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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)**

**CONNECTED AND DISCLOSEABLE TRANSACTION  
PROVISION OF FINANCIAL ASSISTANCE**

On 2 January 2024, Jinning Energy (a 51% subsidiary of the Company) entered into the Loan Agreement with Xinyang Jingang, pursuant to which Jinning Energy agreed to provide an unsecured loan in the amount of RMB30,000,000 to Xinyang Jingang for a term from 2 January 2024 to 30 June 2024 at an interest rate of 5% per annum. Subsequently, on 30 June 2024, Jinning Energy and Xinyang Jingang entered into the Renewal Agreement, pursuant to which the Loan Agreement was extended and renewed under the same terms and conditions (including interest rate) for a further term from 1 July 2024 to 31 December 2024. As at the date of this announcement, Xinyang Jingang has repaid the Loan and all accrued interests in full.

**LISTING RULES IMPLICATIONS**

The provision of Loan constitutes a provision of financial assistance by the Group to Xinyang Jingang under the Listing Rules.

**The Loan Agreement**

Jinma Energy is the immediate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Xinyang Jingang is a 70% subsidiary of Jinma Energy and is therefore a connected person of the Company. Accordingly, the provision of Loan under the Loan Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Loan Agreement was more than 0.1% but was less than 5%, the provision of Loan under the Loan Agreement was subject to the reporting and announcement requirements under the Listing Rules, but was exempt from the independent shareholders' approval requirement.

## **The Renewal Agreement**

As the highest applicable percentage ratio in respect of the Renewal Agreement was more than 5% but was less than 25%, the renewal of the Loan under the Renewal Agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and was subject to the reporting and announcement requirements but was exempt from the shareholders' approval requirement under the Listing Rules.

Further, as Xinyang Jingang is a connected person of the Company as mentioned above, the renewal of the Loan under the Renewal Agreement also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Renewal Agreement was more than 5%, the renewal of the Loan under the Renewal Agreement was therefore subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Regrettably, the Company failed to comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in respect of the Agreements in a timely manner due to unintentional and inadvertent oversight of the management of Jinning Energy, which did not provide the relevant information to the Board in time. Considering that the relevant Loan and accrued interests have already been repaid in full by Xinyang Jingang as at the date of this announcement and all material information in respect of the Agreements has been set forth in this announcement, even though the Renewal Agreement was subject to the independent shareholders' approval requirement as set out above, the Company considers that it might not be meaningful for the shareholders and therefore does not intend to despatch a circular or convene any general meeting of the Company for the purpose of ratifying the transaction contemplated under the Renewal Agreement.

## **THE PROVISION OF THE LOAN**

On 2 January 2024, Jinning Energy (a 51% subsidiary of the Company) entered into the Loan Agreement with Xinyang Jingang, pursuant to which Jinning Energy agreed to provide an unsecured loan in the amount of RMB30,000,000 to Xinyang Jingang for a term from 2 January 2024 to 30 June 2024 at an interest rate of 5% per annum (the "**Loan**"). Subsequently on 30 June 2024, Jinning Energy and Xinyang Jingang entered into the Renewal Agreement, pursuant to which the Loan Agreement was extended and renewed under the same terms and conditions (including interest rate) for a further term from 1 July 2024 to 31 December 2024.

As at the date of this announcement, Xinyang Jingang has repaid the Loan and all accrued interests in full. All interest accrued during term of the Loan has also been duly repaid pursuant to the terms of the Agreements.

The principal terms of the Loan Agreement and the Renewal Agreement are as follows:

<b>Date:</b>	2 January 2024 (the Loan Agreement)
	30 June 2024 (the Renewal Agreement)
<b>Parties:</b>	(1) Jinning Energy (as lender)
	(2) Xinyang Jingang (as borrower)
<b>Loan principal:</b>	RMB30,000,000
<b>Interest rate:</b>	5% per annum
<b>Term and repayment date:</b>	The interest shall be repaid by the borrower on a monthly basis.
	The principal together with the accrued interest shall be repaid by the borrower, initially, by 30 June 2024 pursuant to the Loan Agreement, which repayment date has been extended for a further period of six months (i.e. on or before 31 December 2024) pursuant to the Renewal Agreement.
	In case of early repayment of the principal by the borrower, interest shall be calculated based on the actual number of days passed in the month of early repayment.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN**

The terms of both Agreements, including the interest rate, were negotiated and arrived at after arm's length negotiations between Jinning Energy and Xinyang Jingang, having taken into account the prevailing market interest rates and practice of transactions of a similar nature. The Loan had been financed by Jinning Energy by its internal financial resources.

Having considered the financial background and repayment ability of Xinyang Jingang, the funding needs of the Group, as well as the interest income earned by the Group, the Board (including the independent non-executive Directors) considers that both Agreements were entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

## INFORMATION ON THE PARTIES

### Information on Jinning Energy, the Company and the Group

Jinning Energy is a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company. Jinning Energy is principally engaged in the processing and sale of coal gas. Jinning Energy is held as to (i) 51% by the Company, (ii) 39% by 濟源市潤安物資有限公司 (Jiyuan Run'an Materials Co., Ltd.\*), which in turn is held as to 60% by 史占廣 (Shi Zhanguang\*) and 40% by 張艷 (Zhang Yan\*); and (iii) 10% by 河南金塑實業有限公司 (Henan Jinsu Shiye Co., Ltd.\*), which in turn is held as to 50% by 王喜平 (Wang Xiping\*) and 50% by 王學中 (Wang Xuezhong\*).

The Company is a company established in the PRC with limited liability and is principally engaged in the production and sales of hydrogenated benzene-based chemicals. The Group is principally engaged in the production and sales of hydrogenated benzene-based chemicals, coal gas and LNG, the trading of LNG, refined oil and hydrogen, and the provision of other services, including the provision of steam. The immediate controlling shareholder of the Company is Jinma Energy.

### Information on Xinyang Jingang

Xinyang Jingang is a company established in the PRC with limited liability and a non-wholly owned subsidiary of Jinma Energy. Xinyang Jingang is 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. Xinyang Jingang is held as to (i) 70% by Jinma Energy; and (ii) 30% by 安鋼集團信陽鋼鐵有限責任公司 (Angang Group Xinyang Steel Co., Ltd.\*), which in turn is held as to:

- (i) approximately 65.22% by 何殿洲 (He Dianzhou\*);
- (ii) approximately 15.84% by 河南省恒昌商貿有限公司 (Henan Hengchang Trading Co., Ltd.\*) (which is in turn ultimately held by 梁俊生 (Liang Junsheng\*) and 趙麗麗 (Zhao Lili\*) as to 85% and 15%, respectively);
- (iii) approximately 8.57% by 安陽鋼鐵集團有限責任公司 (Anyang Steel Group Co., Ltd.\*) (which is wholly-owned by 河南鋼鐵集團有限公司 (Henan Iron and Steel Group Co. Ltd.\*), which in turn is held as to (a) 72% by 河南國有資本運營集團有限公司 (Henan State Owned Capital Operation Group Co., Ltd.\*) (a company wholly-owned by 河南省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Bureau of Henan Provincial People's Government\*)), (b) 8% by 尚雪嶺 (Shang Xueling\*), and (c) 20%, in aggregate, by 10 companies and four individuals, each holding not more than 3%); and
- (iv) approximately 10.37% by seven other individuals.

Jinma Energy is a company established in the PRC with limited liability and its shares are listed on the Stock Exchange (stock code: 6885). The Jinma Energy Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan province, the PRC. The Jinma Energy 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.

## **LISTING RULES IMPLICATIONS**

The provision of Loan under the Loan Agreement constituted a connected transaction of the Company and the extension and renewal of the Loan under the Renewal Agreement constituted a discloseable and connected transaction of the Company. Regrettably, the Company failed to comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in respect of the Agreements as set out below in a timely manner due to unintentional and inadvertent oversight of the management of Jinning Energy.

### **The Loan Agreement**

Jinma Energy is the immediate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Xinyang Jingang is a 70% subsidiary of Jinma Energy and is therefore a connected person of the Company. Accordingly, the provision of Loan under the Loan Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Loan Agreement was more than 0.1% but was less than 5%, the provision of Loan under the Loan Agreement was subject to the reporting and announcement requirements under the Listing Rules, but was exempt from the independent shareholders' approval requirement.

### **The Renewal Agreement**

As the highest applicable percentage ratio in respect of the Renewal Agreement was more than 5% but was less than 25%, the renewal of the Loan under the Renewal Agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and was subject to the reporting and announcement requirements but was exempt from the shareholders' approval requirement under the Listing Rules.

Further, as Xinyang Jingang is a connected person of the Company as mentioned above, the renewal of the Loan under the Renewal Agreement also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Renewal Agreement was more than 5%, the renewal of the Loan under the Renewal Agreement was therefore subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Considering that the relevant Loan and accrued interests have already been repaid in full by Xinyang Jingang as at the date of this announcement and all material information in respect of the Agreements has been set forth in this announcement, even though the Renewal Agreement was subject to the independent shareholders' approval requirement as set out above, the Company considers that it might not be meaningful for the shareholders and therefore does not intend to despatch a circular or convene any general meeting of the Company for the purpose of ratifying the transaction contemplated under the Renewal Agreement.

## **Directors' interest**

At the meeting of the Board convened to approve and ratify the transactions contemplated under the Agreements, Mr. Yiu Chiu Fai (a non-executive Director) and Mr. Wang Kaibao (a non-executive Director) had abstained from voting on the resolution approving the transactions contemplated under the Agreements for the reason of their positions in Jinma Energy. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors had any material interest in the Agreements and the transactions contemplated thereunder and was required to abstain from voting on the relevant Board resolutions.

## **Remedial measures**

Due to inadvertent oversight, the relevant management of Jinning Energy failed to take into account of the Listing Rules implications nor had they notified the Board timely when they approved the Agreements at the subsidiary level, and hence, the Company had failed to comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in respect of the Agreements in a timely manner. The transactions contemplated under the Agreements was noted by the compliance team of the Company during preparation of the Company's interim results for the six months ended 30 June 2024, and the compliance team of the Company immediately took steps to ascertain the status thereof. As soon as this non-compliance has been discovered, the matter was brought to the attention of the management of the Company, and the Company has proceeded to liaise with Xinyang Jingang for early repayment of the Loan (Xinyang Jingang has repaid the Loan and all accrued interests in full as at the date of this announcement) and to publish this announcement with the Board's approval at the earliest opportunity.

The Company takes its internal control efforts and its obligations under the Listing Rules very seriously, and has since issued an internal notice and will provide regular trainings to all management staff within its subsidiaries clarifying the proper classification of the provision of financial assistance and stipulating stringent internal control procedures particularly in the areas of, among others, notifiable transactions and corporate governance measures in order to formulate and impose measures to remedy the deficiency identified with a view to avoiding occurrence of similar incidents. The Company has also adopted more stringent internal control policy requiring all such transactions be run through and evaluated by the legal office, corporate department, the company secretary and financial department of the Company before entering into such transactions.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreements”	the Loan Agreement and the Renewal Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	河南金源氫化化工股份有限公司 (Henan Jinyuan Hydrogenated Chemicals Co., Ltd.*), a company established in the PRC with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinma Energy”	河南金馬能源股份有限公司 (Henan Jinma Energy Company Limited), a company established in the PRC with limited liability
“Jinma Energy Group”	Jinma Energy and its subsidiaries
“Jinning Energy”	濟源市金寧能源實業有限公司 (Jiyuan Jinning Energy Co., Ltd.*), a company established in the PRC with limited liability and a 51% subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“LNG”	liquefied natural gas
“Loan”	has meaning as subscribed to it under the section headed “The provision of the Loan” in this announcement
“Loan Agreement”	the loan agreement dated 2 January 2024 entered into between Jinning Energy and Xinyang Jingang, details of which are set out in the section headed “The provision of the Loan” in this announcement

“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Renewal Agreement”	the loan agreement dated 30 June 2024 entered into between Jinning Energy and Xinyang Jingang, in relation to the renewal of the Loan Agreement, details of which are set out in the section headed “The provision of the Loan” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Xinyang Jingang”	信陽鋼鐵金港能源有限公司 (Xinyang Steel Jingang Energy Co., Ltd.), a company established in the PRC with limited liability and a 70% subsidiary of Jinma Energy
“%”	per cent.

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

Hong Kong, 16 August 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*