coke segment, benzene-based chemicals and coal tar-based chemicals represent the weighted average prices of relevant products in the segment or category,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

Coal is the primary raw material for the Group's products. Coal prices affect the Group's raw material costs and are also one of the factors which affect the prices of the Group's products. The Group does not normally enter into long-term fixed-price purchase contracts with the Group's suppliers. The Group purchases coal based on the Group's production schedule. The purchase price is agreed between the Group and the suppliers based on arm's-length negotiation with reference to prevailing market prices at the time the Group places the orders. The supply of coal is also another factor affecting the results of the Group's operations. Tightened environmental protection regulations or an increase in industry consolidation driven by the government in the coal industry could reduce the supply or increase the price of coal. A fluctuation in coal supply may push the price of coal, which in turn will increase the costs of operating the Group's business.

## 6 MANAGEMENT DISCUSSION AND ANALYSIS

Increases or decreases in the prices of coking coal may not immediately result in changes in the prices of the Group's products or vice versa. In a rising market for the Group's products, the Group may benefit from the widening spread between the prices of raw materials and the Group's products. While in a falling market for the Group's products, the Group may suffer from the narrowing spread.

The following chart shows the average purchase price of coking coal and the average selling price of coke (net of VAT) from 2014 to June 2024 according to the Group's internal records:



The Group believes that the prevailing market prices of coking coal and the Group's products are generally driven by market forces of supply and demand. Since the Group sells the Group's products and procure the Group's coking coal based on prevailing market prices and the prices of coking coal typically move in tandem, though at different speed and magnitude, with the prices of coke and iron and steel, considering of market price fluctuations, the Group believes that it is generally able to negotiate the prices of the Group's products.

### Production and Sales Volume

The fluctuations of the Group's results of operations were mainly driven by the changes in the average selling price of the Group's products and the average purchase price of coal, while the sales volume of the Group's products was mainly determined by the Group's production. The business of the Group in the first half of 2024 remained stable, with production capacity utilization rate of each of the principal products substantially maintained. Full sales of the Group has been consistently achieved with revenue of the Group. In the first half of 2024, the Group's production for coke was approximately 1.9 million tons. Processing capacity for crude benzene and coal tar was approximately 175,480 tons and 81,240 tons, respectively, while production for LNG was approximately 35,620 tons.

### MAJOR DEVELOPMENTS

The Group's strength in coking operations has in the past enabled the Group to extend the Group's engagement in the coking chemical value chain of the coal chemical industry through the acquisition of companies engaging in the production of upstream and downstream products in coking operations. As such, the Group actively expanded its business of coking chemical, refined chemicals as well as coal gas and LNG, and continued to invest in environmental protection facilities. The Group will further expand and deepen its involvement in the coking chemical value chain (including hydrogen energy industry chain) in 2024.

- **Formation of Joint Venture for the Production and Sale of Coke**

The Company established a joint venture with Angang Group Xinyang Steel Co., Ltd. in Xinyang City, Henan Province, China in 2020. The joint venture is focused on constructing coking furnaces with an annual capacity of approximately 1.6 million tons, primarily producing and selling coke, heat, and electricity. The first phase of the coking furnace project was completed at the end of 2022 and entered full production in 2023. Due to pressure on coal and coke gross margins in the coke market, the construction of the second phase has been slowed. The Group is closely monitoring the developments in the coking market, and further construction of the second phase will depend on the outcome of this review. As of 30 June 2024, the Group has invested approximately RMB4.04 billion (excluding taxes) in the project.

- **Expansion Plan for Benzene-based Chemicals**

The Company had started to prepare for a project of capacity expansion of 200,000 tons benzene-based chemicals in early 2022, with a total investment of approximately RMB380 million. The construction of this project was completed in the fourth quarter of 2023, and it has been operating smoothly at full capacity in the first half of 2024, producing and selling approximately 148,000 tons of benzene-based chemicals.

- **Hydrogen Energy Industry Chain**

In view of the PRC government's strategic policy in developing clean energy, and in order to grasp the opportunity of the development of hydrogen fuel cell vehicles and the relevant industry in the Henan Province, leveraging on the Group's coking coal gas capacity of 1,000 million m<sup>3</sup>, the Group has been planning to fully tap into the hydrogen industrial chain, including production, transportation, storage and refuelling, and has established a new hydrogen gas refuelling station in Zhengzhou and Jiyuan respectively, both of which have been fully operational since 2024. During the period, approximately 300 and 180 hydrogen fuel cell vehicles were serviced respectively, supplying approximately 62,500 kilograms and 166,800 kilograms of hydrogen. Meanwhile, a new hydrogen refueling station was constructed in Gongyi City, Zhengzhou with an investment of approximately RMB3.1 million during the period and commenced operation in the second quarter.

Funding for these investments have been and/or will be from the Group's own financial resources, proceeds from listing, and bank borrowings.



## RESULTS OF OPERATIONS

## Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Below is the condensed consolidated statement of profit or loss and other comprehensive income of the Group which shall be read in conjunction with its condensed consolidated financial information.

	For the six months ended 30 June		Change
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000	
<b>Continuing operations</b>			
Revenue	6,299,480	5,890,693	408,787
Cost of sales	(6,229,414)	(5,674,501)	(554,913)
Gross profit	70,066	216,192	(146,126)
Other income	38,199	56,575	(18,376)
Other gains and losses	(15,075)	(18,121)	3,046
Selling and distribution expenses	(197,617)	(119,492)	(78,125)
Administrative expenses	(89,974)	(75,771)	(14,203)
Finance costs	(68,809)	(59,189)	(9,620)
Share of result of a joint venture	2,253	8,728	(6,475)
Share of results of associates	277	(4,608)	4,885
(Loss) profit before tax	(260,680)	4,314	(264,994)
Income tax credit	51,360	25,297	26,063
(Loss) profit for the period	(209,320)	29,611	(238,931)

	For the six months ended 30 June		
	2024	2023	Change
	(unaudited) RMB'000	(unaudited) RMB'000	RMB'000
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Fair value gain on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI"), net of income tax	5,541	365	5,176
Total comprehensive (expense) income for the period	<u>(203,779)</u>	<u>29,976</u>	<u>(233,755)</u>
(Loss) profit for the period attributable to:			
— Owners of the Company	(156,978)	43,168	(200,146)
— Non-controlling interests	(52,342)	(13,557)	(38,785)
	<u>(209,320)</u>	<u>29,611</u>	<u>(238,931)</u>
Total comprehensive (expense) income for the period attributable to:			
— Owners of the Company	(153,904)	44,071	(197,975)
— Non-controlling interests	(49,875)	(14,095)	(35,780)
	<u>(203,779)</u>	<u>29,976</u>	<u>(233,755)</u>
(Loss) earnings per share (RMB)			
— Basic	<u>(0.29)</u>	<u>0.08</u>	<u>(0.37)</u>

### Consolidated Financial Information

- **Revenue** increased by approximately RMB408.8 million or approximately 6.9% as compared to the same period of the preceding year. This growth was primarily driven by increased sales of refined chemicals, though partially offset by a decline in coke sales. For details, please refer to the section headed "Business Segment Result" in this report.
- **Cost of sales** increased by approximately RMB554.9 million or approximately 9.8% as compared to the same period of the preceding year. The rise in cost of sales was due to the increase in sales revenue; however, the cost increase outpaced revenue growth. This was mainly due to the fact that the price drop of coal, being the main raw material for the Group's products, is less than the drop in the selling price of product. The purchase price of outsourced raw materials for derivative chemicals also increased at a higher rate than the sales price of the products.
- **Gross profit** decreased significantly by approximately RMB146.1 million or approximately 67.6% as compared to the same period of the preceding year. The gross profit margin of the Group decreased from approximately 3.7% in the first half of 2023 to approximately 1.1% for the same period in 2024. This decrease is mainly due to the fact that the drop of the purchase price of coal, which is the main raw material of the Group's products, is smaller than the selling prices of the products produced during the period, resulting in a substantially narrowed margin spread between products and raw materials. For details, please refer to the section headed "Business Segment Result" in this report.

## 10 MANAGEMENT DISCUSSION AND ANALYSIS

- **Other income** decreased by approximately RMB18.4 million as compared to the same period of the preceding year. This decrease was mainly due to receiving interest income of RMB28.3 million from Yilong Coal in the same period last year, while receiving government grants in the current period increased by RMB9.5 million.
- **Other gains and losses** recorded decrease in loss by approximately RMB3.1 million as compared to the same period of the preceding year. This reduction was primarily due to a gain of RMB4.8 million on the settlement of the Hong Kong dollar funds raised from the listing of Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\* (河南金源氢化化工有限公司, “Jinyuan HChem”).
- **Selling and distribution expenses** increased significantly by approximately RMB78.1 million or approximately 65.4% as compared to the same period of the preceding year. This increase was mainly due to the Group conducting more business under which it has to bear the relevant shipping cost, plus the shipping cost of increased sales.
- **Administrative expenses** increased by approximately RMB14.2 million or approximately 18.7% as compared to the same period of the preceding year. This increase was mainly due to the expansion of the Group’s derivative chemicals and hydrogen business when Jinyuan HChem became a listed company by the end of 2023, which resulted in an increase in the respective administrative costs.
- **Finance costs** A period-on-period increase of approximately RMB9.6 million or approximately 16.3%. This increase was mainly due to the expansion in business of the Group, leading to an increase in the average borrowing balances, resulting in an increase in interest payment.
- **Share of result of a joint venture** decreased significantly by approximately RMB6.5 million or approximately 74.2% as compared to the same period of the preceding year. This decrease was mainly due to a decline in both sales volume and prices of hydrogen by the joint venture.
- **Share of results of associates** increased by approximately RMB4.9 million to approximately RMB0.3 million as compared to the same period of the preceding year. This increase was mainly due to the trading business of a 49%-owned associate returning to profitability.
- **(Loss) profit before tax** considering the above factors, profit before tax decreased by approximately RMB265.0 million as compared to the same period of the preceding year to a loss of approximately RMB260.7 million.
- **Income tax credit** increased by approximately RMB26.1 million as compared to the same period of the preceding year, mainly due to an increase in revenue from deferred income tax resulting from the pre-tax loss.
- **(Loss) profit for the period** decreased by approximately RMB238.9 million to a loss of approximately RMB209.3 million as compared to the same period of the preceding year.

## Business Segment Result

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

	For the six months ended 30 June							
	Segment revenue		Segment result		Segment gross profit margin		Percentage in total revenue of the Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	%	%	%	%
Coke	3,916,167	4,239,373	66,588	155,169	1.7	3.7	62.2	72.0
Trading	316,129	178,670	10,364	17,240	3.3	9.6	5.0	3.0
Refined Chemicals	1,586,863	1,025,716	(35,170)	(11,811)	(2.2)	(1.2)	25.2	17.4
Energy Products	432,309	403,092	18,889	50,763	4.4	12.6	6.9	6.8

- Coke** segment revenue decreased by approximately RMB323.2 million as compared to the same period of the preceding year. The decrease was mainly due to the fact that the average selling price of coke of the Group continued to decline in the first half of 2024, which fell by approximately 9.0% as compared to the corresponding period, however, the average purchase price of coking coal only decreased by approximately 3.0%, which resulted in a decrease in gross profit margin from 3.7% to 1.7%
- Trading** segment revenue increased by approximately RMB137.5 million as compared to the same period of the preceding year. Despite an increase in trade volume, the gross profit margin declined from 9.6% to 3.3%, leading to a 39.9% drop in segment result to approximately RMB10.4 million
- Refined Chemicals** segment revenue increased by approximately RMB561.2 million or approximately 54.7% as compared to the same period of the preceding year, mainly due to approximately 67.5% increase in sales volume of hydrogenated benzene-based chemicals following a doubling of production capacity. However, the segment result loss increased by approximately RMB23.4 million to approximately RMB35.2 million as compared to the same period of the preceding year. This was mainly due to the fact that the average price of coal, which is the raw material for refined chemicals, remained at a high level and the drop during the period was less significant compared to the product price, thus, the overall segment gross profit margin declined from -1.2% to -2.2%, leading to an increase in segment result loss.
- Energy Products** segment revenue increased by approximately RMB29.2 million or approximately 7.2% to RMB432.3 million as compared to the same period of the preceding year, primarily driven by an increase of approximately RMB40.5 million in sales revenue from electricity generated by the first phase of approximately 1.6 million tons coking furnace. However, part of this increase was offset by a decline in revenue from LNG and coal gas due to lower selling prices. Additionally, the average price of coal, which is the raw material for energy products, decreased less during the period compared to the product price, resulting in a decline in overall segment gross profit margin from 12.6% to 4.4%, and an approximately 62.8% decrease in segment result to approximately RMB18.9 million.

## FINANCIAL POSITION

### Financial Resources

In the first half of 2024, the Group's major financial resources were funded by the proceeds from the sales of the Group's products, shareholders' equity and bank borrowings. The Directors have confirmed that the Group did not experience any liquidity problems in the first half of 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 and 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 condensed consolidated statement of cash flows for the periods:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Net cash from (used in) operating activities	<b>530,423</b>	(5,956)
Net cash used in investing activities	<b>(106,770)</b>	(540,462)
Net cash (used in) from financing activities	<b>(306,365)</b>	424,455
Net increase (decrease) in cash and cash equivalents	<b>117,288</b>	(121,963)
Cash and cash equivalents at the beginning of the period	<b>917,869</b>	913,992
Effect of foreign exchange rate changes	<b>4,729</b>	107
Cash and cash equivalents at the end of the period, represented by: bank balances and cash	<b><u>1,039,886</u></b>	<u>792,136</u>

- **Cash Flow from Operating Activities**

In the first half of 2024, the Group's cash from operating activities of approximately RMB530.4 million was primarily attributable to (i) the net operating cash flows before movements in working capital of approximately RMB43.7 million; (ii) decrease in inventories of approximately RMB214.6 million; (iii) decrease in bills receivables at FVTOCI of approximately RMB483.1 million; (iv) decrease in trade and other receivables of approximately RMB82.9 million; and (v) increase in refundable deposits payable of approximately RMB118.1 million. Yet the cash from operating activities is partially offset by (vi) the increase in amount due from a shareholder of approximately RMB12.8 million; and (vii) decrease in trade and other payables of approximately RMB384.5 million.

- **Cash Flow from Investing Activities**

In the first half of 2024, the Group's net cash used in investing activities of approximately RMB106.8 million was primarily due to (i) acquisition of or payment for deposit of acquisition for property, plant and equipment and right-of-use assets of approximately RMB233.0 million; (ii) Placement of restricted bank balances of approximately RMB785.5 million; yet was partially offset by (iii) net recovery of approximately RMB871.1 million to restricted bank balances; (iv) interest received of approximately RMB15.8 million; and (v) refundable deposit received from contractors of approximately RMB10.6 million.

- **Cash Flow from Financing Activities**

In the first half of 2024, the Group's net cash used in financing activities of approximately RMB306.4 million was primarily due to: (i) the repayment of borrowings of approximately RMB1,745.2 million; (ii) interest payments of approximately RMB82.2 million; (iii) repayment of sale-leaseback payments of approximately RMB68.5 million; and (iv) dividends paid to non-controlling interests of subsidiaries of approximately RMB19.6 million; yet was partially offset by new borrowings raised of approximately RMB1,286.5 million.

## 14 MANAGEMENT DISCUSSION AND ANALYSIS

### Liabilities

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

	<b>As at 30 June 2024</b>	As at 31 December 2023	Increase/ (decrease)
	<b>RMB'000 (unaudited)</b>	RMB'000 (audited)	RMB'000
Bank borrowings	<b>3,435,071</b>	3,893,791	(458,720)
Other borrowings (Note)	<b>80,000</b>	50,000	30,000
	<b><u>3,515,071</u></b>	<u>3,943,791</u>	<u>(428,720)</u>
Secured	<b>1,448,371</b>	2,059,771	(611,400)
Unsecured	<b>2,066,700</b>	1,884,020	182,680
	<b><u>3,515,071</u></b>	<u>3,943,791</u>	<u>(428,720)</u>
Fixed-rate borrowings	<b>1,682,352</b>	1,916,948	(234,596)
Floating-rate borrowings	<b>1,832,719</b>	2,026,843	(194,124)
	<b><u>3,515,071</u></b>	<u>3,943,791</u>	<u>(428,720)</u>
Carrying amount repayable (based on scheduled payment terms)			
Within one year	<b>2,508,716</b>	2,438,420	70,296
More than one year, but not more than two years	<b>708,456</b>	978,700	(270,244)
More than two years, but not more than five years	<b>297,899</b>	526,671	(228,772)
	<b><u>3,515,071</u></b>	3,943,791	(428,720)
Less: Amount shown under current liabilities	<b><u>(2,508,716)</u></b>	(2,438,420)	(70,296)
Amount due after one year shown under non-current liabilities	<b><u>1,006,355</u></b>	<u>1,505,371</u>	<u>(499,016)</u>

Note: Other borrowings include unsecured borrowings from two third parties amounting to RMB50,000,000 and RMB30,000,000, with annual interest rates of 12% and 8%, respectively. Both borrowings are due within one year from the date of receipt.

The Group's bank borrowings in 2023 and the first half of 2024 were all borrowings denominated in Renminbi. As at 31 December 2023, approximately RMB2,059.8 million of the Group's borrowings were secured by the Group's property, plant and equipment, right-of-use assets, restricted bank balances and bills receivables. All remaining secured borrowings were credit borrowings. As at 30 June 2024, the Group's borrowings of approximately RMB1,448.4 million were secured by right-of-use assets, restricted bank balances, and property, plant and equipment.

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

	<b>Six months ended</b>	Year ended
	<b>30 June 2024</b>	31 December 2023
	<b>(unaudited)</b>	(audited)
Effective interest rate:		
– Fixed-rate borrowings	<b>3.50%-5.70%</b>	3.85%-5.70%
– Floating-rate borrowings	<b>2.80%-5.60%</b>	2.60%-5.60%

As at 30 June 2024, the Group had obtained banking facilities in an aggregate amount of approximately RMB13,745.0 million (31 December 2023: RMB9,520 million), of which total amount of approximately RMB638.7 million (31 December 2023: RMB820.1 million) is still available for use. As at 30 June 2024, the Group had total outstanding bank borrowings of approximately RMB3,435.1 million (31 December 2023: RMB3,893.8 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 RMB917.5 million falling due in the first half of 2024 according to needs).

As at 30 June 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. Save as disclosed in this "Financial Position" section, the Directors confirm that there has been no material change in the Group's indebtedness and contingent liabilities since 30 June 2024 and up to the date of this report. As at 30 June 2024, save as disclosed in this "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, acceptance liabilities or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that, for the six months ended 30 June 2024, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during the first half of 2024, the Group did not experience any difficulty in obtaining bank loans and other borrowings, or any default in payment of bank loans 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.

## CHARGE ON ASSETS

As at 30 June 2024, the Group had pledged certain of its assets with a total book value of approximately RMB1,772.6 million (31 December 2023: approximately RMB1,397.1 million) for the purpose of providing securities to banks against general banking facilities, including banks borrowings and bills payables granted to the Group.



## FINANCIAL RATIOS

The following table sets forth the Group's financial ratios as at the dates and for the years indicated:

	<b>For the six months ended 30 June 2024</b>	Year ended 31 December 2023
Gearing ratio	<b>0.75x</b>	0.81x
Return on equity (annualized ratio)	<b>-9.3%</b>	0.6%
Return on assets (annualized ratio)	<b>-3.4%</b>	-0.1%

### Gearing ratio

Gearing ratio is calculated by dividing the Group's total interest-bearing bank borrowings by the Group's total equity as at the end of each period.

The Group's gearing ratio slightly decreased for the first half of 2024, mainly because the reduction in the Group's total interest-bearing bank borrowings was greater than the decrease in total equity.

### Return on Equity

Return on equity is calculated by dividing the profit or loss attributable to owners of the Company for the period by the average equity attributable to owners of the Company for the same period.

The decline in the Group's return on equity from 0.6% to -9.3% was mainly due to the shift from profit to loss.

### Return on Assets

Return on assets is calculated by dividing the total comprehensive income or expense for the period by the total average assets of the Group for the same period.

The decrease in the Group's return on assets from -0.1% to -3.4% was mainly due to the significant increase in the Group's loss.

## CONTRACTUAL OBLIGATIONS AND CAPITAL EXPENDITURE

The table below sets forth the Group's capital commitments as at the dates indicated.

	<b>As at 30 June 2024</b>	As at 31 December 2023
	<b>RMB'000 (unaudited)</b>	RMB'000 (audited)
Capital expenditure contracted for but not provided in the Group's condensed consolidated financial statements in respect of acquisition of property, plant and equipment	<b>85,977</b>	133,390

Other than the transactions described in the above table, as at 30 June 2024, the Group had no other material contractual commitments.

### Off-Balance Sheet Arrangements

The Group did not have any material off-balance sheet arrangements as at 30 June 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 condensed 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.

### TRANSFER OF FINANCIAL ASSETS

During the first half of 2024, 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 the endorsed and discounted bills receivables are issued and guaranteed by reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the condensed 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:

	<b>As at</b> <b>30 June 2024</b>	As at 31 December 2023
	<b>RMB'000</b> <b>(unaudited)</b>	RMB'000 (audited)
Endorsed bills for settlement of payables	<b>2,438,357</b>	2,828,952
Discounted bills for raising cash	<b>1,384,416</b>	1,250,544
Outstanding endorsed and discounted bills receivables with recourse	<b>3,822,773</b>	4,079,496

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

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Save as disclosed in Note 24 of the condensed consolidated financial statements in this report, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the reporting period and up to the date of this interim report.

### SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

From 30 June 2024, up to the date of this report other than that disclosed on Note 24 of the condensed consolidated financial statements, 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. During the first half of 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 the HK dollar proceeds from listing by the Company and its subsidiary Jinyuan HChem (HK\$48.7 million and HK\$254.0 million as at 30 June 2024 and 31 December 2023 respectively) 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, and in particular, coal, as well as fluctuations in the prevailing market prices of the Group's products. The Group generally purchases coal and other raw materials based on prevailing market prices. The Group's products are also generally sold based on the prevailing market prices in the regions where the Group sells the Group's 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 bank loans, bank borrowings and other borrowings 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 30 June 2024, the Group had fixed-rate borrowings in the amount of approximately RMB1,682.4 million (31 December 2023: approximately RMB1,917.0 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 30 June 2024 is the carrying amount of those assets stated in the condensed consolidated statements of financial position, and the maximum outstanding amount of contingent liabilities is as disclosed in the condensed consolidated 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 credit risk, the Group's management continues to monitor the level of risk exposure to ensure that the Group can recover any overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are provided for irrecoverable amounts. In this regard, the Directors are of the view that the Group's credit risk is significantly reduced.

The Group has significant concentration of credit risk in trade receivables and amounts due from shareholders and trading amounts due from related parties, with over 57% and 68% of exposure concentrated in the five largest outstanding balances for the six months ended 30 June 2024 and the year ended 31 December 2023, respectively. The Group believes the Group's credit risks on bank balances and deposits or bill 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.

### DISTRIBUTABLE RESERVES

As at 30 June 2024, the Company had distributable reserves (i.e. retained profits) of RMB2,068.9 million (31 December 2023 RMB2,069.3 million).

For the six months ended 30 June 2024, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the first half of 2024.

### NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2024 and up to the date of this report

### DIVIDEND AND DIVIDEND POLICY

To show appreciation to its Shareholders, and having considered the financial and business conditions of the Group, the Group has established a dividend policy, subject to the relevant laws and regulations in the PRC and Hong Kong, the dividend to be distributed by the Company each year will not be less than 25% of the profit and total comprehensive income attributable to the Company's Shareholders for the year. 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 interim results and financial position as of 30 June 2024, the Board of Directors has resolved not to declare an interim dividend.

### 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 year ended 31 December 2023 and the six months ended 30 June 2024, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2023 and 30 June 2024, respectively.

The Company persists in becoming an enterprise with a strong sense of social responsibility. Consistently adhering to the principle of harmonious development of economic benefit and social benefit, it promotes technological advancement in the industry and assumes its 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 standard 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") in accordance with the PRC Company Law, and other relevant laws and regulations of the PRC. The Articles 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.

Meanwhile, the Company has also adopted the Corporate Governance Code (the "Code") in Appendix C1 of the Listing Rules, and formulated a series of rules (such as Internal Audit Rules, Internal Control Evaluation Rules, Compliance Management Rules, Authorization Management Rules and External Investment Management Rules, etc.) as well as the terms of reference of the Nomination Committee, the Remuneration 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 as set out in the Code, so as to enable Shareholders' evaluation of such application.

Reference is made to the announcement of the Company dated 10 May 2024, save for the failure to comply with the relevant requirements under Chapter 14 of the Listing Rules in relation to the Xinyang Jingang Project as mentioned in the announcement, during the six months ended 30 June 2024, the Company has complied with the Listing Rules and all code provisions under the Code.

The Company has also adopted the amended articles of association of the Company on 22 May 2024 in light of the relevant updates regarding the paperless regime in the Listing Rules, a copy of which is published on the websites of the Company and the Stock Exchange.

## 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 of the Listing Rules and the Company Secretary has also issued to all Directors and supervisors of the Company (the "Supervisors") a compliance notice of suspending trading during the black-out period in accordance with the Model Code. Having made specific enquiries with the Directors and Supervisors, the Company hereby confirms that all the Directors and Supervisors have complied with the standards as set out in the Model Code for the trading of securities by Directors during the six months ended 30 June 2024.

### BOARD OF DIRECTORS

The Directors of the third session of the Board of Directors were appointed at the annual general meeting held on 23 May 2022 for a term of three years until the conclusion of the annual general meeting for the year ending 31 December 2024. The third session of the Board of Directors consists of nine directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. The members of the third session of the Board of Directors are listed as follows:

#### Executive Directors

Mr. Yiu Chiu Fai (Chairman)  
Mr. Wang Mingzhong (Chief Executive Officer)  
Mr. Li Tianxi (Executive Deputy General Manager)

#### Non-executive Directors

Mr. Xu Baochun (Deputy Chairman)  
Ms. Ye Ting  
Mr. Wang Kaibao

#### Independent Non-executive Directors

Mr. Wu Tak Lung  
Mr. Meng Zhihe  
Mr. Cao Hongbin

### SUPERVISORY COMMITTEE

The Supervisors of the third session of the Supervisory Committee were appointed at the annual general meeting held on 23 May 2022 for a term of three years until the conclusion of the annual general meeting for the year ending 31 December 2024. The third session of the Supervisory Committee consists of six Supervisors, including two shareholder representative Supervisors, two employee Supervisors and two independent Supervisors. The members of the third session of the Supervisory Committee are listed as follows:

#### Supervisors

Mr. Wong Tsz Leung (Chairman)  
Mr. Wu Jiacun  
Mr. Zhou Tao David  
Ms. Tian Fangyuan  
Ms. Hao Yali  
Mr. Fan Xiaozhu

## DISCLOSURE OF INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information on Directors, Supervisors and Chief Executive Officer of the Company for the six months ended 30 June 2024 and up to the date of this interim report are as follows:

Supervisors	Details of change
Mr. Wong Tsz Leung	has been redesignated as a non-executive director and resigned as the chief financial officer of Smart-Core Holdings Limited (Stock Code: 2166) with effect from 1 July 2024.
Ms. Tian Fangyuan	has resigned from her position as Market Development Manager of Central Finance Advisory with effect from 28 February 2024.  has been appointed Chief Financial Officer and Company Representative at Yuguang Australia Pty Ltd. with effect from 1 March 2024.

## INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 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 Securities and Future Ordinance (“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 were as follows:

### Long Position in 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)
Mr. Yiu Chiu Fai	Interests in controlled corporation (Note 3)	H shares	162,000,000 (L)	30.26%
	Beneficial owner	H shares	2,681,000 (L)	0.50%
Mr. Zhou Tao David	Beneficial owner	H shares	8,000 (L)	0.001%



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, all of which are H shares.
3. Mr. Yiu Chiu Fai (an executive Director) is the legal and beneficial owner of the entire issued share capital of Golden Star Chemicals (Holdings) Limited\* ("Golden Star"). Golden Star, in turn, holds 96.3% of the issued share capital of Jinma Coking (BVI) Limited\* ("Jinma Coking"), while Jinma Energy (Hong Kong) Limited\* (formerly known as Jinma Coking (Hong Kong) Limited) ("Jinma HK") is wholly-owned by Jinma Coking. Accordingly, Mr. Yiu is deemed to be interested in Jinma HK's interest in the Company by virtue of the SFO.

Save as disclosed above, as at 30 June 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

During this reporting period or as at 30 June 2024, none of the Directors or Supervisors, 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.

### ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during this reporting period was the Company, its holding company or any of its subsidiaries nor fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SECURITIES

As at 30 June 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 HK	Beneficial owner	H shares	162,000,000 (L)	30.26%
Jinma Coking	Interests in controlled corporation (Note 3)	H shares	162,000,000 (L)	30.26%
Golden Star	Interests in controlled corporation (Note 4)	H shares	162,000,000 (L)	30.26%
Ms. Lam Yuk Wai	Interest of spouse (Note 5)	H shares	164,681,000 (L)	30.76%
Maanshan Steel	Beneficial owner (Note 6)	H shares	144,000,000 (L)	26.89%
Magang (Group) Holdings Co., Ltd.	Interests in controlled corporation (Note 6)	H shares	144,000,000 (L)	26.89%
Jiangxi PXSteel Industrial Co. Ltd.* ("Jiangxi PXSteel")	Beneficial owner	H shares	52,945,000 (L)	9.89%
Jiangxi Fangda Steel Group Co., Ltd.	Interests in controlled corporation (Note 7)	H shares	52,945,000 (L)	9.89%
Liaoning Fangda Group Industrial Co., Ltd.	Interests in controlled corporation (Note 7)	H shares	52,945,000 (L)	9.89%
Beijing Fangda International Enterprise Investment Co., Ltd.	Interests in controlled corporation (Note 8)	H shares	52,945,000 (L)	9.89%
Mr. Fang Wei	Interests in controlled corporation (Note 9)	H shares	52,945,000 (L)	9.89%
Jiyuan Jinma Xingye Investment Co., Ltd.* ("Jinma Xingye")	Beneficial owner	H shares	42,900,000 (L)	8.01%
Mr. Wang Lijie	Interests in controlled corporation (Note 10)	H shares	42,900,000 (L)	8.01%
Ms. Zheng Jing	Interest of spouse (Note 11)	H shares	42,900,000 (L)	8.01%

## Notes:

1. The letter "L" denotes the entity/person's long position in such shares.
2. The percentage is based on the total number of 535,421,000 shares in issue of which all are H shares.
3. Jinma HK is wholly-owned by Jinma Coking. Accordingly, Jinma Coking is deemed to be interested in Jinma HK's interest in the Company by virtue of the SFO.
4. Jinma Coking is held as to 96.3% by Golden Star. Accordingly, Golden Star is deemed to be interested in Jinma Coking's, and in turn, Jinma HK's interest in the Company by virtue of the SFO.
5. Ms. Lam Yuk Wai is the wife of Mr. Yiu Chiu Fai, and thus, she is deemed to be interested in the same amount of shares as Mr. Yiu.
6. Magang (Group) Holdings Co., Ltd., whose actual controller was the State-owned Assets Supervision and Administration Commission of the State Council (being the holder of 51% of the interest in Magang (Group) Holdings Co., Ltd. through its 100% controlled China Baowu Steel Group Corporation Limited), is the holding company of Maanshan Steel and holds approximately 47.31% of the shares of Maanshan Steel. Accordingly, Magang (Group) Holdings Co., Ltd. is deemed to be interested in Maanshan Steel's interest in the Company by virtue of the SFO.
7. As per their confirmations, Jiangxi Fangda Steel Group Co., Ltd. ("Fangda Group") directly holds approximately 51.897% of Jiangxi PXSteel, thus, Fangda Group is the holding company of Jiangxi PXSteel. Accordingly, Fangda Group is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO. On the other hand, Liaoning Fangda Group Industrial Co., Ltd. ("Liaoning Fangda") is directly and indirectly interested in approximately 61.414% of Jiangxi PXSteel, and hence Liaoning Fangda is the controlling company of Jiangxi PXSteel. Accordingly, Liaoning Fangda is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO.
8. Beijing Fangda International Enterprise Investment Co., Ltd. ("Beijing Fangda") is the holding company of Liaoning Fangda and holds approximately 99.2% of the shares of Liaoning Fangda. Accordingly, Beijing Fangda is deemed to be interested in Liaoning Fangda's, and in turn, Jiangxi PXSteel's interest in the Company by virtue of the SFO.
9. Mr. Fang Wei (方威) is the sole equity holder of Beijing Fangda. Accordingly, Mr. Fang is deemed to be interested in Beijing Fangda's interest in the Company by virtue of the SFO.
10. Mr. Wang Lijie (王利杰) is the holder of approximately 33.44% of the equity interest of Jinma Xingye. Accordingly, Mr. Wang is deemed to be interested in Jinma Xingye's interest in the Company by virtue of the SFO.
11. Ms. Zheng Jing (鄭菁) is the wife of Mr. Wang Lijie, and thus, she is deemed to be interested in the same number of shares as Mr. Wang.

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 30 June 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 its listing date and up to the date of this report.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

## PROVISION OF FINANCIAL SUBSIDIES AND GUARANTEES TO ASSOCIATES

As at 30 June 2024, the Company has not provided financial subsidies and guarantees to the associates of the Company.

## EMPLOYEES AND REMUNERATION POLICY

Employees are the Group's important asset. As at 30 June 2024, the Group had a total of 2,861 employees, including 11 senior management, 113 mid-level management and 2,737 ordinary employees. For the six months ended 30 June 2024, the staff cost of the Group amounted to approximately RMB146.8 million as compared to approximately RMB132.1 million for the same period last year.

The Company has established a Remuneration Committee which is responsible for advising the Board on the Company's policies and structures regarding, remuneration packages (including non-pecuniary benefits, pension rights and compensation) of Directors and senior management officers. The Remuneration Committee reviews 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.

Remuneration of mid-level management personnel of the Company is based on annual salary 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 Company. Remuneration of ordinary employees consists of basic salary, bonuses and various subsidies.

The Group has made full contributions to social insurance (including pension scheme, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident funds for all employees in accordance with the relevant PRC labour laws and regulations.

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

### **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The Audit Committee of the Company was set up by the Board with specific terms of reference for the purpose of reviewing the Company's financial information, overseeing the Company's financial reporting system, risk management and internal control systems. The Audit Committee comprises three Directors, including Mr. Wu Tak Lung (independent non-executive Director), Mr. Xu Baochun (non-executive Director) and Mr. Meng Zhihe (independent non-executive Director), and is chaired by Mr. Wu Tak Lung.

The Audit Committee has reviewed with the management and the external auditor, Deloitte Touche Tohmatsu, the accounting methods adopted by the Company and the unaudited condensed consolidated interim financial statements of the Company for this reporting period. The Audit Committee also has reviewed this interim report. The Company's unaudited consolidated interim results for this reporting period have been reviewed by the Company's external auditor in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

### **APPRECIATION**

I would like to take this opportunity to thank all the Group's employees, Shareholders and business partners for their continuous support to the Group.

By order of the Board  
**Henan Jinma Energy Company Limited**  
**Yiu Chiu Fai**  
*Chairman*

Hong Kong, 29 August 2024

\* For identification purposes only

**TO THE BOARD OF DIRECTORS OF HENAN JINMA ENERGY COMPANY LIMITED**

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

**Introduction**

We have reviewed the condensed consolidated financial statements of Henan Jinma Energy Company Limited (the "Company") and its subsidiaries set out on pages 30 to 57, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**

Certified Public Accountants

Hong Kong

29 August 2024

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	NOTES	Six months ended	
		30/06/2024	30/06/2023
		RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue	3	6,299,480	5,890,693
Cost of sales		(6,229,414)	(5,674,501)
Gross profit		70,066	216,192
Other income	4	38,199	56,575
Other gains and losses	5	(15,075)	(18,121)
Selling and distribution expenses		(197,617)	(119,492)
Administrative expenses		(89,974)	(75,771)
Finance costs	6	(68,809)	(59,189)
Share of result of a joint venture		2,253	8,728
Share of results of associates		277	(4,608)
(Loss) profit before tax	7	(260,680)	4,314
Income tax credit	8	51,360	25,297
(Loss) profit for the period		(209,320)	29,611
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Fair value gain on bills receivables measured at fair value through other comprehensive income ("FVTOCI"), net of income tax		5,541	365
Total comprehensive (expense) income for the period		(203,779)	29,976
(Loss) profit for the period attributable to:			
– Owners of the Company		(156,978)	43,168
– Non-controlling interests		(52,342)	(13,557)
		(209,320)	29,611
Total comprehensive (expense) income for the period attributable to:			
– Owners of the Company		(153,904)	44,071
– Non-controlling interests		(49,875)	(14,095)
		(203,779)	29,976
(Loss) earnings per share (RMB)			
– Basic	10	(0.29)	0.08

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

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	NOTES	<u>30/06/2024</u>	<u>31/12/2023</u>
		<b>RMB'000</b>	RMB'000
		<b>(unaudited)</b>	(audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	<b>7,476,380</b>	7,475,492
Right-of-use assets	11	<b>423,579</b>	429,148
Intangible assets		<b>413,683</b>	424,124
Goodwill		<b>10,669</b>	10,669
Interest in a joint venture		<b>66,825</b>	74,372
Interest in an associate		<b>91,772</b>	91,495
Deferred tax assets	12	<b>163,657</b>	140,744
Deposit for acquisition of property, plant and equipment and right-of-use assets		<b>7,774</b>	3,324
		<b><u>8,654,339</u></b>	<u>8,649,368</u>
<b>CURRENT ASSETS</b>			
Inventories		<b>580,202</b>	818,964
Trade and other receivables	13	<b>405,574</b>	494,019
Tax recoverable		<b>1,673</b>	9,460
Amount due from a shareholder	14	<b>31,198</b>	18,423
Amounts due from related parties	15	<b>20,648</b>	18,843
Bills receivables at FVTOCI	16	<b>649,098</b>	1,135,340
Restricted bank balances		<b>387,157</b>	472,692
Bank balances and cash		<b>1,039,886</b>	917,869
		<b><u>3,115,436</u></b>	<u>3,885,610</u>
<b>CURRENT LIABILITIES</b>			
Borrowings	17	<b>2,508,716</b>	2,438,420
Trade and other payables	18	<b>2,528,302</b>	3,118,963
Amounts due to related parties	19	<b>749</b>	2,636
Sale and leaseback payables		<b>140,283</b>	96,371
Contract liabilities		<b>113,406</b>	117,226
Lease liabilities		<b>1,187</b>	1,229
Tax payable		<b>11,987</b>	12,724
		<b><u>5,304,630</u></b>	<u>5,787,569</u>
<b>NET CURRENT LIABILITIES</b>		<b><u>(2,189,194)</u></b>	<u>(1,901,959)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>6,465,145</u></b>	<u>6,747,409</u>



At 30 June 2024

	NOTES	<u>30/06/2024</u>	<u>31/12/2023</u>
		<b>RMB'000</b>	RMB'000
		<b>(unaudited)</b>	(audited)
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>535,421</b>	535,421
Reserves		<b>2,771,109</b>	2,925,013
Equity attributable to owners of the Company		<b>3,306,530</b>	3,460,434
Non-controlling interests		<b>1,297,928</b>	1,379,781
<b>TOTAL EQUITY</b>		<b><u>4,604,458</u></b>	<b><u>4,840,215</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	17	<b>1,006,355</b>	1,505,371
Retention payables		<b>375,418</b>	198,174
Refundable deposit payable		<b>118,125</b>	–
Sale and leaseback payables		<b>292,217</b>	94,629
Lease liabilities		<b>2,966</b>	3,011
Deferred revenue		<b>18,322</b>	18,440
Deferred tax liabilities	12	<b>31,654</b>	71,939
Perpetual loan		<b>15,630</b>	15,630
		<b><u>1,860,687</u></b>	<b><u>1,907,194</u></b>
		<b><u>6,465,145</u></b>	<b><u>6,747,409</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

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	Attributable to owners of the Company								
	Share capital	Capital reserve	FVTOCI reserve	Statutory surplus reserve fund	Retained profits	Special reserve	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000 (Note i)	RMB'000	RMB'000 (Note ii)	RMB'000	RMB'000 (Note iii)	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	535,421	601,851	(6,563)	267,710	2,025,599	36,416	3,460,434	1,379,781	4,840,215
Loss for the period	-	-	-	-	(156,978)	-	(156,978)	(52,342)	(209,320)
Other comprehensive income for the period	-	-	3,074	-	-	-	3,074	2,467	5,541
Total comprehensive income (expense) for the period	-	-	3,074	-	(156,978)	-	(153,904)	(49,875)	(203,779)
Dividend declared (Note 9)	-	-	-	-	-	-	-	(31,978)	(31,978)
Utilisation	-	-	-	-	112	(112)	-	-	-
At 30 June 2024 (unaudited)	535,421	601,851	(3,489)	267,710	1,868,733	36,304	3,306,530	1,297,928	4,604,458
At 1 January 2023 (audited)	535,421	386,695	(7,611)	267,710	2,302,249	29,517	3,513,981	1,212,499	4,726,480
Profit (loss) for the period	-	-	-	-	43,168	-	43,168	(13,557)	29,611
Other comprehensive income (expense) for the period	-	-	903	-	-	-	903	(538)	365
Total comprehensive income (expense) for the period	-	-	903	-	43,168	-	44,071	(14,095)	29,976
Dividend declared (Note 9)	-	-	-	-	(26,771)	-	(26,771)	(37,000)	(63,771)
Obligation to acquire non-controlling interest of a subsidiary (Note iv)	-	(20,000)	-	-	-	-	(20,000)	-	(20,000)
Transfer	-	-	-	-	(4,747)	4,747	-	-	-
At 30 June 2023 (unaudited)	535,421	366,695	(6,708)	267,710	2,313,899	34,264	3,511,281	1,161,404	4,672,685

## Notes:

- (i) The balance mainly comprises (i) reserves arose from shareholding reform of the Company prior to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2016 and (ii) the difference between the carrying amount of consideration paid and 25% of the net assets value of Shanghai Jinma Energy Co., Ltd. ("Shanghai Jinma") 上海金馬能源有限公司, a non-wholly owned subsidiary, when acquiring the non-controlling interest of Shanghai Jinma in year 2019.
- (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 (including the general reserve fund and enterprise development fund where appropriate). The general 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 Company and its subsidiaries (collectively referred to as the "Group") is required to make appropriations based on its revenue in accordance with CaiQi [2012] No. 16 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.
- (iv) On 26 June 2023, the Group has entered into an equity transfer agreement with Henan Hongkong (Jiyuan) Coking Group Co., Ltd. ("Yugang Coking") 豫港(濟源)焦化集團有限公司, pursuant to which Yugang Coking has agreed to sell, and the Group has agreed to purchase additional 10% of the equity interest in Henan Jinrui Energy Co., Ltd. 河南金瑞能源有限公司, a subsidiary of the Company, at the consideration of RMB20,000,000. The non-controlling shareholder is still entitled to profits sharing until this equity transaction is settled on 14 August 2023. A liability of RMB20,000,000 was initially recognised against the capital reserve and a prepayment of RMB10,000,000 reduced the liability to the amount of RMB10,000,000 as at 30 June 2023.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>OPERATING ACTIVITIES</b>		
(Loss) profit before tax	(260,680)	4,314
Adjustments for:		
Interest income on bank deposits	(15,817)	(10,536)
Interest income on bills receivables at FVTOCI	(10,117)	(15,024)
Fair value loss on bills receivables at FVTOCI	20,686	20,421
Loss (gain) on disposal/retirement of property, plant and equipment	1,268	(84)
Depreciation of property, plant and equipment	206,955	160,229
Depreciation of right-of-use assets	6,494	5,781
Amortisation of intangible assets	10,441	14,895
Write-down of inventories	24,166	13,585
Share of results of associates	(277)	4,608
Share of result of a joint venture	(2,253)	(8,728)
Finance costs	68,809	59,189
Release of assets-related government subsidies	(1,118)	(1,102)
Interest received on execution of a judgment	–	(28,302)
Net foreign exchange (gain) loss	(4,845)	310
Operating cash flows before movements in working capital	43,712	219,556
Decrease in inventories	214,596	122,808
Decrease (increase) in bills receivables at FVTOCI	483,061	(241,644)
Decrease in trade and other receivables	82,885	213,733
(Increase) decrease in amount due from a shareholder	(12,775)	28,135
(Increase) decrease in amounts due from related parties	(1,805)	42,108
Increase in refundable deposit payable	118,125	–
Decrease in trade and other payables	(384,514)	(219,439)
Decrease in amounts due to related parties	(2,407)	–
Decrease in contract liabilities	(3,820)	(148,876)
Cash generated from operations	537,058	16,381
Income tax paid	(6,635)	(22,337)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>530,423</b>	<b>(5,956)</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

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	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>INVESTING ACTIVITIES</b>		
Interest on bank deposits received	15,817	10,536
Assets-related government subsidy received	1,000	–
Dividend received from a joint venture	9,800	24,500
Purchase of property, plant and equipment	(225,457)	(555,444)
Deposit for acquisition of property, plant and equipment	(7,530)	(28,047)
Refundable deposit received from constructors	10,562	1,225
Refundable deposit returned to constructors	(2,818)	(4,500)
Proceeds from disposal of interest in an associate	5,560	–
Proceeds from disposal of property, plant and equipment	515	654
Deposit received from disposal of right-of-use assets	520	–
Loans to other companies	–	(40,500)
Interest received on execution of a judgment	–	28,302
Acquisition of right-of-use assets	(274)	(16,313)
Placement of restricted bank balances	(785,537)	(727,104)
Withdrawal from restricted bank balances	871,072	766,229
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(106,770)</b>	<b>(540,462)</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(82,146)	(106,339)
Other borrowing raised	30,000	–
Bank borrowings raised	1,286,516	1,241,309
Cash received from sale and leaseback payable	300,000	–
Repayment of bank borrowings	(1,745,236)	(646,945)
Repayment of lease liabilities	(858)	(782)
Repayment of sale and leaseback payables	(68,495)	–
Transaction costs attributable to issue of shares of a subsidiary	(6,546)	–
Deposit for acquisition of non-controlling interest of a subsidiary	–	(10,000)
Dividends paid	–	(27,188)
Dividends paid to non-controlling interests of subsidiaries	(19,600)	(25,600)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(306,365)</b>	<b>424,455</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>117,288</b>	<b>(121,963)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>917,869</b>	<b>913,992</b>
Effect of foreign exchange rate changes	4,729	107
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by:</b>		
Bank balances and cash	<b>1,039,886</b>	<b>792,136</b>

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 30 June 2024, the Group had net current liabilities of approximately RMB2,189,194,000. In addition, there were outstanding capital commitments amounting to RMB85,977,000 (Note 20). Based on an overall working capital forecast, the directors of the Company are of the opinion that, taking into account the current operation of the Group as well as undrawn banking facilities (Note 17) available to the Group and new borrowings to be obtained by the Group subsequent to 30 June 2024, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the coming twelve months from the end of the interim reporting period. Therefore, these condensed consolidated financial statements have been prepared on a going concern basis.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial assets, which are measured at fair value, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s consolidated financial statements for the year ended 31 December 2023.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the 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 Group’s condensed 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 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

#### Disaggregation of revenue from contracts with customers

Segments*	For the six months ended 30 June 2024 (unaudited)						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Types of goods or service</b>							
<i>Sales of goods</i>							
Coke	4,003,452	-	-	-	396,723	-	4,400,175
Ammonium sulphate	-	13,210	-	-	-	-	13,210
Benzene based chemicals	-	122,077	1,229,506	-	-	-	1,351,583
Coal tar based chemicals	-	205,575	379,277	-	-	-	584,852
Coal gas	-	-	-	408,604	-	-	408,604
Liquefied natural gas ("LNG")	-	-	-	142,935	28,463	-	171,398
Coal	-	-	-	-	874	-	874
Refined oil	-	-	-	-	58,320	-	58,320
Hydrogen	-	-	-	1,339	6,219	-	7,558
Others	-	13,472	-	39,057	4,369	4,131	61,029
	<u>4,003,452</u>	<u>354,334</u>	<u>1,608,783</u>	<u>591,935</u>	<u>494,968</u>	<u>4,131</u>	<u>7,057,603</u>
<i>Providing services</i>							
Trading agency	-	-	-	-	2,728	-	2,728
Energy supply	-	-	-	195,991	-	40,276	236,267
Others	-	-	-	-	-	23,996	23,996
	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,991</u>	<u>2,728</u>	<u>64,272</u>	<u>262,991</u>
<b>Total</b>	<u>4,003,452</u>	<u>354,334</u>	<u>1,608,783</u>	<u>787,926</u>	<u>497,696</u>	<u>68,403</u>	<u>7,320,594</u>

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

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### Disaggregation of revenue from contracts with customers (Continued)

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

	For the six months ended 30 June 2024 (unaudited)		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	4,003,452	(87,285)	3,916,167
Coking by-products	354,334	(329,109)	25,225
Refined chemicals	1,608,783	(21,920)	1,586,863
Energy products	787,926	(355,617)	432,309
Trading	497,696	(181,567)	316,129
Other services	68,403	(45,616)	22,787
<b>Revenue from contracts with customers</b>	<b>7,320,594</b>	<b>(1,021,114)</b>	<b>6,299,480</b>

Segments*	For the six months ended 30 June 2023 (unaudited)						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Types of goods or service</b>							
<i>Sales of goods</i>							
Coke	4,239,373	-	-	-	247,594	-	4,486,967
Ammonium sulphate	-	14,735	-	-	-	-	14,735
Benzene based chemicals	-	96,681	647,289	-	-	-	743,970
Coal tar based chemicals	-	215,634	392,781	-	378	-	608,793
Coal gas	-	-	-	443,080	-	-	443,080
Liquefied natural gas ("LNG")	-	-	-	163,662	49,227	-	212,889
Coal	-	-	-	-	322	-	322
Refined oil	-	-	-	-	84,210	-	84,210
Others	-	11,552	-	50,089	6,054	3,250	70,945
	<u>4,239,373</u>	<u>338,602</u>	<u>1,040,070</u>	<u>656,831</u>	<u>387,785</u>	<u>3,250</u>	<u>6,665,911</u>
<i>Providing services</i>							
Trading agency	-	-	-	-	2,252	-	2,252
Energy supply	-	-	-	87,141	-	114,610	201,751
Others	-	-	-	-	-	25,054	25,054
	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,141</u>	<u>2,252</u>	<u>139,664</u>	<u>229,057</u>
<b>Total</b>	<b>4,239,373</b>	<b>338,602</b>	<b>1,040,070</b>	<b>743,972</b>	<b>390,037</b>	<b>142,914</b>	<b>6,894,968</b>

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

**3. REVENUE AND SEGMENT INFORMATION** (Continued)**Disaggregation of revenue from contracts with customers** (Continued)

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

	For the six months ended 30 June 2023 (unaudited)		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	4,239,373	–	4,239,373
Coking by-products	338,602	(312,315)	26,287
Refined chemicals	1,040,070	(14,354)	1,025,716
Energy products	743,972	(340,880)	403,092
Trading	390,037	(211,367)	178,670
Other services	142,914	(125,359)	17,555
<b>Revenue from contracts with customers</b>	<b>6,894,968</b>	<b>(1,004,275)</b>	<b>5,890,693</b>

**Performance obligations for contracts with customers**

The Group is mainly engaged in the production and sales of coke, coking by-products and derivative chemical products, coal gas, LNG, hydrogen, trading of coke, coal, refined oil and hydrogen and provision of "Other services" (as defined below), for which revenue is recognised at point in time.

For sales of and trading as a principal of coke, coal, coking by-products, refined 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 the ability to direct the use of the products and bears the risks of obsolescence and loss in relation to the products.

For trading of coke and coal as an agent, revenue is recognised at a point in time when the agent service has been completed, being when the goods have been delivered from the suppliers to the customers, and collectability of the related receivables is reasonably assured.

In general, for some customers with long-term relationships, the normal credit term is 30 to 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 liabilities until the products have been delivered to the customer.

For sales 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.

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.



### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### 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 period. 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 coke ("Coke"), (ii) sale of coking by-products, mainly ammonium sulphate and oxygen ("Coking by-products"), (iii) sales of refined chemicals, mainly hydrogenated benzene-based chemicals and coal-tar-based chemicals ("Refined chemicals"), (iv) sales of energy products, mainly coal gas, LNG and hydrogen, and provision of electricity supply service ("Energy products"), (v) trading of coke, coal, refined oil and hydrogen ("Trading"), and (vi) provision of other business including but not limited to provision of steam, water, catering, and fire prevention and management services ("Other services").

#### Segment revenue and results

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

#### For the six months ended 30 June 2024 (unaudited)

	Sales of goods						Total
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>SEGMENT REVENUE</b>							
External sales	3,916,167	25,225	1,586,863	432,309	316,129	22,787	6,299,480
Inter-segment sales	87,285	329,109	21,920	355,617	181,567	45,616	1,021,114
	<u>4,003,452</u>	<u>354,334</u>	<u>1,608,783</u>	<u>787,926</u>	<u>497,696</u>	<u>68,403</u>	<u>7,320,594</u>
Segment results	<u>66,588</u>	<u>(4,013)</u>	<u>(35,170)</u>	<u>18,889</u>	<u>10,364</u>	<u>13,815</u>	70,473
Other income							38,199
Other gains and losses							(15,075)
Selling and distribution expenses							(197,617)
Administrative expenses							(89,974)
Finance costs							(68,809)
Share of result of a joint venture							2,253
Share of results of associates							277
Unallocated expenses							(407)
Loss before tax							<u>(260,680)</u>

**3. REVENUE AND SEGMENT INFORMATION** (Continued)**Segment revenue and results** (Continued)

For the six months ended 30 June 2023 (unaudited)

	Sales of goods						Total
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>SEGMENT REVENUE</b>							
External sales	4,239,373	26,287	1,025,716	403,092	178,670	17,555	5,890,693
Inter-segment sales	–	312,315	14,354	340,880	211,367	125,359	1,004,275
	<u>4,239,373</u>	<u>338,602</u>	<u>1,040,070</u>	<u>743,972</u>	<u>390,037</u>	<u>142,914</u>	<u>6,894,968</u>
Segment results	<u>155,169</u>	<u>(399)</u>	<u>(11,811)</u>	<u>50,763</u>	<u>17,240</u>	<u>5,995</u>	216,957
Other income							56,575
Other gains and losses							(18,121)
Selling and distribution expenses							(119,492)
Administrative expenses							(75,771)
Finance costs							(59,189)
Share of result of a joint venture							8,728
Share of results of associates							(4,608)
Unallocated expenses							(765)
Profit before tax							<u>4,314</u>

**Entity-wide disclosures****Geographical information**

During the six months ended 30 June 2024 and 2023, all of the Group's revenue from external customers were generated from the PRC whereas all non-current assets are located in the PRC as at 30 June 2024 and 31 December 2023.

## 4. OTHER INCOME

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest received on execution of a judgment (Note (i))	–	28,302
Interest income on bank deposits	15,817	10,536
Interest income on bills receivables at FVTOCI	10,117	15,024
Release of asset-related government subsidies	1,118	1,102
Rental income	555	550
Government grants (Note (ii))	10,211	749
Others	381	312
	<u>38,199</u>	<u>56,575</u>

Notes:

- (i) In November 2021, the Group brought legal claim against Huozhou Coal Power Group Hongtong Yilong Co., Ltd. ("Yilong Coal") demanding for repayment of the loan amounting to RMB60,940,000 and accrued interest. In March 2022, the Higher People's Court of Henan Province ordered Yilong Coal to repay the Group the entire amount of loan and the interest accrual. The Group received interest of RMB28,302,000 during the six months ended 30 June 2023, and the residual repayments were fully settled during the year ended 31 December 2023.
- (ii) The amounts represent the subsidies received from the local governments for the listing of Henan Jinyuan Hydrogenated Chemicals Co., Ltd. 河南金源氢化化工股份有限公司, a subsidiary of the Company, and the Group's local business development, and there were no unfulfilled conditions in the periods in which the amounts were recognised.

## 5. OTHER GAINS AND LOSSES

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fair value loss on bills receivables at FVTOCI	(20,686)	(20,421)
(Loss) gain on disposal/retirement of property, plant and equipment	(1,268)	84
Gain on disposal of scrap	2,595	879
Net foreign exchange gain (loss)	4,845	(310)
Others	(561)	1,647
	<u>(15,075)</u>	<u>(18,121)</u>

## 6. FINANCE COSTS

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expense on:		
– bank borrowings	79,870	103,208
– sale and leaseback payables	9,995	–
– other borrowings	4,165	3,702
– lease liabilities	120	116
– perpetual loan	800	800
	94,950	107,826
Less: amounts capitalised in property, plant and equipment	(26,141)	(48,637)
	68,809	59,189
Capitalisation rate – per annum	5.66%	4.88%

## 7. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax for the period has been arrived at after charging the following items:

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Staff costs		
Directors' and supervisors' remuneration	987	1,191
Other staff costs	133,918	119,490
Other staffs' benefit	11,927	11,421
Total staff costs	<u>146,832</u>	132,102
Capitalised in inventories	(115,341)	(99,660)
Capitalised in property, plant and equipment	–	(3,463)
	<u>31,491</u>	<u>28,979</u>
Depreciation of property, plant and equipment	206,955	160,229
Capitalised in inventories	(197,902)	(154,111)
	<u>9,053</u>	<u>6,118</u>
Depreciation of right-of-use assets	6,494	5,781
Capitalised in property, plant and equipment	–	(633)
	<u>6,494</u>	<u>5,148</u>
Amortisation of intangible assets		
included in cost of sales	10,441	14,895
Cost of inventories recognised as expenses (Note)	<u>6,229,007</u>	<u>5,673,736</u>

Note: The amount includes write-down of inventories amounted to RMB24,166,000 (the six months ended 30 June 2023: RMB13,585,000).

**8. INCOME TAX CREDIT**

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC Enterprise Income Tax		
– current tax	11,924	32,913
– under (over) provision in prior year	1,761	(15,206)
Deferred tax (Note 12)	(65,045)	(43,004)
	<u>(51,360)</u>	<u>(25,297)</u>

**9. DIVIDEND**

During the current interim period, the Company declared no dividend in respect of the year ended 31 December 2023.

During the prior interim period, a final dividend in respect of the year ended 31 December 2022 of RMB0.05 per share, in an aggregate amount of RMB26,771,000, was declared by the Company. Such dividend had been fully settled in June 2023.

Subsequent to the end of the current interim period, no dividend has been proposed by the directors of the Company (2023: dividend of RMB0.05 per share, amounting to RMB26,771,000 in aggregate).

**10. (LOSS) EARNINGS PER SHARE**

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

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>(Loss) earnings</b>		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic earnings per share	<u>(156,978)</u>	43,168
	'000	'000
	(unaudited)	(unaudited)
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic earnings per share	<u>535,421</u>	<u>535,421</u>

No diluted loss or earnings per share is presented as there was no potential ordinary share in issue during both periods.

## 11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group incurred RMB186,057,000 for construction costs (for the six months ended 30 June 2023: RMB1,748,231,000) mainly comprising of RMB158,817,000 for coking equipment upgrading project (for the six months ended 30 June 2023: RMB823,681,000), and RMB23,569,000 for other property, plant and equipment (for the six months ended 30 June 2023: RMB30,614,000) in order to upgrade its manufacturing capabilities.

During the current interim period, the Group retired or disposed of certain supporting equipment with an aggregate carrying amount of RMB1,783,000 (for the six months ended 30 June 2023: RMB570,000), resulting in a loss on retirement or disposal of RMB1,268,000 (for the six months ended 30 June 2023: a gain on retirement or disposal of RMB84,000).

During the current interim period, the Group entered into several new lease agreements for building and office with a lease term ranged from 2 to 3 years (for six months ended 30 June 2023: nil). The Group is required to make fixed monthly payments for usage of the building and office. On the date of commencement of such leases, the Group recognised right-of-use assets and lease liabilities of RMB651,000 each (for the six months ended 30 June 2023: nil).

During the current interim period, the Group acquired right-of-use assets of RMB274,000 (for the six months ended 30 June 2023: RMB56,313,000) in respect of leasehold land.

Impact of variable lease payments is immaterial to the Group.

## 12. DEFERRED TAX ASSETS/LIABILITIES

The followings are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior periods:

	Write-down of inventories	Expected credit loss provision ("ECL")	Accelerated tax depreciation and temporary deductible expenses difference on	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	RMB'000
At 1 January 2023 (audited)	3,507	329	(98,691)	3,537	73,817	(5,680)	5,161	6,187	(11,833)
(Charge) credit to profit or loss	(111)	(75)	(46,945)	(1,344)	2,351	1,238	(275)	88,165	43,004
Charge to the comprehensive income	-	-	-	(13)	-	-	-	-	(13)
At 30 June 2023 (unaudited)	<u>3,396</u>	<u>254</u>	<u>(145,636)</u>	<u>2,180</u>	<u>76,168</u>	<u>(4,442)</u>	<u>4,886</u>	<u>94,352</u>	<u>31,158</u>
Credit (charge) to profit or loss	248	(215)	(40,161)	326	1,741	124	(276)	75,852	37,639
Credit to the comprehensive income	-	-	-	8	-	-	-	-	8
At 31 December 2023 (audited)	<u>3,644</u>	<u>39</u>	<u>(185,797)</u>	<u>2,514</u>	<u>77,909</u>	<u>(4,318)</u>	<u>4,610</u>	<u>170,204</u>	<u>68,805</u>
Credit (charge) to profit or loss	<u>2,396</u>	-	<u>56,834</u>	<u>241</u>	<u>1,873</u>	<u>125</u>	<u>(30)</u>	<u>3,606</u>	<u>65,045</u>
Charge to the comprehensive income	-	-	-	<u>(1,847)</u>	-	-	-	-	<u>(1,847)</u>
At 30 June 2024 (unaudited)	<u>6,040</u>	<u>39</u>	<u>(128,963)</u>	<u>908</u>	<u>79,782</u>	<u>(4,193)</u>	<u>4,580</u>	<u>173,810</u>	<u>132,003</u>

**12. DEFERRED TAX ASSETS/LIABILITIES** (Continued)

For the purpose of presentation in the condensed 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:

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Deferred tax assets	<b>163,657</b>	140,744
Deferred tax liabilities	<b>(31,654)</b>	(71,939)
	<b><u>132,003</u></b>	<b><u>68,805</u></b>

As at 30 June 2024, the Group had unused tax losses of RMB778,704,000 (31 December 2023: RMB681,612,000) available to offset against future profits. Deferred tax assets of RMB173,810,000 (31 December 2023: RMB170,204,000) have been recognised in respect of tax losses of RMB695,240,000 (31 December 2023: RMB680,816,000). All tax losses will expire within 5 years (31 December 2023: 5 years) from the year of origination.

At 30 June 2024 and 31 December 2023, the Group had no other material unrecognised deductible temporary differences.

**13. TRADE AND OTHER RECEIVABLES**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Trade receivables – contract with customers	<b>132,469</b>	165,380
Other receivables	<b>3,692</b>	2,121
Less: Allowance for ECL	<b>(155)</b>	(155)
	<b><u>3,537</u></b>	<u>1,966</u>
Loan receivable (Note)	<b>10,000</b>	10,000
Prepayments to suppliers	<b>190,227</b>	221,398
Prepaid other taxes and charges	<b>68,312</b>	88,971
Refundable deposits to suppliers	<b>1,029</b>	744
Receivable from disposal of interest in an associate	<b>–</b>	5,560
Total trade and other receivables	<b><u>405,574</u></b>	<b><u>494,019</u></b>

Note: The balance is due from a third party carrying an interest rate of 13% per annum and matured within one year as originally agreed. During the current interim period, the Group entered into a supplementary agreement with the borrower to extend the date of maturity to 31 December 2024. The Group holds the 100% equity interest of the borrower as collateral over the balance.



**13. TRADE AND OTHER RECEIVABLES** (Continued)

The following is an aging analysis of trade receivables (net of allowance for credit losses) presented based on invoice date at the end of the reporting period:

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Within 90 days	<b>130,764</b>	165,357
91 – 180 days	<b>1,705</b>	23
	<b><u>132,469</u></b>	<b><u>165,380</u></b>

The normal credit term to the customers is ranged between 30 to 60 days. As at 30 June 2024 and 31 December 2023, none of the Group's trade receivables balance are past due.

The Group does not hold any collateral over these balances.

**14. AMOUNT DUE FROM A SHAREHOLDER**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
<b>Trade nature</b>		
Maanshan Iron & Steel Company Limited ("Maanshan Steel")		
馬鞍山鋼鐵股份有限公司	<b><u>31,198</u></b>	<b><u>18,423</u></b>

The amount in trade nature is receivable from contracts with customers.

The normal credit term is 30 to 60 days. The amount due from a shareholder in trade nature is aged within 90 days based on invoice date. None of the balance is past due at 30 June 2024 and 31 December 2023.

The Group does not hold any collateral over these balances and these balances are unsecured and interest-free.

**15. AMOUNTS DUE FROM RELATED PARTIES**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
<b>Trade nature</b>		
Jiangxi PXSteel Industrial Co., Ltd. 's ("Jiangxi PXSteel") subsidiaries (Note i)	<b>20,619</b>	18,553
Jiyuan Fangsheng Chemicals Co., Ltd. ("Fangsheng Chemicals") 濟源市方升化學有限公司(Note ii)	<b>29</b>	290
	<b>20,648</b>	18,843

Notes:

- (i) Jiangxi PXSteel is one of the shareholders of the Company. The balance is receivables from contracts with customers.
- (ii) The entity is controlled by a shareholder of the Company. The balance is prepayment for purchase of materials.

The normal credit term is 30 to 60 days. The amounts due from related parties (excluding prepayment for purchase of goods) are aged within 90 days based on invoice date, and none of the balance is past due at 30 June 2024 and 31 December 2023.

The Group does not hold any collateral over these balances and these balances are unsecured and interest-free.

**16. BILLS RECEIVABLES AT FVTOCI**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Bills receivables at FVTOCI	<b>649,098</b>	1,135,340

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 30 June 2024 and 31 December 2023, all the bills are with a maturity period of less than one year.

## 17. BORROWINGS

	<u>30/06/2024</u>	31/12/2023
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Bank borrowings	<b>3,435,071</b>	3,893,791
Other borrowings (Note)	<b>80,000</b>	50,000
	<b><u>3,515,071</u></b>	<u>3,943,791</u>
Secured	<b>1,448,371</b>	2,059,771
Unsecured	<b>2,066,700</b>	1,884,020
	<b><u>3,515,071</u></b>	<u>3,943,791</u>
Fixed-rate borrowings	<b>1,682,352</b>	1,916,948
Floating-rate borrowings	<b>1,832,719</b>	2,026,843
	<b><u>3,515,071</u></b>	<u>3,943,791</u>
Less: Amount due for settlement within one year shown under current liabilities	<b><u>(2,508,716)</u></b>	<u>(2,438,420)</u>
Amount due for settlement after one year shown under non-current liabilities	<b><u>1,006,355</u></b>	<u>1,505,371</u>

Note: The balance comprises of borrowings of RMB50,000,000 and RMB30,000,000 (31 December 2023: RMB50,000,000) from third parties with no collaterals, carrying an interest rate of 12% per annum and 8% per annum, respectively (31 December 2023: 12% per annum). Both borrowings are matured within one year since the date of receipt.

**17. BORROWINGS** (Continued)

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

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>(unaudited)</b>	(audited)
Effective interest rate:		
– Fixed-rate borrowings	<b>3.50%-5.70%</b>	3.85%-5.70%
– Floating-rate borrowings	<b>2.80%-5.60%</b>	2.60%-5.60%

As at 30 June 2024, the Group had unutilised bank facilities of approximately RMB715,054,000 (31 December 2023: RMB820,058,000).

**18. TRADE AND OTHER PAYABLES**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Trade payables	<b>458,426</b>	709,060
Bills payables	<b>778,843</b>	907,324
	<b>1,237,269</b>	1,616,384
Salaries and wages payables	<b>13,237</b>	14,807
Other tax payables	<b>26,138</b>	27,032
Consideration payable for purchase of property, plant and equipment	<b>1,189,560</b>	1,411,856
Interest payable	<b>12,039</b>	9,350
Accruals	<b>3,243</b>	7,584
Dividend payables	<b>12,378</b>	–
Consideration payable for acquisition of business	<b>3,222</b>	3,222
Refundable deposit from suppliers	<b>23,372</b>	12,253
Share issue costs payables	<b>897</b>	7,443
Other payables	<b>6,947</b>	9,032
	<b>1,291,033</b>	1,502,579
	<b>2,528,302</b>	3,118,963

**18. TRADE AND OTHER PAYABLES** (Continued)

The following is an aging analysis of trade payables/bills payables presented based on the invoice date/issuance date at the end of the reporting period:

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Within 90 days	<b>785,627</b>	1,169,340
91 – 180 days	<b>406,670</b>	422,764
181 – 365 days	<b>29,385</b>	14,372
Over 1 year	<b>15,587</b>	9,908
	<b><u>1,237,269</u></b>	<u>1,616,384</u>

At the end of each of the reporting period, the Group's bills payables were issued by banks with maturities within 1 year and were secured by the Group's restricted bank balances and bills receivables at FVTOCI.

**19. AMOUNTS DUE TO RELATED PARTIES**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
<b>Trade nature</b>		
Fangsheng Chemicals	<b>229</b>	205
Xiamen Jinma ITG Co., Ltd. ("Xiamen Jinma")		
廈門金馬國貿有限公司(Note i)	–	1,368
Henan Jinjiang Refinery Co., Ltd. ("Jinjiang Refinery")		
河南金江煉化有限公司(Note ii)	–	1,063
	<b>229</b>	2,636
<b>Non-trade nature</b>		
Jinjiang Refinery (Note ii)	<b>520</b>	–
<b>Total</b>	<b><u>749</u></b>	<u>2,636</u>

Notes:

- (i) Xiamen Jinma is an associate of the Company.
- (ii) Jinjiang Refinery is a joint venture of the Company's subsidiary. The amount in non-trade nature represents the deposit received from Jinjiang Refinery for acquisition of right of use assets. During the six months ended 30 June 2024, the Group entered into an agreement to transfer one of its leasehold lands to Jinjiang Refinery at a consideration of RMB1,040,000. According to the relevant agreement, Jinjiang Refinery is required to prepay 50% of the consideration upon signing the agreement and settle the remaining consideration upon the title of the leasehold land has transferred to Jinjiang Refinery.

**19. AMOUNTS DUE TO RELATED PARTIES** (Continued)

The amounts in trade nature are payables for purchase of raw materials. The normal credit term to the Group is ranged between 30 to 60 days.

The following is an aging analysis of amounts due to related parties in trade nature presented based on the invoice date at the end of the reporting period:

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Within 90 days	<b>183</b>	2,636
91 – 180 days	<b>46</b>	–
	<u><b>229</b></u>	<u>2,636</u>

**20. CAPITAL COMMITMENTS**

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Capital expenditure contracted for but not provided in the Group's condensed consolidated financial statements in respect of acquisition of property, plant and equipment	<u><b>85,977</b></u>	<u>133,390</u>

## 21. 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 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 condensed consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivables at the end of the reporting period are as follows:

	<u>30/06/2024</u>	<u>31/12/2023</u>
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Endorsed bills for settlement of payables	<b>2,438,357</b>	2,828,952
Discounted bills for raising cash	<b>1,384,416</b>	1,250,544
Outstanding endorsed and discounted bills receivables with recourse	<b><u>3,822,773</u></b>	<u>4,079,496</u>

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

## 22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### Fair value of 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.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30/06/2024 (unaudited)	31/12/2023 (audited)		
Bills receivables at FVTOCI	Assets- RMB649,098,000	Assets- RMB1,135,340,000	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 condensed consolidated financial statements approximate their fair values.



## 23. RELATED PARTY TRANSACTIONS

Details of transactions between the Group and related parties are disclosed below.

### (a) Transactions with related parties

Other than the transactions and balances with related parties disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following transactions with its related parties during the periods:

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Sales of products and provision of services to:</b>		
Maanshan Steel	509,719	377,761
Jiangxi PXSteel's subsidiaries	457,299	992,136
Jinjiang Refinery	76,110	78,747
	<u>          </u>	<u>          </u>
<b>Purchase of raw materials and acceptance of services from:</b>		
Jinjiang Refinery	10,773	3,474
Fangsheng Chemicals	4,674	6,054
	<u>          </u>	<u>          </u>

### (b) Compensation of key management personnel

The remuneration of key management personnel of the Group during the periods was as follows:

	Six months ended	
	30/06/2024	30/06/2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries and allowance	2,449	2,797
Performance related bonuses	270	–
Retirement benefit scheme contributions	203	162
	<u>          </u>	<u>          </u>
	<u>2,922</u>	<u>2,959</u>

Key management represents the directors of the Company 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.

**24. EVENTS AFTER THE END OF THE REPORTING PERIOD**

On 19 July 2024, the board of directors of the Company approved a proposed debt restructuring in respect of consideration payable to constructors for purchase of property, plant and equipment of Xinyang Steel Jingang Energy Co., Ltd.\* 信陽鋼鐵金港能源有限公司(“Xinyang Jingang”), a non-wholly owned subsidiary of the Company. According to the board resolution, the payable of approximately RMB296,000,000 was proposed to be satisfied by issuance of shares of Xinyang Jingang.

At the date of issuance of the condensed consolidated financial statements, the debt restructuring is still subject to conditions precedent and has not been launched.

### Company name

河南金馬能源股份有限公司  
Henan Jinma Energy Company Limited

### Share listing

Stock abbreviation: Jinma Energy  
H Share: The Stock Exchange of Hong Kong Limited  
Stock Code: 6885

### 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

Unit 2801, 28/F  
88 Hing Fat Street  
Causeway Bay  
Hong Kong

### Contact information

Tel.: +852 3115 7766  
Fax: +852 3115 7798  
Email: paulwong@hnmny.com

### Company website

www.hnmny.com

### Board of Directors

#### Executive Directors

Mr. Yiu Chiu Fai (Chairman)  
Mr. Wang Mingzhong (Chief Executive Officer)  
Mr. Li Tianxi (Executive Deputy General Manager)

#### Non-executive Directors

Mr. Xu Baochun (Deputy Chairman)  
Ms. Ye Ting  
Mr. Wang Kaibao

#### Independent Non-executive Directors

Mr. Wu Tak Lung  
Mr. Meng Zhihe  
Mr. Cao Hongbin

### Supervisors

Mr. Wong Tsz Leung (Chairman)  
Mr. Wu Jiacun  
Mr. Zhou Tao David  
Ms. Tian Fangyuan  
Ms. Hao Yali  
Mr. Fan Xiaozhu

### Audit Committee

Mr. Wu Tak Lung (Chairman)  
Mr. Xu Baochun  
Mr. Meng Zhihe

### Remuneration Committee

Mr. Cao Hongbin (Chairman)  
Mr. Wu Tak Lung  
Mr. Wang Mingzhong

### Nomination Committee

Mr. Yiu Chiu Fai (Chairman)  
Mr. Meng Zhihe  
Mr. Cao Hongbin

### Strategic Development Committee

Mr. Xu Baochun (Chairman)  
Mr. Li Tianxi  
Mr. Cao Hongbin

### Company secretary

Mr. Wong Hok Leung

### Authorized representatives

Mr. Yiu Chiu Fai  
Mr. Wong Hok Leung

### Auditor

Deloitte Touche Tohmatsu  
Registered Public Interest Entity Auditors  
35/F, One Pacific Place  
88 Queensway  
Admiralty  
Hong Kong

### Legal advisers

#### PRC Law

Brightstone lawyers  
Suite 1406, 14/F  
North Tower, Shanghai Stock Exchange Building,  
528 South Pudong Road,  
Pudong New District,  
Shanghai,  
PRC

#### Hong Kong Law

Reed Smith Richards Butler LLP  
17/F One Island East  
Taikoo Place  
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

Agricultural Bank of China Limited Jiyuan Branch  
No. 5 Central Road, Xin Garden  
Jiyuan, Henan Province  
PRC

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

Zhongyuan Bank Co., Ltd. Luoyang Branch, Jili Sub-branch  
Zhongyuan Road, Jili District  
Luoyang, Henan Province  
PRC

China Zheshang Bank Co., Ltd. Zhengzhou Branch  
No. 8 Longhu Financial Island, Jinshui District  
Zhengzhou, Henan Province  
PRC

HengFeng Bank Co., Ltd. Zhengzhou Branch  
Block B, Oriental Peak Centre  
No. 6 Caigao Street, 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

China Everbright Bank Co., Ltd. Zhengzhou Branch  
No. 22 Zhonghuan Lu, Longhu Financial Island,  
Jinshui District  
Zhengzhou, 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

Hua Xia Bank Co., Limited  
Zhengzhou Branch  
No. 29, Business Outer Ring Road,  
Jinshui District,  
Zhengzhou City,  
Henan Province, PRC

China Merchants Bank Co., Ltd.  
Zhengzhou Zhenghongcheng Branch No. 127,  
Hua yuan Road,  
Jingshui District,  
Zhengzhou City,  
Henan Province, PRC

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 report, Taiwan, the Macau Special Administrative Region of the PRC and the Hong Kong Special Administrative Region of the PRC
“Code”	Appendix C1 (formerly known as Corporate Governance Code as set out in 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 Jinma Energy Company Limited (河南金馬能源股份有限公司)
“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
“HK” or “Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LNG”	liquefied natural gas
“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)”	shareholder(s) of the Company
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the member of the Supervisory committee of our Company established pursuant to the PRC Company Law
“Supervisory Committee”	the Supervisory committee of our Company established pursuant to the PRC Company Law

## TECHNICAL TERMS

“basic 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

“China Baowu”	中國寶武鋼鐵集團有限公司 (China Baowu Steel Group Corporation Limited)
“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)
“Jiangxi PXSteel”	江西萍鋼實業股份有限公司 (Jiangxi PXSteel Industrial Co. Ltd.*) (formerly known as 萍鄉鋼鐵有限責任公司 (Ping Xiang Steel Co., Ltd.*))
“Jiangxi PXSteel Group”	Jiangxi PXSteel and its subsidiaries
“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 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 Xingye”	濟源市金馬興業投資有限公司 (Jiyuan Jinma Xingye Investment Co., Ltd.*)

“Jinyuan HChem”	河南金源氫化工股份有限公司 (Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*) (formerly known as 濟源市金源化工有限公司 (Jiyuan Jinyuan Chemicals Co., Ltd.* ("Jinyuan Chemicals"))
“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.*)
“Xiamen Jinma”	廈門金馬國貿有限公司 (Xiamen Jinma ITG Co., Ltd.*)
“Xinyang Jingang”	信陽鋼鐵金港能源有限公司 (Xinyang Steel Jingang Energy Co., Ltd.*)
“Yilong Coal”	霍州煤電集團洪洞億隆煤業有限責任公司 (Huozhou Coal Power Group Hongtong Yilong Co., Ltd.*)
“Yugang Coking”	豫港(濟源)焦化集團有限公司 (Henan Hongkong (Jiyuan) Coking Group Co., Ltd.)

In this report, 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.





河南金馬能源股份有限公司  
HENAN JINMA ENERGY COMPANY LIMITED