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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

Revenue	: RMB3,035.4 million
Profit for the period attributable to owners of the Company	: RMB336.5 million
Basic earnings per share	: RMB0.63
Proposed interim dividend per share	: RMB0.10

RESULTS

The board of directors (the "**Board**") of Henan Jinma Energy Company Limited (the"**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2021 together with comparative figures for the six months ended 30 June 2020.

Presented below are the Group's Condensed Consolidated Financial Statements, Management Discussion & Analysis and Corporate Governance & Other Information.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	NOTES	Six months ended	
		30/06/2021	30/06/2020
		RMB'000	RMB'000
		(unaudited)	(unaudited)
			(restated)
Continuing operations			
Revenue	3	**3,035,392**	3,336,579
Cost of sales		**(2,428,851)**	(2,870,752)
Gross profit		**606,541**	465,827
Other income		**22,632**	22,889
Other gains and losses	4	**(38,001)**	2,663
Impairment losses under expected credit loss ("ECL") model, net of reversal	5	**(10,694)**	(835)
Distribution and selling expenses		**(33,219)**	(79,569)
Administrative expenses		**(60,983)**	(45,327)
Finance costs		**(23,868)**	(27,540)
Share of result of a joint venture		**994**	1,508
Share of results of associates		**–**	(9,220)
Profit before tax	6	**463,402**	330,396
Income tax expense	7	**(121,171)**	(87,501)
Profit for the period from continuing operations		**342,231**	242,895
Discontinued operations			
Profit (loss) for the period from discontinued operations	8	**706**	(1,416)
Profit for the period		**342,937**	241,479
Other comprehensive (expense)/income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI")		**(335)**	1,669
Total comprehensive income for the period		**342,602**	243,148

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	NOTES	Six months ended	
		30/06/2021	30/06/2020
		RMB'000	RMB'000
		(unaudited)	(unaudited)
			(restated)
Profit (loss) for the period attributable to owners of the Company:			
– from continuing operations		**339,877**	226,836
– from discontinued operations		**(3,340)**	(1,279)
		336,537	225,557
Profit (loss) for the period attributable to non-controlling interests:			
– from continuing operations		**2,354**	16,059
– from discontinued operations		**4,046**	(137)
		6,400	15,922
		342,937	241,479
Total comprehensive income for the period attributable to:			
– Owners of the Company		**336,202**	227,226
– Non-controlling interests		**6,400**	15,922
		342,602	243,148
Total comprehensive income (expense) for the period attributable to owners of the Company:			
– from continuing operations		**339,542**	228,505
– from discontinued operations		**(3,340)**	(1,279)
		336,202	227,226
Earnings per share (RMB)			
From continuing and discontinued operations			
– Basic	10	**0.63**	0.42
From continuing operations			
– Basic	10	**0.63**	0.42

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	NOTES	30/06/2021	31/12/2020
		RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,988,743	2,390,900
Right-of-use assets		335,710	227,484
Intangible assets		54,359	61,658
Goodwill		8,902	38,294
Interest in a joint venture		57,162	56,168
Interests in associates		–	2,260
Advance to an associate		15,000	15,000
Deferred tax assets		30,884	31,158
Deposit for acquisition of property, plant and equipment		172,486	124,326
Prepayment for other non-current assets		10,755	–
		3,674,001	2,947,248
CURRENT ASSETS			
Inventories		164,945	370,945
Trade and other receivables	11	363,462	298,118
Amounts due from a shareholder		26,004	11,770
Amounts due from related parties		2,835	113,260
Financial assets at fair value through profit or loss ("FVTPL")		288,471	59,807
Bills receivables at FVTOCI		926,349	842,274
Restricted bank balances		535,565	392,458
Bank balances and cash		488,790	1,355,149
		2,796,421	3,443,781
Assets classified as held for sale		611,610	–
		3,408,031	3,443,781
CURRENT LIABILITIES			
Borrowings		518,519	501,700
Trade and other payables	12	1,536,431	1,407,029
Amounts due to related parties		38	1,211
Contract liabilities		48,861	49,851
Lease liabilities		1,086	2,962
Tax payable		27,962	30,984
		2,132,897	1,993,737
Liabilities associated with assets classified as held for sale		118,937	–
		2,251,834	1,993,737
NET CURRENT ASSETS		1,156,197	1,450,044
TOTAL ASSETS LESS CURRENT LIABILITIES		4,830,198	4,397,292

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	NOTES	30/06/2021	31/12/2020
		RMB'000	RMB'000
		(unaudited)	(audited)
CAPITAL AND RESERVES			
Share capital		535,421	535,421
Reserves		2,593,825	2,364,707
Equity attributable to owners of the Company		3,129,246	2,900,128
Non-controlling interests		1,150,203	1,080,365
TOTAL EQUITY		4,279,449	3,980,493
NON-CURRENT LIABILITIES			
Borrowings		483,278	360,000
Lease liabilities		2,878	6,934
Deferred revenue		20,827	21,876
Deferred tax liabilities		43,766	27,989
		550,749	416,799
		4,830,198	4,397,292

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 Rules Governing the Listing of Securities on The Stock Exchange.

The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the Disposal Group (as defined in Note 8) as discontinued operations.

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 values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2020.

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 annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021".

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 2021 (unaudited)						
Segments*	Coke RMB'000	Coking by-products RMB'000	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Business RMB'000	Total 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 RMB'000	Eliminations RMB'000	Consolidated 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 Business	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)

Disaggregation of revenue from contracts with customers (continued)

Continuing operations

	For the six months ended 30 June 2020 (unaudited) (restated)						
Segments	Coke RMB'000	Coking by-products RMB'000	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Business RMB'000	Total RMB'000
Types of goods or service							
Sales of goods							
Coke	1,801,314	–	–	–	678,728	–	2,480,042
Ammonium sulphate	–	5,964	–	–	–	–	5,964
Benzene based chemicals	–	40,627	302,427	–	–	–	343,054
Coal tar based chemicals	–	79,957	203,502	–	–	–	283,459
Coal gas	–	–	–	295,041	–	–	295,041
LNG	–	–	–	113,647	14,669	–	128,316
Coal	–	–	–	–	157,764	–	157,764
Refined oil	–	–	–	–	18,441	–	18,441
Others	–	–	–	2,974	24,829	2,000	29,803
	1,801,314	126,548	505,929	411,662	894,431	2,000	3,741,884
Providing services							
Trading agency	–	–	–	–	9,777	–	9,777
Energy supply	–	–	–	9,273	–	50,515	59,788
Others	–	–	–	–	–	988	988
	–	–	–	9,273	9,777	51,503	70,553
Total	1,801,314	126,548	505,929	420,935	904,208	53,503	3,812,437

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 2020 (unaudited) (restated)		
	Segment revenue RMB'000	Eliminations RMB'000	Consolidated RMB'000
Coke	1,801,314	–	1,801,314
Coking by-products	126,548	120,584	5,964
Refined chemicals	505,929	10,706	495,223
Energy products	420,935	197,837	223,098
Trading	904,208	101,585	802,623
Other Business	53,503	45,146	8,357
Revenue from contracts with customers	3,812,437	475,858	3,336,579

3. REVENUE AND SEGMENT INFORMATION (continued)

Performance obligations for contracts with customers

The Group is mainly engaged 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 Business (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. Following the delivery, the customer has the primary responsibility when on use of the products and bears the risks of obsolescence and loss in relation to the products.

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

In general, for 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 water, catering and fire prevention and management services ("Other Business").

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 RMB'000	Coking by-products RMB'000	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Business RMB'000	Total 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

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Sales of goods						
	Coke RMB'000	Coking by-products RMB'000	Refined chemicals RMB'000	Energy products RMB'000	Trading RMB'000	Other Business RMB'000	Total RMB'000
Continuing operations							
For the six months ended 30 June 2020 (unaudited) (restated)							
External sales							
– contracts with customers	1,801,314	5,964	495,223	223,098	802,623	8,357	3,336,579
Inter-segment sales							
– contracts with customers	–	120,584	10,706	197,837	101,585	45,146	475,858
	1,801,314	126,548	505,929	420,935	904,208	53,503	3,812,437
Segment results	405,914	3,294	(7,301)	38,471	28,478	1,202	470,058
Other income							22,889
Other gains and losses							2,663
Impairment losses, under ECL model, net of reversal							(835)
Distribution and selling expenses							(79,569)
Administrative expenses							(45,327)
Finance costs							(27,540)
Share of result of a joint venture							1,508
Share of results of associates							(9,220)
Unallocated expenses							(4,231)
Profit before tax from continuing operations							330,396

Entity-wide disclosures

Geographical information

During the six months ended 30 June 2021 and 2020, 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 2021 and 2020.

4. OTHER GAINS AND LOSSES

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Gain on fair value changes from financial assets at FVTPL	**5,484**	14,852
Net loss arising on bills receivables at FVTOCI	**(13,835)**	(11,542)
(Loss) gain on disposal of property, plant and equipment	**(1,294)**	864
Impairment loss of property, plant and equipment	**(27,381)**	–
Foreign exchange gain, net	**13**	279
Others	**(988)**	(1,790)
	(38,001)	2,663

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

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Impairment losses under expected credit loss model, net of reversal, recognised on trade receivables	**10,694**	835

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 2021 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

During the current interim period, the Group reversed the impairment allowance of RMB700,000 (for the six months ended 30 June 2020: RMB1,175,000 (unaudited)), due to collection of the receivables.

During the current interim period, the Group wrote off trade receivable of RMB588,000 (for the six months ended 30 June 2020: nil (unaudited)), due to no realistic prospect of recovery.

6. 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	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Staff costs		
Directors' and supervisors' remuneration	**1,098**	1,183
Other staff costs	**78,266**	54,127
Other staffs' benefit	**5,934**	2,587
Total staff costs	**85,298**	57,897
Capitalised in inventories	**(33,816)**	(42,076)
Capitalised in property, plant and equipment	**(21,619)**	–
	29,863	15,821
Depreciation of property, plant and equipment	**68,560**	61,529
Capitalised in inventories	**(54,431)**	(57,396)
	14,129	4,133
Depreciation of right-of-use assets	**3,691**	2,500
Capitalised in property, plant and equipment	**(840)**	–
	2,851	2,500
Amortisation of intangible assets (included in cost of sales)	**8,205**	7,980
(Reversal) write-down of inventories	**(628)**	533
Cost of inventories recognised as expenses	**2,419,825**	2,866,521

7. INCOME TAX EXPENSE

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
PRC Enterprise Income Tax		
– Current tax	**110,449**	78,775
– Under-provision in prior year	**523**	2,604
Deferred tax	**10,199**	6,122
	121,171	87,501

8. DISCONTINUED OPERATIONS

During the current interim period, the directors of the Company resolved to dispose of its 51% equity interest in Yan'an Jinneng Railway Logistics Technology Co., Ltd. ("Yan'an Jinneng") 延安金能鐵路物流科技有限公司, and Yan'an Jinneng's subsidiary, Yan'an Liyuan Minerals Railway Logistics Co., Ltd. ("Liyuan Railway") 延安利源礦業鐵路運輸有限公司, (together, the "Disposal Group A"). And the Group also resolved to dispose the Group's 35% equity interest in an associate, Yan'an Energy Railway Transportation Co., Ltd. ("Yan'an Railway") 延安能源鐵路運銷有限公司, (the "Disposal Group B").

Negotiations with several interested parties have subsequently taken place. The Disposal Group are available for immediate sale in its present condition and the sale is in highly probable, because the appropriate level of management was committed to a plan to sell the Disposal Group, and an active programme to locate a buyer and the plan has been initiated.

The Disposal Group A and Disposal Group B (together, the "Disposal Group"), 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 is 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 represent 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 Group's operations are treated as discontinued operations. As at 30 June 2021, the relevant disposal transaction has not been completed.

The results of the Disposal Group A and Disposal Group B for the current and preceding interim periods were as follows. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated as a discontinued operation.

From Disposal Group A

	Six months ended 30/06/2021	From incorporation date to 30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	**614,910**	36,012
Cost of sales	**(599,135)**	(35,624)
Gross profit	**15,775**	388
Other income	**102**	43
Other gains and losses	**878**	–
Impairment loss of goodwill (Note)	**(4,778)**	–
Impairment losses under ECL model, net of reversal	**–**	(684)
Distribution and selling expenses	**(4,486)**	–
Administrative expenses	**(3,489)**	(1,106)
Finance costs	**(1,211)**	(172)
Profit (loss) before tax	**2,791**	(1,531)
Income tax (expense) credit	**(1,575)**	115
Profit (loss) for the period attributable to Disposal Group A	**1,216**	(1,416)

8. DISCONTINUED OPERATIONS (continued)

From Disposal Group B

	Six months ended 30/06/2021 RMB'000 (unaudited)	From incorporation date to 30/06/2020 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

	Six months ended 30/06/2021 RMB'000 (unaudited)	From incorporation date to 30/06/2020 RMB'000 (unaudited)
Result for the period from Disposal Group A and Disposal Group B	**706**	(1,416)

Note: The estimated fair value less costs to sell from the disposal are expected to be lower than the net carrying amounts of Disposal Group A and Disposal Group B by reference to respective asking prices from potential buyers, an aggregate impairment loss of RMB5,883,000 has been recognised for the discontinued operations during the six months ended 30 June 2021.

Cash flows from the Disposal Group:

	Six months ended 30/06/2021 RMB'000 (unaudited)	From incorporation date to 30/06/2020 RMB'000 (unaudited)
Net cash flows from operating activities	**56,858**	10,852
Net cash flows used in investing activities	**(210,729)**	–
Net cash flows from financing activities	**106,222**	24,500
Net cash flows	**(47,649)**	35,352

9. DIVIDEND

On 25 May 2020, a final dividend in respect of the year ended 31 December 2019 of RMB0.20 per share and a special dividend of RMB0.10 per share, in an aggregate amount of RMB160,626,000, was declared by the Company. Such dividend had been fully settled in June 2020.

On 1 April 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.

Subsequent to the end of the current interim period, an interim dividend of RMB0.10 per share, amounting to RMB53,542,000 in aggregate, have been proposed by the directors of the Company and is subject to approval by the shareholders (2020 interim dividend: RMB0.10 per share, amounting to RMB53,542,000 in aggregate).

10. 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	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**336,537**	225,557
	'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	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Earnings		
Profit for the period attributable to owners of the Company from continuing operations for the purpose of basic earnings per share	**339,877**	226,836
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**535,421**	535,421

10. EARNINGS PER SHARE (continued)

For discontinued operations

Based on the loss for the current interim period from discontinued operations of RMB3,340,000 (unaudited) (for the six months ended 30 June 2020: RMB1,279,000 (unaudited) (restated)) 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 and 2020.

Diluted earnings per share

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

11. TRADE AND OTHER RECEIVABLES

	30/06/2021 RMB'000 (unaudited)	31/12/2020 RMB'000 (audited)
Trade receivables – contract with customers	**82,579**	93,573
Less: Allowance for ECL	**(11,394)**	(1,288)
	71,185	92,285
Other receivables	**4,012**	7,018
Advance to a supplier (Note)	**12,200**	–
Prepayments to suppliers	**105,057**	103,976
Input value added tax	**164,503**	88,488
Refundable deposits	**1,605**	1,451
Dividend receivables from a joint venture	**4,900**	4,900
	363,462	298,118

Note: The advance is non-interest bearing and is expected to be settled within twelve months.

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:

	30/06/2021 RMB'000 (unaudited)	31/12/2020 RMB'000 (audited)
Within 90 days	**71,088**	70,504
91 – 180 days	**97**	21,781
	71,185	92,285

11. TRADE AND OTHER RECEIVABLES (continued)

The normal credit term to the customers is ranged between 30 to 60 days. As at 30 June 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB97,000 (31 December 2020: RMB21,781,000 (audited)) which are past due as at the reporting date is considered as not in default because the customers show no financial difficulties and repaid receivables constantly during the current interim period. At 30 June 2021, trade receivables amounted to RMB11,394,000 (31 December 2020: RMB1,288,000 (audited)) has been past due 90 days or more and all of which are considered in default and full 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 5.

12. TRADE AND OTHER PAYABLES

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade payables	253,986	299,593
Bills payables	726,408	549,953
	980,394	849,546
Salaries and wages payables	9,696	29,166
Other tax payables	20,024	18,211
Consideration payable for purchase of property, plant and equipment	501,127	241,205
Accruals	7,512	5,801
Consideration payable for acquisition of business	3,660	252,267
Refundable deposit from constructors	11,892	4,230
Other payables	2,126	6,603
	556,037	557,483
	1,536,431	1,407,029

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

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	954,759	799,469
91 – 180 days	3,729	15,430
181 – 365 days	11,059	11,356
Over 1 year	10,847	23,291
	980,394	849,546

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.

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.

From the year of 2019, the Board is pleased to announce the establishment of joint venture companies (the "JV Companies"). The scope of business of the JV Companies mainly includes energy project investment, logistics project investment, marketing planning, corporate management consulting, and domestic trading. Further expansion of the Group's production capacity by means of acquisitions and mergers. In January 2021, the Group completed the process of the formation of a joint venture (which will, upon its establishment, proceed with obtaining an annual production capacity of up to 1.6 million tonnes of coke). And the construction of two advanced coking furnaces (with a height of 7.65 metres with an aggregate production capacity of 1.8 million tonnes of coke per annum) are expected to be completed and scheduled for commercial production in the third quarter of 2021.

In the first half of 2021, 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 chemicals;
- **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 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 environment protection facilities, constantly improving the standard of serving the iron and steel, chemical industry in the People's Republic of China ("PRC") .

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2021	2020	Change
	RMB million	RMB million	
	(unaudited)	(unaudited) (restated)	
Revenue	**3,035.4**	3,336.6	-9.0%
Gross profit	**606.5**	465.8	+30.2%
Profit for the period	**342.9**	241.5	+42.0%
Basic earnings per share (in RMB)	**0.63**	0.42	+50.0%
Interim dividend per share (in RMB)	**0.10**	0.10	+0%
Gross profit margin	**20.0%**	14.0%	+6.0%
Net profit margin	**11.3%**	7.2%	+4.1%

	As at 30 June 2021	As at 31 December 2020	Change
	RMB million	RMB million	
	(unaudited)	(audited)	
Total assets	**7,082.0**	6,391.0	+10.8%
Total equity	**4,279.4**	3,980.5	+7.5%

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 conditions, 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 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 in 2020. As the control measures over COVID-19 in China remains effective, the China economy maintained a steady growth in first half of 2021, 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 other 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 2021 and the year of 2020 according to the Group's internal records.

	For the first six months of 2021 Average selling price(1)	2020 Average selling price(1)
	RMB/ton (except coal gas in RMB/m^3)	RMB/ton (except coal gas in RMB/m^3)
Coke	**2,082.10**	1,619.80
Coke	**2,233.00**	1,714.40
Coke breeze	**984.00**	805.90
Refined Chemicals		
Benzene based chemicals	**5,149.00**	3,332.70
Pure benzene	**5,517.70**	3,434.80
Toluene	**4,369.30**	3,237.70
Coal tar based chemicals	**3,341.30**	2,360.10
Coal asphalt	**3,671.80**	2,347.50
Anthracene oil	**3,028.30**	2,078.70
Industrial naphthalene	**3,281.40**	3,202.20
Energy Products		
Coal gas	**0.70**	0.71
LNG	**4,049.60**	3,058.90

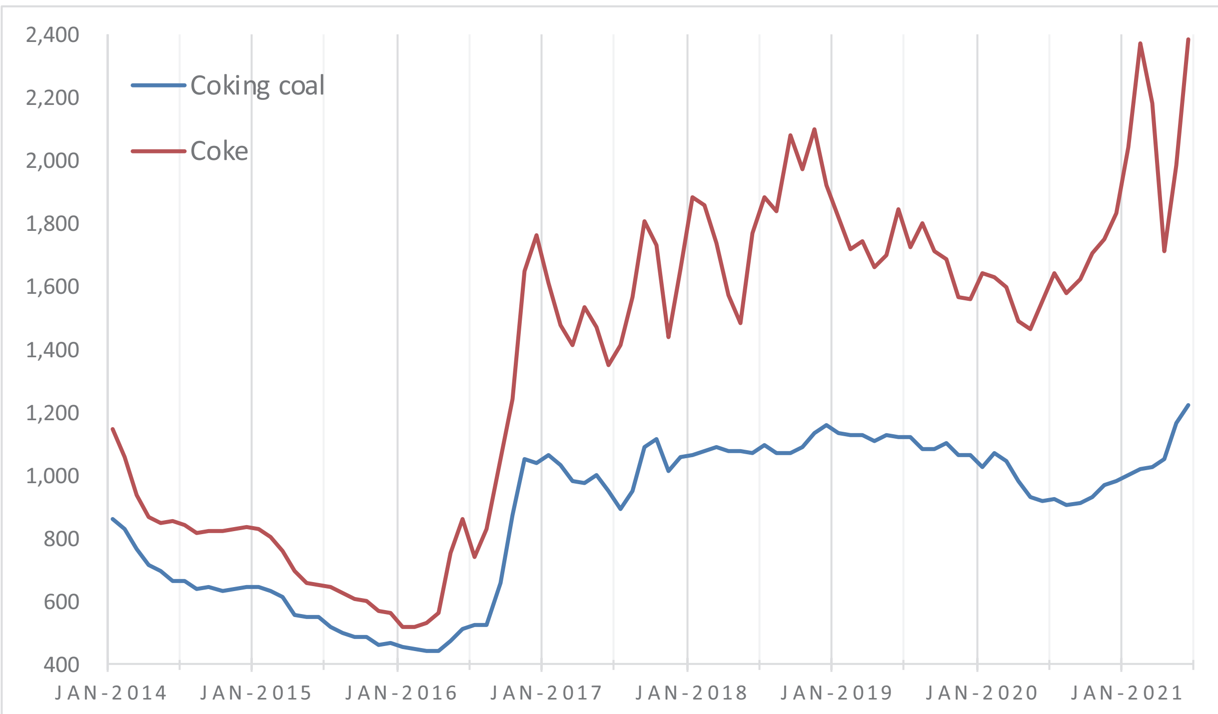
(1) Calculated by dividing the revenue of each relevant product by the sales volume of such product (on a moist basis for coke) (except that the average selling prices of the coke segment, benzene based chemicals and coal tar based chemicals represent the weighted average prices of relevant products 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, thus the Group's profitability still remained stable.

In the first half of 2021, under the economic recovery and demand rebound following the COVID-19 pandemic as well as the supply-side reform, the Group recorded a significant rise in the average selling price of coke products. Compared with same period last year, while our average cost of coal only increased by 8.5%, the average selling price of the Group's coke products surged by 35.2% to approximately RMB2,380 per ton, thereby widening the price spread between the Group's coke products and the coal raw materials by 82.3%.

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 2021 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 December 2020, with the phasing out of the Group's two furnaces with height of 4.3 metres, the Group's aggregate production of coke has been reduced accordingly. The business of the Group in the first half of 2021 remained stable, with production capacity utilization rate of each of the principal products substantially maintained. Full sales of the Group has been consistently achieved with revenue of the Group. In the first half of 2021, the Group's current production capacity for coke was approximately 1.1 million tons (on a moist-free basis) per annum. Regarding the expansion plans of production capacity for coke, please refer to the section headed "Major Developments" in this announcement for details. And the Group's processing capacity for crude benzene and coal tar was approximately 200,000 tons and 180,000 tons per annum, respectively. At the same time, the Group's production capacity for coal gas was approximately 540 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.

SUBSEQUENT IMPORTANT EVENTS

Save as disclosed under the section headed "Major Developments" below, from the end of the reporting period to the date of this announcement, the Group had no other subsequent important events or other commitments that may materially affect the Group's financial condition and operation.

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 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 in 2021.

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 identifying coal chemical projects with promising profit and development potentials. From the year of 2019, the Board is pleased to announce the establishment of a number of joint venture companies (the "JV Companies"). The scope of business of the JV Companies includes energy project investment, logistics project investment, marketing planning, corporate management consulting, domestic trading, and import and export trading. The Board has paid close attention to the development of the JV Companies since their establishment, and the effectiveness of the JV Companies has been realized on a preliminary stage. The Board is of the view that such cooperative model is suitable and conducive to the long-term development of the Group.

- **Hydrogen Energy Industry Chain**

  In 2015, the Group acquired 49% of the interest in Jinjiang Refinery, which is principally engaged in the production and sales of hydrogen, and has since then participated in the hydrogen production and sales market. Jinjiang Refinery produces hydrogen with a purity of up to 99.99% and has an annual production capacity up to 300 million cubic meters. Therefore, through Jinjiang Refinery, the Group currently has access to the extremely high-purity hydrogen required for the production of hydrogen fuel cells.

  In view of the PRC government's strategic policy in developing clean energy, and in order to grasp the opportunity of the development of hydrogen fuel cell vehicles and the relevant industry in the Henan Province, the Group has formed a joint venture with Shanghai Hyfun Energy Technology Co., Ltd., whom has extensive experience in the construction and operation of hydrogen refueling stations, as well as its research, development and technology regarding high-density hydrogen storage and transportation equipment. Leveraging on the resources and expertise of the joint venture partner, and based on the Group's foundation in the business area of production and sales of hydrogen in which the Group has already set foot on, the Group plans to further expand its business scope and take part in various major components of the hydrogen energy industry chain with an aim to gradually develop and establish a hydrogen energy industry base in the Henan Province.

- **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 filed with the local government and is in line with national industrial policies. The environmental assessment of the project was approved in the second quarter of 2020. The construction has been progressing smoothly and is expected to be completed in the third quarter of 2021 when production will commence. Total investment of the project is anticipated to be approximately RMB2,450 million.

- **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 Angang Group Xinyang Steel Co., Ltd. ("安鋼集團信陽鋼鐵有限責任公司") in Xinyang City, Henan Province, the PRC. This joint venture will be principally engaged in 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. The Company has conditionally agreed to contribute RMB700 million to the JV Company, representing 70% of the total capital contributions. On 23 December 2020, the formation of such joint venture has received the shareholders' approval of the Company. Since formation, the joint venture company has commenced with the development of coking facilities with production capacity of 1.6 million tons per annum. It is estimated that 50% of the coking facilities will start production in middle of 2022 and the remaining 50% will start production at the end of 2022.

- **Formation of Joint Ventures for the Acquisition of a Target Logistics Company and the Group's subsequent disposal decision**

  As disclosed in Company's announcement dated 13 April 2020, 20 May 2020 and 27 May 2020, the Group has through the formation of two joint venture companies entered into an agreement for the acquisition of 80% in a target logistics company, Liyuan Railway, which is principally engaged in the provision of multimodal transportation, warehouse and distribution services for coal products. Since then, the Group has actively been procuring the integration of the target's business with the Group's main businesses. However, it was found that the efforts and resources would be more beneficially deployed towards the core coking chemical business and new energy project like the Hydrogen Energy Industry Chain project, and thus the Group has entered into active discussions with a number of parties who were interested to acquire the relevant logistics business. Please refer to Note 8 to the Condensed Consolidated Financial Statements of the Group in this announcement for details of the financial impact of the decision in disposing this logistic business.

As at the date of this announcement, no legally binding agreement in relation to the abovementioned proposed disposal of the relevant logistics business has been entered into. Further announcement(s) will be made by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Listing Rules**") as and when appropriate.

- **180 m^3/h Wastewater Treatment Project**

  Due to the use of coke dry quenching facilities, the Group planned to invest 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 m3/h. As at 31 June 2021, the Group has invested approximately RMB130 million in the project. Currently, it is in pilot operation and full operation is expected to take place in the last quarter of current year.

Funding for these investments will be 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		
	2021 (unaudited) RMB'000	2020 (unaudited) (restated) RMB'000	Changes
Continuing operations			
Revenue	**3,035,392**	3,336,579	-9.0%
Cost of sales	**(2,428,851)**	(2,870,752)	-15.4%
Gross profit	**606,541**	465,827	30.2%
Other income	**22,632**	22,889	-1.1%
Other gains or losses	**(38,001)**	2,663	-1,527.0%
Impairment losses under expected credit loss ("ECL") model, net of reversal	**(10,694)**	(835)	1,180.7%
Distribution and selling expenses	**(33,219)**	(79,569)	-58.3%
Administrative expenses	**(60,983)**	(45,327)	34.5%
Finance costs	**(23,868)**	(27,540)	-13.3%
Share of result of a joint venture	**994**	1,508	-34.1%
Share of results of associates	**–**	(9,220)	-100.0%
Profit before tax	**463,402**	330,396	40.3%
Income tax expense	**(121,171)**	(87,501)	38.5%
Profit for the period from continuing operations	**342,231**	242,895	40.9%

	Six months ended 30 June		
	2021	2020	Changes
	(unaudited)	(unaudited)	
		(restated)	
	RMB'000	RMB'000	
Discontinued operations			
Profit (loss) for the period from discontinued operations	**706**	(1,416)	-149.9%
Profit for the period	**342,937**	241,479	42.0%
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI")	**(335)**	1,669	-120.1%
Total comprehensive income for the period	**342,602**	243,148	40.9%
Profit (loss) for the period attributable to owners of the Company:			
—From continuing operations	**339,877**	226,836	49.8%
—From discontinued operations	**(3,340)**	(1,279)	161.1%
	336,537	225,557	49.2%
Profit (loss) for the period attributable to non-controlling interests:			
—From continuing operations	**2,354**	16,059	-85.3%
—From discontinued operations	**4,046**	(137)	-3,053.3%
	6,400	15,922	-59.8%
	342,937	241,479	42.0%
Total comprehensive income for the period attributable to:			
—Owners of the Company	**336,202**	227,226	48.0%
—Non-controlling interests	**6,400**	15,922	-59.8%
	342,602	243,148	40.9%
Earnings per share (RMB)			
From continuing and discontinued operations			
—Basic	**0.63**	0.42	50.0%
From continuing operations			
—Basic	**0.63**	0.42	50.0%

Consolidated Financial Information

- **Revenue** decreased by approximately RMB301.2 million or approximately 9.0% as compared to the same period of the preceding year. This was mainly caused by a drop in the volume of sales of coke resulted from the cessation of operations of the Company's two 4.3 meter coking furnace in December 2020. For details, please refer to the paragraph headed "Business Segment Result" in this section.

- **Cost of sales** decreased by approximately RMB441.9 million or approximately 15.4% as compared to the same period of the preceding year. This drop is in line with the drop in revenue. For details of segmental costs, please refer to the analysis under the paragraph headed "Business Segment Result" in this section.

- **Gross profit** increased by approximately RMB140.7 million or approximately 30.2% as compared to the same period of the preceding year. The gross profit margin of the Group increased from approximately 14.0% in the first half of 2020 to approximately 20.0% in the first half of 2021. The increase is mainly contributed by the increase in the gross margin of the coke segment and the substantial improvement in the refined chemicals segment due to the recovery of the international crude oil prices. For details please refer to the paragraph headed "Business Segment Result" in this section.

- **Other income** decreased by approximately RMB0.3 million or approximately 1.1% as compared to the same period of the preceding year. The decrease was mainly due to a decrease in average balances of bank deposits as compared to the same period of the preceding year, resulting in a corresponding decrease in interest income from bank deposits.

- **Other gains or losses** decreased by approximately RMB40.7 million or approximately 1,527.0% as compared to the same period of the preceding year. The decrease was mainly due to an impairment loss on some plant and equipment due to obsolescence.

- **Impairment losses, under the expected credit loss model, net of reversal** increased by approximately RMB9.9 million or approximately 1,180.7% as compared to the same period of the preceding year. The increase mainly reflected the increase in provision for impairment losses in expected credit value of trade receivables.

- **Distribution and selling expenses** decreased by approximately RMB46.4 million or approximately 58.3% as compared to the same period of the preceding year. The decrease was mainly due to decrease in sales of some coke customers, whose transportation costs were borne by the Company, and resulted in a corresponding decrease in distribution and selling expenses.

- **Administrative expenses** increased by approximately RMB15.7 million or approximately 34.5% as compared to the same period of the preceding year. The increase was mainly due to an increase in staff costs and other administrative expenses of the subsidiaries new formed or started operation in the reporting period.

- **Finance costs** decreased by approximately RMB3.7 million or approximately 13.3% as compared to the same period of the preceding year. The decrease was mainly due to the reduction in average interest-bearing borrowings balance by cash flow management, and the drop of floating-rate in the first half of 2021, which reduced the finance costs compared to the same period in 2020.

- **Share of result of a joint venture** decreased by approximately RMB0.5 million or approximately 34.1% as compared to the same period of the preceding year. This was mainly due to the reduction in the refund of value added tax of comprehensive utilization of resources of the joint venture's operating profit.

- **Share of result of associates** was zero in the reporting period as compared to the loss of RMB9.2 million in the same period of the preceding year. This was mainly due to the recognition of loss from the operation in Huozhou Coal Power Group Hongdong Yilong Co., Ltd. in preceding period is not applicable in current period due to the substantial impairment made in the investment in that associate in December 2020.

- **Profit before tax from continuing operations** increased by approximately RMB133.0 million or approximately 40.3% as compared to the same period of the preceding year. This was mainly contributed by the increase in coke prices and recovery of the refined chemicals business due to the bouncing back of international crude oil prices.

- **Income tax expense** increased by approximately RMB33.7 million or approximately 38.5% as compared to the same period of the preceding year. This is in line with the increase in profit before tax.

- **Profit for the period from discontinued operations** increased by approximately RMB2.1 million or approximately 149.9% as compared to the same period of the preceding year.

- **Profit for the period** increased by approximately RMB101.5 million or approximately 42.0% as compared to the same period of the preceding year.

- **Bills receivables measured at fair value through other comprehensive income** decreased by approximately RMB2.0 million or approximately 120.1% as compared to the same period of the preceding year.

- **Total comprehensive income for the period** increased by approximately RMB99.5 million or approximately 40.9% 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	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RMB'000 (unaudited)	RMB'000 (unaudited) (restated)	**RMB'000 (unaudited)**	RMB'000 (unaudited) (restated)	**%**	%	**%**	%
Coke	**1,333,135**	1,801,314	**487,977**	405,914	**36.6**	22.5	**43.9**	54.0
Trading	**766,449**	802,623	**23,829**	28,478	**3.1**	3.5	**25.3**	24.1
Refined Chemicals	**772,143**	495,223	**97,972**	(7,301)	**12.7**	-1.5	**25.4**	14.8
Energy Products	**142,344**	223,098	**3,421**	38,471	**2.4**	17.2	**4.7**	6.7

- **Coke** segment results increased by approximately RMB82.1 million or approximately 20.2% as compared to the same period of the preceding year. The increase in segment performance was mainly due to the raise in demand and prices caused by China's economic adjustment. The average price of coke raised by 35.2% as compared to the same period of the preceding year. Due to the relevant production policies of the government, the average purchase price of the Group's main raw material coking coal just recorded a steady growth for 8.5% compared to the same period. Therefore, the gross profit margin of the coke segment in the first half of 2021 increased to approximately 36.6%.

- **Trading** segment results decreased by approximately RMB4.6 million or approximately 16.3% as compared to the same period of the preceding year. The decrease in segment performance was mainly due to the company's business strategy in the maintenance of the volume in trading activity in the first half of 2021. And the segment gross profit margin still remained around 3.1% as compared to the 3.5% of same period of the preceding year.

- **Refined Chemicals** segment results increased by approximately RMB105.3 million or approximately 1,441.9% as compared to the same period of the preceding year. This is due to a significant raise in international crude oil prices, that resulted in a significant raise also occurred in refined chemicals market price, thus, the segment gross profit margin recorded a significant increase from -1.5% to 12.7%.

- **Energy Products** segment results decreased by approximately RMB35.1 million or approximately 91.1% as compared to the same period of the preceding year. The decline in segment performance was mainly due to the drop in production of coal gas from the coking process that was resulted from the cessation of operations of the Group's two 4.3 meters coking furnaces in December 2020. With the reduced production of coal gas, LNG production was basically suspended in the first half of 2021.

FINANCIAL RESOURCES

In the first half of 2021, the Group's major financial resources were funded by the proceeds from the sales of the Group's products, shareholders' equity and borrowings from bank. The directors of the Company (the "Directors") have confirmed that the Group did not experience any liquidity problems in the first half of 2021.

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.

NO MATERIAL ADVERSE CHANGE

As the control measures over COVID-19 in China remains effective, the China economy maintained a steady growth in the first half of 2021. 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 2021 and up to the date of this announcement.

DIVIDEND AND DIVIDEND POLICY

On 1 April 2021, the Company declared a 2020 final dividend of RMB0.20 per share, in an aggregate amount of RMB107,084,000 which were fully settled in June 2021.

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 many differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS.

On 16 August 2021, the Board recommended the payment of an interim dividend of RMB0.10 per share for the six months ended 30 June 2021. The interim dividend is subject to the approval of the shareholders of the Company at the forthcoming extraordinary general meeting of the Company. Please refer to the announcement to be issued by the Company for details on the closure of registers of members in determining the shareholders who are eligible for the interim dividend.

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 30 June 2021 and 31 December 2020 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 2020	Unutilized net proceeds as at 31 December 2020	**Actual use of net proceeds from the Listing Date to 30 June 2021**	**Unutilized net proceeds as at 30 June 2021**	Estimated timetable
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	**RMB'000 (unaudited)**	**RMB'000 (unaudited)**	
LNG project – coke granules coal gas facilities	128,400	40%	128,400	–	**128,400**	**–**	–
LNG project – LNG production facilities	32,100	10%	32,100	–	**32,100**	**–**	–
Dry quenching facility for coking furnaces 1 and 2	128,400	40%	100,674	27,726	**108,138**	**20,262**	December 2021
Working capital and other corporate purposes	32,100	10%	32,100	–	**32,100**	**–**	–
	321,000	100%	293,274	27,726	**300,738**	**20,262**	

The unutilised net proceeds as at 30 June 2021 shall mainly be applied to settle the balance of the payment concerning the implementation of dry quenching facility for coking furnaces 1 and 2, which are expected to be paid by the end of this year after the completion of the relevant inspection work to the Group's satisfaction.

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 behaviour of the Company, the rights and obligations shared between the Company and its shareholders, and between and among the Company's shareholders.

Meanwhile, the Company has also adopted the Corporate Governance Code (the "Code") in Appendix 14 of the Listing Rules, and formulated a series of rules (such as Internal Audit Rules, Internal Control Evaluation Rules, Compliance Management Rules, Authorization Management Rules and External Investment Management Rules, etc.) as well as the Terms of Reference of Nomination Committee, Remuneration Committee and Audit Committee, to achieve the objective of good corporate governance.

During the six months ended 30 June 2021, the Company has complied with all the provisions under the Listing Rules and the 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 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

BOARD OF DIRECTORS

The current 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 current 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

SUPERVISORS

The current 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 current 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 (appointed on 23 April 2021)
Mr. Zhang Wujun (resigned on 23 April 2021)

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 2021 and up to the date of this announcement are as follows:

Directors	**Details of change**
Mr. Wu Tak Lung	China Machinery Engineering Corporation, a company listed in Hong Kong (stock code: 1829), was delisted on 6 August 2021. Mr. Wu remains an independent non-executive director of that company.

Supervisors	**Details of change**
Mr. Zhang Wujun	resigned as the employee representative Supervisor on 23 April 2021.
Mr. Fan Xiaozhu	was appointed as the employee representative Supervisor on 23 April 2021. The biographical details of Mr. Fan are set out below: Mr. Fan Xiaozhu (范小柱), aged 33. Mr. Fan joined the Group in 2016 as a safety officer and served as the deputy manager of the production department of the Company since 2021. He is mainly responsible for formulating and supervising the implementation of safe production. Mr. Fan is qualified as an assistant engineer in chemical engineering and an intermediate certified safety engineer in chemical safety in the PRC. Mr. Fan graduated from the programme of applied chemical technology in the Chemical Technology Vocational College of Henan Industrial University in 2009 and further graduated from the junior college to bachelor degree transfer programme of chemical engineering and technology in Henan Institute of Science and Technology in 2017. Mr. Fan will not receive any supervisor's remuneration and/or allowance from the Company during his term as an employee representative Supervisor of the Company but under his term as a deputy manager of the production department of the Company, he is currently entitled to a basic salary of RMB130,000 per annum and the retirement benefit in accordance with the relevant PRC labour laws and regulations, and is eligible to receive the performance-related discretionary bonus to be recommended by the Company's remuneration committee and the Board. Mr. Fan has entered into a service contract with the Company in respect of his appointment as an employee representative Supervisor, and his term of office will be from 23 April 2021 to the expiry date of the term of office of the current session of the supervisory committee of the Company.
Mr. Zhou Tao, David	Mr. Zhou resigned as the company secretary of Wealthking Investments Limited, a company listed in Hong Kong (stock code: 1140) in June 2021, and has served as the person in charge of compliance in Dongxing Securities (Hong Kong) Financial Holdings Limited since June 2021.

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2021, 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 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	Interests in controlled corporation (Note 4)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
	Beneficial owner	H Shares	1,453,000 (L)	1.07%	0.27%

Notes:

1. The letter "L" denotes the person's long position in such Shares.

2. 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.

3. The calculation is based on the total number of 535,421,000 Shares in issue.

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

Save as disclosed above, as at 30 June 2021, 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 at 30 June 2021, 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 2021, 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 relevant class of shares of the Company (Note 2)	Approximate percentage of shareholding in the total share capital of the Company (Note 3)
Jinma HK	Beneficial owner	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Jinma Coking	Interests in controlled corporation (Note 4)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Golden Star	Interests in 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 (Note 7)	Domestic Shares	144,000,000 (L)	36.00%	26.89%
Magang (Group) Holdings Co., Ltd.	Interests in controlled corporation (Note 7)	Domestic Shares	144,000,000 (L)	36.00%	26.89%
Jiangxi PXSteel Industrial Co., Ltd ("Jiangxi PXSteel")	Beneficial owner	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Liaoning Fangda Group Industrial Co., Ltd.	Interests in controlled corporation (Note 8)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Beijing Fangda International Enterprise Investment Co., Ltd.	Interests in controlled corporation (Note 9)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Mr. Fang Wei	Interests in controlled corporation (Note 10)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Jiyuan Jinma Xingye Investment Co., Ltd. ("Jinma Xingye")	Beneficial owner	Domestic Shares	40,000,000 (L)	10.00%	7.47%
Mr. Wang Lijie	Interests in controlled corporation (Note 11)	Domestic Shares	40,000,000 (L)	10.00%	7.47%
Ms. Zheng Jing	Interest of spouse (Note 12)	Domestic Shares	40,000,000 (L)	10.00%	7.47%
RAYS Capital Partners Limited	Investment manager	H Shares	21,806,000 (L)	16.10%	4.07%
Ruan David Ching Chi	Interests in controlled corporation (Note 13)	H Shares	21,806,000 (L)	16.10%	4.07%
Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial owner	H Shares	21,791,000 (L)	16.09%	4.07%
China Risun Group (Hong Kong) Limited	Beneficial owner (Note 14)	H Shares	13,000,000 (L)	9.60%	2.43%
Morgan Stanley	Interests in controlled corporation (Note 15)	H Shares	6,855,945 (L)	5.06%	1.28%

Notes:

1. The letter "L" denotes the entity/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 to be 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, while Liaoning Fangda Group Industrial Co., Ltd. ("Liaoning Fangda") is directly and indirectly interested in approximately 60.46% 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.

9. 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.

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 to be interested in the same amount of Shares as Mr. Wang.

13. Mr. Ruan David Ching Chi is the holder of approximately 95.24% shares in RAYS Capital Partners Limited, and RAYS Capital Partners Limited holds 100% shares in 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. China Risun Group (Hong Kong) Limited (formerly known as Risun Coal Chemicals Group Limited), is a company incorporated in Hong Kong with limited liability on 5 March, 2007 and an indirect wholly-owned subsidiary of China Risun Group Limited. Accordingly, China Risun Group Limited is deemed to be interested in China Risun Group (Hong Kong) Limited's interest in the Company by virtue of the SFO.

15. Morgan Stanley, a company listed on the New York Stock Exchange, has 100% indirect interest in Morgan Stanley & Co. International plc. Accordingly, Morgan Stanley is deemed to be interested in Morgan Stanley & Co. International plc.'s interest in the Company by virtue of the SFO.

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 2021.

COMPLETION OF THE FULL CIRCULATION OF SHARES

The Company has applied to the Listing Committee of the Stock Exchange for the approval (the "Listing Approval") of the listing of and permission to deal in 400,000,000 H Shares (the "Converted H Shares", being the maximum domestic shares and unlisted foreign shares that will be converted under the Conversion). The Listing Approval was granted by the Stock Exchange on 6 July 2021, and the Converted H Shares have been listed on the Stock Exchange since 9:00 a.m. on 12 July 2021.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended 30 June 2021, neither the Company nor any and of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

PROVISION OF FINANCIAL SUBSIDIES AND GUARANTEES FOR ASSOCIATES OR SUBSIDIARIES

As at 30 June 2021, financial guarantees were provided by the Company for banking facilities of RMB24.0 million to Jiyuan Jinyuan Chemicals Co., Ltd., a wholly-owned subsidiary of the Company.

EMPLOYEES AND REMUNERATION POLICY

Employees are the Group's important asset. As at 30 June 2021, the Group had a total of 1,890 employees, including 17 senior management, 96 mid-level management and 1,777 ordinary employees. For the six months ended 30 June 2021, the staff cost of the Group amounted to approximately RMB93.9 million as compared to approximately RMB58.5 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 employee. 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 (the "**Audit Committee**") 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. Hu Xiayu (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 results announcement. 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.

PUBLICATION OF THE INTERIM REPORT

The Company's interim report for the six months ended 30 June 2021 will be sent to the shareholders of the Company and will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.hnjmny.com) in due course.

The Company makes every effort to ensure consistency between the Chinese and English versions of the Company communication. In the event of any inconsistency, however, the English version shall prevail.

APPRECIATION

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

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

Hong Kong, 16 August 2021

As at the date of this announcement, 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, Mr. WU Tak Lung and Mr. CAO Hongbin.