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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021 AND CHANGE IN USE OF PROCEEDS

FINANCIAL HIGHLIGHTS

Revenue:	RMB7,398.3 million
Profit attributable to shareholders:	RMB486.5 million
Basic earnings per share:	RMB0.91
Proposed final dividend per share:	RMB0.20

RESULTS

The board (the "**Board**") of Directors (the "**Director**") of Henan Jinma Energy Company Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021 together with comparative figures for the year ended 31 December 2020.

Presented below are the Group's Consolidated Financial Statements, Management Discussion & Analysis and Corporate Governance & Related Matters.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	NOTES	**Year ended 31/12/2021** ***RMB'000***	Year ended 31/12/2020 *RMB'000* (restated)
Continuing operations			
Revenue	*3*	**7,398,260**	6,392,350
Cost of sales		**(6,383,003)**	(5,344,854)
Gross profit		**1,015,257**	1,047,496
Other income		**43,673**	43,615
Other gains and losses		**(93,209)**	(7,368)
Impairment losses under expected credit loss model ("**ECL**"), net of reversal		**(2,907)**	(39,943)
Selling and distribution expenses		**(104,398)**	(139,313)
Administrative expenses		**(140,288)**	(110,169)
Finance costs		**(48,285)**	(61,208)
Share of result of a joint venture		**3,334**	2,194
Share of result of an associate		**–**	(40,951)
Profit before tax		**673,177**	694,353
Income tax expense	*4*	**(172,497)**	(188,003)
Profit for the year from continuing operations		**500,680**	506,350
Discontinued operations	*5*		
Profit for the year from discontinued operations		**7,067**	14,820
Profit for the year		**507,747**	521,170
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on bills receivables at fair value through other comprehensive income ("**FVTOCI**")		**(2,291)**	1,823
Total comprehensive income for the year		**505,456**	522,993

	NOTES	**Year ended 31/12/2021** *RMB'000*	Year ended 31/12/2020 *RMB'000* (restated)
Profit for the year attributable to owners of the Company:			
– from continuing operations		**486,367**	480,834
– from discontinued operations		**155**	4,683
		486,522	485,472
Profit for the year attributable to non-controlling interests:			
– from continuing operations		**14,313**	25,516
– from discontinued operations		**6,912**	10,182
		21,225	35,698
Total comprehensive income for the year attributable to:			
– Owners of the Company		**485,911**	487,295
– Non-controlling interests		**19,545**	35,698
		505,456	522,993
Total comprehensive income for the year attributable to owners of the Company:			
– from continuing operations		**485,756**	482,785
– from discontinued operations		**155**	4,510
		485,911	487,295
Earnings per share (RMB)			
From continuing and discontinued operations			
– Basic	*7*	**0.91**	0.91
From continuing operations			
– Basic	*7*	**0.91**	0.90

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	NOTES	**31/12/2021**	31/12/2020
		RMB'000	*RMB'000*
			(restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,352,445**	2,390,900
Right-of-use assets		**335,123**	227,484
Intangible assets		**185,189**	61,658
Goodwill		**10,669**	38,294
Interest in a joint venture		**59,502**	56,168
Interest in an associate		**–**	2,260
Advance to an associate		**15,000**	15,000
Deferred tax assets		**59,336**	31,158
Deposit for acquisition of property, plant and equipment		**168,808**	124,326
		5,186,072	2,947,248
CURRENT ASSETS			
Inventories		**467,673**	370,945
Trade and other receivables	*8*	**709,809**	298,118
Amount due from a shareholder		**57,585**	11,770
Amounts due from related parties		**20**	113,260
Financial assets at fair value through profit or loss ("**FVTPL**")		**18,000**	59,807
Bills receivables at FVTOCI		**806,113**	842,274
Restricted bank balances		**703,118**	392,458
Bank balances and cash		**576,951**	1,355,149
		3,339,269	3,443,781

	NOTES	31/12/2021	31/12/2020
		RMB'000	*RMB'000*
			(restated)
CURRENT LIABILITIES			
Borrowings		**972,434**	651,700
Trade and other payables	*9*	**2,217,758**	1,257,029
Amounts due to related parties		**113**	1,211
Contract liabilities		**101,401**	49,851
Lease liabilities		**1,882**	2,962
Tax payable		**32,735**	30,984
		3,326,323	1,993,737
NET CURRENT ASSETS		**12,946**	1,450,044
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,199,018**	4,397,292
CAPITAL AND RESERVES			
Share capital		**535,421**	535,421
Reserves		**2,689,992**	2,364,707
Equity attributable to owners of the Company		**3,225,413**	2,900,128
Non-controlling interests		**1,078,874**	1,080,365
TOTAL EQUITY		**4,304,287**	3,980,493
NON-CURRENT LIABILITIES			
Borrowings		**828,429**	360,000
Lease liabilities		**3,130**	6,934
Deferred revenue		**22,848**	21,876
Deferred tax liabilities		**40,324**	27,989
		894,731	416,799
		5,199,018	4,397,292

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") 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 of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF AMENDMENTS TO IFRSs

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied following amendments to IFRSs issued by the International Accounting Standards Board ("**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 consolidated financial statements:

Amendments to IAS 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 applied the agenda decisions of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board which clarified the supply financing arrangements and the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of the agenda decision of the Committee – Supply Chain Financing Arrangements

In December 2020, the Committee, through its agenda decision, clarified how liabilities to pay for goods or services received and the related cash flows when the related invoices are part of supply chain financing arrangements should be presented in the statement of financial position and statement of cash flows. The Committee observed that an entity's assessment of the nature of the liabilities that are part of the supply chain financing arrangements may help in determining whether the related cash flows arise from operating or financing activities. Accordingly, the settlement of trade related payables directly by the relevant financiers which resulted in derecognition of the relevant liabilities constitute non-cash transactions and the entity's subsequent settlement with financiers should be considered as repayment of borrowings and presented under financing activities in the statement of cash flows.

Upon issuance of the agenda decision, the management of the Group reassessed the Group's accounting policies in respect of the presentation of cash flows arising from issuing the negotiation letter of credit to intragroup companies, in which the Group considered the cash received from issuing as borrowings whilst the cash flows relating to the borrowings were presented under operating activities as the management considered the cash flows are in substance based on sales. Based on the clarification through the agenda decision, the Group changed its accounting policies retrospectively by presenting the cash received from issuing under financing activities in the consolidated statement of cash flows.

Effects of this change in accounting policies on the consolidated statement of cash flows are as follows:

- Proceeds received from from issuing the negotiation letter of credit to intragroup companies previously included under operating activities of approximately RMB70,000,000 have been reclassified and presented as cash inflows under financing activities for the year ended 31 December 2020, which resulted in decrease in net cash from operating activities for the year ended 31 December 2020 by approximately RMB70,000,000, and increase in net cash from financing activities for the year ended 31 December 2020 by approximately RMB70,000,000; and

- For the year ended 31 December 2021, the net cash from operating activities would have been decreased by approximately RMB5,000,000 and the net cash from financing activities would have been decreased by RMB5,000,000, if the Group has not changed the accounting policies.

Effects of this change in accounting policies on the consolidated statement of financial position are as follows:

	As at 31/12/2020 (Originally stated) *RMB'000*	Adjustments *RMB'000*	As at 31/12/2020 (Restated) *RMB'000*
Current Liabilities			
Trade and other payables	1,407,029	(150,000)	1,257,029
Borrowings	501,700	150,000	651,700

If the Group has not changed the accounting policies, the trade and other payables would be RMB2,362,758,000 and the borrowings under current liabilities would be RMB827,434,000 for the financial position of the Group as at 31 December 2021.

The reclassification described above has had no effect on reported profit or loss, total comprehensive income, equity and earnings per share for any period presented.

2.2 Impacts on application of the agenda decision of the Committee – Cost necessary to sell inventories (IAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's accounting policy prior to the Committee's agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee's agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and transportation cost necessary to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee's agenda decision has had no material impact on the Group's financial positions and performance.

Amendments to IFRSs that are early applied for the current year

Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards. The cost of the items is measured in accordance with IAS 2 "Inventories".

The Group has early applied the Amendments to IAS 16" Property, Plant and Equipment – Proceeds before Intended Use" in the current year. Upon application of the amendments, such sale proceeds and the related costs was included in profit and loss with corresponding adjustments to the cost of property, plant and equipment. During the year ended 31 December 2021, sale proceeds and related costs amounted to RMB59,992,000 and RMB54,172,000 respectively.

Impact on the consolidated statements of profit or loss and other comprehensive income

	Year ended 31/12/2021 ***RMB'000***
Increase in revenue	**59,992**
Increase in cost of sales	**54,172**
Increase in income tax expense	**1,455**
Net increase in profit for the year	**4,365**
Increase in profit for the year attributable to:	
– Owners of the Company	**2,226**
– Non-controlling interests	**2,139**
	4,365

There is no effect of the changes in accounting policy described above on the financial position of the Group as at the end of the immediately preceding financial year, i.e. 31 December 2020 and as at the beginning of the comparative period, i.e. 1 January 2020. The basic earning per share from impact is less than RMB0.01 per share for the years ended 31 December 2021.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRSs Standards	Annual Improvements to IFRSs Standards 2018-2020[2]

[1] Effective for annual periods beginning on or after 1 April 2021.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after 1 January 2023.
[4] Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to RMB5,543,000 and RMB5,012,000 respectively. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained profits (or other component of equity, as appropriate) at the beginning of the earliest comparative period presented.

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

Continuing operations

Segments*	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other services	Total
	For the year ended 31 December 2021						
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods or service							
Sales of goods							
Coke	3,822,840	–	–	–	1,371,194[#]	–	5,194,034
Ammonium sulphater	–	14,550	–	–	–	–	14,550
Benzene based chemicals	–	83,098	1,065,598	–	–	–	1,148,696
Coal tar based chemicals	–	178,141	663,371	–	–	–	841,512
Coal gas	–	–	–	492,384	–	–	492,384
LNG	–	–	–	15,438	79,962	–	95,400
Coal	–	–	–	–	284,004[#]	–	284,004
Refined oil	–	–	–	–	56,617	–	56,617
Others	–	21,182	–	11,406	38,397	2,755	73,740
	3,822,840	296,971	1,728,969	519,228	1,830,174	2,755	8,200,937
Providing services							
Trading agency	–	–	–	–	36,405[##]	–	36,405
Energy supply	–	–	–	17,588	–	63,127	80,715
Others	–	–	–	–	–	13,491	13,491
	–	–	–	17,588	36,405	76,618	130,611
Total	3,822,840	296,971	1,728,969	536,816	1,866,579	79,373	8,331,548

[#] Included in trading of coke and coal are inter-group sales amounting to RMB311,290,000, which are recorded at gross amount for which the Group acts as principal. The Group recognised revenue from contracts with external customers, acting as a principal, amounted to RMB1,343,908,000, relating to trading of coal and coke.

[##] RMB29,971,000 out of total, are inter-group trading agency services. The Group recognised fee revenue from contracts with external customers, acting as an agent, amounted to RMB6,434,000, relating to trading of coal and coke.

* 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 year ended 31 December 2021		
	Segment revenue *RMB'000*	**Eliminations** *RMB'000*	**Consolidated** *RMB'000*
Coke	3,822,840	(443)	3,822,397
Coking by-products	296,971	(261,258)	35,713
Refined chemicals	1,728,969	(22,989)	1,705,980
Energy products	536,816	(237,485)	299,331
Trading	1,866,579	(347,502)	1,519,077
Other Services	79,373	(63,611)	15,762
Revenue from contracts with customers	8,331,548	(933,288)	7,398,260

Continuing operations

Segments*	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other services	Total
	For the year ended 31 December 2020 (restated)(Note)						
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods or service							
Sales of goods							
Coke	3,586,692	–	–	–	1,224,104[#]	–	4,810,796
Ammonium sulphater	–	11,589	–	–	–	–	11,589
Benzene based chemicals	–	70,872	584,718	–	–	–	655,590
Coal tar based chemicals	–	165,135	408,177	–	–	–	573,312
Coal gas	–	–	–	581,592	–	–	581,592
LNG	–	–	–	230,020	30,359	–	260,379
Coal	–	–	–	–	21,405[#]	–	21,405
Refined oil	–	–	–	–	36,732	–	36,732
Others	–	12,198	–	5,761	29,431	1,046	48,436
	3,586,692	259,794	992,895	817,373	1,342,031	1,046	6,999,831
Providing services							
Trading agency	–	–	–	–	30,375[##]	–	30,375
Energy supply	–	–	–	20,547	–	98,370	118,917
Others	–	–	–	–	–	8,310	8,310
	–	–	–	20,547	30,375	106,680	157,602
Total	3,586,692	259,794	992,895	837,920	1,372,406	107,726	7,157,433

\# Represents trading sales recorded at gross amount for which the Group acts as principal. The Group recognised revenue from contracts with external customers, acting as a principal, amounted to RMB1,245,509,000,relating to trading of coal and coke.

\## RMB19,056,000 out of total, are inter-group trading agency services. The revenue from provision of trading agency are recorded at net amount for which the Group acts as agent. The Group recognised fee revenue from contracts with external customers, acting as an agent, amounted to RMB11,319,000, relating to trading of coal and coke.

Note: Following the disposal of a non-wholly subsidiary, the Group no longer operates railway related storage and logistics services and the segment information was restated accordingly. The railway related storage and logistic services, which are described in more detail in Note 5.

* 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 year ended 31 December 2020 (restated) [(Note)]		
	Segment revenue	Eliminations	Consolidated
	RMB'000	*RMB'000*	*RMB'000*
Coke	3,586,692	–	3,586,692
Coking by-products	259,794	(236,006)	23,788
Refined chemicals	992,895	(15,267)	977,628
Energy products	837,920	(396,009)	441,911
Trading	1,372,406	(23,594)	1,348,812
Other Services	107,726	(94,207)	13,519
Revenue from contracts with customers	7,157,433	(765,083)	6,392,350

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 Services, 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 some 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 year. 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 sulphater ("**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 services including but not limited to provision of water, catering and fire prevention and management services ("**Other Services**").

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 services** *RMB'000*	**Total** *RMB'000*
Continuing operations							
For the year ended 31 December 2021							
External sales	**3,822,397**	**35,713**	**1,705,980**	**299,331**	**1,519,077**	**15,762**	**7,398,260**
Inter-segment sales	**443**	**261,258**	**22,989**	**237,485**	**347,502**	**63,611**	**933,288**
	3,822,840	**296,971**	**1,728,969**	**536,816**	**1,866,579**	**79,373**	**8,331,548**
Segment results	**918,716**	**(5,316)**	**119,175**	**(64,686)**	**61,741**	**714**	**1,030,344**
Other income							**43,673**
Other gains and losses							**(93,209)**
Impairment losses, under ECL model, net of reversal							**(2,907)**
Selling and distribution expenses							**(104,398)**
Administrative expenses							**(140,288)**
Finance costs							**(48,285)**
Share of result of a joint venture							**3,334**
Unallocated expenses							**(15,087)**
Profit before tax							**673,177**

	Sales of goods						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Continuing operations							
For the year ended 31 December 2020 (restated)							
External sales	3,586,692	23,788	977,628	441,911	1,348,812	13,519	6,392,350
Inter-segment sales	–	236,006	15,267	396,009	23,594	94,207	765,083
	3,586,692	259,794	992,895	837,920	1,372,406	107,726	7,157,433
Segment results	939,159	3,250	3,504	68,558	42,728	1,116	1,058,315
Other income							43,615
Other gains and losses							(7,368)
Impairment losses, under ECL model, net of reversal							(39,943)
Selling and distribution expenses							(139,313)
Administrative expenses							(110,169)
Finance costs							(61,208)
Share of result of a joint venture							2,194
Share of result of associates							(40,951)
Unallocated expenses							(10,819)
Profit before tax							694,353

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 1. Segment results represent the gross profit from each segment without allocation of other income, other gains and losses, impairment losses under ECL model, net of reversal, selling and distribution expenses, administrative expenses, finance costs, share of result of a joint venture and share of result of an associate. Sales related taxes are classified as unallocated expenses.

Inter-segment sales are charged at prevailing market rates.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to or reviewed by the chief operating decision maker.

Other segment information

	Sales of goods							
	Coke	**Coking by-products**	**Refined chemicals**	**Energy products**	**Trading**	**Other services**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
For the year ended 31 December 2021								
Amounts included in measure of segment results:								
Depreciation and amortisation	59,159	746	37,887	41,528	6,181	7,528	22,454	175,483

	Sales of goods							
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other services	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2020 (restated)								
Amounts included in measure of segment results:								
Depreciation and amortisation	43,998	1,032	34,740	37,384	4,436	3,024	22,723	147,337

Entity-wide disclosures

Geographical information

During the years ended 31 December 2021 and 2020, all of the Group's revenue from external customers, from continuing operations, were generated from the PRC whereas all non-current assets are located in the PRC as at 31 December 2021 and 2020.

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group, from continuing operations, for the year is as below:

	Year ended	
	31/12/2021	31/12/2020
	RMB'000	*RMB'000*
Jiangxi PXSteel and its subsidiaries *(Notes i and ii)*	**1,614,677**	1,037,643
Maanshan Steel *(Notes i and ii)*	**767,199**	899,875
Customer A *(Note i)*	**1,236,966**	1,092,667
Customer B *(Note i)*	**N/A***	737,187

* Revenue from the customer was less than 10% of the total revenue during the year ended 31 December 2021.

Notes:

(i) Revenue from sale of coke.

(ii) Jiangxi PXSteel Industrial Co., Ltd. (江西萍鋼實業股份有限公司, "Jiangxi PXSteel") and Maanshan Iron & Steel Company Limited (馬鞍山鋼鐵股份有限公司, "Maanshan Steel") are shareholders of the Company.

4. INCOME TAX EXPENSE

	Year ended	Year ended
	31/12/2021	31/12/2020
	RMB'000	*RMB'000*
		(restated)
Continuing operations		
PRC Enterprise Income Tax ("EIT")		
– current tax	**192,364**	189,792
– under-provision in prior years	**586**	2,002
Deferred tax	**(20,453)**	(3,791)
	172,497	188,003

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the group entities established in the PRC is 25% for both years.

The taxation charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2021 ***RMB'000***	Year ended 31/12/2020 *RMB'000* (restated)
Continuing operations		
Profit before tax	**673,177**	694,353
Tax charge at the applicable income tax rate of 25% (2020: 25%)	**168,294**	173,588
Tax effect of expenses not deductible for tax purposes	**1,142**	1,688
Tax effect of tax concessions	**377**	834
Tax effect of share of results in associates and a joint venture	**(834)**	9,689
Tax effect of tax losses not recognised	**3,741**	621
Under-provision in prior years	**586**	2,002
Tax effect of income not taxable for tax purpose *(Note)*	**(750)**	(290)
Others	**(59)**	(129)
Income tax expense	**172,497**	188,003

Note:

Pursuant to the relevant tax rules and regulation in the PRC, 10% revenue from Comprehensive Utilisation of Resources ("資源綜合利用") is eligible for tax deduction. During the year ended 31 December 2021, the Group had tax deduction under the scheme of RMB750,000 (2020: RMB290,000).

5. DISCONTINUED OPERATIONS

During the year, the Group entered into a sale agreement to dispose its 51% equity interest in Yan'an Jinneng Railway Logistics Technology Co., Ltd. (延安金能鐵路物流科技有限公司)and its 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, "**Disposal Group A**"). The 80% interest in Liyuan Railway was acquired by the Group from an independent third party on 31 May 2020. Disposal Group A carried out the Group's coal trading business, railway related storage and logistics services previously included in the Group's Other Services for segment reporting purposes. The disposal was effected in order to generate cash flows for the expansion of the Group's strategic businesses. The disposal was completed on 30 September 2021, on which date the control of Disposal Group A passed to the acquirer.

During the year, the Group also resolved to dispose of its 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) (Disposal Group B), which cooperates with Disposal Group A in coal trading business. The Group entered into a sale agreement on 30 September 2021 and the disposal was completed on the same day.

The Group entered into a sale agreement to dispose its 52.38% equity interest in Shaanxi Jinma Energy Sources Co., Ltd. ("**Shaanxi Jinma**") (陝西金馬能源有限公司) ("**Disposal Group C**"), which is the holding company of Disposal Group A. The disposal was completed on 30 November 2021, on which date the control of Disposal Group C passed to the acquirer.

The operations of the Disposal Group A, Disposal Group B and Disposal Group C (together the "**Disposal Groups**") are treated as discontinued operations. The profit for the year from the Disposal Groups is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the Disposal Groups as a discontinued operation.

	From 1/1/2021 to respective disposal dates *RMB'000*	From incorporation/ acquisition date to 31/12/2020 *RMB'000*
Profit of the Disposal Groups for the period	17,421	14,948
Loss on disposal of the Disposal Groups	(10,354)	–
Income tax relating to profit from discontinued operations	–	(128)
	7,067	14,820

The results of the Disposal Groups for the period from 1 January 2021 to respective disposal dates, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	From 1/1/2021 to respective disposal dates *RMB'000*	From incorporation/ acquisition date to 31/12/2020 *RMB'000*
Revenue	**1,041,730**	741,350
Cost of sales	**(1,002,577)**	(713,818)
Gross profit	**39,153**	27,532
Other income	**109**	165
Other gains and losses	**(3,941)**	(28)
Selling and distribution expenses	**(7,371)**	(4,170)
Administrative expenses	**(5,914)**	(5,672)
Finance costs	**(1,709)**	(497)
Share of result in an associate	**595**	510
Profit before tax	**20,922**	17,840
Income tax expense	**(3,501)**	(2,892)
Profit for the period	**17,421**	14,948

Profit for the period from 1 January 2021 to respective disposal dates from discontinued operations includes the following:

Depreciation of property, plant and equipment	**6,552**	5,998
Depreciation of right-of-use assets	**2,495**	3,170
Amortisation of intangible assets (included in cost of sales)	**174**	203
Cash flows from the Disposal Group:		
Net cash flows from (used in) operating activities	**80,254**	(352,908)
Net cash flows used in investing activities	**(45,352)**	(98,864)
Net cash flows (used in) from financing activities	**(70,615)**	500,000
Net cash flows	**(35,713)**	48,228

The carrying amounts of the assets and liabilities of Group A and Disposal Group C at the date of disposal are disclosed in Note 10.

6. DIVIDENDS

	Year ended 31/12/2021 *RMB'000*	Year ended 31/12/2020 *RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2021 Interim – RMB0.10 (2020: 2020 interim dividend RMB0.10) per share	**53,542**	53,542
2020 Final – RMB0.20 (2020: 2019 final dividend RMB0.30) per share	**107,084**	160,626
	160,626	214,168

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2021 of RMB0.20 per share (2020: RMB0.20 per share), in an aggregate amount of RMB107,084,000 (2020: RMB107,084,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

The dividends declared by subsidiaries of the Company to the non-controlling shareholders amounted to RMB23,004,000 (2020: RMB9,800,000) during the year ended 31 December 2021.

7. EARNINGS PER SHARE

For continuing operations and discontinued operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following analysis:

	Year ended 31/12/2021 *RMB'000*	Year ended 31/12/2020 *RMB'000*
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**486,522**	485,472
	'000	*'000*
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 the basic earnings per share attributable to the owners of the Company is based on the following analysis:

	Year ended 31/12/2021 ***RMB'000***	Year ended 31/12/2020 *RMB'000*
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**486,367**	480,834
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**535,421**	535,421

For discontinued operations

Based on the gain for the current year from discontinued operations of RMB155,000 (2020: RMB4,510,000 (restated)) and with the same denominators detailed above, the basic earnings per share from discontinued operations is less than RMB0.01 per share for the years ended 31 December 2021 (2020: less than RMB0.01 per share).

Basic earnings per share was calculated by dividing the profit for the year attributable to owners of the Company by the number of ordinary shares in issue during the year.

No diluted earnings per share is presented as there was no dilutive potential ordinary share in issue for the years ended 31 December 2021 and 2020.

8. TRADE AND OTHER RECEIVABLES

	31/12/2021	31/12/2020
	RMB'000	*RMB'000*
Trade receivables – contract with customers	**94,555**	93,573
Less: Allowance for ECL	**(4,195)**	(1,288)
	90,360	92,285
Other receivables	**1,542**	7,018
Less: Allowance for ECL	**–**	–
	1,542	7,018
Prepayments to suppliers	**234,383**	103,976
Prepaid other taxes and charges	**333,071**	88,488
Refundable deposits to suppliers	**50,453**	1,451
Dividend receivable from a joint venture	**–**	4,900
	709,809	298,118

As at 1 January 2020, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB124,536,000.

The following is an aging analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date at the end of the reporting period:

	31/12/2021	31/12/2020
	RMB'000	*RMB'000*
Within 90 days	**85,827**	70,504
91 – 180 days	**–**	21,781
181 – 365 days	**3,533**	–
More than 1 year	**1,000**	–
	90,360	92,285

The normal credit term to the customers is ranged between 30 to 60 days. As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB8,728,000 (2020: RMB21,781,000) which are past due as at the reporting date. Out of the past due balances, RMB5,195,000 (2020: RMB1,288,000) has been past due 90 days or more and all of which is considered as in default.

The Group does not hold any collateral over these balances.

9. TRADE AND OTHER PAYABLES

	31/12/2021	31/12/2020
	RMB'000	*RMB'000*
		(restated)
Trade payables	**274,954**	299,593
Bills payables	**998,596**	399,953
	1,273,550	699,546
Salaries and wages payables	**39,355**	29,166
Other tax payables	**22,924**	18,211
Consideration payable for purchase of		
– property, plant and equipment	**732,102**	241,205
– intangible assets	**118,555**	–
Accruals	**9,795**	5,801
Consideration payable for acquisition of business	**3,647**	252,267
Refundable deposit from suppliers	**15,135**	4,230
Other payables	**2,695**	6,603
	944,208	557,483
	2,217,758	1,257,029

The normal credit term to the Group is ranged between 30 to 60 days.

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

	31/12/2021	31/12/2020
	RMB'000	*RMB'000*
		(restated)
Within 90 days	**1,254,647**	649,469
91 – 180 days	**10,471**	15,430
181 – 365 days	**5,619**	11,356
Over 1 year	**2,813**	23,291
	1,273,550	699,546

At the end of the reporting period, the Group's bills payables were issued by banks with maturities within 6 months and were secured by the Group's restricted bank balances and bills receivables at FVTOCI.

10. DISPOSAL OF SUBSIDIARIES

As referred to Note 5, on 30 September 2021, the Group disposed of Disposal Group A. The net assets of Disposal Group A at the date of disposal were as follows:

From Disposal Group A

	RMB'000
Consideration received:	
Total consideration received in cash	204,000

	30/09/2021
	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	290,879
Right-of-use assets	86,371
Intangible assets	6,574
Goodwill	24,614
Deferred tax assets	5,605
Inventories	7,410
Trade and other receivables	32,994
Amounts due from a related party	116,253
Bank balances and cash	2,795
Lease liabilities	(2,914)
Borrowings	(30,000)
Trade and other payables	(39,561)
Contract liabilities	(164)
Tax payable	(3,955)
Net assets disposed of	496,901
Loss on disposal of a subsidiary:	
Consideration received	204,000
Net assets disposed of	(496,901)
Non-controlling interests	286,771
	6,130
Net cash inflow arising on disposal:	
Cash consideration	204,000
Less: bank balances and cash disposed of	(2,795)
	201,205

As referred to Note 5, on 30 November 2021, the Group disposed of Disposal Group C. The net assets of Disposal Group C at the date of disposal were as follows:

From Disposal Group C

	RMB'000
Consideration received:	
Total consideration received in cash	5,238

	30/11/2021
	RMB'000
Analysis of assets and liabilities over which control was lost:	
Bank balances and cash	**10,383**
Trade and other payables	**(3)**
Net assets disposed of	**10,380**
Loss on disposal of a subsidiary:	
Consideration received	**5,238**
Net assets disposed of	**(10,380)**
Non-controlling interests	**2,023**
	3,119
Net cash outflow arising on disposal:	
Cash consideration	**5,238**
Less: bank balances and cash disposed of	**(10,383)**
	(5,145)

The impact of Disposal Groups on the Group's results and cash flows in the current and prior periods is disclosed in Note 5.

MANAGEMENT DISCUSSION & ANALYSIS

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 in recent years.

In 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.

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 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, coal mining equipment, nonferrous materials and natural gas increase when economic conditions recover. The market price for the Group's coke recovered substantially in 2016 and continued to remain stable from 2017 to 2019, but rose again in 2020 and continued to rise in 2021. 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.

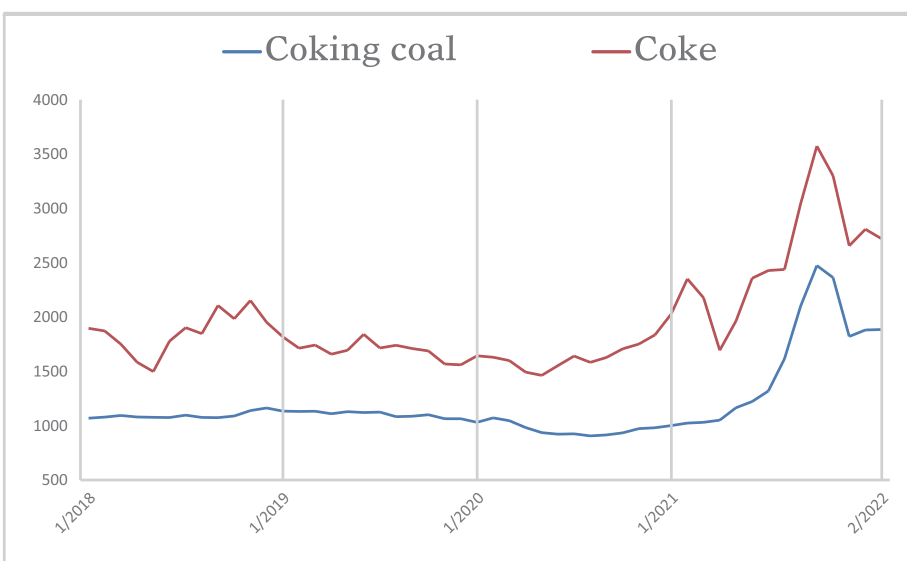
The following table sets forth the average selling price (net of VAT) of each of the Group's principal products during 2021 and 2020 according to the Group's internal records.

	Year ended 31 December	
	2021	2020
	Average selling price(1) ***RMB/ton (except coal gas in RMB/m³)***	Average selling price(1) *RMB/ton (except coal gas in RMB/m³)*
Coke	**2,575.40**	1,619.80
Coke	**2,730.00**	1,714.40
Coke breeze	**1,407.75**	805.90
Refined Chemicals		
Benzene based chemicals	**6,046.21**	3,332.70
Pure benzene	**6,200.37**	3,434.80
Toluene	**4,432.83**	3,237.70
Coal tar based chemicals	**3,886.01**	2,360.10
Coal asphalt	**4,263.64**	2,347.50
Anthracene oil	**3,360.14**	2,078.70
Industrial naphthalene	**3,442.80**	3,202.20
Energy Products		
Coal gas	**0.71**	0.71
LNG	**4,706.29**	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 up 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 and remained stable in 2019, though fell from the highest average spread in the past 5 years from 2018, and the Group's profitability remained stable throughout the periods. In the first half of 2020, coke selling price continued to drop, but substantially increased since the middle of the year, and up to the end of 2021, in which the purchasing price of coal also rose substantially, resulting in the Group's gross margin percentage of coke in 2021 was squeezed as compared with 2020. The following chart shows the average purchase price of coking coal and the average selling price of coke (net of VAT) from 2018 to February 2022 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. The business of the Group in 2021 remained stable, with production capacity utilization rate of each of the principal products substantially maintained. Full sales of the Group have been consistently achieved with revenue of the Group. In 2021, the Group's production capacity for coke was approximately 1.0 million tons (on a moist-free basis) per annum, and the Group's processing capacity for coal tar and crude benzene was approximately 180,000 tons and 200,000 tons per annum, respectively. At the same time, the Group's production capacity for coal gas was approximately 450 million m^3 per annum in 2021, for self-use (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.

Access to and Cost of Financing

In addition to cash generated from the Group's operations, the Group financed the Group's operations and capital expenditures primarily through bank and financial institution borrowings during the period. The Group's interest-bearing borrowings for the years ended 31 December 2021 and 2020 were approximately RMB1,800.9 million and RMB1,011.7 million, respectively. The Group's finance costs for the years ended 31 December 2021 and 2020 were approximately RMB48.3 million and RMB61.2 million, respectively, accounting for approximately 0.7% and 1.0% of the Group's total revenue for the respective periods. The Group's ability to pay the interest incurred with respect to the borrowings, or repay or refinance the Group's borrowings could have an impact on the financial position and operation results of the Group.

RESULTS OF OPERATIONS

Below is the consolidated statement of profit or loss and other comprehensive income of the Group which shall be read in conjunction with its consolidated financial information.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

	NOTES	**Year ended 31/12/2021** ***RMB'000***	Year ended 31/12/2020 *RMB'000* (restated)
Continuing operations			
Revenue		**7,398,260**	6,392,350
Cost of sales		**(6,383,003)**	(5,344,854)
Gross profit		**1,015,257**	1,047,496
Other income		**43,673**	43,615
Other gains and losses		**(93,209)**	(7,368)
Impairment losses under expected credit loss model ("**ECL**"), net of reversal		**(2,907)**	(39,943)
Selling and distribution expenses		**(104,398)**	(139,313)
Administrative expenses		**(140,288)**	(110,169)
Finance costs		**(48,285)**	(61,208)
Share of result of a joint venture		**3,334**	2,194
Share of result of an associate		**–**	(40,951)
Profit before tax		**673,177**	694,353
Income tax expense		**(172,497)**	(188,003)
Profit for the year from continuing operations		**500,680**	506,350
Discontinued operations			
Profit for the year from discontinued operations		**7,067**	14,820
Profit for the year		**507,747**	521,170

	NOTES	**Year ended 31/12/2021** *RMB'000*	Year ended 31/12/2020 *RMB'000* (restated)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on bills receivables at fair value through other comprehensive income ("**FVTOCI**")		**(2,291)**	1,823
Total comprehensive income for the year		**505,456**	522,993
Profit for the year attributable to owners of the Company:			
– from continuing operations		**486,367**	480,834
– from discontinued operations		**155**	4,683
		486,522	485,472
Profit for the year attributable to non-controlling interests:			
– from continuing operations		**14,313**	25,516
– from discontinued operations		**6,912**	10,182
		21,225	35,698
Total comprehensive income for the year attributable to:			
– Owners of the Company		**485,911**	487,295
– Non-controlling interests		**19,545**	35,698
		505,456	522,993
Total comprehensive income for the year attributable to owners of the Company:			
– from continuing operations		**485,756**	482,785
– from discontinued operations		**155**	4,510
		485,911	487,295
Earnings per share (RMB)			
From continuing and discontinued operations			
– Basic		**0.91**	0.91
From continuing operations			
– Basic		**0.91**	0.90

Consolidated Financial Information

- ***Revenue and gross profit margin***

  The Group's revenue increased by approximately RMB1,005.9 million or approximately 15.7% from approximately RMB6,392.4 million in 2020 to approximately RMB7,398.3 million in 2021. The increase was mainly attributable to the substantial increase in the prices of coke and refined chemicals, while during the same period, the substantial increase in the price of coal, which is the primary raw material of various products, had led to a decrease in the gross profit margin of the Group from 16.4% in 2020 to 13.7% in 2021.

- ***Other Income***

  Other income, mainly composed of interest income and government subsidy, maintained from approximately RMB43.6 million in 2020 to approximately RMB43.7 million in 2021.

- ***Other gains and Losses***

  Other gains and losses substantially increased from a net loss of approximately RMB7.4 million in 2020 to a net loss of RMB93.2 million in 2021. These losses were mainly due to the Group's decision to phase out and scrap some equipment that failed to improve coking production efficiency and environmental performance during the overall coking equipment assessment.

- ***Impairment losses under expected credit loss model, net of reversal***

  The impairment of the Group in 2020 was approximately RMB39.9 million. This was mainly due to the impairment loss of the long-term receivable due from our associate company, Huozhou Coal Power Group Hongtong Yilong Co., Ltd. ("**Yilong Coal**"), and the impairment of approximately RMB2.9 million in 2021 was mainly due to the provision for impairment losses on expected credit value of receivables.

- ***Selling and Distribution Expenses***

  Selling and distribution expenses decreased to RMB104.4 million in 2021 from RMB139.3 million in 2020. The decrease was mainly due to the decline in the selling tonnage of coke, and the increase in the sales amount of coke was caused by the substantial increase in its price.

- ***Administrative Expenses***

  Administrative expenses increased by approximately RMB30.1 million or approximately 27.3% from approximately RMB110.2 million in 2020 to approximately RMB140.3 million in 2021. The increase was primarily due to the staff remuneration and other administrative expenses of the subsidiaries that were newly established or commenced operation during the reporting period.

- ***Finance Costs***

  Finance costs decreased by approximately RMB12.9 million or approximately 21.1% from approximately RMB61.2 million in 2020 to approximately RMB48.3 million in 2021. The decrease was mainly due to the reduction of the average interest-bearing borrowing balance by cash flow management, and the decrease in interest rates of certain short-term borrowings compared with the same period of last year, and the capitalization of bank loan interest on certain construction in progress.

- ***Share of Result in a Joint Venture***

  Share of result in a joint venture increased by approximately RMB1.1 million or approximately 50.0% from approximately RMB2.2 million in 2020 to approximately RMB3.3 million in 2021. The increase was mainly attributable to increase in operating profit of the joint venture due to the increase in the unit selling price and sales volume.

- ***Share of Result in Associates***

  Share of result in associates substantially decreased from approximately RMB40.9 million in loss in 2020 to RMB0. This decrease was mainly due to the huge operating loss of the associate, Yilong Coal in 2020, that resulting from the fact that the Group's investment in the associate has been impaired to zero in 2020, there is no need to share its operating losses in 2021.

- ***Profit Before Tax***

  As a result of the foregoing, the Group's profit before tax decreased by approximately RMB21.2 million or approximately 3.1% from approximately RMB694.4 million in 2020 to approximately RMB673.2 million in 2021. The decrease was mainly due to (i) the substantial increase of the price of coal, which is the primary raw material of each product, resulting in decrease of the Group's gross profit margin by 2.7% as compared to 2020 to 13.7% in 2021; (ii) the impairment of RMB41.0 million for the long-term equity investment in 2020 and the provision for impairment of RMB45.9 million for the long-term receivables from the associate Yilong Coal were not required in 2021; and (iii) the phasing-out and scrapping of some equipment that is not compatible in improving coking production efficiency and environmental performance.

- ***Income Tax Expense***

  Income tax expense decreased by approximately RMB15.5 million or approximately 8.2% from approximately RMB188.0 million in 2020 to approximately RMB172.5 million in 2021. The decrease was primarily due to the decrease in the Group's profit for the period.

- ***Other Comprehensive Income/(Expense)***

  Other comprehensive income in 2020 was approximately RMB1.8 million, and the comprehensive loss from the changes in fair value of the bills receivables at the end of 2021 was approximately RMB2.3 million.

- ***Total Comprehensive Income for the Year***

  As a result of the foregoing, the Group's total comprehensive income decreased by approximately RMB17.5 million or approximately 3.3% from approximately RMB523.0 million in 2020 to approximately RMB505.5 million in 2021. The Group's net profit margin decreased from approximately 8.2% in 2020 to approximately 6.8% in 2021.

Business Segment Result

The table below sets forth the Group's segment revenue and results (after elimination of inter – segment sales) for some of the Group's major business segments:

	Year ended 31 December							
	Segment revenue		**Segment results**		**Segment gross margin**		**Percentage in total revenue of the Group**	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***%***	*%*	***%***	*%*
Coke	**3,822,397**	3,586,692	**918,716**	939,159	**24.0**	26.2	**51.7**	56.1
Refined Chemicals	**1,705,980**	977,628	**119,175**	3,504	**7.0**	0.4	**23.1**	15.3
Energy Products	**299,331**	441,911	**(64,686)**	68,558	**(21.6)**	15.5	**4.1**	6.9
Trading	**1,519,077**	1,348,812	**61,741**	42,728	**4.1**	3.2	**20.1**	21.1

In 2021, due to the strict management of coking production capacity by the Chinese government in recent years, and the demand in downstream iron and steel enterprises increased, had led to a substantial increase in the average price of coke by more than 50%, thus the revenue of the Group's main coking business was still able to record an increase of 6.6% though its coke production capacity decreased by approximately 1 million tons due to the shutdown of two coking furnaces with height of 4.3 meters at the end of 2020. However, as the price of coal, the raw material for production, also recorded a corresponding and relatively higher increase in the same period, the gross profit margin of coke decreased by 2.2% to 24.0% compared to 2020. At the same time, as the global economy began to recover from the COVID-19 outbreak, the international crude oil prices rose sharply. As the prices of Refined Chemicals products were linked to oil prices, both of their 2021 revenue and gross margin increased substantially when compared with that in 2020.

For the Energy Products segment, as the price of coal, the raw material for production of coal gas, substantially increased, with the selling price of coal gas failed to increase correspondingly, loss was caused. At the same time, the reduction in the supply of coal gas of coking furnaces caused by the shutdown of two coking furnaces with height of 4.3 meters at the end of 2020 resulted in a substantial decrease in the utilization rate of the Group's LNG production facilities, thus increasing the losses of the energy products segment further.

The Trading segment's revenue and gross margin in 2021 increased compared with that in 2020, mainly due to the stable growth of the coke products' trading business despite the substantial increase of coke prices.

FINANCIAL POSITION

Financial Resources

In 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 and financial institutions. The Directors have confirmed that the Group did not experience any liquidity problems in 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.

Liabilities

The table below sets forth the Group's bank borrowings at the end of the dates indicated below.

	As at 31 December		
	2021	2020	Increase/ (decrease)
	RMB'000	*RMB'000*	*RMB'000*
		(restated)	
Bank borrowings	**1,800,863**	1,011,700	789,163
Secured	**753,429**	8,200	745,229
Unsecured	**1,047,434**	1,003,500	43,934
	1,800,863	1,011,700	789,163
Fixed-rate borrowings	**575,500**	709,200	(133,700)
Floating-rate borrowings	**1,225,363**	302,500	922,863
	1,800,863	1,011,700	789,163
Carrying amount repayable: (based on scheduled payment terms)			
Within one year	**972,434**	651,700	320,734
More than one year, but not more than two years	**285,000**	255,000	30,000
More than two years, but not more than five years	**543,429**	105,000	438,429
	1,800,863	1,011,700	789,163
Less: Amount due for settlement within 12 months shown under current liabilities	**(972,434)**	(651,700)	(320,734)
Amount due for settlement after 12 months shown under non-current liabilities	**828,429**	360,000	468,429

The Group's bank borrowings in 2021 and 2020 were all borrowings denominated in Renminbi. As at 31 December 2021, RMB753 million of the Group's borrowings were secured by the Group's property, plant and equipment, land use rights and bills receivables. All remaining borrowings were credit borrowings. As at 31 December 2020, RMB8.2 million of the Group's borrowings were secured by the Group's land use rights. All remaining borrowings were credit borrowings. As at 31 December 2021 and 2020, the Group did not have any bank and other borrowings which were guaranteed by third parties and the Group's related parties.

The table below sets forth the range of effective interest rate of the Group's bank borrowings as at the dates indicated below.

	As at 31 December	
	2021	2020
Effective interest rate per annum:		
– Fixed-rate borrowings	**4.25% – 6.30%**	4.61% – 6.30%
– Floating-rate borrowings	**3.56% – 5.46%**	3.72 % – 6.30%

As at 31 December 2021, the Group had obtained banking facilities in an aggregate amount of approximately RMB2,776.0 million (2020: RMB1,023.0 million), of which total amount of approximately RMB1,569.6 million (2020: RMB301.3 million) is still available for use. As at 31 December 2021, the Group had total outstanding bank borrowings of approximately RMB1,800.9 million (2020: RMB1,011.7 million). The Group intends to refinance the Group's bank borrowings or repay the Group's bank borrowings as and when they fall due with the Group's internally generated funds (refinancing has been achieved for bank borrowings of RMB587.5 million falling due in 2021 according to needs).

Save as disclosed in this "Financial Position" section, the Directors confirm that there has been no material change in the Group's indebtedness and contingent liabilities since 31 December 2021 and up to the date of this announcement. As at 31 December 2021, save as disclosed in this "Financial Position" section and apart from normal trade payables, intra-group liabilities and amounts due to connected parties and related parties, the Group did not have any outstanding mortgages, charges or pledges, debentures or other debt securities, term loans, loan capital, other borrowings or other similar indebtedness (including bank loans and overdrafts, hire purchase commitments, acceptance liabilities or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that, for the year ended 31 December 2021, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during 2021, the Group did not experience any difficulty in obtaining bank loans and other borrowings, or any default in payment of bank loans and other borrowings or breach of covenants. The Directors believe that the Group maintains good relationships with the Group's lenders generally and they expect that, based on the current prevailing market conditions, the Group will be able to obtain replacement financing commitments when the Group's short-term bank borrowings become due.

FINANCIAL RATIOS

The following table sets forth the Group's financial ratios as at the dates and for the years indicated:

	As at 31 December	
	2021	2020
Gearing ratio	**0.42x**	0.25x
Return on equity	**15.9%**	17.6%
Return on assets	**6.8%**	8.8%

Gearing Ratio

Gearing ratio is calculated by dividing the Group's total interest-bearing bank borrowings by the Group's total equity as at the end of each period.

The Group's gearing ratio increased in 2021, mainly due to the increased borrowing of the Group at the year end from the consolidation of a non-wholly owned subsidiary with coke production facilities.

Return on Equity

Return on equity is calculated by dividing the profit attributable to owners of the Company by the average equity attributable to owners of the Company for the same year.

The Group's return on equity decreased in 2021 due to a reduction in the Group's profit.

Return on Assets

Return on assets is calculated by dividing the profit and total comprehensive income for the year by the total average assets of the Group for the same year.

The Group's return on assets decreased in 2021 mainly due to the decrease in profit of the Group.

CONTRACTUAL OBLIGATIONS AND CAPITAL EXPENDITURE

The table below sets forth the Group's capital commitments as at the dates indicated.

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the Group's consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	**1,802,512**	897,930

The Group's capital commitments for the year ended 31 December 2021 was primarily related to the construction and upgrade of the Group's coking facilities of 1.8 million tons per annum. The Group expects to fund such capital commitments principally by the Group's own financial resources, bank loans and cash generated from the Group's operations.

Other than the transactions described in the above table, as at 31 December 2021, the Group had no other material contractual commitments.

OFF-BALANCE SHEET ARRANGEMENTS

The Group did not have any material off-balance sheet arrangements as at 31 December 2021. Specifically, the Group has not entered into any derivative contracts that are indexed to the Group's shares and classified as shareholders' equity, or that are not reflected in the Group's audited consolidated financial statements. Furthermore, the Group does not have any retained or contingent interests in assets transferred to an unconsolidated entity to serve as credit, liquidity or market risk support for such entity. Moreover, the Group does not have any variable interests in any unconsolidated entity that provides financing, liquidity, market risk or credit support to the Group or engages in leasing, hedging or research and development services with the Group.

CONTINGENT LIABILITIES

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

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Endorsed bills for settlement of payables	**2,608,690**	2,430,853
Discounted bills for raising cash	**293,325**	183,633
Outstanding endorsed and discounted bills receivables with recourse	**2,902,015**	2,614,486

Save as disclosed above and as at 31 December 2021, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group. The Directors confirmed that there has not been any material changes in the contingent liabilities of the Group since 31 December 2021 up to the date of this announcement.

SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

Save as described under the section headed "Major Developments" in this announcement, from the end of 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.

MARKET RISKS

Market risk is the risk of loss related to adverse changes in market prices. The Group is exposed to various types of market risks, including commodity price and liquidity risks, in the normal course of the Group's business. The Group aims to minimize risk through disciplined operating and financial activities. During 2021, the Group has not entered into any foreign exchange or interest rate hedging contract or forward purchase or sale contract for commodities.

Other than the Hong Kong dollar ("**HKD**") proceeds of listing (HK$7.5 million and HK$9.7 million as at 31 December 2021 and 2020 respectively) pending remittance back to China, the Group has no exposure to significant exchange risks as all its operations are within China where there are no foreign currencies transactions, assets or liabilities.

Commodity Price Risk

The Group is exposed to fluctuations in the prices of raw materials, and in particular, coal, as well as fluctuations in the prevailing market prices of the Group's products. The Group generally purchases coal and other raw materials based on prevailing market prices. The Group's products are also generally sold based on the prevailing market prices in the regions where the Group sells the Group's products, and by making reference to various other factors applicable to individual customers. Market prices may fluctuate and are beyond the Group's control and may have a significant effect on the Group's results of operations.

Interest Rate Risk

The Group is subject to fair value interest rate risk in relation to the Group's interest-bearing restricted bank balances, bills receivables at FVTOCI, borrowings and lease liabilities at fixed interest rates. The Group is also exposed to cash flow interest rate risk in relation to the Group's floating-rate borrowings.

As at 31 December 2021, the Group had fixed-rate borrowings in the amount of approximately RMB575.5 million (2020: RMB709.2 million). The Group currently does not have an interest rate hedging policy, but the Group's management will consider hedging significant interest rate risk should the need arise.

Credit Risk

In the event that the Group's counterparties fail to perform their obligations, the Group's exposure to credit risk in relation to each class of recognized financial assets as at 31 December 2021 is the carrying amount of those assets stated in the consolidated statements of financial position, and the maximum outstanding amount of contingent liabilities as disclosed in the consolidate financial statement.

The Group mainly conducts transactions with high quality customers that the Group has established long-term relationship with. When transacting with new customers, the Group generally requests advanced payment before the Group's goods are delivered. In order to minimize the credit risk, the Group's management continues to monitor the level of risk exposure to ensure that the Group can recover any overdue debts. In addition, the Group review the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are provided for irrecoverable amounts. In this regard, the Directors are of the view that the Group's credit risk is significantly reduced.

The Group has significant concentration of credit risk in trade receivables and amounts due from Shareholders and trading amounts due from related parties, with over 81% and 71% of exposure concentrated in five largest outstanding balances for the years ended 31 December 2021 and 2020, respectively. The Group believes the Group's credit risks on bank balances and deposits or bills receivables are limited and there is no significant concentration of credit risk because the Group's bank deposits or bills are deposited in or contracted with reputable state-owned banks with high credit ratings assigned by international credit-rating agencies.

Liquidity Risk

The Group's creditors are exposed to heightened default risk when the Group's multiple liabilities mature in rapid succession, which may impose higher-than-normal stress onto the working capital. As a result, it may cause short-term liquidity problems if the Group fails to refinance in time or manage the Group's liquidity effectively. In the management of the Group's liquidity risk, the Group's management monitors and maintains an adequate, but not excessive level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In 2021, both long-term and short-term borrowing facilities of the Group have increased.

The following table sets forth the remaining contractual maturity for the Group's financial liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities (including both interest and principal cash flows) at the earliest redemption (maturity) date.

	As at 31 December 2021						
	Weighted average interest rate	**Carrying amount** *RMB'000*	**On demand or within 6 months** *RMB'000*	**6 months to 1 year** *RMB'000*	**1 year to 5 years** *RMB'000*	**> 5 years** *RMB'000*	**Total** *RMB'000*
Borrowings	**3.56%-6.30%**	**1,800,863**	**379,988**	**671,380**	**906,944**	**–**	**1,958,312**
Lease liabilities	**4.50%-5.96%**	**5,012**	**1,228**	**713**	**1,624**	**3,027**	**6,592**
Trade and other payables	**N/A**	**2,155,479**	**2,155,479**	**–**	**–**	**–**	**2,155,479**
Amounts due to related parties	**N/A**	**113**	**113**	**–**	**–**	**–**	**113**
		3,961,467	**2,536,808**	**672,093**	**908,568**	**3,027**	**4,120,496**

	As at 31 December 2020						
	Weighted average interest rate	Carrying amount *RMB'000*	On demand or within 6 months *RMB'000*	6 months to 1 year *RMB'000*	1 year to 5 years *RMB'000*	> 5 years *RMB'000*	Total *RMB'000*
Borrowings	4.61%-6.30%	1,011,700	409,718	273,489	380,534	–	1,063,741
Lease payables	5.51%-5.96%	9,896	2,164	907	5,883	3,202	12,156
Trade and other payables	N/A	1,209,652	1,209,652	–	–	–	1,209,652
Amounts due to related parties	N/A	1,211	1,211	–	–	–	1,211
		2,232,459	1,622,745	274,396	386,417	3,202	2,286,760

NO MATERIAL ADVERSE CHANGE

Although some parts of China have implemented restrictions due to COVID-19 since late 2019, but with the successful management of the pandemic, the Board considered that it has no material impact on the operation and sales of the Group based on the available information recently.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company had distributable reserves (i.e. retained profits) of RMB1,770.5 million (2020: RMB1,471.8 million). For the year ended 31 December 2021, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the year 2021.

DIVIDEND AND DIVIDEND POLICY

On 15 October 2021, the Company declared an interim dividend for the six months ended 30 June 2021 of RMB0.10 per share (2020: an interim dividend of RMB0.10 per share) in the total amount of RMB53,542,000, which was fully paid by 30 November 2021. On 21 March 2022, the Company declared a final dividend of RMB0.20 per share in an aggregate amount of RMB107,084,000. A total dividend of RMB0.30 per share was declared for the year ended 31 December 2021 in the total amount of RMB160,626,000. The final dividend is subject to the approval of shareholders at the forthcoming annual general meeting.

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

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 has actively expanded its business in benzene based chemicals, coal tar based chemicals as well as coal gas and LNG in recent years. Following the launch of the capacity expansion plan of benzene based and coal tar 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 2022, including the value chain of clean energy.

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, and through the formation of joint venture companies, steadily and effectively developing these projects.

Production Facilities

- ***Hydrogen Energy Industry Chain***

  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 Company has formed a joint venture with Shanghai Hyfun Energy Technology Co., Ltd. (上海氫楓能源技術有限公司) ("**Shanghai Hyfun**"). For more details, please refer to the announcement issued by the Company on 28 January 2021. Both sides of the joint venture have negotiated and drawn up the organizational structure, management systems and business planning of the joint venture company, and preliminarily communicated the construction scheme of the hydrogen refueling stations after field investigation.

- ***1.8 million tons per annum 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 million tons to 1.8 million tons. The total investment of the project has been RMB2.3 billion. Main compliance procedures of the project have been basically completed, and the project construction has entered the conclusion stage. The construction of two 7.65-meter coking furnaces has been successfully completed and put into operation in September and December 2021, respectively, and it is estimated that they can reach full operation in the second quarter of 2022.

- ***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 into between the Company and Angang Group Xinyang Steel Co., Ltd.(安鋼集團信陽鋼鐵有限責任公司) for the establishment of a joint venture company in Xinyang City, Henan Province, the PRC. This joint venture company 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 project currently has completed an accumulated investment of nearly RMB1.5 billion. Approval for environmental assessment, energy assessment and other procedures have been obtained. The construction of the project is conducted in an orderly manner as planned. The phase I coking furnace is expected to commence operation in October 2022. The foundation construction of the power generation system is fully completed. Phase II coking furnace is now under civil construction, and it is expected to fully commence operation in the second quarter of 2023.

Environmental Facilities

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

  The technology and facilities deployed in the new wastewater treatment project are of international standard, including one of the world's most advanced reverse osmosis technologies of Israel, and with which processing capacity reached 180 m^3/h. As of 31 December 2021, the Group has invested approximately RMB150 million, in which the advanced treatment unit operates stably, the biochemical and active carbon units have been completed to commence operation, and the evaporation crystallization unit is in process of equipment commissioning. System-wide operation is expected in March 2022.

Funding for these investments will be from the Group's own financial resources and bank borrowings.

DISPOSAL OF 35% EQUITY INTEREST IN THE LOGISTICS SUBSIDIARY AND THE TRADING COMPANY

In view of the PRC government's strategic policy in developing the nationwide railway network, the Group originally established Yan'an Jinneng Railway Logistics Technology Co., Ltd. (延安金能鐵路物流科技有限公司, the "**Logistics Subsidiary**") and Yan'an Energy Railway Sales Co., Ltd. (延安能源鐵路運銷有限公司, the "**Trading Company**"), with an intention to leverage on the resources and expertise of the joint venture partners and further diversify into and deepen the Group's business development in respect of the logistics business of coal and coking products. However, having considered the time and resources required to be further invested for the development and integration of the Group logistics business, and 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 to the Company and its shareholders a whole 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, which is expected to generate reasonable returns for the Group. In light of the above, the Group decided to dispose 35% equity interests in the Logistics Subsidiary and Trading Company. For details, please refer to the announcement issued by the Company on 18 October 2021. The said disposals were completed in 2021. The total audited loss on the disposal of these investments amounted to approximately RMB10.4 million.

UPDATES AND THE CHANGE IN USE OF 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 31 December 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	Unutilised net proceeds as at 31 December 2020	Actual use of net proceeds from the Listing Date to 31 December 2021	Unutilised net proceeds as at 31 December 2021
	RMB'000	*%*	*RMB'000*	*RMB'000*	***RMB'000***	***RMB'000***
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	**110,750**	**17,650**
Working capital and other general corporate purposes	32,100	10%	32,100	–	**32,100**	**–**
	321,000	100%	293,274	27,726	**303,350**	**17,650**

In respect of the development of the dry quenching facility for coking furnaces 1 and 2 as disclosed in the above table, the Company wishes to inform its shareholders that such project has in fact been completed as planned, and all outstanding payments in respect thereto had been settlement by the Group by the end of year 2021. However, as a result of the Group's successful expenditure management and control in respect of the project, a sum of RMB17,650,000 remained unutilised. Given that the project has already been completed and there is no longer any payment commitments on the part of the Group in respect thereto, the Board has resolved to re-allocate the unutilised sum of RMB17,650,000 as general working capital of the Group to enable the Group to deploy such financial resources efficiently. The Board considers that the above re-allocation of proceeds is in the best interest of the Company and shareholders as a whole and will not bring any material adverse effect on the existing business and operations of the Group.

EMPLOYEES AND REMUNERATION

As at 31 December 2021, the Group had a total of 2,276 employees (2020: 1,836), including 11 senior management (2020: 11), 103 middle management (2020: 83) and 2,162 ordinary employees (2020: 1,756). For the year ended 31 December 2020, the staff cost of the Group amounted to approximately RMB207.8 million as compared to approximately RMB136.9 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 packages (including non – pecuniary benefits, pension rights and compensation) of Directors and senior management.

Emoluments were within the following bands:

	Number of senior management	
	2021	2020
Nil to Hong Kong Dollar ("HK$") 1,000,000	**6**	9
HK$1,000,001 to HK$1,500,000	**3**	2
HK$1,500,001 to HK$2,000,000	**2**	0

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.

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 employers with various targeted trainings from job entry to personal development.

CORPORATE GOVERNANCE & RELATED MATTERS

The Company persists in becoming an enterprise full of sense of social responsibility, to adhere to the principle of harmonious development combining economic benefit and social benefit, to promote technological progress in the industry consistently and assume the 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**") effective for the year ended 31 December 2021 as set out 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 reporting period, according to the actual situation and the business development needs of the Company, the Company revised the Articles in accordance with the PRC Company Law and the relevant regulations to further improve the corporate governance system. For details of resolutions on the amendments to the Articles and the relevant resolutions of the meeting, please refer to the notice of 2021 extraordinary general meeting dated 10 September 2021 and the announcement on poll results of the extraordinary general meeting dated 15 October 2021 of the Company published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

During the reporting period, the Company has complied with the Listing Rules and all Code Provisions to 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 a compliance notice of suspending trading during the black-out period in accordance with the Model Code. Having made specific enquiries, 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.

Responsibilities of Directors for Financial Statements

The Directors intend to present the financial statements of the Company in accordance with the current accounting standards and laws. The Directors ensure that the financial statements of the Company will be published on time so that the Company's interim results and annual results will be announced within the time limits of two months and three months respectively after the end of the relevant period as prescribed under the Listing Rules.

The financial statements of the Company for the year ended 31 December 2021 have been reviewed by the Audit Committee. The Directors confirm their responsibilities of preparing the Company's financial statements and presenting the results of the Company in a truthful and fair manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast doubt upon the Company's ability to continue as a going concern.

Purchase, Sale or Redemption of Securities of the Company

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this preliminary announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements for the year approved by the Directors. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

REVIEW OF AUDITED ANNUAL RESULTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2021, and discussed with the management of the Group regarding the accounting principles and practices adopted by the Group, together with the internal controls and financial reporting matters. The Audit Committee was established with written terms of reference in compliance with Appendix 14 to the Listing Rules. The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit of the Group. The Audit Committee comprises Mr. Wu Tak Lung, Mr. Hu Xiayu and Mr. Meng Zhihe.

Payment of Dividends

The Board recommended the payment of a final dividend of RMB0.20 per share for the year ended 31 December 2021 in cash to shareholders whose names appear on the register of members of the Company on 1 June 2022. The final dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 23 May 2022 (the "**AGM**"). In view of the uncertainty brought by COVID-19, the final dividend is expected to be distributed on or before 29 July 2022.

The dividend to be paid will be denominated and paid in RMB. The cash dividend for holders of H Shares will be declared in RMB but paid in HKD (calculated according to the average of the exchange rates for RMB to HKD as announced by the People's Bank of China for the seven calendar days prior to the date of convening the AGM).

Tax on Dividends for H Shareholders

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-resident Enterprises

Pursuant to the applicable provisions and the implementing regulations of the Enterprise Income Tax Law of the PRC《(中華人民共和國企業所得税法》) and relevant requirements, the Company will withhold and pay enterprise income tax at the tax rate of 10% when distributing final dividend to the non-resident enterprises which hold H Shares (including the H Shares registered under the name of HKSCC Nominees Limited).

Withholding and Payment of Individual Income Tax on behalf of Overseas Non-resident Individual Shareholders

Pursuant to the applicable provisions and the implementing regulations of the Individual Income Tax Law of the PRC《(中華人民共和國個人所得税法》) and the State Administration of Taxation on the Administrative Measures on Enjoying Tax Treaty Treatment by Non-resident Taxpayers (Announcement No. 60 2015 of the State Administrative of Taxation) ("**Tax Treaty Announcement**"), the Company will withhold and pay individual income tax for the H Shareholders according to the following arrangement:

For individual H Shareholders who are Hong Kong or Macau residents, the Company will withhold and pay individual income tax for such individual H Shareholders at the tax rate of 10% when distributing final dividend;

For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC, the Company will withhold and pay individual income tax for such individual H Shareholders in accordance with the effective tax rate required under the relevant tax treaty when distributing final dividend;

For individual H Shareholders whose country (region) of domicile is a country (region) which has not entered into a tax treaty with the PRC or under other circumstances, the Company will withhold and pay individual income tax for such individual H Shareholders at a tax rate of 20% when distributing final dividend.

If the relevant individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax treatments under the relevant tax treaties according to the Tax Treaty Announcement. Qualified Shareholders are requested to submit in time written authorization and all application materials as required under the Tax Treaty Announcement to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when approved, the Company will assist in refunding the excess amount of tax withheld and paid.

The Company will generally follow the above arrangements to withhold and pay individual income tax on behalf of holders of H Shares, but if relevant tax authorities require otherwise, the Company will follow such requirements for arrangements.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Shareholders or any disputes over the withholding mechanism or arrangements.

Annual General Meeting

The AGM will be held on Monday, 23 May 2022. The notice of the AGM will be issued and despatched to the shareholders of the Company, and will also be made available on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.hnjmny.com in due course.

To attend and vote at the Annual General Meeting

For determining the entitlement to attend and vote at the AGM to be held on Monday, 23 May 2022, the Company will not process registration of transfers of the H shares of the Company from Saturday, 30 April 2022 to Monday, 23 May 2022 (both days inclusive).

To qualify for attendance and voting at the AGM, documents on transfers of H Shares, accompanied by the relevant share certificates, must be lodged with the Company's H-share Registrar and Transfer Office (the "**Company's H-share Registrar**"), Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 29 April 2022.

To qualify for the proposed distribution of final dividend

As disclosed above, the Board ("**Board**") recommended the payment of a final dividend of RMB0.20 per share for the year ended 31 December 2021, which is subject to the approval of the shareholders of the Company at the AGM.

For the purposes of determining the payment of the aforesaid final dividend to the shareholders, the register of members of the Company will be closed. The following is the expected timetable for the payment of the said final dividend, including the record date and the relevant book closure dates:

For holders of H shares of the Company

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 26 May 2022
Closure of register of members	From Friday, 27 May 2022 to Wednesday, 1 June 2022 (both days inclusive)
Record date	Wednesday, 1 June 2022
Final dividend payment date	On or before Friday, 29 July 2022

During the above closure period, no transfer of H shares will be registered. To be eligible to qualify for the final dividend, if any, documents on transfers of H Shares, accompanied by the relevant share certificates must be lodged for registration with the Company's H-share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 26 May 2022.

Publication of the Annual Report

The 2021 annual report of the Company will be despatched to the shareholders of the Company, and will also be made available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.hnjmny.com in due course.

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

Hong Kong, 21 March 2022

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.