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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Henan Jinma Energy Company Limited (the “**Company**”) dated 16 August 2021 in relation to the acquisition of the Yugang Production Capacity and the intra-group transfer of the Jinma Production Capacity. Capitalised terms used in the Announcement shall have the same meanings herein unless otherwise defined.

This announcement is made to provide supplemental information on the identity of the ultimate beneficial owners of the Coking Subsidiary and the financial effects of the Intra-Group Transfer.

Identity of the ultimate beneficial owners of the Coking Subsidiary

The Coking Subsidiary is a wholly-owned subsidiary of Shenzhen Jinma, and Shenzhen Jinma is, in turn, a non-wholly owned subsidiary of the Company, and is held as to approximately 51%, 22.27%, 22.27% and 4.46% by the Company, 上海鷺翔實業集團有限公司 (Shanghai Luxiang Enterprise Group Co., Ltd.*) (“**Shanghai Luxiang**”), 中天鋼鐵集團有限公司 (Zenith Steel Group Co., Ltd.*) (“**Zenith Steel**”) and 東銘實業集團有限公司 (Dong Ming Industrial Group Co., Ltd.*) (“**DM Industrial**”), respectively.

Insofar as the Board is aware, the ultimate beneficial owners of Shanghai Luxiang are three individuals named 魏東先 (Wei Dongxian*), 魏德華 (Wei Dehua*) and 魏德朝 (Wei Dechao*), the ultimate beneficial owners of Zenith Steel comprise 董才平 (Dong Caiping*, holder of approximately 57.20% shareholding in Zenith Steel) and 13 other individuals (each holding less than 10% shareholding in Zenith Steel), whilst the owners of DM Industrial comprise 上海驥鉞企業管理有限公司 (Shanghai Jicheng Enterprise Management Co., Ltd.*) (“**Shanghai Jicheng**”), holder of approximately 39.86% interest in DM Industrial, which is in turn ultimately controlled by an individual named 游振武 (You Zhenwu*) and five limited partnerships (each holding less than 30% interest in DM Industrial) which are managed by Shanghai Jicheng as a managing partner.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save for their respective interest in Shenzhen Jinma, Shanghai Luxiang, Zenith Steel, DM Industrial and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Financial effects of the Intra-Group Transfer

As a result of the transfer of the Jinma Production Capacity to the Coking Subsidiary, from the Company's (as a standalone company) perspective, there will be a cash inflow of RMB300 million which will be recorded as an income of the Company. Accordingly, the Company will record a gain of RMB300 million as a result of the Intra-Group Transfer.

Pursuant to the latest PRC governmental policies imposing a cap on the increase of the coke production capacity on a nationwide basis, the existing right to produce coke constitutes an intangible asset, and accordingly, upon completion of the Intra-Group Transfer, the Jinma Production Capacity acquired by the Coking Subsidiary will be recognised in the accounts of the Coking Subsidiary as an intangible asset in the amount of RMB300 million. From a Group consolidated perspective, after the completion of the Intra-Group Transfer, the cash inflow of RMB300 million to the Company (as a standalone company) is expected to be set off by the cash outflow of RMB300 million from the Coking Subsidiary, whilst the abovementioned income of the Company of RMB300 million will be eliminated by the intangible asset of RMB300 million recorded in the accounts of the Coking Subsidiary. The Company will also continue to be interested in the Jinma Production Capacity, as the Coking Subsidiary remains consolidated in the financial results of the Group. Accordingly, the Group as a whole does not expect to record any gain or loss in relation to the Intra-Group Transfer.

Shareholders should note that the actual gain or loss of the Company and/or the Group as a result of the Intra-Group Transfer will depend on, among others, the final audit to be performed by the Company's auditor, and therefore may be different from those mentioned above.

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

Hong Kong, 20 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 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.

* *For identification purpose only*