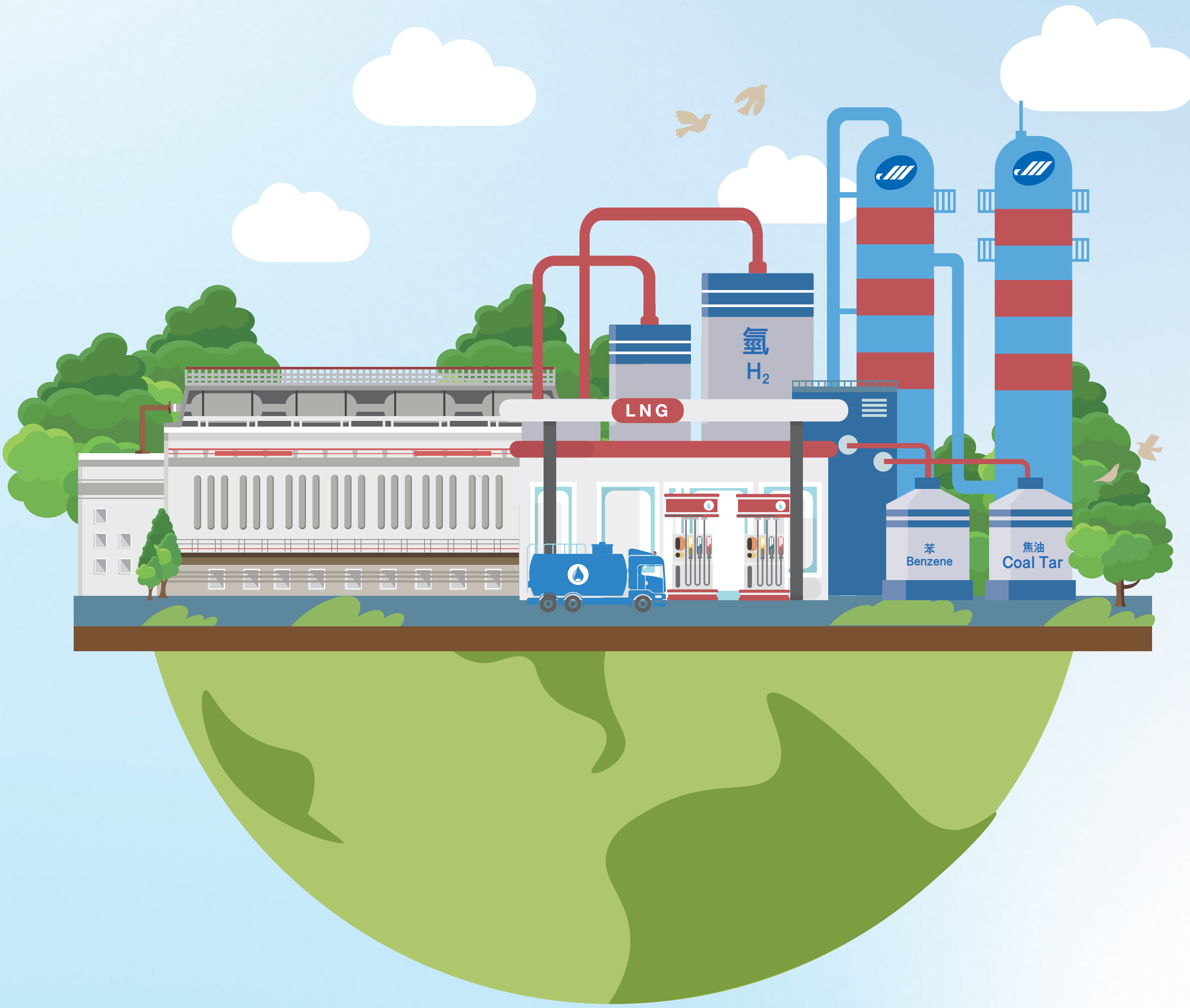
河南金馬能源股份有限公司
HENAN JINMA ENERGY COMPANY LIMITED

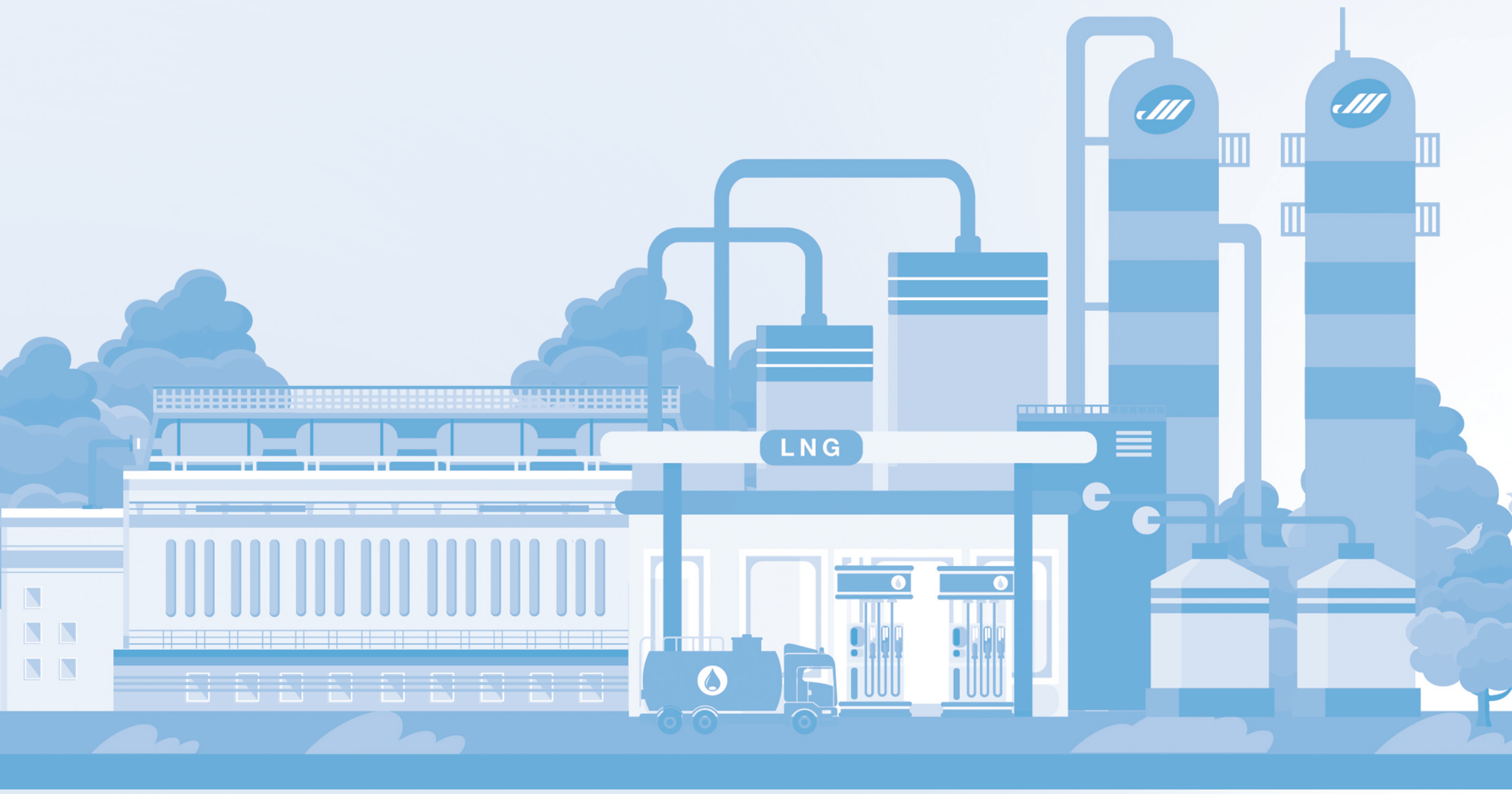
(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 6885

2022
INTERIM REPORT



CONTENTS



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 2022, 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 coke oven 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
- **Trading:** which mainly involves the trading of coal, coke, and nonferrous materials.

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 speed up its industry consolidation as well as structural improvement and reform. As a result, the demand-supply tension of coke will continue and, in turn, support the growth of members of the coke manufacturing industry that excel in quality production and environment protection. 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 for the Group's business long- term 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 improving the standard of serving the iron and steel, chemical industry in the PRC.

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2022	2021	Change
	RMB million (unaudited)	RMB million (unaudited)	
Revenue	**6,528.8**	3,035.4	+115.1%
Gross profit	**825.2**	606.5	+36.1%
Profit for the period	**484.1**	342.9	+41.2%
Basic earnings per share (in RMB)	**0.58**	0.63	–7.9%
Interim dividend per share (in RMB)	**0.05**	0.10	–50%
Gross profit margin	**12.6%**	20.0%	–37%
Net profit margin	**7.4%**	11.3%	–34.5%

	As at 30 June 2022	As at 31 December 2021	Change
	RMB million (unaudited)	RMB million (audited)	
Total assets	**10,262.0**	8,525.3	+20.4%
Total equity	**4,668.6**	4,304.3	+8.46%

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, nonferrous materials and LNG trading increase when economic conditions recover. The market price for the Group's coke recovered substantially in 2016, continued to remain stable from 2017 to 2019, and rose again from mid-2020 to mid-2022. As the control measures over COVID-19 in China remains effective, the China economy maintained steady in first half of 2022, within which the Group's operation and production were benefited from. The Group's results of operations, working capital position, as well as operating cash flows 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 the 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 for 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 2022 and the year of 2021 according to the Group's internal records.

	For the first six months of 2022 Average selling price(1)	2021 Average selling price(1)
	RMB/ton (except coal gas in RMB/m^3)	RMB/ton (except coal gas in RMB/m^3)
Coke	**3,057.44**	2,575.40
Coke	**3,232.70**	2,730.00
Coke breeze	**1,812.16**	1,407.75
Refined Chemicals		
Benzene based chemicals	**7,251.26**	6,046.21
Pure benzene	**7,363.64**	6,200.37
Toluene	**6,234.54**	4,432.87
Coal tar based chemicals	**4,914.79**	3,886.01
Coal asphalt	**5,327.58**	4,263.64
Anthracene oil	**4,410.15**	3,360.14
Industrial naphthalene	**4,530.99**	3,442.80
Energy Products		
Coal gas	**0.71**	0.71
LNG	**6,297.65**	4,706.29

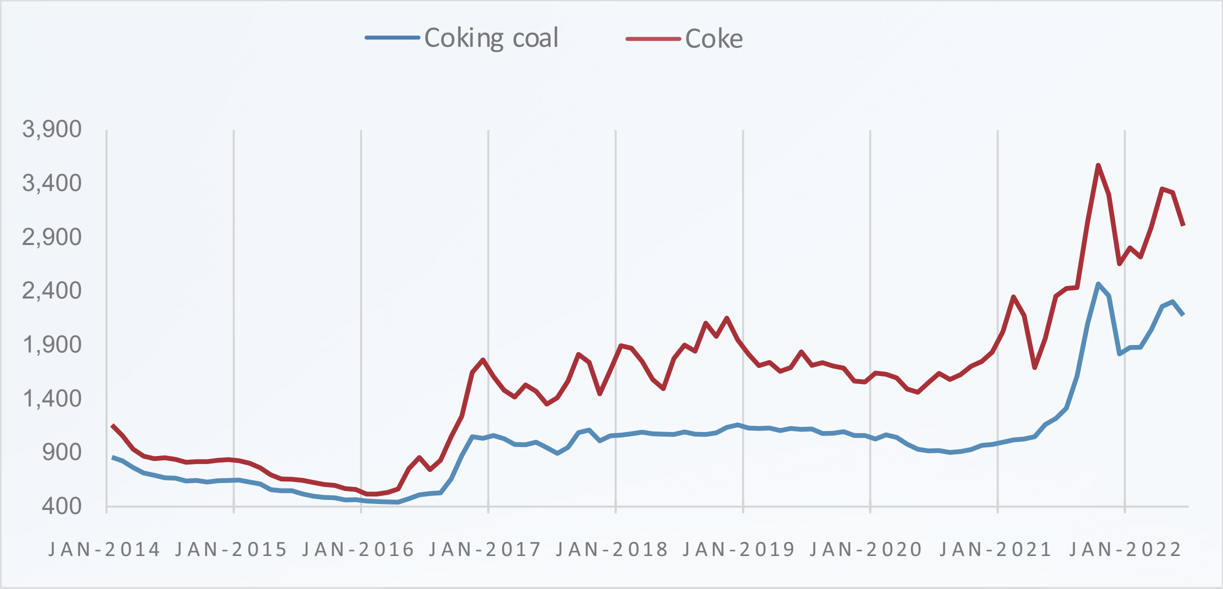
(1) Calculated by dividing the revenue of each relevant product by the sales volume of such product (except that the average selling prices of the coke segment, benzene based chemicals and coal tar based chemicals represent the weighted average prices of relevant products in the segment or category,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

Increases or decreases in the prices of 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. Following the second half of 2016 when the price spread between the Group's purchase of coal and sale of coke widened, the spread continued to expand in 2017 and sustained in 2018. The price spread remained steady during 2019 to 2020. During 2021 to mid-2022, gross profit margin of the Group's coke was affected due to significant increase in the purchase price of coal thus narrowing of the price spread between coke and coal.

In the first half of 2022, due to the geopolitical war in Eastern Europe, the price of global energy commodities have risen, resulting in inflation and downward pressure on the economy. Compared with same period last year, while our average cost of coal increased by 93.4% to approximately RMB2,094 per ton, the average selling price of the Group's coke products increased by 44.8% to approximately RMB3,034 per ton, thereby narrowing the average price spread between the Group's coke products and the coal raw materials by approximately 7.2%.

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 2022 according to the Group's internal records:



The Group believes that the prevailing market prices of 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 coal based on prevailing market prices and the prices of coal typically move in tandem, though at different speed and magnitude, with the prices of coke and iron and steel. The Group believes the Group is generally able to negotiate the prices of the Group's products and raw materials taking into account market price fluctuations.

Production Capacity 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 capacity. Since the end of 2020, with the phasing out of the Group's two coking furnaces with height of 4.3 meters, the Group's aggregate production of coke has been reduced accordingly. The business of the Group in the first half of 2022 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, including two 7.65 meters height coking furnaces of 1.80 million tons coking capacity that were put into production in the fourth quarter of 2021. In the first half of 2022, the Group's current production capacity for coke was approximately 2.7 million tons per annum. Processing capacity for crude benzene and coal tar was approximately 200,000 tons and 180,000 tons per annum, respectively. At the same time, in the process of coking, the Group produces coal gas of approximately 1,200 million m^3 per annum, for self-used (including the use in production of LNG and hydrogen) and sales, while the production capacity of LNG production facilities was approximately 123.0 million m^3 per annum.

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 benzene based chemicals, coal tar based chemicals as well as coal gas and LNG. Following the launch of the capacity expansion plan of benzene based chemicals as well as the capacity enhancement plan of environment protection facilities in 2018, the Group will further expand and deepen its involvement in the coking chemical value chain (including clean energy industry chain) in 2022.

In line with the Group's business strategy in expanding its business vertically and horizontally along the coking chemical value chain of the coal chemical industry, the Group will make continuous efforts in identifying coal chemical projects with promising profit and development potentials, and develop these projects in a sound and effective manner through the establishment of JV companies.

- **1.8 million tons/year Coking Facilities Upgrading Project**

  The project is mainly about upgrading the existing two coking furnaces with height of 4.3 meters to advanced coking furnaces with height of 7.65 meters and at the same time to increase the relevant annual production capacity from 1.2 million tons to 1.8 million tons. The project has been successfully put into production in the fourth quarter of 2021 and achieved sales of 900,000 tons in the first half of 2022. Total investment of the project is approximately RMB3.2 billion.

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

  As disclosed in Company's announcement dated 22 September 2020, an agreement was entered for the establishment of a joint venture with Xinyang Steel in Xinyang City, Henan Province, the PRC. This joint venture will be principally engaged in the production and sale of coke and heat generated from coking process. The project construction is progressing as planned. The first phase of coking furnace is expected to be put into operation in December 2022. The second phase of coking furnace is under construction and is expected to be fully put into operation in the third quarter of 2023. The project has completed the cumulative investment of nearly RMB1.8 billion.

- **Formation of Joint Ventures for the Wholesale of Coking Products and the Investment and Operation of Domestic Coking Business**

  As disclosed in Company's announcement dated 28 March 2022, the Group entered into a joint venture agreement with Xiamen ITG to establish a joint venture in Xiamen, PRC. The Company has contributed RMB98 million to the joint venture, accounting for 49% of the total capital contribution. The joint venture primarily engages in the wholesale of coal, coke, gas, coal tar and crude benzene; the import and export and wholesale of coke; and the investment and operation of domestic coking business and logistics ancillary services.

- **180 m³/h Wastewater Treatment Project**

  Due to the use of coke dry quenching facilities, the Group invested RMB178 million in the new wastewater treatment project. Technology applied and facilities used meet the international standard, including one of the most advanced reverse osmosis technologies of Israel, with which processing capacity reached 180 m^3/h. The project is now already in full operation.

Save as disclosed above, the Directors confirm that the Group did not have any other significant investments for the six months ended 30 June 2022. Funding for these investments is from the Group's own financial resources 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.

	Six months ended 30 June		
	2022	2021	Change
	(unaudited) **RMB'000**	(unaudited) RMB'000	
Continuing operations			
Revenue	**6,528,836**	3,035,392	115.1%
Cost of sales	**(5,703,674)**	(2,428,851)	134.8%
Gross profit	**825,162**	606,541	36.0%
Other income	**28,520**	22,632	26.0%
Other gains and losses	**(7,267)**	(38,001)	-80.9%
Impairment losses under expected credit loss ("ECL") model, net of reversal	**3,071**	(10,694)	-128.7%
Distribution and selling expenses	**(115,015)**	(33,219)	246.2%
Administrative expenses	**(80,865)**	(60,983)	32.6%
Finance costs	**(38,439)**	(23,868)	61.0%
Share of result of a joint venture	**12,760**	994	1183.7%
Share of results of associates	**1,216**	–	100.0%
Profit before tax	**629,143**	463,402	35.8%
Income tax expense	**(145,048)**	(121,171)	19.7%
Profit for the period from continuing operations	**484,095**	342,231	41.5%

	Six months ended 30 June		
	2022	2021	Changes
	(unaudited)	(unaudited)	
	RMB'000	RMB'000	
Discontinued operations			
Profit for the period from discontinued operations	**–**	706	-100.0%
Profit for the period	**484,095**	342,937	41.2%
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Fair value gain or (loss) on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI"), net of tax	**1,961**	(335)	685.4%
Total comprehensive income for the period	**486,056**	342,602	41.9%
Profit (loss) for the period attributable to owners of the Company:			
—From continuing operations	**309,983**	339,877	-8.8%
—From discontinued operations	**–**	(3,340)	-100.0%
	309,983	336,537	-7.9%
Profit for the period attributable to non-controlling interests:			
—From continuing operations	**174,112**	2,354	7,296.4%
—From discontinued operations	**–**	4,046	-100.0%
	174,112	6,400	2,620.5%
	484,095	342,937	41.2%
Total comprehensive income for the period attributable to:			
—Owners of the Company	**311,103**	336,202	-7.5%
—Non-controlling interests	**174,953**	6,400	2,633.6%
	486,056	342,602	41.9%
Earnings per share (RMB)			
From continuing and discontinued operations			
—Basic	**0.58**	0.63	-7.9%
From continuing operations			
—Basic	**0.58**	0.63	-7.9%

Consolidated Financial Information

- **Revenue** increased by approximately RMB3,493.4 million or approximately 115.1% as compared to the same period of the preceding year. This was mainly caused by a recovery and increase in the volume of sales of coke as the newly built 7.65 meters coking furnace with an annual production capacity of 1.8 million tons was fully operated in the first half of 2022, replacing the 4.65 meters coking furnace with an annual production capacity of only 1.2 million tons that was shut down at the end of 2020. For details, please refer to the paragraph headed "Business Segment Result" in this section.

- **Cost of sales** increased by approximately RMB3,274.8 million or approximately 134.8% as compared to the same period of the preceding year. This increase is in line with the increase in revenue. For details, please refer to the paragraph headed "Business Segment Result" in this section.

- **Gross profit** increased by approximately RMB218.6 million or approximately 36.0% as compared to the same period of the preceding year. The gross profit margin of the Group decreased from approximately 20.0% in the first half of 2021 to approximately 12.6% in the first half of 2022. The decrease is mainly caused by the decrease in the gross margin of the coke segment and the refined chemicals segment as the margin spread between products and raw materials narrowed due to the higher increase in raw material prices than that of products compared to the same period of the preceding year resulting from the price increase in global energy commodities. For details, please refer to the paragraph headed "Business Segment Result" in this section.

- **Other income** increased by approximately RMB5.9 million or approximately 26.0% as compared to the same period of the preceding year. The increase was mainly due to an increase in average balances of bank deposits as compared to the same period of the preceding year, resulting in a corresponding increase in interest income from bank deposits.

- **Other gains and losses** decreased by approximately RMB30.7 million or approximately 80.9% as compared to the same period of the preceding year. The decrease was mainly due to no impairment loss on plants and equipment due to obsolescence in the period.

- **Impairment losses, under expected credit loss model, net of reversal** decreased by approximately RMB13.8 million or approximately 128.7% as compared to the same period of the preceding year. The decrease mainly reflected the decrease in provision for impairment losses in expected credit value of receivables.

- **Distribution and selling expenses** increased by approximately RMB81.8 million or approximately 246.2% as compared to the same period of the preceding year. The increase was mainly due to increase in sales and increase in sales of some coke customers whose transportation costs were borne by the Company, thus resulted in a corresponding increase in distribution and selling expenses.

- **Administrative expenses** increased by approximately RMB19.9 million or approximately 32.6% as compared to the same period of the preceding year. The increase was mainly due to the consolidation of staff costs and other administrative expenses of the subsidiaries newly formed or started operation in the reporting period.

- **Finance costs** increased by approximately RMB14.6 million or approximately 61.0% as compared to the same period of the preceding year. The increase was mainly due to the increase in average interest-bearing borrowings balance, and the increase of floating-rate borrowings in the first half of 2022, which increased the finance costs compared to the same period in 2021.

- **Share of result of a joint venture** increased by approximately RMB11.8 million or approximately 1,183.7% as compared to the same period of the preceding year. This was mainly due to the substantial increase in the operating profit of the joint venture due to the increase in sale volume and the selling price of products.

- **Share of result of associates** increased by approximately RMB1.2 million or approximately 100.0% as compared to the same period of the preceding year. This increase was mainly due to the consolidation of the results of the newly established JV Company, Xiamen Jinma ITG Co., Ltd.*, which was established in March this year.

- **Profit before tax from continuing operations** increased by approximately RMB165.7 million or approximately 35.8% as compared to the same period of the preceding year. This increase was mainly due to the increase in revenue from the coke segment with the fully put into operation of the newly built 7.65 meters coking furnace with an annual production capacity of 1.8 million tons in the first half of 2022, as well as the substantial increase in energy products segment result as the newly built coking furnace provided sufficient coal gas as raw materials for the Group's LNG facilities to produce natural gas for sale and the natural gas supply problems in Europe that resulted in a significant increase in natural gas prices compared to the same period of the preceding year.

- **Income tax expense** increased by approximately RMB23.9 million or approximately 19.7% as compared to the same period of the preceding year. This is in line with the increase in profit before tax.

- **Profit or (loss) for the period from discontinued operations** was zero in the reporting period.

- **Profit for the period** increased by approximately RMB141.2 million or approximately 41.2% as compared to the same period of the preceding year.

- **Bills receivables measured at fair value through other comprehensive income** increased by approximately RMB2.3 million or approximately 685.4% as compared to the same period of the preceding year.

- **Total comprehensive income for the period** increased by approximately RMB143.5 million or approximately 41.9% as compared to the same period of the preceding year.

Business Segment Result

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

	Six months ended 30 June							
	Segment revenue		Segment result		Segment gross profit margin		Percentage in total revenue of the Group	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	RMB'000 (unaudited)	RMB'000 (unaudited)	**RMB'000 (unaudited)**	RMB'000 (unaudited)	**%**	%	**%**	%
Coke	**4,464,677**	1,333,135	**678,722**	487,977	**15.2**	36.6	**68.4**	43.9
Trading	**615,088**	766,449	**30,864**	23,829	**5.0**	3.1	**9.4**	25.3
Refined Chemicals	**1,046,397**	772,143	**56,278**	97,972	**5.4**	12.7	**16.0**	25.4
Energy Products	**356,295**	142,344	**50,982**	3,421	**14.3**	2.4	**5.5**	4.7

- **Coke** segment revenue increased significantly by approximately RMB3,131.5 million or approximately 234.9% as compared to the same period of the preceding year. The increase in segment revenue was mainly due to fully put into operation of the newly built 7.65 meters coking furnace with an annual production capacity of 1.8 million tons in the first half of 2022, replacing the 4.65 meters coking furnace with an annual production capacity of only 1.2 million tons that was shut down at the end of 2020. The segment result also increased by approximately RMB190.7 million or approximately 39.1% as compared to the same period of the preceding year. However, due to the higher increase in the average price of coking coal than that of coke compared to the same period of the preceding year, the average margin spread between prices of coke and coking coal narrowed by 7.1%. Therefore, the gross profit margin of the coke segment in the first half of 2022 decreased to approximately 15.2%.

- **Trading** segment revenue and result decreased by approximately RMB151.4 million and increased by approximately RMB7.0 million respectively as compared to the same period of the preceding year. The increase in segment result was mainly due to the fact that while the Company's business strategy is the maintenance of the volume in trading activity in the first half of 2022, the segment gross profit margin still increased by 1.9% to 5.0% as compared to the 3.1% of same period of the preceding year due to the slightly higher trading profit of certain coke products.

- **Refined Chemicals** segment revenue increased by approximately RMB274.3 million or approximately 35.5% as compared to the same period of the preceding year. However, the segment result decreased by approximately RMB41.7 million or approximately 42.6% as compared to the same period of the preceding year, mainly due to the higher increase in raw material prices than that of refined chemical products compared to the same period of the preceding year resulting from the price increase in global energy commodities caused by the Eastern Europe geopolitical war, thus, the segment gross profit margin recorded a decrease by 7.3% to 5.4% and the segment result also decreased.

- **Energy Products** segment revenue and result increased by approximately RMB214.0 million and RMB47.6 million respectively as compared to the same period of the preceding year. The outstanding segment performance was mainly due to (i) coal gas from the coking process that was resulted from the fully put into operation of the newly built 7.65 meters coking furnace with an annual production capacity of 1.8 million tons in the first half of 2022 provided sufficient raw materials for the Group's LNG facilities to produce natural gas products for sale. The utilisation rate of LNG facilities in the first half of 2022 increased to 68% from the standstill in the same period of the preceding year; and (ii) natural gas supply problems in Europe resulted in a significant increase in natural gas prices.

FINANCIAL POSITION

Financial Resources

In the first half of 2022, 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 during the Reporting Period.

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:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash from operating activities	**708,795**	411,697
Net cash used in investing activities	**(1,129,929)**	(1,376,091)
Net cash from financing activities	**713,169**	99,173
Net increase/(decrease) in cash and cash equivalents	**292,035**	(865,221)
Cash and cash equivalents at the beginning of the year	**576,951**	1,355,149
Impact of change in exchange rate	**(254)**	104
Cash and cash equivalents at the end of the year, representing bank balances and cash	**868,732**	490,032

- **Cash Flow from Operating Activities**
  In the first half of 2022, the Group's net cash from operating activities of approximately RMB708.8 million was primarily attributable to (i) the Group's operating cash flows before movements in working capital of approximately RMB777.9 million; (ii) decrease in inventories of approximately RMB57.8 million; (iii) increase in trade and other payables of approximately RMB394.7 million; and (iv) decrease in trade and other receivables of approximately RMB108.2 million. Yet the net cash inflow from operating activities are partially offset by (v) increase in amounts due from related parties of approximately RMB21.5 million; (vi) increase in amounts due from a shareholder of approximately RMB93.3 million; increase in bills receivables at FVTOCI of approximately RMB385.0 million; and (vii) income tax paid of approximately RMB110.0 million.

- **Cash Flow from Investing Activities**
  In the first half of 2022, the Group's net cash used in investing activities of approximately RMB1,129.9 million was primarily due to (i) acquisition of property, plant and equipment or payment for right-of-use assets or other non-current assets of approximately RMB1,008.5 million; (ii) payment for investment in an associate of approximately RMB98.0 million; yet was partially offset by (iii) net contribution of approximately RMB71.4 million to restricted bank balances; (iv) interest received of approximately RMB15.9 million; and (v) dividends received from joint ventures of approximately RMB4.9 million.

- **Cash Flow from Financing Activities**
  In the first half of 2022, the Group's net cash from financing activities of approximately RMB713.2 million was primarily due to a net increase in bank and other borrowings of approximately RMB778.2 million; yet was partially offset by payment of dividends of approximately RMB14.7 million and interest expenses of approximately RMB49.2 million.

Liabilities

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

	As at 30 June 2022	As at 31 December 2021	Increase/ (decrease)
	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000
Bank borrowings:			
Secured	1,461,903	753,429	708,474
Unsecured	1,117,143	1,047,434	69,709
	2,579,046	1,800,863	778,183
Fixed rate borrowings	577,000	575,500	1,500
Floating rate borrowings	2,002,046	1,225,363	776,683
	2,579,046	1,800,863	778,183
Carrying amount repayable			
Within one year	1,271,833	972,434	299,399
More than one year, but not more than two years	358,000	285,000	73,000
More than two year, but not more than five years	949,213	543,429	405,784
	2,579,046	1,800,863	778,183
Less: Amount shown under current liabilities	(1,271,833)	(972,434)	(299,399)
Amount due after one year shown under non-current liabilities	1,307,213	828,429	478,784

The Group's bank borrowings in 2021 and the first half of 2022 were all borrowings denominated in Renminbi. As at 31 December 2021, RMB753.4 million of the Group's borrowings were secured by the Group's property, plant and equipment, land use rights and bank bills. All remaining unsecured borrowings were credit borrowings. As at 30 June 2022, the Group's secured borrowings of RMB1,461.9 million were secured by land use rights, construction in progress and bank bills. All remaining unsecured borrowings were credit borrowings.

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

	As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Audited)
Effective interest rate:		
– Fixed-rate borrowings	**3.70%－6.30%**	4.25%－6.30%
– Floating-rate borrowings	**3.62%－5.00%**	3.56%－5.46%

As at 30 June 2022, the Group had obtained banking facilities in an aggregate amount of approximately RMB5,335.0 million (2021: RMB4,276.0 million), of which total amount of approximately RMB2,334.3 million (2021: RMB2,010.9 million) is still available for use. As at 30 June 2022, the Group had total outstanding bank borrowings of approximately RMB2,579.0 million (2021: RMB1,800.9 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 RMB233.8 million falling due in the first half of 2022 according to needs).

As at 30 June 2022, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group. The Directors confirm that there has been no material change in the Group's indebtedness and contingent liabilities since 30 June 2022 and up to the date of this report. As at 30 June 2022, 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 2022, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during the first half of 2022, 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 2022, the Group had pledged certain of its assets with a total book value of approximately RMB3,518.7million (31 December 2021: approximately RMB1,024.6 million) for the purpose of providing securities to banks against general banking facilities, including banks borrowings and bills payables granted to the Group. For details, please refer to Note 20 to the condensed consolidated financial statements in this interim report.

FINANCIAL RATIOS

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

	Six months ended 30 June 2022	Year ended 31 December 2021
Gearing ratio	**0.55x**	0.42x
Return on equity (annualized ratio)	**9.3%**	15.9%
Return on assets (annualized ratio)	**5.2%**	6.8%

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 increased for the first half of 2022, mainly due to the fact that while the total interest-bearing bank borrowings increased in tandem with the rise in total equity. Both the capital of the joint venture partner and profit for the period contributed to the increase in total equity.

Return on Equity

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

The decrease in the Group's return on equity from 15.9% to 9.3% was due to a decrease in the Group's profit, which was primarily driven by the decrease in margin spread between prices of major products and raw materials.

Return on Assets

Return on assets is calculated by dividing the profit and total comprehensive income 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 6.8% to 5.2% was mainly due to the slight growth in the Group's profit but significant increase in contribution to assets of the Group.

CONTRACTUAL OBLIGATIONS AND CAPITAL EXPENDITURE

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

	As at 30 June 2022	As at 31 December 2021
	RMB' 000	RMB' 000
	(Unaudited)	(Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the Group's condensed consolidated financial statements	**1,140,860**	1,802,512

The Group's capital commitments for the six months ended 30 June 2022 were primarily related to the construction of coking facilities of 1.6 million tons per annum under the joint venture with Xinyang Steel and the Coking Facilities Upgrading Project in Jinma Zhongdong. The Group expects to fund such capital commitments principally by bank loans and cash generated from the Group's operations.

Other than the transactions described in the above table, as at 30 June 2022, 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 2022. 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 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 year of 2022, 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 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:

	As at 30 June 2022	As at 31 December 2021
	RMB'000 (Unaudited)	RMB'000 (Audited)
Endorsed bills for settlement of payables	**3,422,939**	2,608,690
Discounted bills for raising cash	**489,060**	293,325
Outstanding endorsed and discounted bill receivables with recourse	**3,911,999**	2,902,015

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

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 the end of the reporting period to the date of this report, the Group had no other subsequent important events or other commitments that may materially affect the Group's financial condition and operation.

MARKET RISKS

Market risk is the risk of loss related to adverse changes in market prices. The Group is exposed to various types of market risks, including commodity price and liquidity risks, in the normal course of the Group's business. The Group aims to minimize risk through disciplined operating and financial activities. During the first half of 2022, 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 of listing (HK$6.7 million and HK$7.5 million as at 30 June 2022 and 31 December 2021 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 2022, the Group had fixed-rate borrowings in the amount of approximately RMB577 million (31 December 2021: RMB575.5 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 2022 is the carrying amount of those assets stated in the condensed consolidated statements of financial position, and the maximum exposure to the Group that may result from the default of endorsed and discounted bills receivables regarding to the transfer of financial assets 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 85% and 81% of exposure concentrated in the five largest outstanding balances for the six months ended 30 June 2022 and the year ended 31 December 2021, 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 2022, the Company had distributable reserves (i.e. retained profits) of RMB1,957.8 million (2021: RMB1,770.5 million).

For the six months ended 30 June 2022, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the first half of 2022.

NO MATERIAL ADVERSE CHANGE

As the control measures over COVID-19 in China remains effective, the China economy stabilised in the first half of 2022. The Board considered that it has no material impact on the operation and sales of the Group based on the available information recently. Therefore, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2022 and up to the date of this report.

DIVIDEND AND DIVIDEND POLICY

On 23 May 2022, the Company declared a 2021 final dividend of RMB0.20 per share, in an aggregate amount of RMB107,084,000 which were fully settled in July 2022.

In order to provide return 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.

The Board was authorised by the shareholders to deal with all matters in relation to the Company's distribution of interim dividend for the year ending 31 December 2022 in its absolute discretion at the 2021 annual general meeting of the Company on 23 May 2022. To provide returns to the shareholders, the Board has declared an interim dividend of RMB0.05 per share (inclusive of applicable tax) for 2022 in cash to shareholders of the Company. For more details, please refer to the announcement issued by the Company on 24 August 2022.

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 2021 and the six months ended 30 June 2022, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2021 and 30 June 2022, respectively.

NET PROCEEDS FROM THE LISTING OF THE COMPANY

The net proceeds from the listing of the Company (after deducting underwriting fees and other estimated expenses in connection with the global offering of the Company's shares) was approximately HK$358.7 million (equivalent to approximately RMB321.0 million). The Company has utilized the proceeds raised from the listing in accordance with the intended purposes as stated in the prospectus of the Company issued on 26 September 2017.

Analysis on the comparison between intended use of the net proceeds from the listing as disclosed in the prospectus and the actual use of such net proceeds from the Listing Date to 31 December 2021 is set out below:

Business purpose as disclosed in the prospectus	Intended use of net proceeds		Actual use of net proceeds from the Listing Date to 31 December 2021	Unutilized net proceeds as at 31 December 2021
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
LNG project – coke granules coal gas facilities	128,400	40%	128,400	–
LNG project – LNG production facilities	32,100	10%	32,100	–
Dry quenching facility for coking furnaces 1 and 2	128,400	40%	110,750	17,650
Working capital and other corporate purposes	32,100	10%	32,100	–
	321,000	100%	303,350	17,650

In respect of the development of dry quenching facility for coking furnaces 1 and 2 disclosed in the above table, the project has actually been completed as planned, and that all relevant payments have been settled and paid by the Group by the end of 2021. However, due to the Group's effective control of expenditure on the project, there was remaining RMB17.65 million unutilized. In view of the completion of the project, the Group does not need to undertake any payment commitments. Therefore, the Board resolved to reallocate the unutilized amount of RMB17.65 million as the general working capital of the Group, so that the Group can effectively deploy such financial resources. The Board considers that the above reallocation of proceeds is in the best interests of the Company and its shareholders as a whole and will not have any material adverse impact on the existing business and operations of the Group. For further details regarding the change in use of proceeds, please refer to the circular of the Company dated 20 April 2022. The above reallocation of proceeds has been approved by the Company's shareholders at the annual general meeting held on 23 May 2022.

Analysis on the comparison between intended use of the net proceeds after reallocation and the actual use of such net proceeds from the Listing Date to 30 June 2022 is set out below:

Business purpose after reallocation	Intended use of net proceeds		Actual use of net proceeds from the Listing Date to 30 June 2022	Unutilized net proceeds as at 30 June 2022
	RMB'000 (unaudited)	RMB'000 (unaudited)	**RMB'000 (unaudited)**	**RMB'000 (unaudited)**
LNG project – coke granules coal gas facilities	128,400	40%	**128,400**	**–**
LNG project – LNG production facilities	32,100	10%	**32,100**	**–**
Dry quenching facility for coking furnaces 1 and 2	110,750	35%	**110,750**	**–**
Working capital and other corporate purposes	49,750[(1)]	15%	**49,750**	**–**
	321,000	100%	**321,000**	**–**

Note (1): The Company has reallocated unutilized proceeds of approximately RMB17,650,000 as general working capital of Company. Such reallocation of proceeds has been approved by the Company's shareholders at the annual general meeting held on 23 May 2022.

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

The Company upholds a sound and efficient corporate governance philosophy while also focusing on shareholders' interests and is determined to achieve a high 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. These Articles are the code of conduct for the Company, regulating the organization and behavior 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 in Appendix 14 of the Listing Rules in force, 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 Nomination Committee, Remuneration Committee and Audit Committee, to achieve the objective of good corporate governance.

During the six months ended 30 June 2022, the Company has complied with all the provisions under the Listing Rules and the Corporate Governance Code.

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 10 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 2022.

CHANGE OF SESSION OF THE BOARD OF DIRECTORS

The second session of the Board of Directors consisted of nine directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors for a term expiring at the annual general meeting for the year ended 31 December 2021 held on 23 May 2022. The members of the second 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. Hu Xiayu (Deputy Chairman)
Ms. Ye Ting
Mr. Wang Kaibao

Independent Non-executive Directors

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

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 ended 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

CHANGE OF SESSION OF THE SUPERVISORY COMMITTEE

The second session of the Supervisory Committee consisted of six Supervisors, including two shareholder representative Supervisors, two employee Supervisors and two independent Supervisors for a term expiring at the annual general meeting for the year ended 31 December 2021 held on 23 May 2022. The members of the second session of the Supervisory Committee are listed as follows:

Supervisors

Mr. Wong Tsz Leung (Chairman)
Ms. Li Lijuan
Mr. Zhou Tao, David
Ms. Tian Fangyuan
Ms. Hao Yali
Mr. Fan Xiaozhu

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 ended 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 2022 and up to the date of this interim report are as follows:

Directors	**Details of change**
Mr. Hu Xiayu	retired as the non-executive Director of the Company on 23 May 2022 and ceased to be the deputy chairman of the Board, a member of the Audit Committee of the Company (the "Audit Committee") and the chairman of the Strategic Development Committee (the "Strategic Development Committee") of the Company.
Mr. Xu Baochun	was appointed as the non-executive Director of the Company in general meeting held on 23 May 2022. Mr. Xu was also appointed as the deputy chairman of the Board, a member of the Audit Committee and the chairman of the Strategic Development Committee. The biographical details of Mr. Xu Baochun are set out below: Mr. Xu Baochun (徐葆春), aged 51, graduated from Wuhan Institute of Iron and Steel* (武漢鋼鐵學院) (now known as Wuhan University of Science and Technology (武漢科技大學)) with a Bachelor's degree in Engineering specialising in iron and steel metallurgy. Mr. Xu is a qualified engineer. Mr. Xu joined the No. Three Steel Factory (三鋼廠) of Maanshan Steel in August 1994 and is currently the manager of the procurement centre of Maanshan Steel. Mr. Xu previously worked in various positions in the steel making workshops of No. Three Steel Factory of Maanshan Steel from August 1994 to July 2009, and acted as the factory manager of the steel casting branch factory of the No. Three Main Steel Mill (三鋼軋總廠連鑄分廠) and the deputy chief engineer, the deputy manager and the manager of the procurement centre, of the No. 1 Main Steel Mill (一鋼軋總廠) of Maanshan Steel from July 2009 to April 2022.

Supervisors	**Details of change**
Ms. Li Lijuan	retired as the shareholder representative Supervisor of the Company on 23 May 2022.
Mr. Wu Jiacun	was appointed as the shareholder representative Supervisor of the Company on 23 May 2022. The biographical details of Mr. Wu Jiacun are set out below: Mr. Wu Jiacun (吳家村), aged 57, joined the original No.Two Sintering Plant (第二燒結廠) of Maanshan Steel in November 1982 and is currently the senior manager (高級主任管理師) of the audit department of Maanshan Steel. Mr. Wu served the audit department of Maanshan Steel from January 1989 to October 1998, and subsequently the audit department and the audit supervising department of Magang (Group) Holdings Co., Ltd. (馬鋼(集團)控股有限公司) from October 1998 to October 2021. Mr. Wu graduated from the Anhui Radio & TV University* (安徽廣播電視大學) (now known as Anhui Open University (安徽開放大學)) with a degree in auditing. Mr. Wu is a qualified political commissioner (政工師).

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2022, the interests and short positions (if any) of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

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	1,528,000 (L)	0.29%

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. Golden Star, in turns, holds 96.3% of the issued share capital of Jinma Coking, 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 2022, 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 the Reporting Period or as of 30 June 2022, none of the Directors or Supervisors of the Company, or the entities connected with the Directors or Supervisors, has participated or is or was materially interested, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding Company, or any of its subsidiaries or fellow subsidiaries was a party.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the 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 of the Company 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 2022, 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 any class 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	163,528,000 (L)	30.54%
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	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%
Jinma Xingye	Beneficial owner	H shares	40,000,000 (L)	7.47%
Mr. Wang Lijie	Interests in controlled corporation (Note 10)	H shares	40,000,000 (L)	7.47%
Ms. Zheng Jing	Interest of spouse (Note 11)	H shares	40,000,000 (L)	7.47%

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 45.54% 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, while Jiangxi Fangda Steel Group Co., Ltd. ("Fangda Group") is directly interested in approximately 51.90% of Jiangxi PXSteel, Fangda Group is the holding company. Accordingly, Fangda Group is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO. And while Liaoning Fangda Group Industrial Co., Ltd. ("Liaoning Fangda") is directly and indirectly interested in approximately 61.41% of Jiangxi PXSteel, Liaoning Fangda is the holding company. 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 amount 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 2022.

SUFFICIENCY OF PUBLIC FLOAT

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

PROVISION OF FINANCIAL SUBSIDIARIES AND GUARANTEES FOR ASSOCIATES OR SUBSIDIARIES

As at 30 June 2022, financial guarantees were provided by the Company for banking facilities of RMB30.0 million to Jinyuan Chemicals, a wholly-owned subsidiary of the Company.

EMPLOYEES AND REMUNERATION POLICY

Employees are the Group's important asset. As at 30 June 2022, the Group had a total of 2,710 employees, including 11 senior management, 105 mid-level management and 2,594 ordinary employees. For the six months ended 30 June 2022, the staff cost of the Group amounted to approximately RMB110.8 million as compared to approximately RMB85.3 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 of Directors, remuneration packages (including non-pecuniary benefits, pension rights and compensation) of individual executive Directors and remuneration packages of 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 labor laws and regulations.

According to the development plan and operating requirements of the Company, management formulates the 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 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 the Reporting Period. The Audit Committee also has reviewed this interim report. The Company's unaudited consolidated interim results for the 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.

INTERIM DIVIDEND

The final dividend of 2021 was RMB0.20 per share, which was fully paid in July 2022.

The Board has resolved to declare an interim dividend of RMB0.05 per share for the six months ended 30 June 2022 in cash to shareholders whose names appear on the register of members of the Company on 13 September 2022.

The Board was authorised by the shareholders to deal with all matters in relation to the Company's distribution of interim dividend for the year ending 31 December 2022 in its absolute discretion at the 2021 annual general meeting of the Company on 23 May 2022. The relevant payment date is expected to be on or before Monday, 31 October 2022. The total amount of the interim dividends payable is approximately RMB26.8 million.

For more details, please refer to the announcement issued by the Company on 24 August 2022.

TAX ON DIVIDENDS FOR H SHAREHOLDERS

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-resident Enterprise Shareholders

Pursuant to the applicable provisions and the implementing regulations of the Enterprise Income Tax Law of the PRC《中華人民共和國企業所得税法》, the Company will withhold and pay enterprise income tax at the tax rate of 10% when distributing interim dividend to the non-resident enterprises which hold H shares (including the H shares registered under the name of HKSCC Nominees Limited).

Withholding and Payment of Individual Income Tax on behalf of Overseas Non-resident Individual Shareholders

Pursuant to the applicable provisions and the implementing regulations of the Individual Income Tax Law of the PRC《中華人民共和國個人所得稅法》, the State Administration of Taxation on the Administrative Measures on Enjoying Tax Treaty Treatment by Non-resident Taxpayers (State Administrative of Taxation Announcement 2019 No.35) ("Tax Treaty Announcement") and other relevant laws and regulations as well as regulatory documents, the Company will withhold and pay individual income tax for the H shareholders according to the following arrangement:

For individual H shareholders who are Hong Kong or Macau residents, the Company will withhold and pay individual income tax for such individual H shareholders at the tax rate of 10% when distributing interim dividend;

For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC, the Company will withhold and pay individual income tax for such individual H shareholders in accordance with the effective tax rate required under the relevant tax treaty when distributing interim dividend;

For individual H shareholders whose country (region) of domicile is a country (region) which has not entered into a tax treaty with the PRC or under other circumstances, the Company will withhold and pay individual income tax for such individual H shareholders at a tax rate of 20% when distributing interim dividend.

If the relevant individual H shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax treatments under the relevant tax treaties according to the Tax Treaty Announcement. Qualified shareholders are requested to submit in time written authorization and all application materials as required under the Tax Treaty Announcement to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when approved, the Company will assist in refunding the excess amount of tax withheld and paid.

The Company will generally follow the above arrangements to withhold and pay individual income tax on behalf of holders of H shares, but if relevant tax authorities require otherwise, the Company will follow such requirements for arrangements.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of individual H shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H shareholders or any disputes over the withholding mechanism or arrangements.

APPRECIATIONS

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.

Yiu Chiu Fai
Chairman of the Board

16 August 2022

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 33 to 62, which comprise the condensed consolidated statement of financial position as of 30 June 2022 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 certain explanatory notes. 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
16 August 2022

	NOTES	Six months ended 30/06/2022 RMB'000 (unaudited)	Six months ended 30/06/2021 RMB'000 (unaudited)
Continuing operations			
Revenue	3	**6,528,836**	3,035,392
Cost of sales		**(5,703,674)**	(2,428,851)
Gross profit		**825,162**	606,541
Other income	4	**28,520**	22,632
Other gains and losses	5	**(7,267)**	(38,001)
Impairment losses under expected credit loss ("ECL") model, net of reversal	6	**3,071**	(10,694)
Distribution and selling expenses		**(115,015)**	(33,219)
Administrative expenses		**(80,865)**	(60,983)
Finance costs	7	**(38,439)**	(23,868)
Share of result of a joint venture		**12,760**	994
Share of results of associates		**1,216**	–
Profit before tax	8	**629,143**	463,402
Income tax expense	9	**(145,048)**	(121,171)
Profit for the period from continuing operations		**484,095**	342,231
Discontinued operations			
Profit for the period from discontinued operations	10	**–**	706
Profit for the period		**484,095**	342,937
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Fair value gain (loss) on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI"), net of tax		**1,961**	(335)
Total comprehensive income for the period		**486,056**	342,602

	NOTE	Six months ended 30/06/2022 RMB'000 (unaudited)	Six months ended 30/06/2021 RMB'000 (unaudited)
Profit (loss) for the period attributable to owners of the Company:			
– from continuing operations		**309,983**	339,877
– from discontinued operations		**–**	(3,340)
		309,983	336,537
Profit for the period attributable to non-controlling interests:			
– from continuing operations		**174,112**	2,354
– from discontinued operations		**–**	4,046
		174,112	6,400
		484,095	342,937
Total comprehensive income for the period attributable to:			
– Owners of the Company		**311,103**	336,202
– Non-controlling interests		**174,953**	6,400
		486,056	342,602
Total comprehensive income (expense) for the period attributable to owners of the Company:			
– from continuing operations		**311,103**	339,542
– from discontinued operations		**–**	(3,340)
		311,103	336,202
Earnings per share (RMB)			
From continuing and discontinued operations			
– Basic	12	**0.58**	0.63
From continuing operations			
– Basic	12	**0.58**	0.63

	NOTES	30/06/2022	31/12/2021
		RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment	13	5,154,465	4,352,445
Right-of-use assets	13	330,934	335,123
Intangible assets	13	464,150	185,189
Goodwill		10,669	10,669
Interest in a joint venture		67,362	59,502
Interests in associates	14	99,216	–
Advance to an associate		15,000	15,000
Deferred tax assets	15	89,918	59,336
Deposit for acquisition of property, plant and equipment		166,112	168,808
		6,397,826	5,186,072
CURRENT ASSETS			
Inventories		409,909	467,673
Trade and other receivables	16	577,758	709,809
Amount due from a shareholder	17	150,897	57,585
Amounts due from related parties	18	21,477	20
Financial assets at fair value through profit or loss ("FVTPL")		–	18,000
Bills receivables at FVTOCI	19	1,203,669	806,113
Restricted bank balances	20	631,719	703,118
Bank balances and cash		868,732	576,951
		3,864,161	3,339,269
CURRENT LIABILITIES			
Borrowings	20	1,271,833	972,434
Trade and other payables	21	2,781,160	2,217,758
Amount due to a related party	22	472	113
Contract liabilities		62,940	101,401
Lease liabilities		1,862	1,882
Tax payable		103,897	32,735
		4,222,164	3,326,323

	NOTES	30/06/2022	31/12/2021
		RMB'000	RMB'000
		(unaudited)	(audited)
NET CURRENT (LIABILITIES)/ASSETS		(358,003)	12,946
TOTAL ASSETS LESS CURRENT LIABILITIES		6,039,823	5,199,018
CAPITAL AND RESERVES			
Share capital		535,421	535,421
Reserves		2,894,011	2,689,992
Equity attributable to owners of the Company		3,429,432	3,225,413
Non-controlling interests		1,239,127	1,078,874
TOTAL EQUITY		4,668,559	4,304,287
NON-CURRENT LIABILITIES			
Borrowings	20	1,307,213	828,429
Lease liabilities		3,307	3,130
Deferred revenue		21,746	22,848
Deferred tax liabilities	15	38,998	40,324
		1,371,264	894,731
		6,039,823	5,199,018

Yiu Chiu Fai	**Wang Mingzhong**
DIRECTOR	*DIRECTOR*

	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 2022 (audited)	535,421	386,695	(8,084)	267,710	2,012,756	30,915	3,225,413	1,078,874	4,304,287
Profit for the period	–	–	–	–	309,983	–	309,983	174,112	484,095
Other comprehensive income for the period	–	–	1,120	–	–	–	1,120	841	1,961
Total comprehensive income for the period	–	–	1,120	–	309,983	–	311,103	174,953	486,056
Dividends declared (Note 11)	–	–	–	–	(107,084)	–	(107,084)	(14,700)	(121,784)
Transfer and utilisation	–	–	–	–	(5,322)	5,322	–	–	–
At 30 June 2022 (unaudited)	535,421	386,695	(6,964)	267,710	2,210,333	36,237	3,429,432	1,239,127	4,668,559
At 1 January 2021 (audited)	535,421	386,695	(7,473)	242,311	1,719,926	23,248	2,900,128	1,080,365	3,980,493
Profit for the period	–	–	–	–	336,537	–	336,537	6,400	342,937
Other comprehensive expense for the period	–	–	(335)	–	–	–	(335)	–	(335)
Total comprehensive (expense) income for the period	–	–	(335)	–	336,537	–	336,202	6,400	342,602
Dividends paid (Note 11)	–	–	–	–	(107,084)	–	(107,084)	(16,562)	(123,646)
Capital contribution from non-controlling shareholders (Note iv)	–	–	–	–	–	–	–	80,000	80,000
Transfer and utilisation	–	–	–	–	(107)	107	–	–	–
At 30 June 2021 (unaudited)	535,421	386,695	(7,808)	242,311	1,949,272	23,355	3,129,246	1,150,203	4,279,449

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 Hong Kong 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, 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 [2006] No. 478 "Tentative measures for the financial management of the production safety fund for the high risk 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) It represents the capital contribution from non-controlling shareholders of Shaanxi Jinma and Yan'an Jinneng, established in April 2020 and May 2020, respectively.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**708,795**	411,697
INVESTING ACTIVITIES		
Interest received	**15,910**	7,537
Dividend received from a joint venture	**4,900**	–
Purchase of property, plant and equipment	**(615,687)**	(637,645)
Deposit for acquisition of property, plant and equipment	**(166,112)**	(194,486)
Refundable deposit received from constructors	**5,912**	11,235
Refundable deposit returned to constructors	**(5,542)**	(3,573)
Purchase of intangible assets	**(392,800)**	–
Refund of deposit for acquisition of property, plant and equipment and intangible assets	**50,000**	–
Advance to a supplier	**–**	(60,000)
Repayment from a supplier	**–**	47,800
Prepayment for other non-current assets	**–**	(10,755)
Proceeds from disposal of property, plant and equipment	**516**	24,529
Payments for right-of-use assets	**–**	(201,586)
Acquisition of a subsidiary/business	**–**	(10,040)
Payment for acquisition of a business/subsidiary in prior year	**(425)**	(206,000)
Investments in an associate	**(98,000)**	–
Placement of restricted bank balances	**(833,622)**	(517,513)
Withdrawal from restricted bank balances	**905,021**	374,406
NET CASH USED IN INVESTING ACTIVITIES	**(1,129,929)**	(1,376,091)
FINANCING ACTIVITIES		
Interest paid	**(49,213)**	(24,693)
New borrowings raised	**1,371,432**	613,797
Repayment of borrowings	**(593,249)**	(445,700)
Repayments of lease liabilities	**(1,101)**	(585)
Capital contributions from non-controlling interests of a subsidiary	**–**	80,000
Dividends paid	**–**	(107,084)
Dividends paid to non-controlling interests of a subsidiary	**(14,700)**	(16,562)
NET CASH FROM FINANCING ACTIVITIES	**713,169**	99,173
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**292,035**	(865,221)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**576,951**	1,355,149
Effect of foreign exchange rate changes	**(254)**	104
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, REPRESENTED BY:		
Bank balances and cash	**868,732**	490,032

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 Appendix 16 to the Listing Rules.

As at 30 June 2022, the Group had net current liabilities of approximately RMB358,003,000. In addition, there were outstanding capital commitments amounting to RMB1,140,860,000 (Note 23). 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 20) available to the Group, 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 2022 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2021.

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 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018-2020

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

Continuing operations

	For the six months ended 30 June 2022 (unaudited)						
Segments*	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
Types of goods or service							
Sales of goods							
Coke	4,465,198	–	–	–	571,491	–	5,036,689
Ammonium sulphate	–	21,436	–	–	–	–	21,436
Benzene based chemicals	–	109,842	658,701	–	–	–	768,543
Coal tar based chemicals	–	216,963	403,016	–	–	–	619,979
Coal gas	–	–	–	385,792	–	–	385,792
Liquefied natural gas ("LNG")	–	–	–	192,694	40,009	–	232,703
Coal	–	–	–	–	19,370	–	19,370
Refined oil	–	–	–	–	27,507	–	27,507
Others	–	12,000	–	46,207	31,314	2,733	92,254
	4,465,198	360,241	1,061,717	624,693	689,691	2,733	7,204,273
Providing services							
Trading agency	–	–	–	–	21,488	–	21,488
Energy supply	–	–	–	6,700	–	91,803	98,503
Others	–	–	–	–	–	24,387	24,387
	–	–	–	6,700	21,488	116,190	144,378
Total	4,465,198	360,241	1,061,717	631,393	711,179	118,923	7,348,651

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

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

	For the six months ended 30 June 2022 (unaudited)		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	4,465,198	521	4,464,677
Coking by-products	360,241	326,805	33,436
Refined chemicals	1,061,717	15,320	1,046,397
Energy products	631,393	275,098	356,295
Trading	711,179	96,091	615,088
Other Services	118,923	105,980	12,943
Revenue from contracts with customers	7,348,651	819,815	6,528,836

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

Continuing operations

	For the six months ended 30 June 2021 (unaudited)						
Segments*	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
Types of goods or service							
Sales of goods							
Coke	1,333,135	–	–	–	624,824	–	1,957,959
Ammonium sulphate	–	4,319	–	–	–	–	4,319
Benzene based chemicals	–	28,393	490,109	–	–	–	518,502
Coal tar based chemicals	–	66,484	289,238	–	–	–	355,722
Coal gas	–	–	–	230,600	–	–	230,600
LNG	–	–	–	938	34,883	–	35,821
Coal	–	–	–	–	63,363	–	63,363
Refined oil	–	–	–	–	32,889	–	32,889
Others	–	10,617	–	2,952	10,866	670	25,105
	1,333,135	109,813	779,347	234,490	766,825	670	3,224,280
Providing services							
Trading agency	–	–	–	–	11,636	–	11,636
Energy supply	–	–	–	8,702	–	19,233	27,935
Others	–	–	–	–	–	4,713	4,713
	–	–	–	8,702	11,636	23,946	44,284
Total	1,333,135	109,813	779,347	243,192	778,461	24,616	3,268,564

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

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

	For the six months ended 30 June 2021 (unaudited)		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	1,333,135	–	1,333,135
Coking by-products	109,813	94,877	14,936
Refined chemicals	779,347	7,204	772,143
Energy products	243,192	100,848	142,344
Trading	778,461	12,012	766,449
Other Services	24,616	18,231	6,385
Revenue from contracts with customers	3,268,564	233,172	3,035,392

3. REVENUE AND SEGMENT INFORMATION (Continued)

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, trading of coke and coal 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, 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.

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 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 liability until the products have been delivered to the customer.

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

Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the Group's revenue and profit for the 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 ("Coking by-products"), (iii) sales of refined chemicals, mainly benzene based chemicals and coal tar based chemicals ("Refined chemicals"), (iv) sales of energy products, mainly coal gas and LNG ("Energy products"), (v) trading of coke, coal, refined oil, mining equipment and nonferrous materials ("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 ").

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

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

	Sales of goods						
	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
Continuing operations							
For the six months ended 30 June 2022 (unaudited)							
External sales							
– contracts with customers	4,464,677	33,436	1,046,397	356,295	615,088	12,943	6,528,836
Inter-segment sales							
– contracts with customers	521	326,805	15,320	275,098	96,091	105,980	819,815
	4,465,198	360,241	1,061,717	631,393	711,179	118,923	7,348,651
Segment results	678,722	13,030	56,278	50,982	30,864	3,944	833,820
Other income							28,520
Other gains and losses							(7,267)
Impairment losses, under ECL model, net of reversal							3,071
Distribution and selling expenses							(115,015)
Administrative expenses							(80,865)
Finance costs							(38,439)
Share of result of a joint venture							12,760
Share of results of associates							1,216
Unallocated expenses							(8,658)
Profit before tax from continuing operations							629,143

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Sales of goods						
	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
Continuing operations							
For the six months ended 30 June 2021 (unaudited)							
External sales							
– contracts with customers	1,333,135	14,936	772,143	142,344	766,449	6,385	3,035,392
Inter-segment sales							
– contracts with customers	–	94,877	7,204	100,848	12,012	18,231	233,172
	1,333,135	109,813	779,347	243,192	778,461	24,616	3,268,564
Segment results	487,977	459	97,972	3,421	23,829	1,909	615,567
Other income							22,632
Other gains and losses							(38,001)
Impairment losses, under ECL model, net of reversal							(10,694)
Distribution and selling expenses							(33,219)
Administrative expenses							(60,983)
Finance costs							(23,868)
Share of result of a joint venture							994
Unallocated expenses							(9,026)
Profit before tax from continuing operations							463,402

Entity-wide disclosures

Geographical information

During the six months ended 30 June 2022 and 2021, 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 2022 and 2021.

4. OTHER INCOME

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Interest income on bank deposits	**15,910**	7,435
Interest income on bills receivables at FVTOCI	**9,984**	9,754
Release of asset-related government subsidies	**1,102**	1,049
Rental income	**410**	–
Government grants (Note)	**154**	3,955
Others	**960**	439
	28,520	22,632

Note: The amounts represent the subsidies received from the local governments for the Group's local business development, there were no unfulfilled conditions in the periods in which they were recognised.

5. OTHER GAINS AND LOSSES

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Gain on fair value changes from financial assets at FVTPL	**93**	5,484
Net loss arising on bills receivables at FVTOCI	**(13,419)**	(13,835)
Gain (loss) on disposal of property, plant and equipment	**120**	(1,294)
Gain on disposal of scrap	**5,633**	–
Impairment loss of property, plant and equipment	**–**	(27,381)
Foreign exchange gain, net	**254**	13
Others	**52**	(988)
	(7,267)	(38,001)

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Impairment losses under expected credit loss model, net of reversal, recognised on trade receivables	**3,071**	(10,694)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

During the current interim period, the Group recognised the impairment allowance of Nil and RMB73,000 (for the six months ended 30 June 2021: RMB11,394,000 and Nil (unaudited)) on trade receivables and other receivables respectively.

During the current interim period, the Group reversed the impairment allowance of RMB3,144,000 (for the six months ended 30 June 2021: RMB700,000 (unaudited)), upon collection of the receivables.

During the current interim period, the Group wrote off trade receivable of Nil (for the six months ended 30 June 2021: RMB588,000 (unaudited)), due to no realistic prospect of recovery.

7. FINANCE COSTS

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Interest expense on:		
– bank borrowings	**49,204**	23,738
– lease liabilities	**107**	130
	49,311	23,868
Less: amounts capitalised in property, plant and equipment	**(10,872)**	–
	38,439	23,868
Capitalisation rate – per annum	**4.49%**	N/A

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Profit before tax for the period from continuing operations has been arrived at after charging (crediting) the following items:

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Staff costs		
Directors' and supervisors' remuneration	**996**	1,098
Other staff costs	**101,183**	78,266
Other staffs' benefit	**8,586**	5,934
Total staff costs	**110,765**	85,298
Capitalised in inventories	**(72,726)**	(33,816)
Capitalised in property, plant and equipment	**(11,157)**	(21,619)
	26,882	29,863
Depreciation of property, plant and equipment	**125,921**	68,560
Capitalised in inventories	**(119,517)**	(62,917)
	6,404	5,643
Depreciation of right-of-use assets	**5,447**	3,691
Capitalised in property, plant and equipment	**(502)**	(840)
	4,945	2,851
Amortisation of intangible assets included in		
– cost of sales	**12,863**	8,205
– administrative expenses	**10,063**	–
Reversal of write-down of inventories	**–**	(628)
Cost of inventories recognised as expenses	**5,695,016**	2,419,825

9. INCOME TAX EXPENSE

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
PRC Enterprise Income Tax		
– Current tax	**175,116**	110,449
– Under-provision in prior year	**2,494**	523
Deferred tax	**(32,562)**	10,199
	145,048	121,171

10. DISCONTINUED OPERATIONS

During the prior year, the directors of the Company had resolved to dispose of its 51% equity interest in Yan'an Jinneng, and Yan'an Jinneng's subsidiary, Liyuan Railway, (together, "Disposal Group A"). The Group had also resolved to dispose of its 35% equity interest in an associate, Yan'an Railway ("Disposal Group B").

The Disposal Groups had carried out the Group's coal trading business, railway related storage and logistics services previously included in the Group's Other Business for segment reporting purposes. In view of the PRC government's recent strategic policy in developing clean energy, the board was of the view that it would be more beneficial for the Group to focus on its main operations of coke production and to diversify into the national hydrogen energy market and hydrogen energy value chain. The disposals represented a good opportunity for the Group to recuperate its resources and funds and further improve the liquidity of the Group, whilst at the same time, optimising the overall structure of the Group.

The Disposal Groups' operations had been treated as discontinued operations. The disposal had been completed on 30 September 2021, details of the disposal had been set out in the annual report and consolidated financial statements for the year ended 31 December 2021.

The results of Disposal Group A and Disposal Group B for the prior period are as follows.

From Disposal Group A

	Six months ended 30/06/2021 RMB'000 (unaudited)
Revenue	614,910
Cost of sales	(599,135)
Gross profit	15,775
Other income	102
Other gains and losses	878
Impairment loss of goodwill (Note)	(4,778)
Distribution and selling expenses	(4,486)
Administrative expenses	(3,489)
Finance costs	(1,211)
Profit before tax	2,791
Income tax expense	(1,575)
Profit for the period attributable to Disposal Group A	1,216

10. DISCONTINUED OPERATIONS (Continued)

From Disposal Group B

	Six months ended 30/06/2021
	RMB'000 (unaudited)
Shares of results of associates	595
Impairment of interest in associates (Note)	(1,105)
Loss for the period attributable to Disposal Group B	(510)

From Disposal Group A and Disposal Group B

Result for the period from Disposal Group A and Disposal Group B	706

Note: The fair value less costs to sell from the disposal was lower than the net carrying amounts of Disposal Group A and Disposal Group B. An aggregate impairment loss of RMB5,883,000 was recognised for the discontinued operations during the six months ended 30 June 2021.

Cash flows from the Disposal Groups:

	Six months ended 30/06/2021
	RMB'000 (unaudited)
Net cash flows from operating activities	56,858
Net cash flows used in investing activities	(210,729)
Net cash flows from financing activities	106,222
Net cash flows	(47,649)

11. DIVIDEND

On 25 May 2021, a final dividend in respect of the year ended 31 December 2020 of RMB0.20 per share, in an aggregate amount of RMB107,084,000, was declared by the Company. Such dividend had been fully settled in June 2021.

On 23 May 2022, a final dividend in respect of the year ended 31 December 2021 of RMB0.20 per share, in an aggregate amount of RMB107,084,000, was declared by the Company. Such dividend included in dividend payable as at 30 June 2022 has been fully settled in July 2022.

Subsequent to the end of the current interim period, the Board of Directors declared an interim dividend of RMB0.05 per share, amounting to RMB26,771,000 in aggregate (2021 interim dividend of RMB0.10 per share, amounting to RMB53,542,000 in aggregate).

12. EARNINGS PER SHARE

For continuing operations and discontinued operations

The calculation of basic earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**309,983**	336,537
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**535,421**	535,421

For continuing operations

The calculation of basic earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to owners of the Company from continuing operations for the purpose of basic earnings per share	**309,983**	339,877
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**535,421**	535,421

12. EARNINGS PER SHARE (Continued)

For discontinued operations

Based on the loss for the six months ended 30 June 2021 from discontinued operations of RMB3,340,000 (unaudited) and with the same denominators detailed above, the basic loss per share from discontinued operations is less than RMB0.01 per share for the six months ended 30 June 2021.

Diluted earnings per share

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

13. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the current interim period, the construction in progress of the Group increased by approximately RMB914,033,000, mainly including coking equipment upgrading project (for the six months ended 30 June 2021: RMB990,714,000); and other property, plant and equipment increased by RMB14,304,000 (for the six months ended 30 June 2021: RMB25,065,000) in order to upgrade its manufacturing capabilities.

Carrying amounts of property, plant and equipment of approximately RMB396,000 was disposed of during the current period mainly including supporting equipment (for the six months ended 30 June 2021: RMB26,042,000).

During the current interim period, the Group modified a lease agreement for office rental with extension of lease terms. At the date of modification, the Group recognised RMB1,258,000 of right- of-use asset and RMB1,258,000 of lease liability. During the six months ended 30 June 2021, the Group acquired right-of-use assets of RMB201,586,000 in respect of leasehold land.

Carrying amounts of right-of-use assets of RMB1,446,000 was derecognised for the six months ended 30 June 2021 due to early termination of an office premise.

Impact of variable lease payments is immaterial for the Group.

Property, plant and equipment of RMB933,000 was acquired through acquisition of a gas station for the six months ended 30 June 2021.

During the six months ended 30 June 2022, the Group acquired intangible assets of RMB301,887,000 in respect of coke capacity (for the six months ended 30 June 2021: Nil).

14. INTERESTS IN ASSOCIATES

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Cost of unlisted investment in associates	139,460	41,460
Share of post-acquisition results, net of dividends received	(40,244)	(41,460)
	99,216	–

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

Name of associate	Place of registration and operations	Fully paid registered capital	Proportion of ownership interest/voting rights attributable to the Group		Principal activities
			2022	2021	
Xiamen Jinma	PRC	RMB200,000,000	49%	N/A	Domestic trading
Yilong Coal	PRC	RMB80,000,000	33%	33%	Mining and sale of coal

The associates are accounted for using the equity method in the condensed consolidated financial statements.

The Group's share of accumulated losses of Yilong Coal exceeds the Group's interest in Yilong Coal (which includes long-term interests that, in substance, form part of the Group's net investment in the Yilong Coal), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of Yilong Coal.

Xiamen Jinma

	30/06/2022
	RMB'000
Current assets	203,188
Current liabilities	706

14. INTERESTS IN ASSOCIATES (Continued)

Xiamen Jinma (Continued)

	Six months ended 30/06/2022
	RMB'000
Revenue	44,421
Profit and total comprehensive income for six months end 30 June 2022	2,482

Reconciliation of the above summarised financial information of the carrying amount of the interest in Xiamen Jinma recognised in the consolidated financial statements.

	30/06/2022
	RMB'000
Net assets	202,482
Proportion of the Group's ownership interest in the associate	49%
Carrying amounts of the Group's interest in the associate	99,216

15. DEFERRED TAX ASSETS/LIABILITIES

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

	Allowance for inventories	ECL provision	Accelerated tax depreciation and temporary difference on deductible expenses	Fair value change of bills receivables at FVTOCI and assets at FVTPL	Unrealised profits	Fair value adjustments upon acquisition of business	Deferred revenue	Impairment of property, plant and equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021 (audited)	157	11,807	(12,932)	2,755	1,992	(8,193)	5,469	2,114	3,169
(Charge) credit to profit or loss	(157)	2,526	(17,717)	(1,034)	(122)	1,478*	(262)	4,731	(10,557)
Credit to the comprehensive income	–	–	–	111	–	–	–	–	111
Reclassification to assets classified as held for sale	–	–	–	–	–	(5,605)	–	–	(5,605)
At 30 June 2021 (unaudited)	–	14,333	(30,649)	1,832	1,870	(12,320)	5,207	6,845	(12,882)
Credit (charge) to profit or loss	655	(1,799)	1,384	254	34,531	1,969	505	–	37,499
Credit to the comprehensive income	–	–	–	652	–	–	–	–	652
Disposal of property, plant and equipment	–	–	–	–	–	–	–	(6,845)	(6,845)
Addition on acquisition of business	–	–	–	–	–	588	–	–	588
At 31 December 2021 (audited)	655	12,534	(29,265)	2,738	36,401	(9,763)	5,712	–	19,012
(Charge) credit to profit or loss	(655)	(768)	(613)	(141)	32,890	2,124	(275)	–	32,562
Charge to the comprehensive income	–	–	–	(654)	–	–	–	–	(654)
At 30 June 2022 (unaudited)	**–**	**11,766**	**(29,878)**	**1,943**	**69,291**	**(7,639)**	**5,437**	**–**	**50,920**

* RMB358,000 out of the total was charged to the profit or loss from the discontinued operations.

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:

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Deferred tax assets	**89,918**	59,336
Deferred tax liabilities	**(38,998)**	(40,324)
	50,920	19,012

As at 30 June 2022, the Group had unused tax losses of RMB4,962,000 (31 December 2021: RMB17,448,000) available to offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. All tax losses will expire within 5 years from the year of origination.

At 30 June 2022 and 31 December 2021, the Group had no other material unrecognised deductible temporary differences.

16. TRADE AND OTHER RECEIVABLES

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade receivables – contract with customers	167,470	94,555
Less: Allowance for ECL	(1,051)	(4,195)
	166,419	90,360
Other receivables	1,998	1,542
Less: Allowance for ECL	(73)	–
Prepayments to suppliers	176,524	234,383
Prepaid other taxes and charges	232,376	333,071
Refundable deposits	514	50,453
Total trade and other receivables	577,758	709,809

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

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	146,551	85,827
91 – 180 days	19,765	–
181 – 365 days	103	3,533
More than 1 year	–	1,000
	166,419	90,360

The normal credit term to the customers is ranged between 30 to 60 days. As at 30 June 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB645,000 (31 December 2021: RMB8,728,000) which are past due less than 90 days as at the reporting date is considered as not in default because the customers show no financial difficulties and repaid receivables continuously during the current interim period. At 30 June 2022, trade receivables amounted to RMB1,051,000 (31 December 2021: RMB5,195,000) has been past due 90 days or more and all of which are considered in default and impairment allowance has been provided for.

The Group does not hold any collateral over these balances. Details of impairment assessment of trade receivables are set out in Note 6.

17. AMOUNT DUE FROM A SHAREHOLDER

	30/06/2022 RMB'000 (unaudited)	31/12/2021 RMB'000 (audited)
Trade nature		
Maanshan Iron & Steel Company Limited 馬鞍山鋼鐵股份有限公司	150,897	57,585

The amounts in trade nature are receivables 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 as at 30 June 2022 and 31 December 2021.

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

18. AMOUNTS DUE FROM RELATED PARTIES

	30/06/2022 RMB'000 (unaudited)	31/12/2021 RMB'000 (audited)
Trade nature		
Pingxiang PXSteel Anyuan Iron & Steel Co., Ltd ("Pingxiang PXSteel") 萍鄉萍鋼安源鋼鐵有限公司 (Note i)	20,746	–
Jiyuan Fangsheng Chemicals Co., Ltd. ("Fangsheng Chemicals") 濟源市方升化學有限公司 (Note ii)	731	20
	21,477	20

Notes:

(i) Pingxiang PXSteel is a subsidiary of Jiangxi PXSteel. Jiangxi PXSteel is a shareholder of the Company.

(ii) The entity is controlled by a shareholder of the Company. The balance is prepayment for purchase of materials.

The amounts in trade nature are receivables from contracts with customers.

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, none of the balance is past due as at 30 June 2022 and 31 December 2021.

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

19. BILLS RECEIVABLES AT FVTOCI

	30/06/2022	31/12/2021
	RMB'000 (unaudited)	RMB'000 (audited)
Bills receivables at FVTOCI	1,203,669	806,113

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 2022 and 31 December 2021, all the bills are with a maturity period of less than one year.

The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

20. BORROWINGS

	30/06/2022	31/12/2021
	RMB'000 (unaudited)	RMB'000 (audited)
Bank borrowings:		
– secured	1,461,903	753,429
– unsecured	1,117,143	1,047,434
	2,579,046	1,800,863
Fixed-rate borrowings	577,000	575,500
Floating-rate borrowings	2,002,046	1,225,363
	2,579,046	1,800,863
Carrying amount repayable:		
Within one year	1,271,833	972,434
More than one year, but not more than two years	358,000	285,000
More than two years, but not more than five years	949,213	543,429
	2,579,046	1,800,863
Less: Amount shown under current liabilities	(1,271,833)	(972,434)
Amount due after one year shown under non-current liabilities	1,307,213	828,429

20. BORROWINGS (Continued)

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

	Six months ended 30/06/2022 (unaudited)	Year ended 31/12/2021 (audited)
Effective interest rate:		
– Fixed-rate borrowings	3.70%-6.30%	4.25%-6.30%
– Floating-rate borrowings	3.62%-5.00%	3.56%-5.46%

As at 30 June 2022, the Group had unutilised bank facilities of approximately RMB2,334,284,000 (As at 31 December 2021: RMB2,010,941,000).

Pledge of assets

At the end of the reporting period, the Group had pledged the following assets to banks as securities against general banking facilities, including banks borrowings and bills payables granted to the Group:

	30/06/2022 RMB'000 (unaudited)	31/12/2021 RMB'000 (audited)
Right-of-use assets	177,524	124,811
Restricted bank balances	631,719	703,118
Bills receivables at FVTOCI	284,501	195,309
Property, plant and equipment	2,424,934	1,322
	3,518,678	1,024,560

21. TRADE AND OTHER PAYABLES

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade payables	481,207	274,954
Bills payables	1,197,490	998,596
	1,678,697	1,273,550
Salaries and wages payables	13,576	39,355
Other tax payables	19,086	22,924
Consideration payable for purchase of		
– property, plant and equipment	865,072	732,102
– intangible assets	47,170	118,555
Dividend payable	107,084	–
Accruals	28,348	9,795
Consideration payable for acquisition of business	3,222	3,647
Refundable deposit from constructors	15,505	15,135
Other payables	3,400	2,695
	1,102,463	944,208
	2,781,160	2,217,758

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

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	1,643,061	1,254,647
91 – 180 days	20,967	10,471
181 – 365 days	8,182	5,619
Over 1 year	6,487	2,813
	1,678,697	1,273,550

At the end 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.

22. AMOUNT DUE TO A RELATED PARTY

	30/06/2022	31/12/2021
	RMB'000 (unaudited)	RMB'000 (audited)
Trade nature		
Fangsheng Chemicals	472	113

The normal credit term to the Group is ranged between 30 to 60 days.

The following is an aging analysis of trade related amount due to a related party presented based on the invoice dates at the end of the reporting period:

	30/06/2022	31/12/2021
	RMB'000 (unaudited)	RMB'000 (audited)
Within 90 days	472	113

23. CAPITAL COMMITMENTS

	30/06/2022	31/12/2021
	RMB'000 (unaudited)	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:	1,140,860	1,802,512

24. 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:

	30/06/2022	31/12/2021
	RMB'000 (unaudited)	RMB'000 (audited)
Endorsed bills for settlement of payables	3,422,939	2,608,690
Discounted bills for raising cash	489,060	293,325
Outstanding endorsed and discounted bills receivables with recourse	3,911,999	2,902,015

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

25. 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.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30/06/2022	31/12/2021		
	(unaudited)	(audited)		
Bills receivables at FVTOCI	**Assets- RMB1,203,669,000**	Assets- RMB806,113,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.
Structured deposits classified as financial assets at FVTPL	**Assets- Nil**	Assets- RMB18,000,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the contract and available market.

There were no transfer between Level 1 and 2 during the both interim periods.

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.

26. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

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

(a) Transactions with related parties

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of products and services to:		
Jiangxi PXSteel's subsidiaries	**1,112,279**	576,530
Maanshan Steel	**645,700**	474,274
Jinjiang Refinery	**63,258**	50,625
Yan'an Railway (Note)	**N/A**	3,607
Purchase of raw materials and services:		
Fangsheng Chemicals	**3,612**	2,389
Jinjiang Refinery	**4,315**	3,384

Note: The entity is no-longer a related party following the disposal completed on 30 September 2021.

(b) Compensation and key management personnel

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

	Six months ended	
	30/06/2022	30/06/2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries and allowance	**2,312**	2,449
Retirement benefit scheme contributions	**136**	116
	2,448	2,565

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.

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

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Hong Kong

Contact information

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Company website

www.hnjmny.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) (appointed on 23 May 2022)
Ms. Ye Ting
Mr. Wang Kaibao
Mr. Hu Xiayu (retired on 23 May 2022)

Independent Non-executive Directors

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

Supervisors

Mr. Wong Tsz Leung (Chairman)
Mr. Wu Jiacun (appointed on 23 May 2022)
Mr. Zhou Tao, David
Ms. Tian Fangyuan
Ms. Hao Yali
Mr. Fan Xiaozhu
Ms. Li Lijuan (retired on 23 May 2022)

Audit Committee

Mr. Wu Tak Lung (Chairman)
Mr. Xu Baochun (appointed on 23 May 2022)
Mr. Meng Zhihe
Mr. Hu Xiayu (retired on 23 May 2022)

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) (appointed on 23 May 2022)
Mr. Li Tianxi
Mr. Cao Hongbin
Mr. Hu Xiayu (retired on 23 May 2022)

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

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11/F, Jin Mao Tower
88 Century Avenue
Pudong New Area
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

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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

Bank of Luoyang Co., Ltd. Jili Branch
Zhongyuan Road, Jili District
Luoyang, Henan Province
PRC

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

China Guangfa Bank Zhengzhou Shangdu Road Sub-branch
No. 31 Shangdu Road
Zhengzhou, Henan Province
PRC

Zhongyuan Bank Co., Ltd. Jiyuan Branch
No. 481 Huang He Central Road
Jiyuan, Henan Province
PRC

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

In this report, unless the context otherwise requires, the following expressions have the following meanings.

GENERAL TERMS

"Board"	the board of Directors of our Company
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Taiwan, the Macau Special Administrative Region of the PRC and the Hong Kong Special Administrative Region of the PRC
"Code"	Corporate Governance Code set out in Appendix 14 to the Listing Rules in effect for the year ended December 31, 2022
"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" or "Jinma Energy"	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"	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
"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

"Bohigh Chemical"	河南博海化工有限公司 (Henan Bohigh Chemical Co., Ltd.)
"China Baowu"	中國寶武鋼鐵集團有限公司 (China Baowu Steel Group Corporation Limited)
"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.*))
"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 Qingfeng"	河南金馬氫楓氫能源有限責任公司 (Henan Jinma Qingfeng Hydrogen Energy Co.,Ltd.*)
"Jinma Xingye"	濟源市金馬興業投資有限公司 (Jiyuan Jinma Xingye Investment Co., Ltd.*)
"Jinma Zhongdong"	河南金馬中東能源有限公司 (Henan Jinma Zhongdong Energy Co., Ltd.)
"Jinning Energy"	濟源市金寧能源實業有限公司 (Jiyuan Jinning Energy Co., Ltd.*)
"Jinrui Energy"	河南金瑞能源有限公司 (Henan Jinrui Energy Co., Ltd.*)

"Jinrui Gas"	河南金瑞燃氣有限公司 (Henan Jinrui Gas Co., Ltd.*)
"Jinyuan Chemicals"	濟源市金源化工有限公司 (Jiyuan Jinyuan Chemicals Co., Ltd*)
"Liyuan Railway"	延安利源礦業鐵路運輸有限公司 (Yan'an Liyuan Minerals Railway Logistics Co., Ltd.*)
"Maanshan Steel"	馬鞍山鋼鐵股份有限公司 (Maanshan Iron & Steel Company Limited)
"Shaanxi Jinma"	陝西金馬能源有限公司 (Shaanxi Jinma Energy Sources Co., Ltd.)
"Shanghai Hyfun"	上海氫楓能源技術有限公司 (Shanghai Hyfun Energy Technology Co., Ltd.*)
"Shanghai Jinma"	上海金馬能源有限公司 (Shanghai Jinma Energy Sources Co., Ltd.*)
"Shanghai Luxiang"	上海鷺翔實業集團有限公司 (Shanghai Luxiang Industrial Group Co., Ltd.*)
"Shenzhen Jinma"	深圳市金馬能源有限公司 (Shenzhen Jinma Energy Co., Ltd*)
"Xiamen ITG"	廈門國貿集團股份有限公司 (Xiamen ITG Group Corp., Ltd*)
"Xiamen Jinma"	廈門金馬國貿有限公司 (Xiamen Jinma ITG Co., Ltd.*)
"Xinyang Steel"	安鋼集團信陽鋼鐵有限責任公司 (Angang Group Xinyang Steel Co., Ltd.*)
"Xuzhou Oriental"	徐州東方物流集團有限公司 (Xuzhou Oriental Logistics Group Co., Ltd.*)
"Yan'an Jinneng"	延安金能鐵路物流科技有限公司 (Yan'an Jinneng Railway Logistics Technology Co.,Ltd.)
"Yan'an Railway"	延安能源鐵路運銷有限公司(Yan'an Energy Railway Transportation 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.)
"Zenith Steel"	中天鋼鐵集團有限公司 (Zenith Steel Group Co., Ltd.*)
"ZT Logistics"	江蘇中通物流有限公司 (Jiangsu Zhong Tong Logistics Co., Ltd.*)

In this report, if there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese which are marked with "*" is for identification purpose only.

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