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河南金馬能源股份有限公司

**HENAN JINMA ENERGY COMPANY LIMITED**

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

**(Stock Code: 6885)**

## **PROFIT WARNING**

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

The board (the “**Board**”) of directors (each a “**Director**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, the Group is expected to record an approximate 85% – 90% decrease in its total comprehensive income attributable to the owners of the Company (the “**Profit**”) for the six months ended 30 June 2023, as compared with the Profit for the six months ended 30 June 2022. Such an estimated decrease in the Profit is primarily attributable to the following reasons:

- (1) the decrease in gross profit of the coke segment due to (i) the continue narrowing of the margin as the price of coke continued to adjust at a faster pace than coal (being the raw material of coke), and (ii) the operation of phase 1 of the new approximate 1.60 million tons coking furnace (which commenced at the end of 2022) being in its tuning stage in the first half of 2023, resulting in a lower coal-coke conversion ratio, which in turn impacted the cost of coke production; and
- (2) the approximate 30% decrease in the average selling price of liquefied natural gas (“**LNG**”) in the first half of 2023 as compared to the very high price in the same period in 2022 driven by geopolitical conflict.

With the production and sales of the Group expected to remain steady for the second half of 2023, the ease of pressure on coking gross margin, the improvement of the coal-coke conversion ratio from the continuing process tuning of the approximate 1.60 million tons coking furnace, and the estimated improvement of LNG price in the second half of 2023, it is estimated that the Profit for the second half 2023 will improve, and it is expected that the Company will continue to observe its established dividend policy.

The above information is only a preliminary assessment by the Board based on the information currently available to the Group, including the unaudited consolidated management accounts of the Company for the six months ended 30 June 2023, which have not been confirmed, reviewed or audited by the Company's auditors or the Audit Committee of the Board, and are subject to finalisation and other possible adjustments. Further details of the Group's financial information for the six months ended 30 June 2023 will be disclosed in the Company's interim results announcement, which is expected to be published by the end of August 2023.

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

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

Hong Kong, 21 July 2023

*As at the date of this announcement, the executive Directors are Mr. YIU Chiu Fai, Mr. WANG Mingzhong and Mr. LI Tianxi; the non-executive Directors are Mr. XU Baochun, Mr. WANG Kaibao and Ms. YE Ting; and the independent non-executive Directors are Mr. WU Tak Lung, Mr. MENG Zhihe and Mr. CAO Hongbin.*