
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Henan Jinma Energy Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**MAJOR TRANSACTION IN RESPECT OF THE
FORMATION OF A JOINT VENTURE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 4 to 12 of this circular.

A notice convening the EGM to be held at the Company's conference room at Room 2801, 88 Hing Fat Street, Causeway Bay, Hong Kong on Wednesday, 23 December 2020 at 10:00 a.m. is set out on pages 25 to 27 of this circular

Whether or not you intend to be present at the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the H Share Registrar of the Company at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (with respect to the holders of H Shares) or the Company's Secretary to the Board at West First Ring Road South, Jiyuan, Henan Province, the PRC (with respect to the holders of Domestic Shares and Unlisted Foreign Shares), no later than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not prevent you from attending, and voting at, the relevant meeting or any adjournment thereof if you so wish.

23 November 2020

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I – Financial information of the Group	13
Appendix II – General information.	16
Notice of EGM	25

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Approval Procedures”	has the meaning ascribed to it under the section headed “II. The JV Agreement – Capital contributions by the Parties – Second tranche contribution” in the “Letter from the Board” contained in this circular
“Board”	the board of Directors
“Coke Production Capacity”	a right to produce up to 1.2 million tonnes of coke annually after completing the relevant Approval Procedures
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	河南金馬能源股份有限公司 (Henan Jinma Energy Company Limited), a company established in the PRC with limited liability
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic invested share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00, which are subscribed for and paid up in RMB and are unlisted shares which are currently not listed or traded on any stock exchange
“EGM”	the extraordinary general meeting of the Company to be held on 23 December 2020 to consider and, if thought fit, approve, the JV Agreement and the transactions contemplated thereunder
“Enlarged Group”	the Group as enlarged following the establishment of the JV Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the capital of the Company with a nominal value of RMB1.00 each and are listed on the main board of the Stock Exchange

DEFINITIONS

“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“JV Agreement”	the joint venture agreement dated 22 September 2020 and entered into between the Company and Xinyang Co in relation to the formation of a joint venture, the acquisition of the Xinyang Land and the transfer of the Coke Production Capacity
“JV Company”	a company to be established in the PRC with limited liability pursuant to the JV Agreement, the proposed name of which is 信陽鋼鐵金港能源有限公司 (Xinyang Steel Jingang Energy Co., Ltd.*)
“Latest Practicable Date”	19 November 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Company and Xinyang Co
“PRC”	the People’s Republic of China
“Production Capacity Consideration”	has the meaning ascribed to it under the section headed “II. The JV Agreement – Transfer of the Coke Production Capacity” in the “Letter from the Board” contained in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

DEFINITIONS

“Unlisted Foreign Share(s)”	unlisted foreign invested ordinary share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed and held by persons other than PRC nationals or PRC corporate entities
“Xinyang Co”	Angang Group Xinyang Steel Co., Ltd.* (安鋼集團信陽鋼鐵有限責任公司), a limited company incorporated in the PRC
“Xinyang Coke Production Project”	has the meaning ascribed to it under the section headed “II. The JV Agreement – Transfer of the Coke Production Capacity” in the “Letter from the Board” contained in this circular
“Xinyang Land”	the land located at the north of Junmin Road, Minggang Town, Pingqiao District, Xinyang City, Henan Province, the PRC (中國河南省信陽市平橋區明港鎮軍民路北側) with an aggregate site area of approximately 154,220 square meters
“%”	per cent

* For identification purposes only

If there is any inconsistency between the Chinese name of the entities mentioned in this circular and their English translation, the Chinese version shall prevail.

For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.141865 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. YIU Chiu Fai
Mr. WANG Mingzhong
Mr. LI Tianxi

Non-executive Directors:

Mr. HU Xiayu
Mr. WANG Kaibao
Ms. YE Ting

Independent Non-executive Directors:

Mr. MENG Zhihe
Mr. WU Tak Lung

Supervisors:

Mr. WONG Tsz Leung
Ms. LI Lijuan
Mr. ZHOU Tao, David
Ms. TIAN Fangyuan
Ms. HAO Yali
Mr. ZHANG Wujun

Registered office:

West First Ring Road South
Jiyuan
Henan Province
PRC

*Principal place of business
in Hong Kong:*

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

23 November 2020

To: All shareholders of the Company

Dear Sir or Madam,

**MAJOR TRANSACTION IN RESPECT OF THE
FORMATION OF A JOINT VENTURE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 22 September 2020 regarding the JV Agreement entered into amongst the Company and Xinyang Co, pursuant to which the Parties have conditionally agreed to establish a joint venture company in Xinyang City, Henan Province, the PRC.

LETTER FROM THE BOARD

The Company has conditionally agreed to contribute RMB700 million to the JV Company, representing 70% of the total capital contributions. Following completion of the capital injections by the Parties as contemplated under the JV Agreement, the JV Company will be held as to 70% by the Group and, accordingly, be accounted for as a subsidiary of the Company.

The purpose of this circular is to provide you with, among other things, (i) particulars of the JV Agreement and the transactions contemplated under the JV Agreement, and (ii) the notice of the EGM.

II. THE JV AGREEMENT

Date: 22 September 2020

Parties: (1) The Company
(2) Xinyang Co

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Xinyang Co and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Business of the JV Company

Subject to the approval from relevant government authorities of the PRC, the scope of business of the JV Company includes the production and sale of coke, the production and sale of electricity with heat dissipated in the relevant production process, and the production and sale of heat energy.

Upon obtaining of the Coke Production Capacity from the relevant governmental authorities as further elaborated in the section headed "Transfer of the Coke Production Capacity" below, the JV Company is expected to develop the Xinyang Coke Production Project, being coking production facilities on the Xinyang Land and, in turn, fully utilise the relevant Coke Production Capacity.

Based on the assumption that the Coke Production Capacity would be obtained by the end of 2020, the Board expects that the development of the Xinyang Coke Production Project, which is expected to be completed in 2022, would involve an investment of approximately RMB1,500 million, and the relevant production of coke shall commence thereafter. Such investment amount is an estimation determined based on the preliminary development plan of the Xinyang Coke Production Project having taken into account estimated rates for construction of the production facilities and the purchase of equipment, which are, in turn, estimated with reference to the Group's previous experience in its development of other coke production projects, having taken into consideration the prevailing market rates of construction costs and the relevant equipment. The investment amount and production timetable are, however, subject to adjustments depending on the progress of the obtaining of the Coke Production Capacity and the actual development of the Xinyang Coke Production Project.

LETTER FROM THE BOARD

As it is expected that the investment amount will be incurred in tranches throughout the development of the Xinyang Coke Production Project which is expected to cover a period of around two years, the Company currently intends to first apply part of the capital contributions of up to RMB740 million (being the aggregate amount of the cash injected in the first and second tranche contributions as disclosed in the section headed “Capital contributions by the Parties”) to settle part of the investment amount, with the outstanding part of the investment amount being satisfied by bank borrowings. As at date of this circular, no definitive agreement or terms have been entered into or finalised in relation to investments concerning the development of the Xinyang Coke Production Project and further announcement(s) in relation to such investments will be made in accordance with the Listing Rules as and when appropriate.

It is also expected that after completion of the transactions contemplated under the JV Agreement, the JV Company may enter into certain transactions with Xinyang Co, which may constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Group will comply with the applicable requirements under the Listing Rules as and when appropriate.

Capital contributions by the Parties

Pursuant to the JV Agreement, the Parties have conditionally agreed to make capital contributions in the following manner:

	Capital contribution to be contributed by each Party (RMB'million)	Percentage of equity interest in the JV Company
Name		
Company	700	70.00%
Xinyang Co	300 ^(Note)	30.00%
Total	1,000	100.00%

Note: Part of such capital contribution in the amount of RMB60 million shall be satisfied by the injection of the Xinyang Land currently held by Xinyang Co into the JV Company and the remaining RMB240 million shall be injected in the form of cash. Please refer to the paragraph headed “Second tranche contribution” below for further details.

The amount of the capital contributions to be injected by each party to the JV Agreement was determined after arm’s length negotiations between the Parties with reference to the JV Company’s initial estimated funding needs and the agreed share by each party to the JV Agreement, and the appraised value of the Xinyang Land of RMB60,053,200 (equivalent to approximately HK\$68,573,000) as at 31 August 2020 based on a valuation report prepared by an independent PRC valuer prepared based on the market comparison approach.

LETTER FROM THE BOARD

Following completion of the capital injections by the Parties as contemplated under the JV Agreement, the JV Company will be held as to 70% by the Group and, accordingly, be accounted for as a subsidiary of the Company.

Subject to the satisfaction of the condition as set out in the section headed “Condition precedent” below, the capital contributions mentioned above shall be payable by the Parties in three tranches in the following manner:

- ***First tranche contribution and acquisition of the Xinyang Land***

Within 30 days after the successful registration of the Xinyang Coke Production Project under the name of the JV Company with the relevant governmental authorities, the Company shall inject RMB140 million (equivalent to approximately HK\$160 million) in cash and Xinyang Co shall inject the Xinyang Land into the JV Company.

- ***Second tranche contribution***

Within 15 days after the necessary approval procedures involving the obtaining of the Coke Production Capacity have been completed (which procedures shall be completed no later than 31 December 2020 and will involve, inter alia, (i) the completion of the review, evaluation and approval of the safety design of the Xinyang Coke Production Project, (ii) the completion of and approval of the environmental evaluation in respect the Xinyang Coke Production Project, and (iii) the obtaining of and reviewing of the energy conservation report concerning the Xinyang Coke Production Project) (collectively, the “**Approval Procedures**”), the Company and Xinyang Co shall inject RMB420 million (equivalent to approximately HK\$480 million) and RMB180 million (equivalent to approximately HK\$206 million), respectively, in cash into the JV Company.

- ***Third tranche contribution***

The remainder of the capital contribution amount, comprising RMB140 million (equivalent to approximately HK\$160 million) by the Company and RMB60 million (equivalent to approximately HK\$69 million) by Xinyang Co, shall be injected into the JV Company in accordance with the capital needs of the JV Company to be determined depending on the progress of the development of the Xinyang Coke Production Project, but in any event, no later than 31 December 2070.

The Company’s portion of the capital contribution in the aggregate amount of RMB700 million (equivalent to approximately HK\$799 million) as disclosed above is expected to be funded by the Group’s internal resources, and it is expected that the making of such capital contribution would not have any material impact on the financial position of the Group.

Transfer of the Coke Production Capacity

Xinyang Co is a manufacturer of iron and steel products and since coke is the main and irreplaceable reducing agent, heat agent and column skeleton for blast furnaces used in the production of pig iron by iron and steel manufacturers, Xinyang Co had in April 2020 applied for and obtained the relevant governmental registration for the development of a new production facility of coke which would involve an annual production capacity of up to 1.2 million tonnes of coke (the “**Xinyang Coke Production Project**”).

LETTER FROM THE BOARD

Pursuant to the JV Agreement, the Parties have agreed that the development of the Xinyang Coke Production Project be conducted by the JV Company instead, and hence, Xinyang Co has agreed to attend to the change of the registration in respect the Xinyang Coke Production Project from Xinyang Co to the JV Company, and also take a lead in coordinating and completing the relevant Approval Procedures. Following completion of the change in registration and the Approval Procedures, the JV Company will obtain the right to develop the Xinyang Coke Production Project and in turn obtain the Coke Production Capacity, and hence the said arrangement will in effect constitute a transfer of the Coke Production Capacity from Xinyang Co to the JV Company. In consideration of the change in registration of the Xinyang Coke Production Project and Xinyang Co's assistance in the JV Company's obtaining of the Coke Production Capacity, the JV Company will pay Xinyang Co an amount calculated based on RMB200 per tonne of coke production capacity, which will amount to up to RMB240 million in aggregate (equivalent to approximately HK\$274 million) (the "**Production Capacity Consideration**"), as compensation upon completion of Approval Procedures.

As the abovementioned arrangement between Xinyang Co and the JV Company will, in effect, constitute a transfer of the Coke Production Capacity from Xinyang Co to the JV Company, the Production Capacity Consideration was calculated based on RMB200 per tonne of coke production capacity, which was arrived at after arm's length negotiations between the Parties with reference to prices of coke production capacities based on market transactions of transfer of coke production capacities that were publicly available.

Condition precedent

The performances of the terms of the JV Agreement by the Company and Xinyang Co are conditional upon the obtaining of the necessary approvals by the Parties pursuant to their respective internal procedures and articles of association, and comprise board approvals in respect of both the Company and Xinyang Co, and the relevant Shareholders' approval at the EGM pursuant to the requirements of the Listing Rules.

Ownership of the JV Company

The Parties, as holders of equity interests in the JV Company, shall be entitled to rights of equity holders (including voting rights) in proportion to their respective equity interests in the JV Company. Pursuant to the JV Agreement, at the equity holders' meeting of the JV Company, general matters shall be approved by a majority vote of the holders of equity interests, whereas for certain important matters, including amendment to the JV Company's articles of association, alteration of its registered capital, and the amalgamation or dissolution of the JV Company, shall require the approval of two-thirds of the votes of the holders of equity interest in the JV Company.

In the event of a transfer of equity interest in the JV Company by any equity holder, the equity holder interested in over 50% of the equity interests in the JV Company shall have a pre-emptive right to acquire such interest.

LETTER FROM THE BOARD

Management of the JV Company

The board of directors of the JV Company shall consist of three (3) directors, among which, the Company shall nominate two (2) directors and Xinyang Co shall nominate one (1) director. The chairman of the board of directors of the JV Company shall be a director nominated by the Company. The general manager of the JV Company shall be nominated by the Company while Xinyang Co is entitled to nominate one (1) deputy general manager of the JV Company.

The supervisory committee of the JV Company shall consist of three (3) supervisors, among which, the Company and Xinyang Co shall each nominate one (1) supervisor and the employees shall elect one (1) employee representative supervisors. The chairman of the supervisory committee of the JV Company shall be nominated by Xinyang Co.

III. INFORMATION ON XINYANG CO

Xinyang Co is a company incorporated in the PRC with limited liability. It is principally engaged in the production and sale of pig iron, billet, rod and strip materials, and is a steel conglomerate involved in various operations including the production of iron and steel, mining, mineral separation, railway transportation, cement, energy generation and trading.

Insofar as the Directors are aware, as at the Latest Practicable Date, Xinyang Co had 13 equity holders, comprising 11 individuals and two companies, details of which are set out below:

Name of equity holder	Approximate percentage of equity interest held in Xinyang Co
He Dianzhou* (何殿洲)	53.22%
Henan Hengchang Trading Co., Ltd.* (河南省恒昌商貿有限公司) ^(Note 1)	15.84%
Anyang Steel Group Co., Ltd.* (安陽鋼鐵集團有限責任公司) ^(Note 2)	8.57%
Zhao Quanshun* (趙全順)	4.00%
Xu Mingli* (徐名利)	4.00%
Si Shuishan* (司水山)	4.00%
Xiong Zhifu* (熊致賦)	4.00%
Yuan Lin* (原林)	4.00%
Yang Libo* (楊麗波)	0.88%
Yang Zhongzhi* (楊中志)	0.66%
Huang Lujun* (黃錄軍)	0.29%
Huang Zechun* (黃澤純)	0.28%
Zeng Qi* (曾起)	0.25%

Notes:

1. Insofar as the Directors are aware, as at the Latest Practicable Date, Henan Hengchang Trading Co., Ltd. was held as to 85% and 15% by Liang Junsheng and Zhao Lili, respectively.
2. Insofar as the Directors are aware, as at the Latest Practicable Date, Anyang Steel Group Co., Ltd. was held as to 100% by the Henan People's Government.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all the above equity holders and their ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

IV. REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan province, the PRC. 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.

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 has been making continuous efforts in expanding its coke production capacity. In view of the PRC government's policies in recent years imposing stricter environmental protection measures and requirements, the Board is of the view that new coke production capacities have become more and more difficult to come by. Through entering into of the JV Agreement, the Company will have the opportunity to obtain the Coke Production Capacity, being a valuable resource for the Group's expansion of business operations. Upon fully utilising the relevant Coke Production Capacity through the development of the Xinyang Coke Production Project on the Xinyang Land, the Group will be able to further expand its production volume in respect of coke production, and hence further improve the Group's overall revenue as a whole. If the transfer of the Coke Production Capacity falls through, it is intended that the JV Company will continue to work towards expanding its production volume, and hence the JV Company will identify other opportunities to acquire coke production capacity for its production and sale of coke, heat energy and electricity and, in turn, expand the operations of the Group as a whole.

In addition, Xinyang Co is an iron and steel manufacturing with established businesses in Xinyang City in Henan Province. It is expected that the Group will be able to leverage on the resources and expertise of such joint venture partner and gain access to new business opportunities and further depth its business development along the coking chemical value chain.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the JV Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

V. FINANCIAL EFFECT OF THE FORMATION OF THE JV COMPANY

Following completion of the capital injections by the Parties as contemplated under the JV Agreement, the JV Company will be accounted for as a 70% subsidiary of the Company and its results will be consolidated into the financial statements of the Group. As such, with the Company's portion of the capital contribution expected to be funded by the Group's internal resources, the assets of the Group will increase by RMB300 million (equivalent to approximately HK\$343 million), representing the assets of the JV Company to be contributed by Xinyang Co as disclosed in the section headed "II. The JV Agreement – Capital contributions by the Parties" above.

LETTER FROM THE BOARD

In addition, following the JV Company's obtaining of the Coke Production Capacity, the Production Capacity Consideration of up to RMB240 million in aggregate (equivalent to approximately HK\$274 million) will be paid by the JV Company to Xinyang Co, resulting in recognition of a non-current asset.

The liabilities and earnings of the Group will remain unchanged immediately following the formation of the JV Company since the JV Company, being newly established, would not have incurred any liability or recorded any revenue or earning. The overall effects of the formation of the JV Company on the future earnings of the Group will depend on, among other things, the operating results of the JV Company. It is expected that the making of the capital contribution by the Company pursuant to the JV Agreement would not have any material adverse impact on the financial position of the Group.

VI. LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the formation of the JV Company is more than 25% but all of which are less than 100%, the formation of the JV Company contemplated under the JV Agreement constitutes a major transaction of the Company under the Listing Rules and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In respect of the injection of the Xinyang Land into the JV Company (being part of the capital contribution to be satisfied by Xinyang Co), which constitutes an acquisition of the Xinyang Land by the Group, all the applicable percentages are less than 5%.

In respect of the obtaining of the Coke Production Capacity by the JV Company, since the highest applicable percentage ratio under the Listing Rules in respect of the obtaining of the Coke Production Capacity exceeds 5% but all of which are less than 25%, the obtaining of the Coke Production Capacity constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As mentioned in the section headed "II. The JV Agreement – Business of the JV Company" above, the Board expects to make further investments in respect of the development of the Xinyang Coke Production Project. As at date of this circular, no definitive agreement or terms have been entered into or finalised in relation to investments concerning the development of the Xinyang Coke Production Project and further announcement(s) in relation to such investments will be made in accordance with the Listing Rules as and when appropriate.

Further, it is also mentioned in the section headed "II. The JV Agreement – Business of the JV Company" above, that it is expected that after the formation of the JV Company and the commencement of production of coke by the JV Company, the Group may enter into certain transactions with Xinyang Co, which may constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As at date of this circular, no definitive agreement or terms have been entered into or finalised in relation to such transactions and further announcement(s) in relation to the continuing connected transactions will be made in accordance with the Listing Rules as and when appropriate.

VII. EGM

The EGM will be held at the Company's conference room at Room 2801, 88 Hing Fat Street, Causeway Bay, Hong Kong on Wednesday, 23 December 2020 at 10:00 a.m., to consider and, if thought fit, approve the JV Agreement and the transactions contemplated thereunder.

The notice convening the EGM is set out on pages 25 to 27 of this circular. To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective close associates has any material interest in the transactions contemplated under the JV Agreement. As such, no Shareholder will be required to abstain from voting in favour of the resolution proposed at the EGM to approve the JV Agreement and the transactions contemplated thereunder at the EGM.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM or any adjournment thereof, you are requested to complete the forms of proxy in accordance with the instructions printed thereon and return the same to the H Share Registrar at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for the holders of H Shares) or the Company's Secretary to the Board at West First Ring Road South, Jiyuan, Henan Province, the PRC, not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not prevent you from attending and voting at the relevant meeting or any adjournment thereof if you so wish.

VIII. RECOMMENDATIONS

The Directors, including the independent non-executive Directors, are of the view that the terms of the JV Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the JV Agreement and the transactions contemplated thereunder.

IX. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2017, 2018 and 2019 are disclosed in the following documents which have been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (<http://www.hnjmny.com>):

- the Company's annual report for the year ended 31 December 2017 published on 12 April 2018 (pages 85 to 151) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0412/ltn20180412944.pdf>)
- the Company's annual report for the year ended 31 December 2018 published on 31 March 2019 (pages 93 to 171) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0331/ltn20190331047.pdf>)
- the Company's annual report for the year ended 31 December 2019 published on 24 April 2020 (pages 98 to 194) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042900943.pdf>)

2. INDEBTEDNESS STATEMENT

Bank loans

	30 September 2020
	<i>RMB'000</i>
Bank borrowings – secured and unguaranteed	113,820
Bank borrowings – unsecured and unguaranteed	874,000
	<hr/>
Total	987,820
	<hr/>

The secured bank borrowings were secured by bank bills, properties and land use rights of the Group.

Lease liabilities

As at the close of business on 30 September 2020 (being the latest practicable date for the purpose of this indebtedness statement), the Group had the lease liabilities for the remainder of the relevant lease terms of RMB1,376,000 in aggregate which were secured by rental deposit and unguaranteed, and RMB9,413,000 in aggregate which were unsecured and unguaranteed.

Contingent liabilities

The Group (i) endorsed certain bills receivables for the settlement of trade and other payables; and (ii) discounted certain bills receivables to banks for raising of cash. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed and discounted bills receivable is low because all endorsed and discounted bills receivables are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivables as at 30 September 2020 are as follows:

	30 September 2020 <i>RMB'000</i>
Endorsed bills for settlement of payables	2,612,839
Discounted bills for raising cash	71,080
	<hr/>
Total	<u>2,683,919</u>

Save as disclosed above and otherwise mentioned in this circular, apart from normal trade payables, intra-group liabilities and amounts due to connected parties and related parties, we did not have any outstanding charges or pledges, debentures or other debt securities (including those authorized or otherwise created but unissued), 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 as at 30 September 2020.

The Directors confirm that there are no material changes in the indebtedness or contingent liabilities of the Group since 30 September 2020.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan province. It 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, and is also engaged in the trading of coal, coal mining equipment and natural gas mainly through the Group's trading company.

The Group's various business segments continued to perform solidly recorded for the first half of 2020. As disclosed in the Company's 2020 Interim Report, for the six months ended 30 June 2020, the revenue of the Group amounted to approximately RMB3,372.6 million, whereas the gross profit of the Group amounted to approximately RMB466.2 million. The total assets of the Group as at 30 June 2020 amounted to approximately RMB6,181.1 million.

The Group's strength in coking operations has in the past provided solid revenue in terms of the sale of coke as well as in respect of the processing and sale of coking-by-products. Currently, the Group's aggregate coke production capacity amounted to approximately 2.1 million tons per annum. Leveraging on the Group's successful track record and experience in the coking chemical industry, the Enlarged Group is expected to develop the Xinyang Coke Production Project which would further expand the Enlarged Group's coke production volume by up to 1.2 million tonnes. This would enable the Enlarged Group to improve its overall revenue as a whole and achieve economies of scale, which could in turn generate higher profit margin and benefit the Enlarged Group and its shareholders as a whole.

4. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful consideration, are of the opinion that, after taking into account of the Group's existing cash and bank balances, other internal resources available and available credit facilities, the Enlarged Group will have sufficient working capital for its present requirements and for at least 12 months from the date of publication of this circular in the absence of unforeseen circumstance.

5. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, they are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Company were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors', chief executive's and Supervisors' interests in securities

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executives and Supervisors in the shares, underlying shares and debentures of the Company notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (as if it were applicable also to the Supervisors of the Company) were as follows:

Name	Nature of Interest	Class of securities	Number of Shares held ^(Note 1)	Approximate percentage of shareholding in the relevant class of shares of the Company ^(Note 2)	Approximate percentage of shareholding in the total share capital of the Company ^(Note 3)
Mr. Yiu Chiu Fai ^(Note 4)	Interest in a controlled corporation	Domestic Shares	162,000,000 (L)	40.50%	30.26%
	Beneficial owner	H Shares	1,453,000 (L)	1.07%	0.27%

Notes:

- The letter "L" denotes the person's long position in such Shares.
- As advised by the PRC legal advisers of the Company, holders of the Unlisted Foreign Shares are treated as if they are in the same class as the holders of Domestic Shares. The percentage is based on the total number of 400,000,000 domestic shares and unlisted foreign shares in issue as the total number of domestic shares and 135,421,000 H shares in issue.
- The calculation is based on the total number of 535,421,000 Shares in issue.
- Mr. Yiu Chiu Fai (an executive Director) is the legal and beneficial owner of the entire issued share capital of Golden Star Chemicals (Holdings) Limited. Golden Star Chemicals (Holdings) Limited, in turns, holds 96.3% of the issued share capital of Jinma Coking (BVI) Limited, and Jinma Energy (Hong Kong) Limited is wholly owned by Jinma Coking (BVI) Limited. Accordingly, Mr. Yiu is deemed to be interested in Jinma Energy (Hong Kong) Limited's interest in the Company by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive nor the Supervisors 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 for Securities Transaction by Directors of Listed Issuers.

Substantial shareholders' interests in securities

The register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO (including interests filed with the Stock Exchange) shows that as at the Latest Practicable Date, the following persons (other than the Directors, the chief executive and the supervisors) had the following interests and short positions (if any) in the shares and underlying shares of the Company:

Name	Capacity	Class of Securities	Number of shares ^(Note 1)	Approximate percentage of shareholding in the relevant class of shares in the Company ^(Note 2)	Approximate percentage of shareholding in the total share capital of the Company ^(Note 3)
Jinma Energy (Hong Kong) Limited (“Jinma HK”)	Beneficial owner	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Jinma Coking (BVI) Limited (“Jinma Coking”)	Interest in a controlled corporation ^(Note 4)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Golden Star Chemicals (Holdings) Limited (“Golden Star”)	Interest in a controlled corporation ^(Note 5)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Ms. Lam Yuk Wai	Interest of spouse ^(Note 6)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
		H Shares	1,453,000 (L)	1.07%	0.27%
Maanshan Iron & Steel Company Limited (“Maanshan Steel”)	Beneficial owner	Domestic Shares	144,000,000 (L)	36.00%	26.89%
馬鋼(集團)控股有限公司 (Magang (Group) Holdings Co., Ltd.*)	Interest in a controlled corporation ^(Note 7)	Domestic Shares	144,000,000 (L)	36.00%	26.89%

APPENDIX II

GENERAL INFORMATION

Name	Capacity	Class of Securities	Number of shares ^(Note 1)	Approximate percentage of shareholding in the relevant class of shares in the Company ^(Note 2)	Approximate percentage of shareholding in the total share capital of the Company ^(Note 3)
江西萍鋼實業股份有限公司 (Jiangxi PXSteel Industrial Co. Ltd.*) (“ Jiangxi PXSteel ”)	Beneficial owner	Domestic Shares	54,000,000 (L)	13.50%	10.09%
遼寧方大集團實業有限公司 Liaoning Fangda Group Industrial Co., Ltd. (“ Liaoning Fangda ”)	Interest in a controlled corporation ^(Note 8)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
北京方大國際實業投資有限公司 Beijing Fangda International Enterprise Investment Co., Ltd. (“ Beijing Fangda ”)	Interest in a controlled corporation ^(Note 9)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Mr. Fang Wei	Interest in a controlled corporation ^(Note 10)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
濟源市金馬興業投資有限公司 (Jiyuan Jinma Xingye Investment Co., Ltd.*) (“ Jinma Xingye ”)	Beneficial owner	Domestic Shares	40,000,000 (L)	10.0%	7.47%
Mr. Wang Lijie	Interest in a controlled corporation ^(Note 11)	Domestic Shares	40,000,000 (L)	10.0%	7.47%
Ms. Zheng Jing	Interest of spouse ^(Note 12)	Domestic Shares	40,000,000 (L)	10.0%	7.47%
RAYS Capital Partners Limited	Investment manager ^(Note 13)	H Shares	18,769,000 (L)	13.86%	3.51%

Name	Capacity	Class of Securities	Number of shares ^(Note 1)	Approximate percentage of shareholding in the relevant class of shares in the Company ^(Note 2)	Approximate percentage of shareholding in the total share capital of the Company ^(Note 3)
Ruan David Ching Chi	Interests in controlled corporation ^(Note 13)	H Shares	18,769,000 (L)	13.86%	3.51%
Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial owner ^(Note 13)	H Shares	18,091,000 (L)	13.36%	3.38%
China Risun Group (Hong Kong) Limited (中國旭陽集團 (香港) 有限公司)	Beneficial owner	H shares	13,000,000 (L)	9.60%	2.43%
Morgan Stanley	Interests in controlled corporation ^(Note 14)	H shares	6,824,945 (L)	5.03%	1.27%

Notes:

1. The letter “L” denotes the person’s long position in such Shares.
2. As advised by the PRC Legal Advisers, holders of the Unlisted Foreign Shares are treated as if they are in the same class as the holders of Domestic Shares. The percentage is based on the total number of 400,000,000 domestic shares and unlisted foreign shares in issue as the total number of domestic shares and 135,421,000 H shares in issue.
3. The percentage is based on the total number of 535,421,000 Shares in issue.
4. 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.
5. 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.
6. Ms. Lam Yuk Wai is the wife of Mr. Yiu Chiu Fai, and thus, she is deemed interested in the same amount of Shares as Mr. Yiu.
7. 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.

8. As per their confirmations, Liaoning Fangda is directly and indirectly interested in approximately 60.46% of Jiangxi PXSteel and hence Liaoning Fangda is the holding company of Jiangxi PXSteel. Accordingly, Liaoning Fangda is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO.
9. Beijing Fangda International Enterprise Investment Co., Ltd. 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.
10. 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.
11. 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.
12. Ms. Zheng Jing (鄭菁) is the wife of Mr. Wang Lijie, and thus, she is deemed interested in the same amount of Shares as Mr. Wang.
13. Mr. Ruan David Ching Chi is the sole shareholder of approximately 95.24% shares in RAYS Capital Partners Limited and RAYS Capital Partners Limited holds 100% of the shares of Asian Equity Special Opportunities Portfolio Master Fund Limited. Accordingly, Mr. Ruan David Ching Chi is deemed to be interested in the interest owned by RAYS Capital Partners Limited and Asian Equity Special Opportunities Portfolio Master Fund Limited in the Company by virtue of the SFO.
14. Morgan Stanley holds 100% of the shares of Morgan Stanley & Co. International plc through its wholly-owned subsidiaries Morgan Stanley International Holdings Inc., Morgan Stanley International Limited and Morgan Stanley Investments (UK). Accordingly, Morgan Stanley is deemed to be interested in the interest owned by Morgan Stanley & Co. International plc in the Company by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, there was no other person, other than Directors, the chief executive or Supervisors of the Company and (in the case of the other members of the Group) other than the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

As at the Latest Practicable Date, so far as is known to the Directors, the following Directors held offices in the substantial shareholders of the Company set out above:

Name of Director	Positions held in the relevant substantial shareholders of the Company
Mr. Yiu Chiu Fai	Director of Jinma HK, Jinma Coking and Golden Star
Mr. Wang Mingzhong	Director of Jinma Xingye
Mr. Li Tianxi	Director of Jinma Xingye
Mr. Hu Xiayu	Head of the raw fuels center of Maanshan Steel
Mr. Wang Kaibao	Party committee secretary, factory director and the chief engineer of the coking factory headquarters of Maanshan Steel
Ms. Ye Ting	Deputy Manager in Administrations Office of a subsidiary of Jiangxi PXSteel

3. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which, since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in a business which competed or might compete with the business of the Company.

5. DIRECTORS' SERVICE CONTRACT

None of the Directors has entered into any service contract with the Group, which is not expiring or determinable by the Group within one year without payment of compensation (other than the payment of statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) a joint venture agreement dated 29 January 2019 entered into between the Company, Zenith Steel Group Co., Ltd.* (中天鋼鐵集團有限公司) (“**Zenith Steel**”), Jiangsu Zhong Tong Logistics Co., Ltd.* (江蘇中通物流有限公司) (“**ZT Logistics**”) and Shanghai Dong Ming Industrial Co., Ltd.* (上海東銘實業有限公司) (“**DM Industrial**”) in relation to the formation of a joint venture company, namely Shenzhen Jinma Energy Co., Ltd., pursuant to which each of the Company, Zenith Steel, ZT Logistics and DM Industrial had agreed to contribute RMB1,145 million, RMB500 million, RMB500 million and RMB100 million, respectively, to the joint venture company;
- (b) an equity transfer agreement dated 23 August 2019 entered into between the Company and 南京嘉佰潤貿易有限公司 (Nanjing Jiabairun Trading Co., Ltd.*) (“**Nanjing Jiabairun**”) pursuant to which the Company had agreed to purchase, and Nanjing Jiabairun had agreed to sell, 25% of the equity interest in 上海金馬能源有限公司 (Shanghai Jinma Energy Sources Co., Ltd.*) (“**Shanghai Jinma**”) at the consideration of RMB9,755,021;
- (c) a joint venture agreement dated 13 April 2020 entered into between Shanghai Jinma and 陝西先和創投能源有限公司 (Shaanxi Xianhe Chuangtou Energy Sources Co., Ltd.*) (“**Shaanxi Xianhe**”) in relation to the formation of a joint venture company, namely 陝西金馬能源有限公司 (Shaanxi Jinma Energy Sources Co., Ltd.*) (“**Shaanxi Jinma**”), pursuant to which each of Shanghai Jinma and Shaanxi Xianhe had agreed to contribute RMB110 million and RMB100 million, respectively, to the joint venture company;

- (d) a joint venture agreement dated 20 May 2020 entered into between 陝西金馬能源有限公司 (Shaanxi Jinma Energy Sources Co., Ltd.*) (“**Shaanxi Jinma**”), 延安能源產品經銷有限責任公司 (Yan’an Energy Products Distribution Co., Ltd.*) (“**Yan’an Energy**”), 延安利源物流有限公司 (Yan’an Liyuan Logistics Co., Ltd.*) (“**Liyuan Logistics**”) and 延安能通物流有限公司 (Yan’an Nengtong Logistics Co., Ltd.*) (“**Ya’an Nengtong**”), in relation to the formation of a joint venture company, namely 延安金能鐵路物流科技有限公司 (Yan’an Jinneng Railway Logistics Technology Co., Ltd.*) (“**Yan’an Jinneng**”), pursuant to which each of Shaanxi Jinma, Yan’an Energy, Liyuan Logistics Ya’an Nengtong had agreed to contribute RMB204 million, RMB140 million, RMB36 million and RMB20 million, respectively, to the joint venture company;
- (e) an equity transfer agreement dated 27 May 2020 entered into between Yan’an Jinneng, 延安利源物流有限公司 (Yan’an Liyuan Logistics Co., Ltd.*) (“**Liyuan Logistics**”), Mr. Bai Xineng* (白席能) and 延安利源礦業鐵路運輸有限公司 (Yan’an Liyuan Minerals Railway Logistics Co., Ltd.*) (the “**Target Co**”) pursuant to which Yan’an Jinneng had agreed to purchase, and Liyuan Logistics had agreed to sell, 80% of the equity interest in the Target Co for a consideration of RMB346,362,700; and
- (f) the JV Agreement.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (except public holidays) at the principal place of business of the Company in Hong Kong at Unit 2801, 28/F, 88 Hing Fat Street, Causeway Bay, Hong Kong, from 23 November 2020 to 7 December 2020 (both days inclusive):

- (a) the articles of association of the Company;
- (b) the material contracts referred to in the section headed “Material contracts” in this appendix;
- (c) the annual report of the Company for the year ended 31 December 2018;
- (d) the annual report of the Company for the year ended 31 December 2019; and
- (e) this circular.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Wong Hok Leung (alias Wong Hok Leung Paul), who is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Chartered Association of Certified Accountant.
- (b) The Company's H-share Registrar and Transfer Office is Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Henan Jinma Energy Company Limited. (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 23 December 2020 at the Company’s conference room at Room 2801, 88 Hing Fat Street, Causeway Bay, Hong Kong for the purposes of considering and, if thought fit, approving the matter set out below.

In the interest of all stakeholders’ health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all shareholders of the Company (the “**Shareholders**”) that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

Unless the context requires otherwise, terms defined in circular of the Company dated 23 November 2020 shall have the same meanings when used herein.

ORDINARY RESOLUTION

To consider and, if thought fit, approve the following resolution as an ordinary resolution:

“**THAT** the JV Agreement entered into between the Company and Xinyang Co in respect of the formation of the JV Company be and is hereby approved, and that any one or more of the Directors and/or their authorised persons be and are hereby authorised to handle all relevant procedures to give effect to the JV Agreement, the articles of association of the JV Company and the transactions contemplated thereunder and to make any appropriate adjustments thereto whenever necessary in the process of submitting the same for the approval of and as required from time to time by the relevant administration authorities of industry and commerce of the PRC”

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

Hong Kong, 23 November 2020

NOTICE OF EGM

Notes:

- (A) The Company will not process registration of transfers of the H shares of the Company (the “**H Shares**”) from Thursday, 3 December 2020 to Wednesday, 23 December 2020 (both days inclusive). Holders of H Shares whose names appear on the register of H Shares kept at the Company’s H-share Registrar and Transfer Office Computershare Hong Kong Investor Services Limited (the “**Company’s H-Share Registrar**”) at 4:30 p.m., the close of business on Wednesday, 2 December 2020 are entitled to attend and vote at the EGM following completion of the registration procedures.

To qualify for attendance and voting at the EGM, documents on transfers of H Shares, accompanied by the relevant share certificates, must be lodged with the Company’s H-Share Registrar, not later than 4:30 p.m. on Wednesday, 2 December 2020. The address of the Company’s H-Share Registrar is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor, Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

The Company will not process registration of transfers of the domestic shares (the “**Domestic Shares**”) and unlisted foreign shares (the “**Unlisted Foreign Shares**”) of the Company from Thursday, 3 December 2020 to Wednesday, 23 December 2020 (both days inclusive). Holders of Domestic Shares and/or Unlisted Foreign Shares whose names appear on the register of shareholders of the Company at the close of business of Wednesday, 2 December 2020 are entitled to attend and vote at the EGM. Holders of Domestic Shares and/or Unlisted Foreign Shares should contact the secretary to the board (the “**Secretary to the Board**”) of directors of the Company for details concerning registration of transfers of Domestic Shares and/or Unlisted Foreign Shares.

The contact details of the Secretary to the Board are as follows:

West First Ring Road South
Jiyuan
Henan Province
The People’s Republic of China
Telephone No.: 86 391-5570688
Facsimile No.: 86 391-6038222

- (B) Each holder of H Shares entitled to attend and vote at the EGM may, by completing the proxy form of the Company, appoint one or more proxies to attend and vote at the EGM on his behalf. A proxy need not be a shareholder of the Company (the “**Shareholder**”). With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (C) Holders of H Shares must use the proxy form of the Company for appointing a proxy and the appointment must be in writing. The proxy form must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (a “**power of attorney**”). If the proxy form is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM on its behalf, the relevant proxy form must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate shareholder as required by the articles of association of the Company.
- (D) To be valid, the proxy form and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note (C) above must be delivered to the Company’s H-Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the EGM.
- (E) Each holder of Domestic Shares and/or Unlisted Foreign Shares who is entitled to attend and vote at the EGM may also, by completing the proxy form of the Company, appoint one or more proxies to attend and vote at the EGM on his behalf. A proxy need not be a Shareholder. Notes (C) and (D) above also apply to the holders of Domestic Shares and/or Unlisted Foreign Shares, except that, to be valid, the proxy form and the relevant power of attorney (if any) and other relevant documents of authorisation (if any) must be delivered to the Secretary to the Board by personal delivery or by post, not less than 24 hours before the time appointed for the EGM. The address of the Secretary to the Board is stated in note (A) above.

NOTICE OF EGM

- (F) A Shareholder or his/her proxy should produce proof of identity when attending the EGM. If a corporate Shareholder's legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the EGM, such legal representative or other person shall produce his/her proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.
- (G) The EGM is expected to last for not more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.
- (H) In compliance with the HKSAR Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of coronavirus disease 2019 (COVID-19), the Company will implement additional precautionary measures at the EGM including, without limitation:
- compulsory body temperature screening;
 - mandatory use of surgical face masks;
 - mandatory health declaration – anyone subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the EGM (“**recent travel history**”), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the EGM;
 - anyone attending the EGM is reminded to observe good personal hygiene at all times; and
 - appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the EGM as may be necessary to avoid over-crowding.
- (I) In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the EGM in person, and advises Shareholders to appoint the Chairman of the EGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person.
- (J) In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of the COVID-19, certain Director(s) of the Company may attend the EGM through video conference or similar electronic means.

As at the date of this notice, the executive Directors of the Company are Mr. YIU Chiu Fai, Mr. WANG Mingzhong and Mr. LI Tianxi; the non-executive Directors of the Company are Mr. HU Xiayu, Mr. WANG Kaibao and Ms. YE Ting; and the independent non-executive Directors of the Company are Mr. MENG Zhihe and Mr. WU Tak Lung.