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河南金源氢化化工股份有限公司

**Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\***

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

**(Stock Code: 2502)**

## **PROFIT WARNING**

This announcement is made by Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\* (the “**Company**”, together with its subsidiaries, shall be referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules, namely under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)).

The board (the “**Board**”) of directors (each a “**Director**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023, it is expected that the total comprehensive income attributable to the owners of the Company (the “**Profit**”) for the year ended 31 December 2023, as compared with the Profit for the year ended 31 December 2022, would decrease approximately by half, as a continuation of the trend as disclosed in the prospectus of the Company published on 12 December 2023 (the “**Prospectus**”), whereby the Profit for the first half of the 2023 financial year dropped by more than 40% as compared to that for the first half of the 2022 financial year.

As disclosed in the Prospectus, the estimated decrease in the Profit is primarily attributable to the substantial decrease in the average selling price of liquefied natural gas in the year ended 31 December 2023 as compared to the exceptionally high price in the year ended 31 December 2022 driven by geopolitical conflict in Eastern Europe. In addition, the decrease in the average selling price of hydrogenated benzene-based chemicals by approximately 8% in the year ended 31 December 2023 as compared to that in the year ended 31 December 2022, in line with the dropping trend in the price of crude oil in the same period, also contributed to the estimated decrease in the Profit.

The full operation of the additional hydrogenated benzene-based chemicals production capacity of approximately 200,000 tonnes (measured in terms of the processing capacity of crude benzene) per annum is expected to contribute to the improvement of the Profit for the 2024 financial year, while the production and sales of products of the Group are expected to remain steady.

The above information is only a preliminary assessment by the Board based on the information currently available to the Group, including the unaudited consolidated management accounts of the Company for the year ended 31 December 2023, which have not been confirmed, reviewed or audited by the Company's auditors or the Audit Committee of the Board, and are subject to finalisation and other possible adjustments. Further details of the Group's financial information for the year ended 31 December 2023 will be disclosed in the Company's annual results announcement, which is expected to be published by the end of March 2024.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Henan Jinyuan Hydrogenated Chemicals Co., Ltd.\***  
**Wang Zengguang**  
*Executive Director*

Hong Kong, 26 February 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. WANG Zengguang and Mr. QIAO Erwei; the non-executive Directors of the Company are Mr. YIU Chiu Fai, Mr. WANG Kaibao and Mr. WANG Lijie; and the independent non-executive Directors of the Company are Ms. WONG Yan Ki Angel, Mr. DI Zhigang and Ms. LEUNG Sin Yeng Winnie.*

\* *For identification purposes only*