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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

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

| | |
|--|----------------------|
| Revenue | : RMB3,829.2 million |
| Loss for the period attributable to owners of the Company | : RMB125.9 million |
| Basic loss per share | : RMB0.24 |

RESULTS

The board of directors (the “**Board**”) of Henan Jinma Energy Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 together with comparative figures for the six months ended 30 June 2024.

Presented below are the Group’s Condensed Consolidated Financial Statements, Management Discussion & Analysis and Corporate Governance & Other Information.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

| | NOTES | Six months ended | |
|--|-------|------------------------|------------------------|
| | | 30/06/2025 | 30/06/2024 |
| | | RMB'000 (unaudited) | RMB'000 (unaudited) |
| Revenue | 3 | 3,829,243 | 6,299,480 |
| Cost of sales | | (3,639,994) | (6,229,414) |
| Gross profit | | 189,249 | 70,066 |
| Other income | 4 | 19,746 | 38,199 |
| Other gains and losses | 5 | (6,469) | (15,075) |
| Selling and distribution expenses | | (165,388) | (197,617) |
| Administrative expenses | | (87,823) | (89,974) |
| Finance costs | 6 | (77,569) | (68,809) |
| Share of result of a joint venture | | 713 | 2,253 |
| Share of results of associates | | 49 | 277 |
| Loss before tax | 7 | (127,492) | (260,680) |
| Income tax (expense) credit | 8 | (48,991) | 51,360 |
| Loss for the period | | (176,483) | (209,320) |
| Other comprehensive income: | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Fair value gain on bills receivables measured at fair value through other comprehensive income ("FVTOCI"), net of income tax | | 198 | 5,541 |
| Total comprehensive expense for the period | | (176,285) | (203,779) |
| Loss for the period attributable to: | | | |
| – Owners of the Company | | (125,878) | (156,978) |
| – Non-controlling interests | | (50,605) | (52,342) |
| | | (176,483) | (209,320) |
| Total comprehensive expense for the period attributable to: | | | |
| – Owners of the Company | | (125,704) | (153,904) |
| – Non-controlling interests | | (50,581) | (49,875) |
| | | (176,285) | (203,779) |
| Loss per share (RMB) | | | |
| – Basic | 10 | (0.24) | (0.29) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

| | NOTES | 30/06/2025 RMB'000 (unaudited) | 31/12/2024 RMB'000 (audited) |
|--|-------|--------------------------------------|------------------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 11 | 7,239,115 | 7,409,017 |
| Right-of-use assets | 11 | 411,520 | 417,375 |
| Intangible assets | | 392,799 | 403,240 |
| Goodwill | | 10,669 | 10,669 |
| Interest in a joint venture | | 63,604 | 67,791 |
| Interests in associates | | 97,070 | 97,021 |
| Deferred tax assets | 12 | 167,421 | 173,994 |
| Deposit for acquisition of property, plant and equipment and right-of-use assets | | 3,079 | 1,907 |
| | | 8,385,277 | 8,581,014 |
| CURRENT ASSETS | | | |
| Inventories | | 315,528 | 525,940 |
| Trade and other receivables | 13 | 367,139 | 362,920 |
| Tax recoverable | | 401 | 5,667 |
| Amount due from a shareholder | | – | 31,456 |
| Amounts due from related parties | 14 | 75,017 | 130 |
| Bills receivables at FVTOCI | | 284,483 | 316,852 |
| Restricted bank balances | | 455,101 | 666,362 |
| Time deposits | | 216,649 | 215,843 |
| Bank balances and cash | | 430,737 | 509,560 |
| | | 2,145,055 | 2,634,730 |
| CURRENT LIABILITIES | | | |
| Borrowings | 15 | 2,754,274 | 2,668,118 |
| Trade and other payables | 16 | 2,200,098 | 2,674,306 |
| Amounts due to related parties | 17 | 157,439 | 87,130 |
| Amount due to a shareholder | 18 | 53,000 | – |
| Sale and leaseback payables | | 148,139 | 156,438 |
| Contract liabilities | | 64,573 | 53,689 |
| Lease liabilities | | 1,858 | 2,107 |
| Tax payable | | 9,340 | 8,422 |
| | | 5,388,721 | 5,650,210 |
| NET CURRENT LIABILITIES | | (3,243,666) | (3,015,480) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,141,611 | 5,565,534 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

| | NOTES | 30/06/2025 | 31/12/2024 |
|--|-------|------------------|------------------|
| | | RMB'000 | RMB'000 |
| | | (unaudited) | (audited) |
| CAPITAL AND RESERVES | | | |
| Share capital | | 535,421 | 535,421 |
| Reserves | | 2,457,177 | 2,582,881 |
| Equity attributable to owners of the Company | | 2,992,598 | 3,118,302 |
| Non-controlling interests | | 1,145,530 | 1,218,961 |
| TOTAL EQUITY | | 4,138,128 | 4,337,263 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 15 | 477,227 | 680,622 |
| Retention payables | | 141,235 | 144,092 |
| Refundable deposit payable | | 104,625 | 111,375 |
| Sale and leaseback payables | | 159,361 | 221,062 |
| Lease liabilities | | 2,695 | 2,480 |
| Deferred revenue | | 39,020 | 25,041 |
| Deferred tax liabilities | 12 | 63,690 | 27,969 |
| Perpetual loan | | 15,630 | 15,630 |
| | | 1,003,483 | 1,228,271 |
| | | 5,141,611 | 5,565,534 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

| | Attributable to owners of the Company | | | | | | Non-controlling | |
|---|---------------------------------------|---------------------|----------------|--------------------------------|------------------|-----------------------|-----------------|--------------|
| | Share capital | Capital reserve | FVTOCI reserve | Statutory surplus reserve fund | Retained profits | Special reserve | Total interests | Total equity |
| | RMB'000 | RMB'000 (Note i) | RMB'000 | RMB'000 (Note ii) | RMB'000 | RMB'000 (Note iii) | RMB'000 | RMB'000 |
| At 1 January 2025 (audited) | 535,421 | 600,333 | (1,287) | 267,710 | 1,675,395 | 40,730 | 3,118,302 | 4,337,263 |
| Loss for the period | - | - | - | - | (125,878) | - | (125,878) | (176,483) |
| Other comprehensive income for the period | - | - | 174 | - | - | - | 174 | 198 |
| Total comprehensive income (expense) for the period | - | - | 174 | - | (125,878) | - | (125,704) | (176,285) |
| Dividend declared (Note 9) | - | - | - | - | - | - | (22,850) | (22,850) |
| Transfer | - | - | - | - | (7,762) | 7,762 | - | - |
| At 30 June 2025 (unaudited) | 535,421 | 600,333 | (1,113) | 267,710 | 1,541,755 | 48,492 | 2,992,598 | 4,138,128 |
| At 1 January 2024 (audited) | 535,421 | 601,851 | (6,563) | 267,710 | 2,025,599 | 36,416 | 3,460,434 | 4,840,215 |
| Loss for the period | - | - | - | - | (156,978) | - | (156,978) | (209,320) |
| Other comprehensive income for the period | - | - | 3,074 | - | - | - | 3,074 | 5,541 |
| Total comprehensive income (expense) for the period | - | - | 3,074 | - | (156,978) | - | (153,904) | (203,779) |
| Dividend declared (Note 9) | - | - | - | - | - | - | (31,978) | (31,978) |
| Transfer | - | - | - | - | 112 | (112) | - | - |
| At 30 June 2024 (unaudited) | 535,421 | 601,851 | (3,489) | 267,710 | 1,868,733 | 36,304 | 3,306,530 | 4,604,458 |

Notes:

- (i) The balance mainly comprises (i) reserves arose from shareholding reform of the Company prior to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited in 2016 and (ii) the difference between the carrying amount of consideration paid and 25% of the net assets value of Shanghai Jinma Energy Co., Ltd. ("Shanghai Jinma") 上海金馬能源有限公司, a non-wholly owned subsidiary, when acquiring the non-controlling interest of Shanghai Jinma in year 2019.
- (ii) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the entities established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements (as determined by the management of the group entities) to the reserve fund (including the general reserve fund and enterprise development fund where appropriate). The general reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the entity.
- (iii) The Company and its subsidiaries (collectively referred to as the "Group") is required to make appropriations based on its revenue in accordance with CaiZi [2022] No. 136 "Administrative measures for the accrual and use of expenses for work safety by enterprises" that is issued by the Ministry of Finance and the Ministry of Emergency Management. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

| | Six months ended | |
|--|------------------|----------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| OPERATING ACTIVITIES | | |
| Loss before tax | (127,492) | (260,680) |
| Adjustments for: | | |
| Interest income | (12,041) | (25,934) |
| Fair value loss on bills receivables at FVTOCI | 6,554 | 20,686 |
| Loss on disposal/retirement of property, plant and equipment | 318 | 1,268 |
| Depreciation of property, plant and equipment | 220,475 | 206,955 |
| Depreciation of right-of-use assets | 6,695 | 6,494 |
| Amortisation of intangible assets | 10,441 | 10,441 |
| Write-down of inventories | 11,587 | 24,166 |
| Share of results of associates | (49) | (277) |
| Share of result of a joint venture | (713) | (2,253) |
| Finance costs | 77,569 | 68,809 |
| Release of assets-related government subsidies | (1,920) | (1,118) |
| Net foreign exchange loss (gain) | 146 | (4,845) |
| Operating cash flows before movements in working capital | 191,570 | 43,712 |
| Decrease in inventories | 198,825 | 214,596 |
| Decrease in bills receivables at FVTOCI | 29,114 | 483,061 |
| (Increase) decrease in trade and other receivables | (1,559) | 82,885 |
| Decrease (increase) in amount due from a shareholder | 31,456 | (12,775) |
| Increase in amounts due from related parties | (74,887) | (1,805) |
| Decrease in trade and other payables | (277,767) | (266,389) |
| Decrease in amounts due to related parties | (12,761) | (2,407) |
| Increase (decrease) in contract liabilities | 10,884 | (3,820) |
| Cash generated from operations | 94,875 | 537,058 |
| Income tax paid | (579) | (6,635) |
| NET CASH FROM OPERATING ACTIVITIES | 94,296 | 530,423 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

| | Six months ended | |
|--|------------------------|------------------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 (unaudited) | RMB'000 (unaudited) |
| INVESTING ACTIVITIES | | |
| Interest on bank deposits received | 7,140 | 15,817 |
| Assets-related government subsidy received | 15,899 | 1,000 |
| Dividend received from a joint venture | 4,900 | 9,800 |
| Purchase of property, plant and equipment | (195,992) | (225,457) |
| Deposit for acquisition of property, plant and equipment | (1,229) | (7,530) |
| Refundable deposit received from constructors | 2,072 | 10,562 |
| Refundable deposit returned to constructors | (3,353) | (2,818) |
| Proceeds from disposal of interest in an associate | – | 5,560 |
| Proceeds from disposal of property, plant and equipment | 1,935 | 515 |
| Loan to a third party | (1,600) | – |
| Deposit received from disposal of right-of-use assets | – | 520 |
| Acquisition of right-of-use assets | (83) | (274) |
| Placement of restricted bank balances | (288,522) | (785,537) |
| Withdrawal from restricted bank balances | 499,783 | 871,072 |
| Investment in an associate | (1,930) | – |
| Placement of time deposits | (100,000) | – |
| Withdrawal from time deposits | 100,000 | – |
| NET CASH FROM (USED IN) INVESTING ACTIVITIES | 39,020 | (106,770) |
| FINANCING ACTIVITIES | | |
| Interest paid | (77,347) | (82,146) |
| Other borrowing raised | – | 30,000 |
| Bank borrowings raised | 1,479,504 | 1,286,516 |
| Sale and leaseback payable raised | – | 300,000 |
| Repayment of bank borrowings | (1,556,743) | (1,745,236) |
| Repayment of lease liabilities | (912) | (858) |
| Repayment of sale and leaseback payables | (78,645) | (68,495) |
| Transaction costs attributable to issue of shares of a subsidiary | – | (6,546) |
| Dividends paid to non-controlling interests of subsidiaries | (22,850) | (19,600) |
| Borrowings from a related party | 115,000 | – |
| Repayments to a related party | (70,000) | – |
| NET CASH USED IN FINANCING ACTIVITIES | (211,993) | (306,365) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (78,677) | 117,288 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 509,560 | 917,869 |
| Effect of foreign exchange rate changes | (146) | 4,729 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by: | | |
| Bank balances and cash | 430,737 | 1,039,886 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 30 June 2025, the Group had net current liabilities of approximately RMB3,243,666,000. In addition, there were outstanding capital commitments amounting to RMB15,167,000 (Note 19). The following plans and measures are formulated to manage the Group’s liquidity risk and improve the Group’s financial position:

- The Group has obtained undrawn banking facilities amounted to RMB934,545,000 (Note 15) as at 30 June 2025, which remain available for utilisation of any additional bank borrowings without any restrictions;
- The Group could optimise its debt structure in view of its long-term relationship with the financial institutions. The Group has considered that the likelihood of not being able to refinance or renew certain of the existing unsecured bank borrowings, with carrying amount of RMB1,290,500,000 as at 30 June 2025, and maturing within the coming twelve months from the end of the reporting period, is low; and
- The Group has considered the net cash flows generated from its operating activities in the coming twelve months from the end of the reporting period are expected to exceed twice those of six months ended 30 June 2025. This expectation is based on the projected increase in the profit margins of its primary products, taking into account the actual improvements in performance and market prices for relevant future contracts entered into subsequent to the end of the reporting period.

After reviewing the cash flow forecast for the coming twelve months based on historical performance and management expectations prepared by the management of the Group, the directors are of the opinion that, taking into account the plans and measures as described above, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the coming twelve months from the end of the reporting period. The directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial assets, which are measured at fair value, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s consolidated financial statements for the year ended 31 December 2024.

Application of amendments to an IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

| For the six months ended 30 June 2025 (unaudited) | | | | | | | |
|---|-------------------------|----------------------------------|---------------------------------|-------------------------------|-----------------------|------------------------------|-------------------------|
| Segments* | 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 |
| Types of goods or service | | | | | | | |
| <i>Sales of goods</i> | | | | | | | |
| Coke | 2,124,718 | – | – | – | 89,088 | – | 2,213,806 |
| Ammonium sulphate | – | 12,726 | – | – | – | – | 12,726 |
| Benzene based chemicals | – | 83,146 | 1,110,256 | – | – | – | 1,193,402 |
| Coal tar based chemicals | – | 146,430 | 374,409 | – | – | – | 520,839 |
| Coal gas | – | – | – | 395,056 | – | – | 395,056 |
| Liquefied natural gas ("LNG") | – | – | – | 133,487 | 27,965 | – | 161,452 |
| Coal | – | – | – | – | 2,289 | – | 2,289 |
| Refined oil | – | – | – | – | 33,943 | – | 33,943 |
| Hydrogen | – | – | – | 2,369 | 21,956 | – | 24,325 |
| Others | – | 18,255 | – | 40,660 | 7 | 4,322 | 63,244 |
| | <u>2,124,718</u> | <u>260,557</u> | <u>1,484,665</u> | <u>571,572</u> | <u>175,248</u> | <u>4,322</u> | <u>4,621,082</u> |
| <i>Providing services</i> | | | | | | | |
| Trading agency | – | – | – | – | 1,369 | – | 1,369 |
| Energy supply | – | – | – | 118,212 | 182 | 30,186 | 148,580 |
| Consignment processing | – | – | – | – | – | 52,908 | 52,908 |
| Others | – | – | – | – | – | 23,994 | 23,994 |
| | <u>–</u> | <u>–</u> | <u>–</u> | <u>118,212</u> | <u>1,551</u> | <u>107,088</u> | <u>226,851</u> |
| Total | <u>2,124,718</u> | <u>260,557</u> | <u>1,484,665</u> | <u>689,784</u> | <u>176,799</u> | <u>111,410</u> | <u>4,847,933</u> |

* 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 six months ended 30 June 2025 (unaudited) | | |
|---|----------------------------|---------------------------|
| | Segment revenue RMB'000 | Eliminations RMB'000 |
| Coke | 2,124,718 | (243,791) |
| Coking by-products | 260,557 | (230,659) |
| Refined chemicals | 1,484,665 | (10,813) |
| Energy products | 689,784 | (374,022) |
| Trading | 176,799 | (119,537) |
| Other services | 111,410 | (39,868) |
| Revenue from contracts with customers | <u>4,847,933</u> | <u>(1,018,690)</u> |
| | | <u>3,829,243</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

| For the six months ended 30 June 2024 (unaudited) | | | | | | | |
|---|------------------|----------------------------------|---------------------------------|-------------------------------|--------------------|------------------------------|------------------|
| Segments* | 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 |
| Types of goods or service | | | | | | | |
| <i>Sales of goods</i> | | | | | | | |
| Coke | 4,003,452 | – | – | – | 396,723 | – | 4,400,175 |
| Ammonium sulphate | – | 13,210 | – | – | – | – | 13,210 |
| Benzene based chemicals | – | 122,077 | 1,229,506 | – | – | – | 1,351,583 |
| Coal tar based chemicals | – | 205,575 | 379,277 | – | – | – | 584,852 |
| Coal gas | – | – | – | 408,604 | – | – | 408,604 |
| Liquefied natural gas ("LNG") | – | – | – | 142,935 | 28,463 | – | 171,398 |
| Coal | – | – | – | – | 874 | – | 874 |
| Refined oil | – | – | – | – | 58,320 | – | 58,320 |
| Hydrogen | – | – | – | 1,339 | 6,219 | – | 7,558 |
| Others | – | 13,472 | – | 39,057 | 4,301 | 4,131 | 60,961 |
| | <u>4,003,452</u> | <u>354,334</u> | <u>1,608,783</u> | <u>591,935</u> | <u>494,900</u> | <u>4,131</u> | <u>7,057,535</u> |
| <i>Providing services</i> | | | | | | | |
| Trading agency | – | – | – | – | 2,728 | – | 2,728 |
| Energy supply | – | – | – | 195,991 | 68 | 40,276 | 236,335 |
| Others | – | – | – | – | – | 23,996 | 23,996 |
| | <u>–</u> | <u>–</u> | <u>–</u> | <u>195,991</u> | <u>2,796</u> | <u>64,272</u> | <u>263,059</u> |
| Total | <u>4,003,452</u> | <u>354,334</u> | <u>1,608,783</u> | <u>787,926</u> | <u>497,696</u> | <u>68,403</u> | <u>7,320,594</u> |

* 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 six months ended 30 June 2024 (unaudited) | | | |
|---|----------------------------|-------------------------|-------------------------|
| | Segment revenue RMB'000 | Eliminations RMB'000 | Consolidated RMB'000 |
| Coke | 4,003,452 | (87,285) | 3,916,167 |
| Coking by-products | 354,334 | (329,109) | 25,225 |
| Refined chemicals | 1,608,783 | (21,920) | 1,586,863 |
| Energy products | 787,926 | (355,617) | 432,309 |
| Trading | 497,696 | (181,567) | 316,129 |
| Other services | 68,403 | (45,616) | 22,787 |
| Revenue from contracts with customers | <u>7,320,594</u> | <u>(1,021,114)</u> | <u>6,299,480</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

Performance obligations for contracts with customers

The Group is mainly engaged in the production and sales of coke, coking by-products and derivative chemical products, coal gas, LNG, hydrogen, trading of coke, coal, refined oil and hydrogen and provision of entrusted manufacturing services and other services ("Other services" as defined below), for which revenue is recognised at point in time.

For sales of and trading as a principal of coke, coal, 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 ability to direct the 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.

For provision of consignment processing services, revenue is recognised at a point in time when the specific services are fulfilled, being when the consigned processed products have been delivered to the location specified in the service contracts.

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 contract liabilities until the products have been delivered to the customer.

For sales of products to retail customers, revenue is recognised when control of the goods has been transferred, being at the point the customer purchases the goods at the gas station. Payment of the transaction price is due immediately at the point the customer purchases the goods.

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 period. 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 sulphate and oxygen ("Coking by-products"), (iii) sales of refined chemicals, mainly hydrogenated benzene-based chemicals and coal-tar-based chemicals ("Refined chemicals"), (iv) sales of energy products, mainly coal gas, LNG and hydrogen, and provision of electricity supply service ("Energy products"), (v) trading of coke, coal, refined oil and hydrogen ("Trading"), and (vi) provision of other business including but not limited to provision of steam, water, catering, consignment processing, fire prevention and management services ("Other Services").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the six months ended 30 June 2025 (unaudited)

| | Sales of goods | | | | Trading | Other Services | Total |
|------------------------------------|------------------|-----------------------|----------------------|--------------------|----------------|-------------------|------------------|
| | Coke | Coking by-products | Refined chemicals | Energy products | | | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| SEGMENT REVENUE | | | | | | | |
| External sales | 1,880,927 | 29,898 | 1,473,852 | 315,762 | 57,262 | 71,542 | 3,829,243 |
| Inter-segment sales | 243,791 | 230,659 | 10,813 | 374,022 | 119,537 | 39,868 | 1,018,690 |
| | <u>2,124,718</u> | <u>260,557</u> | <u>1,484,665</u> | <u>689,784</u> | <u>176,799</u> | <u>111,410</u> | <u>4,847,933</u> |
| Segment results | <u>111,856</u> | <u>(2,455)</u> | <u>(31,228)</u> | <u>112,104</u> | <u>1,019</u> | <u>(909)</u> | 190,387 |
| Other income | | | | | | | 19,746 |
| Other gains and losses | | | | | | | (6,469) |
| Selling and distribution expenses | | | | | | | (165,388) |
| Administrative expenses | | | | | | | (87,823) |
| Finance costs | | | | | | | (77,569) |
| Share of result of a joint venture | | | | | | | 713 |
| Share of results of associates | | | | | | | 49 |
| Unallocated expenses | | | | | | | <u>(1,138)</u> |
| Loss before tax | | | | | | | <u>(127,492)</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2024 (unaudited)

| | Sales of goods | | | | | | Total RMB'000 |
|------------------------------------|------------------|-----------------------|----------------------|--------------------|----------------|-------------------|------------------|
| | Coke | Coking by-products | Refined chemicals | Energy products | Trading | Other Services | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| SEGMENT REVENUE | | | | | | | |
| External sales | 3,916,167 | 25,225 | 1,586,863 | 432,309 | 316,129 | 22,787 | 6,299,480 |
| Inter-segment sales | 87,285 | 329,109 | 21,920 | 355,617 | 181,567 | 45,616 | 1,021,114 |
| | <u>4,003,452</u> | <u>354,334</u> | <u>1,608,783</u> | <u>787,926</u> | <u>497,696</u> | <u>68,403</u> | <u>7,320,594</u> |
| Segment results | <u>66,588</u> | <u>(4,013)</u> | <u>(35,170)</u> | <u>18,889</u> | <u>10,364</u> | <u>13,815</u> | 70,473 |
| Other income | | | | | | | 38,199 |
| Other gains and losses | | | | | | | (15,075) |
| Selling and distribution expenses | | | | | | | (197,617) |
| Administrative expenses | | | | | | | (89,974) |
| Finance costs | | | | | | | (68,809) |
| Share of result of a joint venture | | | | | | | 2,253 |
| Share of result of an associate | | | | | | | 277 |
| Unallocated expenses | | | | | | | <u>(407)</u> |
| Loss before tax | | | | | | | <u>(260,680)</u> |

Entity-wide disclosures

Geographical information

During the six months ended 30 June 2025 and 2024, all of the Group's revenue from external customers were generated from the PRC whereas all non-current assets are located in the PRC as at 30 June 2025 and 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. OTHER INCOME

| | Six months ended | |
|---|------------------|-------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Interest income on: | | |
| – bank deposits | 5,774 | 6,509 |
| – time deposits | 1,700 | 8,613 |
| – loan receivables | 472 | 695 |
| – a prepayment to supplier (Note i) | 1,060 | – |
| – bills receivables at FVTOCI | 3,035 | 10,117 |
| Total interest income | 12,041 | 25,934 |
| Release of asset-related government subsidies | 1,920 | 1,118 |
| Government grants (Note ii) | 3,810 | 10,211 |
| Insurance compensation income | 575 | – |
| Rental income | 532 | 555 |
| Others | 868 | 381 |
| | 19,746 | 38,199 |

Notes:

- (i) The amount represents interest income on a prepayment to supplier which was overdue for over 1 year. According to the relevant agreement, a surcharge with an interest rate of 8% per annum was imposed to the supplier.
- (ii) The amount represents the subsidies received from the local governments for the Group's local business development, and there were no unfulfilled conditions in the periods in which the amounts were recognised.

5. OTHER GAINS AND LOSSES

| | Six months ended | |
|--|------------------|-------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Fair value loss on bills receivables at FVTOCI | (6,554) | (20,686) |
| Loss on disposal/retirement of property, plant and equipment | (318) | (1,268) |
| Gain on disposal of scrap materials | 21 | 2,595 |
| Net foreign exchange (loss) gain | (146) | 4,845 |
| Others | 528 | (561) |
| | (6,469) | (15,075) |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. FINANCE COSTS

| | Six months ended | |
|--|------------------|-------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Interest expense on: | | |
| – bank borrowings | 68,227 | 79,870 |
| – sale and leaseback payables | 8,645 | 9,995 |
| – other borrowings | 3,778 | 4,165 |
| – borrowings from related parties and a shareholder | 1,618 | – |
| – lease liabilities | 122 | 120 |
| – perpetual loan | 800 | 800 |
| – others | 9,353 | – |
| | 92,543 | 94,950 |
| Less: amounts capitalised in property, plant and equipment | (14,974) | (26,141) |
| | 77,569 | 68,809 |
| Capitalisation rate – per annum | 4.43% | 5.66% |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging the following items:

| | Six months ended | |
|---|------------------|------------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Staff costs | | |
| Directors' and supervisors' remuneration | 1,573 | 987 |
| Other staff costs | 114,883 | 133,918 |
| Other staff benefits | 11,101 | 11,927 |
| Total staff costs | 127,557 | 146,832 |
| Capitalised in inventories | (97,693) | (115,341) |
| | <u>29,864</u> | <u>31,491</u> |
| Depreciation of property, plant and equipment | 220,475 | 206,955 |
| Depreciation of right-of-use assets | 6,695 | 6,494 |
| Amortisation of intangible assets | 10,441 | 10,441 |
| Total depreciation and amortisation | 237,611 | 223,890 |
| Capitalised in inventories | (211,713) | (197,902) |
| | <u>25,898</u> | <u>25,988</u> |
| Cost of inventories recognised as expenses (Note) | <u>3,638,856</u> | <u>6,229,007</u> |

Note: The amount includes write-down of inventories amounted to RMB11,587,000 (six months ended 30 June 2024: RMB24,166,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE (CREDIT)

| | Six months ended | |
|---------------------------------|------------------|-----------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| PRC Enterprise Income Tax | | |
| – current tax | 6,435 | 11,924 |
| – under-provision in prior year | 328 | 1,761 |
| Deferred tax (Note 12) | 42,228 | (65,045) |
| | <u>48,991</u> | <u>(51,360)</u> |

9. DIVIDENDS

During the current interim period, the Company did not declare any dividend in respect of the year ended 31 December 2024 to owners of the Company (2023: nil).

During the current interim period, certain subsidiaries of the Company declared and paid dividends of RMB22,850,000 in respect of the year ended 31 December 2024 to non-controlling shareholders (2023: RMB31,978,000).

Subsequent to the end of the current interim period, no dividend has been proposed by the directors of the Company (2024: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. LOSS PER SHARE

The calculation of basic loss per share attributable to the owner of the Company is based on the following data:

| | Six months ended | |
|---|------------------|------------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Loss | | |
| Loss for the period attributable to owners of the | | |
| Company for the purpose of basic loss per share | <u>(125,878)</u> | <u>(156,978)</u> |
| | '000 | '000 |
| | (unaudited) | (unaudited) |
| Number of shares | | |
| Number of ordinary shares for the | | |
| purpose of basic loss per share | <u>535,421</u> | <u>535,421</u> |

No diluted loss or earnings per share is presented as there was no potential ordinary share in issue during both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group incurred construction costs of RMB25,387,000 (six months ended 30 June 2024: RMB186,057,000), mainly including coking equipment upgrading project amounting to RMB12,433,000 (six months ended 30 June 2024: RMB158,817,000). The Group also purchased other property, plant and equipment of RMB27,439,000 during the current interim period (six months ended 30 June 2024: RMB23,569,000) in order to be compliant with recent development of environmental protection regulations (six months ended 30 June 2024: to update coking manufacturing capabilities).

During the current interim period, the Group retired or disposed of certain supporting equipment with an aggregate carrying amount of RMB2,253,000 (six months ended 30 June 2024: RMB1,783,000), resulting in a loss on retirement or disposal of RMB318,000 (six months ended 30 June 2024: RMB1,268,000).

During the current interim period, the Group entered into several new lease agreements for building and office with a lease term ranged from 5 to 10 years (months ended 30 June 2024: from 2 to 3 years). The Group is required to make fixed monthly payments for usage of the building and office. On the date of commencement of such leases, the Group recognised right-of-use assets and lease liabilities of RMB757,000, respectively (six months ended 30 June 2024: RMB651,000, respectively).

Impact of variable lease payments is immaterial to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. DEFERRED TAX ASSETS/LIABILITIES

The followings are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior periods:

| | Write-down of inventories | Expected credit loss provision ("ECL") | Accelerated tax depreciation and temporary difference on deductible expenses | Fair value change of bills receivables at FVTOCI | Unrealised profits | Fair value adjustments upon acquisition of business | Deferred revenue | Tax losses | Total |
|---------------------------------------|------------------------------|--|---|--|-----------------------|---|---------------------|------------|----------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2024 (audited) | 3,644 | 39 | (185,797) | 2,514 | 77,909 | (4,318) | 4,610 | 170,204 | 68,805 |
| Credit (charge) to profit or loss | 2,396 | - | 56,834 | 241 | 1,873 | 125 | (30) | 3,606 | 65,045 |
| Charge to the comprehensive income | - | - | - | (1,847) | - | - | - | - | (1,847) |
| At 30 June 2024 (unaudited) | 6,040 | 39 | (128,963) | 908 | 79,782 | (4,193) | 4,580 | 173,810 | 132,003 |
| At 31 December 2024 (audited) | 6,210 | 39 | (122,537) | 354 | 82,586 | (4,068) | 6,260 | 177,181 | 146,025 |
| (Charge) credit to profit or loss | (3,313) | - | (7,733) | 13 | 2,464 | 125 | 3,495 | (37,279) | (42,228) |
| Charge to the comprehensive income | - | - | - | (66) | - | - | - | - | (66) |
| At 30 June 2025 (unaudited) | 2,897 | 39 | (130,270) | 301 | 85,050 | (3,943) | 9,755 | 139,902 | 103,731 |

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | 30/06/2025 | 31/12/2024 |
|--------------------------|-------------|------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Deferred tax assets | 167,421 | 173,994 |
| Deferred tax liabilities | (63,690) | (27,969) |
| | 103,731 | 146,025 |

As at 30 June 2025, the Group had unused tax losses of RMB1,206,038,000 (31 December 2024: RMB1,021,228,000) available to offset against future profits. Deferred tax assets of RMB139,902,000 (31 December 2024: RMB177,181,000) have been recognised in respect of tax losses of RMB559,608,000 (31 December 2024: RMB708,724,000). All tax losses will expire within 5 years (31 December 2024: 5 years) from the year of origination.

At 30 June 2025 and 31 December 2024, the Group had no other material unrecognised deductible temporary differences.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. TRADE AND OTHER RECEIVABLES

| | 30/06/2025 | 31/12/2024 |
|---|-------------|------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Trade receivables – contract with customers | 179,948 | 173,543 |
| Other receivables | 3,306 | 2,784 |
| Less: Allowance for ECL | (155) | (155) |
| | 3,151 | 2,629 |
| Loan receivables (Note) | 11,600 | 10,000 |
| Prepayments to suppliers | 121,375 | 97,558 |
| Prepaid other taxes and charges | 49,132 | 78,477 |
| Refundable deposits to suppliers | 1,933 | 713 |
| Total trade and other receivables | 367,139 | 362,920 |

Note: During the year ended 31 December 2024, the Group provided a loan of RMB10,000,000 to a third party at an interest rate of 13% per annum for a period of 1 year. During the current interim period, the Group entered into a renewal agreement upon termination of the original one to fix the interest rate to 10% per annum and to extend the period up to 31 July 2025. The Group holds the 100% equity interest of the borrower as collateral over the balance.

During the current interim period, the Group provided a loan of RMB1,600,000 to a third party. The balance carries an interest rate of 2.6% per annum and is repayable on demand. The Group does not hold any collateral over the balance.

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

| | 30/06/2025 | 31/12/2024 |
|----------------|-------------|------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Within 90 days | 171,734 | 173,000 |
| 91 – 180 days | 7,732 | – |
| 181 – 365 days | – | 543 |
| Over 365 days | 482 | – |
| | 179,948 | 173,543 |

The normal credit term to the customers is ranged between 30 to 60 days. As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB482,000 (31 December 2024: RMB543,000) which has been past due over 90 days or more and is not considered as in default.

The Group does not hold any collateral over these balances.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. AMOUNTS DUE FROM RELATED PARTIES

| | 30/06/2025 | 31/12/2024 |
|---|---------------|------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Trade nature | | |
| Maanshan Iron & Steel Company Limited ("Maanshan Steel") | | |
| 馬鞍山鋼鐵股份有限公司 and its subsidiary (Notes i and ii) | 60,207 | – |
| Jiangxi PXSteel Industrial Co., Ltd.'s ("Jiangxi PXSteel") subsidiaries | | |
| (Notes i and ii) | 14,798 | 40 |
| Jiyuan Fangsheng Chemicals Co., Ltd. ("Fangsheng Chemicals") | | |
| 濟源市方升化學有限公司(Note iii) | – | 90 |
| Henan Hongkong (Jiyuan) Coking Group Co., Ltd. ("Yugang Coking") | | |
| 豫港(濟源)焦化集團有限公司(Notes i and iv) | 12 | N/A |
| | <u>75,017</u> | <u>130</u> |

Notes:

- (i) The balance is receivables from contracts with customers.
- (ii) Maanshan Steel and Jiangxi PXSteel are shareholders of the Company.
- (iii) The entity is controlled by a shareholder of the Company. The balance is prepayment for purchase of materials.
- (iv) Yugang Coking became a related party of the Group on 16 June 2025 as its ultimate controlling party was appointed as an executive director of the Company on the same day.

The normal credit term is 30 to 60 days. The amounts due from related parties (excluding prepayment for purchase of goods) are aged within 90 days based on invoice date, and none of the balance is past due at 30 June 2025 and 31 December 2024.

The Group does not hold any collateral over these balances and these balances are unsecured and interest-free.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. BORROWINGS

| | 30/06/2025 | 31/12/2024 |
|---|-------------|-------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Bank borrowings | 3,181,501 | 3,258,740 |
| Other borrowings (Note) | 50,000 | 90,000 |
| Total borrowings | 3,231,501 | 3,348,740 |
| Secured | 980,795 | 1,374,077 |
| Unsecured | 2,250,706 | 1,974,663 |
| Total borrowings | 3,231,501 | 3,348,740 |
| Fixed-rate borrowings | 1,635,942 | 1,604,137 |
| Floating-rate borrowings | 1,595,559 | 1,744,603 |
| Total borrowings | 3,231,501 | 3,348,740 |
| Less: Amount due for settlement within one year shown under current liabilities | (2,754,274) | (2,668,118) |
| Amount due for settlement after one year shown under non-current liabilities | 477,227 | 680,622 |

Note: During the year ended 31 December 2024, the Group raised borrowings of RMB40,000,000 and RMB50,000,000 from Yugang Coking and a third party for a period of 6 months, carrying an interest rate of 5.30% and 11.45% per annum, respectively. During the current interim period, the Group entered into a renewal agreement with the respective lender to fix the interest rate to 4.50% and 11.51% per annum and to extend the period for another 6 months, respectively.

The borrowing from Yugang Coking as at 30 June 2025 is presented in "amounts due to related parties" as set out in Note 17 as the lender became a related party of the Group on 16 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. BORROWINGS (Continued)

The ranges of effective interest rate of the Group's bank borrowings are:

| | <u>30/06/2025</u> | <u>31/12/2024</u> |
|----------------------------|--------------------|-------------------|
| | (unaudited) | (audited) |
| Effective interest rate: | | |
| – Fixed-rate borrowings | 3.10%-5.40% | 3.35%-5.70% |
| – Floating-rate borrowings | 2.95%-5.40% | 2.80%-5.60% |

As at 30 June 2025, the Group had unutilised bank facilities of approximately RMB934,545,000 (31 December 2024: RMB984,237,000).

16. TRADE AND OTHER PAYABLES

| | <u>30/06/2025</u> | <u>31/12/2024</u> |
|---|--------------------|-------------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Trade payables | 426,853 | 386,195 |
| Bills payables | 440,620 | 718,222 |
| | 867,473 | 1,104,417 |
| Salaries and wages payables | 17,948 | 23,154 |
| Other tax payables | 28,272 | 58,744 |
| Consideration payable for purchase of property, plant and equipment | 1,215,051 | 1,423,391 |
| Interest payable | 11,945 | 14,868 |
| Accruals | 7,526 | 9,717 |
| Consideration payable for acquisition of a business | 3,222 | 3,222 |
| Refundable deposit from constructors | 6,711 | 7,992 |
| Refundable deposit from a service provider | 21,375 | 14,625 |
| Other payables | 20,575 | 14,176 |
| | 1,332,625 | 1,569,889 |
| | 2,200,098 | 2,674,306 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. TRADE AND OTHER PAYABLES (Continued)

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

| | 30/06/2025 | 31/12/2024 |
|----------------|----------------|------------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Within 90 days | 334,770 | 535,970 |
| 91 – 180 days | 380,677 | 378,895 |
| 181 – 365 days | 75,949 | 166,008 |
| Over 1 year | 76,077 | 23,544 |
| | <u>867,473</u> | <u>1,104,417</u> |

At the end of each of the reporting period, the Group's bills payables were issued by banks with maturities within 1 year and were secured by the Group's restricted bank balances and bills receivables at FVTOCI.

17. AMOUNTS DUE TO RELATED PARTIES

| | 30/06/2025 | 31/12/2024 |
|---|----------------|---------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Trade nature | | |
| Fangsheng Chemicals | – | 38 |
| Xiamen Jinma ITG Co., Ltd. ("Xiamen Jinma") | | |
| 廈門金馬國貿有限公司(Note i) | 71,399 | 83,826 |
| Henan Jinjiang Refinery Co., Ltd. ("Jinjiang Refinery") | | |
| 河南金江煉化有限公司(Note ii) | – | 296 |
| | <u>71,399</u> | <u>84,160</u> |
| Non-trade nature | | |
| Jiyuan City Investments Jincheng Heat Energy Co., Ltd ("Jincheng Heat") | | |
| 濟源市城投金程熱能有限公司(Note iii) | 1,040 | 2,970 |
| Shandong Weijiao Holdings Group Co., Ltd ("Shandong Weijiao") | | |
| 山東濰焦控股集團有限公司(Note iv) | 45,000 | N/A |
| Yugang Coking | 40,000 | N/A |
| | <u>86,040</u> | <u>2,970</u> |
| Total | <u>157,439</u> | <u>87,130</u> |

Notes:

- (i) Xiamen Jinma is an associate of the Company. The amount is payables for purchase of raw materials.
- (ii) Jinjiang Refinery is a joint venture of the Company's subsidiary. The amount is payables for purchase of raw materials.
- (iii) Jincheng Heat is an associate of the Company's subsidiary. The amount is outstanding subscribed capitals due to the associate.
- (iv) Shandong Weijiao is controlled by the chairman of the Company, who resigned on 25 July 2025. The amount represents a borrowing from Shandong Weijiao carrying an interest rate of 5% per annum for a period of 1 month. As at the end of the reporting period, the balance had been past due within 30 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. AMOUNTS DUE TO RELATED PARTIES (Continued)

The normal credit term to the Group is ranged between 30 to 60 days in respect of payables for purchase of raw materials.

The following is an aging analysis of amounts due to related parties in trade nature presented based on the invoice date at the end of the reporting period:

| | 30/06/2025 | 31/12/2024 |
|----------------|---------------|---------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Within 90 days | 10,177 | 84,160 |
| 91 – 180 days | 61,222 | – |
| | <u>71,399</u> | <u>84,160</u> |

18. AMOUNT DUE TO A SHAREHOLDER

| | 30/06/2025 | 31/12/2024 |
|---|---------------|------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Non-trade nature | | |
| Jiyuan Jinma Xingye Investment Co., Ltd | | |
| 濟源市金馬興業投資有限公司("Jinma Xingye") | <u>53,000</u> | <u>–</u> |

Jinma Xingye is the shareholder of the Group. The amount represents a payment by Jinma Xingye on behalf of the Group to a constructor to settle the consideration payables for purchase of property, plant and equipment. The amount carries an interest rate of 5% per annum and is repayable on 30 April 2025. The amount had been past due over 60 days as at 30 June 2025.

19. CAPITAL COMMITMENTS

| | 30/06/2025 | 31/12/2024 |
|---|---------------|---------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Capital expenditure contracted for but not provided in the Group's condensed consolidated financial statements in respect of acquisition of property, plant and equipment | <u>15,167</u> | <u>18,215</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. TRANSFER OF FINANCIAL ASSETS

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 of the Company, 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 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 condensed 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:

| | <u>30/06/2025</u> | <u>31/12/2024</u> |
|---|--------------------|-------------------|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Endorsed bills for settlement of payables | 1,243,757 | 1,667,344 |
| Discounted bills for raising cash | 857,826 | 1,087,806 |
| Outstanding endorsed and discounted bills receivables with recourse | 2,101,583 | 2,755,150 |

The outstanding endorsed and discounted bills receivables are with maturities no more than 6 months.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Financial asset | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|-----------------------------|---------------------------|---------------------------|----------------------|--|
| | 30/06/2025 (unaudited) | 31/12/2024 (audited) | | |
| Bills receivables at FVTOCI | Assets- RMB284,483,000 | Assets- RMB316,852,000 | Level 2 | Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market. |

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabilities at amortised cost recognised in the condensed consolidated financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

22. RELATED PARTY TRANSACTIONS

Details of transactions between the Group and related parties are disclosed below.

(a) Transactions with related parties

Other than the transactions and balances with related parties disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following transactions with its related parties during the periods:

| | Six months ended | |
|---|------------------|-------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Sales of products and provision of services to: | | |
| Maanshan Steel and its subsidiary | 788,524 | 509,719 |
| Jiangxi PXSteel's subsidiaries | 126,169 | 457,299 |
| Jinjiang Refinery | 63,235 | 76,110 |
| Shandong Weijiao | 420 | N/A |
| Yugang Coking | 32 | N/A |
| Purchase of raw materials and acceptance of services from: | | |
| Jinjiang Refinery | 5,098 | 10,773 |
| Xiamen Jinma | 36,911 | 26,946 |
| Fangsheng Chemicals | 444 | 4,674 |

(b) Compensation of key management personnel

The remuneration of key management personnel of the Group during the periods was as follows:

| | Six months ended | |
|---|------------------|-------------|
| | 30/06/2025 | 30/06/2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Salaries and allowance | 3,286 | 2,449 |
| Performance related bonuses | 200 | 270 |
| Retirement benefit scheme contributions | 210 | 203 |
| | 3,696 | 2,922 |

Key management represents the directors of the Company and other senior management personnel of the Group. The remuneration of key management is determined with reference to the performance of the Group and the individuals.

MANAGEMENT DISCUSSION AND 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, liquefied natural gas ("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. The Group's production value chain has expanded to higher-end new energy product following the research and development as well as investment in hydrogen.

In the first half of 2025, 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 coking furnace 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 heat generated from the coking furnaces is utilized to produce electricity for sale; and
- **Trading:** which mainly involves the trading of coal, coke, hydrogen and LNG.

The Board believes that as China aims to hit peak emissions of carbon dioxide and for carbon neutrality which bring changes to the economic and social development mode, the coking coal industry in China will continue with its supply-side reform and speed up its industry consolidation as well as structural improvement and reform. In addition, the refined chemicals and energy products segment of business will strengthen its competitiveness by means of product line extension and technological development. All of these will bring new opportunities to the Group's long-term business development and growth. The Company will continue to seize the market opportunity to achieve a stable improvement in the Group's results through continuous investment in production process and environmental protection facilities, constantly improve the standard of serving the iron and steel and chemical industry in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

| | For the six months ended 30 June | | Change RMB million |
|--|-------------------------------------|------------------------------|-----------------------|
| | 2025 | 2024 | |
| | RMB million (unaudited) | RMB million (unaudited) | |
| Revenue | 3,829.2 | 6,299.5 | (2,470.3) |
| Gross profit | 189.3 | 70.1 | 119.2 |
| (Loss) for the period | (176.5) | (209.3) | 32.8 |
| Basic (loss) earnings per share (in RMB) | (0.24) | (0.29) | 0.05 |
| Gross profit margin | 4.9% | 1.1% | 3.8% |
| Net (loss) profit margin | (4.6%) | (3.3%) | (1.3%) |
| | As at 30 June 2025 | As at 31 December 2024 | Change RMB million |
| | RMB million (unaudited) | RMB million (audited) | |
| | | | |
| Total assets | 10,530.3 | 11,215.7 | (685.4) |
| Total equity | 4,138.1 | 4,337.3 | (199.2) |

MANAGEMENT DISCUSSION AND ANALYSIS

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 condition, 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 also 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, hydrogen and LNG trading increase when economic conditions recover. The Group's results of operations, working capital position, as well as operating cash flow 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 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 factors applicable to individual customers. Market forces of supply and demand generally determine the pricing of the Group's products. Historically, market prices of 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;

MANAGEMENT DISCUSSION AND ANALYSIS

- 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 the first six months of 2025 and the year of 2024 according to the Group's internal records.

| | For the first six months of 2025 Average selling price ⁽¹⁾ RMB/ton (except coal gas, in RMB/m ³) | 2024 Average selling price ⁽¹⁾ RMB/ton (except coal gas, in RMB/m ³) |
|--------------------------|--|--|
| Coke | 1,518.27 | 2,012.50 |
| Coke | 1,599.01 | 2,134.30 |
| Coke breeze | 810.75 | 967.27 |
| Refined Chemicals | | |
| Benzene based chemicals | 5,695.69 | 6,791.54 |
| Pure benzene | 6,013.05 | 7,270.64 |
| Toluene | — | 6,395.48 |
| Coal tar based chemicals | 4,091.60 | 4,086.59 |
| Coal asphalt | 3,606.52 | 4,162.09 |
| Anthracene oil | 3,263.03 | 3,748.28 |
| Industrial naphthalene | 4,439.61 | 5,044.71 |
| Energy Products | | |
| Coal gas | 0.84 | 0.83 |
| LNG | 3,993.29 | 4,197.43 |

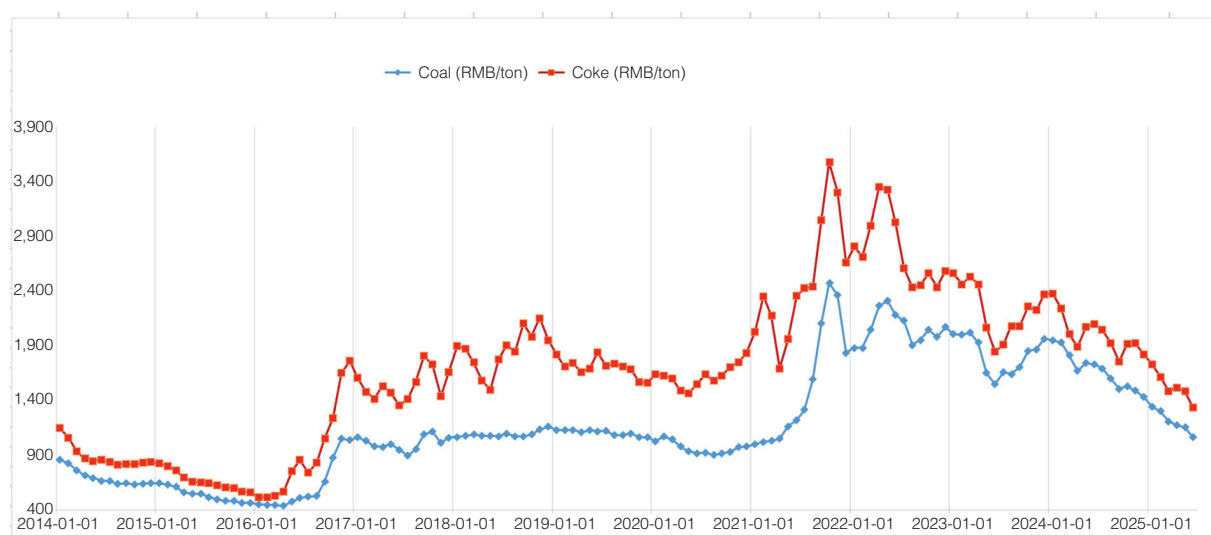
- (1) Calculated by dividing the revenue of each relevant product by the sales volume of such product (except that the average selling prices of the coke segment, benzene-based chemicals and coal tar-based chemicals represent the weighted average prices of relevant products in the segment or category, respectively), after intra-group elimination.

MANAGEMENT DISCUSSION AND ANALYSIS

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 the price of coal, which in turn will increase the costs of operating the Group's business.

Increases or decreases in the prices of coking 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.

The following chart shows the average purchase price of coking coal and the average selling price of coke (net of VAT) from 2014 to June 2025 according to the Group's internal records:



MANAGEMENT DISCUSSION AND ANALYSIS

The Group believes that the prevailing market prices of coking 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 coking coal based on prevailing market prices and the prices of coking coal typically move in tandem, though at different speed and magnitude, with the prices of coke and iron and steel, considering of market price fluctuations, the Group believes that it is generally able to negotiate the prices of the Group's products and raw materials.

Production 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. The business of the Group in the first half of 2025 remained stable, with production capacity utilization rate of each of the principal products substantially maintained. Full sales of the Group has been consistently achieved with revenue of the Group. In the first half of 2025, the Group's production for coke was approximately 1.58 million tons. Processing capacity for crude benzene and coal tar was approximately 206,201 tons and 102,127 tons, respectively, while production for LNG was approximately 33,932 tons.

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 actively expanded its business of coking chemical, refined chemicals as well as coal gas and LNG, and continued to invest in environmental protection facilities. The Group will further expand and deepen its involvement in the coking chemical value chain (including hydrogen energy industry chain) in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

- **5.5-meter Coke Oven Upgrade Project**

Construction of the 5.5 meter to 7.0 meter coke oven upgrade project began in October 2022. The project involved an investment of approximately RMB500 million with a production capacity of about 650,000 tons, and was completed and put into normal operation in April 2024. The production volume in the first half of 2025 was 418,000 tons.

- **Coal Tar Processing Capacity Expansion and Technical Upgrade Project**

The project, with an investment of approximately RMB80.0 million, involved expanding the existing 180,000 tons coal tar processing facility to achieve an annual processing capacity of 360,000 tons. Construction started in October 2023, and by the end of December 2024, individual and integrated trial runs were completed, making it ready for operation, with an additional production capacity of 180,000 tons.

- **Hydrogen Energy Industry Chain**

During the first half of 2025, two hydrogen refuelling stations were added:

The Jiyuan Huling Hydrogen Refuelling Station sold 133 tons of hydrogen during the period, with the same number of vehicles served and primary customers as the Jiyuan South Second Ring Hydrogen Refuelling Station.

The Dengfeng Guojiawa Hydrogen Refuelling Station sold 73 tons of hydrogen during the period, serving approximately 80 vehicles, mainly the coal haulage tractors of Datang Gongyi Power Generation Co., Ltd. and Pingdingshan Power Generation Branch of China National Electric Power Corporation.

The Group currently operates five hydrogen refuelling stations and sold a total of 810 tons of hydrogen during the period (sales for the same period: 250 tons).

Funding for these investments have been and/or will be from the Group's own financial resources, proceeds from listing, and bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

| | For the six months ended 30 June | | |
|------------------------------------|-------------------------------------|-------------|-------------|
| | 2025 | 2024 | Change |
| | (unaudited) | (unaudited) | |
| | RMB'000 | RMB'000 | RMB'000 |
| Continuing operations | | | |
| Revenue | 3,829,243 | 6,299,480 | (2,470,237) |
| Cost of sales | (3,639,994) | (6,229,414) | 2,589,420 |
| Gross profit | 189,249 | 70,066 | 119,183 |
| Other income | 19,746 | 38,199 | (18,453) |
| Other gains and losses | (6,469) | (15,075) | 8,606 |
| Selling and distribution expenses | (165,388) | (197,617) | 32,229 |
| Administrative expenses | (87,823) | (89,974) | 2,151 |
| Finance costs | (77,569) | (68,809) | (8,760) |
| Share of result of a joint venture | 713 | 2,253 | (1,540) |
| Share of results of associates | 49 | 277 | (228) |
| (Loss) before tax | (127,492) | (260,680) | 133,188 |
| Income tax (expense) credit | (48,991) | 51,360 | (100,351) |
| (Loss) for the period | (176,483) | (209,320) | 32,837 |

MANAGEMENT DISCUSSION AND ANALYSIS

| | For the six months ended 30 June | | |
|--|-------------------------------------|-------------|---------|
| | 2025 | 2024 | Change |
| | (unaudited) | (unaudited) | |
| | RMB'000 | RMB'000 | RMB'000 |
| Other comprehensive income: | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Fair value gain on: | | | |
| Bills receivables measured at fair value through other comprehensive income ("FVTOCI"), net of income tax | 198 | 5,541 | (5,343) |
| Total comprehensive (expense) for the period | (176,285) | (203,779) | 27,494 |
| (Loss) profit for the period attributable to: | | | |
| — Owners of the Company | (125,878) | (156,978) | 31,100 |
| — Non-controlling interests | (50,605) | (52,342) | 1,737 |
| | (176,483) | (209,320) | 32,837 |
| Total comprehensive (expense) for the period attributable to: | | | |
| — Owners of the Company | (125,704) | (153,904) | 28,200 |
| — Non-controlling interests | (50,581) | (49,875) | (706) |
| | (176,285) | (203,779) | 27,494 |
| (Loss) earnings per share (RMB) | | | |
| — Basic | (0.24) | (0.29) | 0.05 |

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated Financial Information

- **Revenue and gross profit** recorded decrease in revenue by approximately RMB2,470.2 million or approximately 39.2% as compared to the same period of the preceding year. This was mainly due to a decline in the average selling prices of major products. However, as the average purchase price of coking coal, the raw material for production, recorded a greater decline, the Group's gross profit and gross profit margin improved by approximately RMB119.2 million and 3.8%, respectively. For details, please refer to the section "Business Segment Result" in this report.
- **Other income** decreased by approximately RMB19.7 million as compared to the same period of the preceding year. The decrease was mainly due to a decrease of approximately RMB7.1 million in interest income from bills receivables at FVTOCI, a decrease of approximately RMB6.9 million in interest income on time deposits, and a decrease of approximately RMB6.4 million in government subsidies as compared to the same period of the preceding year.
- **Other gains and losses** recorded decrease in loss by approximately RMB8.6 million as compared to the same period of the preceding year. This was mainly due to a decrease in the balances of bills receivables at FVTOCI as compared to the same period of the preceding year which resulted in a decrease in its fair value losses.
- **Selling and distribution expenses** decreased by approximately RMB32.2 million as compared to the same period of the preceding year. This decrease was mainly due to a reduction in shipping costs because of lower sales volume.
- **Administrative expenses** improved by approximately RMB2.2 million or approximately 2.4% as compared to the same period of the preceding year.
- **Finance costs** compared to the same period last year, the average balance of the bank borrowings decreased, resulting in a reduction of interest expense by RMB11.6 million. However, due to a decrease in loan interest capitalised to construction-in-progress, the overall finance costs increased by approximately RMB8.8 million, or about 12.7% year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

- **Share of result of a joint venture** decreased by approximately RMB1.5 million as compared to the same period of the preceding year. This decrease was mainly due to a decline in both sales volume and prices of hydrogen by the joint venture.
- **Share of results of associates** decreased by approximately RMB0.2 million as compared to the same period of the preceding year, mainly due to the operation suspension of a 49% owned associate of the Company during the period.
- **Loss before tax** recorded decrease by approximately RMB133.2 million as compared to the same period of the preceding year to a loss of approximately RMB127.5 million, after considering the above factors.
- **Income tax (expense) credit** recorded increase in expense by approximately RMB100.4 million as compared to the same period of the preceding year. This increase was mainly due to deferred tax assets adjustment that was prudently made in view of the unpredictability in the outlook of the business operation.
- **Loss for the period** decreased by approximately RMB32.8 million as compared to the same period of the preceding year to a loss of approximately RMB176.5 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Segment Result

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

| | For the six months ended 30 June | | | | | | | |
|-------------------|----------------------------------|------------------------|------------------------|------------------------|-----------------------------|-------|--|------|
| | Segment revenue | | Segment result | | Segment gross profit margin | | Percentage in total revenue of the Group | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | RMB'000 (unaudited) | RMB'000 (unaudited) | RMB'000 (unaudited) | RMB'000 (unaudited) | % | % | % | % |
| Coke | 1,880,927 | 3,916,167 | 111,856 | 66,588 | 5.9 | 1.7 | 49.1 | 62.2 |
| Trading | 57,262 | 316,129 | 1,019 | 10,364 | 1.8 | 3.3 | 1.5 | 5.0 |
| Refined Chemicals | 1,473,852 | 1,586,863 | (31,228) | (35,170) | (2.1) | (2.2) | 38.5 | 25.2 |
| Energy Products | 315,762 | 432,309 | 112,104 | 18,889 | 35.5 | 4.4 | 8.2 | 6.9 |

- **Coke** segment revenue decreased by approximately RMB2,035.2 million or 52% as compared to the same period of the preceding year. The decrease was mainly due to the fact that the average selling price of coke of the Group fell by approximately 28.3% in the first half of 2025 as compared to the same period of the preceding year. However, the average purchase price of coking coal decreased by approximately 33.7%, which resulted in a rebound in gross profit margin from 1.7% to 5.9%.
- **Trading** segment revenue decreased by approximately RMB258.9 million or 81.9% as compared to the same period of the preceding year; and the gross profit margin declined from 3.3% to 1.8%, mainly due to a decrease in trade volume and a sharp drop of more than 30% in diesel and petrol sales at gas stations.
- **Refined Chemicals** segment revenue decreased by approximately RMB113.0 million or approximately 7.1% as compared to the same period of the preceding year, mainly due to a decrease of approximately 18.3% in the average selling price (tax inclusive) of hydrogenated benzene-based chemicals. However, the average purchase price of coking coal, the raw material for the production of refined chemicals, recorded a larger decrease, resulting in an improvement of 0.1% in the overall segment gross margin.
- **Energy Products** segment revenue decreased by approximately RMB116.5 million or approximately 27.0% as compared to the same period of the preceding year, mainly due to a decline in sales of LNG and gas, as well as the fact that Xinyang Jingang, due to a change in its business model during the period, reclassified the sales of electricity it produced from the Energy Products segment to the Other Products segment. This change also resulted in the gross margin of the Energy segment increasing from 4.4% to 35.5%.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

Financial Resources

In the first half of 2025, the Group's major financial resources were funded by the proceeds from the sales of the Group's products, shareholders' equity and bank borrowings. The directors of the Company have confirmed that the Group did not experience any liquidity problems in the first half of 2025.

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.

Cash Flow

The following table presents selected cash flow data from the Group's condensed consolidated statement of cash flows for the periods:

| | For the six months ended 30 June | |
|---|----------------------------------|-------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Net cash from operating activities | 94,296 | 530,423 |
| Net cash from (used in) investing activities | 39,020 | (106,770) |
| Net cash (used in) financing activities | (211,993) | (306,365) |
| Net (decrease) increase in cash and cash equivalents | (78,677) | 117,288 |
| Cash and cash equivalents at the beginning of the period | 509,560 | 917,869 |
| Effect of foreign exchange rate changes | (146) | 4,729 |
| Cash and cash equivalents at the end of the period, represented by: bank balances and cash | 430,737 | 1,039,886 |

MANAGEMENT DISCUSSION AND ANALYSIS

- **Cash Flow from Operating Activities**

In the first half of 2025, the Group's cash from operating activities of approximately RMB94.3 million was primarily attributable to (i) the net operating cash flows before movements in working capital of approximately RMB191.6 million; (ii) decrease in inventories of approximately RMB198.8 million; (iii) decrease in bills receivables at FVTOCI of approximately RMB29.1 million; (iv) decrease in amount due from a shareholder of approximately RMB31.5 million; and (v) increase in contract liabilities of approximately RMB10.9 million. Yet the cash from operating activities is partially offset by (vi) increase in amounts due from related parties of approximately RMB74.9 million; (vii) decrease in trade and other payables of approximately RMB277.8 million; and (viii) decrease in amounts due to related parties of approximately RMB12.8 million.

- **Cash Flow from Investing Activities**

In the first half of 2025, the Group's net cash from investing activities of approximately RMB39.0 million was primarily due to (i) net recovery of approximately RMB499.8 million to restricted bank balances; (ii) interest received of approximately RMB7.1 million; and (iii) assets-related government subsidy received of approximately RMB15.9 million; yet was partially offset by (iv) acquisition of or payment for deposit of acquisition for property, plant and equipment and right-of-use assets of approximately RMB196.0 million; (v) increase in placement of restricted bank balances of approximately RMB288.5 million.

- **Cash Flow used in Financing Activities**

In the first half of 2025, the Group's net cash used in financing activities of approximately RMB212.0 million was primarily due to: (i) the repayment of borrowings of approximately RMB1,556.7 million; (ii) interest payments of approximately RMB77.3 million; (iii) repayment of sale-leaseback payments of approximately RMB78.6 million; (iv) dividends paid to non-controlling interests of subsidiaries of approximately RMB22.9 million; and (v) repayment of amounts due to a related party of approximately RMB70.0 million; yet was partially offset by (vi) new related party borrowings of approximately RMB115.0 million; and (vii) new borrowings raised of approximately RMB1,479.5 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Liabilities

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

| | As at 30 June 2025 | As at 31 December 2024 | Increase/ (decrease) |
|--|--------------------------|------------------------------|-------------------------|
| | RMB'000 (unaudited) | RMB'000 (audited) | RMB'000 |
| Bank borrowings | 3,181,501 | 3,258,740 | (77,239) |
| Other borrowings (Note) | 50,000 | 90,000 | (40,000) |
| | <u>3,231,501</u> | <u>3,348,740</u> | <u>(117,239)</u> |
| Secured | 980,795 | 1,374,077 | (393,282) |
| Unsecured | 2,250,706 | 1,974,663 | 276,043 |
| | <u>3,231,501</u> | <u>3,348,740</u> | <u>(117,239)</u> |
| Fixed-rate borrowings | 1,635,942 | 1,604,137 | 31,805 |
| Floating-rate borrowings | 1,595,559 | 1,744,603 | (149,044) |
| | <u>3,231,501</u> | <u>3,348,740</u> | <u>(117,239)</u> |
| Less: Amount due within one year shown under current liabilities | <u>(2,754,274)</u> | <u>(2,668,118)</u> | <u>(86,156)</u> |
| Amount due after one year shown under non-current liabilities | <u>477,227</u> | <u>680,622</u> | <u>(203,395)</u> |

Notes: During the year ended 31 December 2024, the Group raised borrowings of RMB40,000,000 and RMB50,000,000 from Yugang Coking and a third party for a period of 6 months, carrying an interest rate of 5.30% and 11.45% per annum, respectively. During the current interim period, the Group entered into a renewal agreement with the respective lender to fix the interest rate to 4.50% and 11.51% per annum and to extend the period for another 6 months, respectively. The borrowing from Yugang Coking as at 30 June 2025 is presented in amounts due to related parties as the lender became a related party of the Group on 16 June 2025.

The Group's bank borrowings in 2024 and the first half of 2025 were all borrowings denominated in Renminbi. As at 31 December 2024, approximately RMB1,374.1 million of the Group's borrowings were secured by the Group's property, plant and equipment, right-of-use assets, restricted bank balances and bills receivables. All remaining secured borrowings were credit borrowings. As at 30 June 2025, the Group's borrowings of approximately RMB980.8 million were secured by right-of-use assets, restricted bank balances, and property, plant and equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

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

| | Six months ended 30 June 2025 (unaudited) | Year ended 31 December 2024 (audited) |
|---------------------------|---|---|
| Effective interest rate: | | |
| —Fixed-rate borrowings | 3.10%-5.40% | 3.35%-5.70% |
| —Floating-rate borrowings | 2.95%-5.40% | 2.80%-5.60% |

As at 30 June 2025, the Group had obtained banking facilities in an aggregate amount of approximately RMB13,820.19 million (31 December 2024: RMB13,923.70 million), of which total amount of approximately RMB934.55 million (31 December 2024: RMB984.2 million) is still available for use. As at 30 June 2025, the Group had total outstanding bank borrowings of approximately RMB3,181.5 million (31 December 2024: RMB3,258.7 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 RMB651.32 million falling due in the first half of 2025 according to needs).

As at 30 June 2025, the Group did not have any material contingent liabilities and guarantees, and the lawsuits filed against the companies under the Group included those mainly involving Xinyang Jingang (a 70% owned subsidiary of the Group) with some of its raw material suppliers, coke oven construction contractors and facility suppliers. These lawsuits primarily relate to payment, payment terms, and quality and quantity issues, with the amount claimed at approximately RMB174.5 million. However, it is estimated that no material contingent liabilities will arise. 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 30 June 2025 and up to the date of this report. As at 30 June 2025, 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 six months ended 30 June 2025, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during the first half of 2025, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE ON ASSETS

As at 30 June 2025, the Group had pledged certain of its assets with a total book value of approximately RMB2,693.82 million (31 December 2024: approximately RMB3,167.6 million) for the purpose of providing securities to banks against general banking facilities, including banks borrowings and bills payables granted to the Group.

FINANCIAL RATIOS

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

| | For the six months ended 30 June 2025 | Year ended 31 December 2024 |
|-------------------------------------|---|--------------------------------|
| Gearing ratio | 0.77x | 0.75x |
| Return on equity (annualized ratio) | -8.2% | -10.5% |
| Return on assets (annualized ratio) | -3.2% | -4.0% |

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 for the first half of 2025, mainly because the reduction in the Group's total interest-bearing borrowings was less than the decrease in total equity.

Return on Equity

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

The increase in the Group's return on equity from -10.5% to -8.2% was mainly due to a reduction in loss.

Return on Assets

Return on assets is calculated by dividing the total comprehensive income or expense for the period by the total average assets of the Group for the same period.

The increase in the Group's return on assets from -4.0% to -3.2% was mainly due to the improvement in the Group's loss.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTRACTUAL OBLIGATIONS AND CAPITAL EXPENDITURE

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

| | As at 30 June 2025 | As at 31 December 2024 |
|---|-------------------------------------|---|
| | RMB'000 | RMB'000 |
| | (unaudited) | (audited) |
| Capital expenditure contracted for but not provided in the Group's condensed consolidated financial statements in respect of acquisition of property, plant and equipment | 15,167 | 18,215 |

Other than the transactions described in the above table, as at 30 June 2025, 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 30 June 2025. 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 condensed 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.

MANAGEMENT DISCUSSION AND ANALYSIS

TRANSFER OF FINANCIAL ASSETS

During the first half of 2025, 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 the endorsed and discounted bills receivables are issued and guaranteed by reputable PRC banks. As a result, the relevant assets and liabilities were derecognized on the condensed 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 30 June 2025 | As at 31 December 2024 |
|---|--------------------------------|-----------------------------------|
| | RMB'000 (unaudited) | RMB'000 (audited) |
| Endorsed bills for settlement of payables | 1,243,757 | 1,667,344 |
| Discounted bills for raising cash | 857,826 | 1,087,806 |
| Outstanding endorsed and discounted bills receivables with recourse | 2,101,583 | 2,755,150 |

The outstanding endorsed and discounted bills receivables are with maturities of no more than 6 months.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the reporting period and up to the date of this interim report.

SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

From 30 June 2025 and up to the date of this report, 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 the first half of 2025, 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 HK dollar proceeds from listing by the Company's subsidiary Jinyuan HChem (HK\$10.0 million and HK\$10.1 million as at 30 June 2025 and 31 December 2024 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 bank loans, bank borrowings and other borrowings 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 30 June 2025, the Group had fixed-rate borrowings in the amount of approximately RMB1,635.9 million (31 December 2024: approximately RMB1,604.1 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 30 June 2025 is the carrying amount of those assets stated in the condensed consolidated statements of financial position, and the maximum outstanding amount of contingent liabilities is as disclosed in the condensed consolidated 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 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 reviews 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 70.36% and 84% of exposure concentrated in the five largest outstanding balances for the six months ended 30 June 2025 and the year ended 31 December 2024, respectively. The Group believes the Group's credit risks on bank balances and deposits or bill 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2025 and up to the date of this report.

DIVIDEND AND DIVIDEND POLICY

To show appreciation 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.

Based on the interim results and financial position as of 30 June 2025, the Board of Directors has resolved not to declare an interim dividend.

PENSION SCHEMES

In accordance with the rules and regulations in the PRC, the PRC-based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries. Under these plans, no forfeited contributions can be used by the employers to reduce the existing level of contributions.

The Hong Kong-based employees of the Group participate in the Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and the employers' existing level of contributions can be reduced by contributions forfeited by the employers on behalf of those employees who leave the scheme prior to vesting fully in the contributions. During the year ended 31 December 2024 and the six months ended 30 June 2025, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2024 and 30 June 2025, respectively. The Group contributes the lower of HK\$1,500 per month or 5% of the relevant monthly payroll costs to the Mandatory Provident Fund Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company persists in becoming an enterprise with a strong sense of social responsibility. Consistently adhering to the principle of harmonious development of economic benefit and social benefit, it promotes technological advancement in the industry and assumes its 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. The 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") in Appendix C1 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 the Nomination Committee, the Remuneration Committee and the Audit Committee, to achieve the objective of good corporate governance. During the six months ended 30 June 2025, the Company has complied with all the code provisions under the Corporate Governance 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 C3 of the Listing Rules and the Company Secretary has also issued to all Directors and supervisors of the Company (the "Supervisors") a compliance notice of suspending trading during the black-out period in accordance with the Model Code. Having made specific enquiries with the Directors and Supervisors, 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 during the six months ended 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

BOARD OF DIRECTORS

The Directors of the fourth session of the Board of Directors were appointed at the annual general meeting held on 16 June 2025 for a term of three years until the conclusion of the annual general meeting for the year ending 31 December 2027. The fourth session of the Board of Directors consists of nine directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. The members of the fourth session of the Board of Directors are listed as follows:

Executive Directors

Mr. Liu Liangyu (Chairman) (*resigned on 25 July 2025*)

Mr. Xu Huaping

Mr. Wang Lijie

Non-executive Directors

Mr. Xu Fenglei (Deputy Chairman)

Ms. Wan Tingting

Ms. Ye Ting

Independent Non-executive Directors

Mr. Su Jiangang

Mr. Zhang Xicheng

Mr. Man Kwok Leung

SUPERVISORY COMMITTEE

The Supervisors of the fourth session of the Supervisory Committee were appointed at the annual general meeting held on 16 June 2025 for a term of three years until the conclusion of the annual general meeting for the year ending 31 December 2027. The fourth session of the Supervisory Committee consists of six Supervisors, including two shareholder representative Supervisors, two employee Supervisors and two independent Supervisors. The members of the fourth session of the Supervisory Committee are listed as follows:

Supervisors

Mr. Zhou Tao David

Ms. Tian Fangyuan

Ms. Lyu Hong

Ms. Zhu Ziyao

Ms. Hao Yali

Mr. Fan Xiaozhu

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information on Directors, Supervisors and Chief Executive Officer of the Company for the six months ended 30 June 2025 and up to the date of this interim results announcement are as follows:

| Supervisors | Details of change |
|-------------|-------------------|
|-------------|-------------------|

| | |
|-------------------|---|
| Ms. Tian Fangyuan | has been appointed as a director of Yuguang (Australia) Pty Ltd. with effect from 31 July 2025. |
|-------------------|---|

| | |
|--------------|--|
| Ms. Hao Yali | has been appointed as the chairman of the labour union of the Company with effect from January 2025. |
|--------------|--|

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2025, the interests and short positions (if any) of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

| Name | Nature of interest | Description of shares | Number of shares held (Note 1) | Approximate percentage of shareholding in the total share capital of the Company |
|--------------------|--|-----------------------|--------------------------------|--|
| | | | | (Note 2) |
| Mr. Liu Liangyu | Interests in controlled corporation (Note 3) | H shares | 156,665,000 (L) | 29.26% |
| Mr. Xu Huaping | Interests in controlled corporation (Note 3) | H shares | 156,665,000 (L) | 29.26% |
| Mr. Wang Lijie | Interests in controlled corporation (Note 4) | H shares | 42,900,000 (L) | 8.01% |
| Mr. Zhou Tao David | Beneficial owner | H shares | 8,000 (L) | 0.001% |

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter “L” denotes the person’s long position in such shares.
2. The calculation is based on the total number of 535,421,000 Shares in issue, all of which are H shares.
3. On 3 April 2025, Beijing Weigang entered into an agreement with Jinma Coking, pursuant to which, subject to certain conditions precedent, Beijing Weigang shall purchase all issued share capital of Jinma HK (the “**Target Shares**”). Upon completion, Jinma HK will reduce its H share shareholdings in Jinma Energy to 156,665,000 H shares (representing approximately 29.26% of the issued share capital of Jinma Energy). So far as the Directors are aware, Beijing Weigang is held as to 66.67% by Shandong Weijiao and 33.3% by Shandong Hengkun. Shandong Weijiao is held as to 64% by Weifang Zhenxing, which in turn is held as to 42.73% by Mr. Liu Liangyu. Shandong Hengkun is held as to 46.09% by Mr. Xu Huaping and 53.13% by Hainan Hengkun, which in turn is held as to 100% by Mr. Li Zhengchao. Accordingly, each of Mr. Liu Liangyu and Mr. Xu Huaping is deemed to be interested in Beijing Weigang’s interest in the Company by virtue of the SFO as at 30 June 2025. On 5 August 2025, Jinma Coking served a termination notice to Beijing Weigang and the sale of the Target Shares by Jinma Coking to Beijing Weigang will not be proceeded with. Accordingly, as at the date of this report, Mr. Liu Liangyu and Mr. Xu Huaping are no longer deemed interested in any shares of the Company.
4. Mr. Wang Lijie (王利杰) (an executive director) is the holder of approximately 33.44% of the equity interest of Jinma Xingye. Accordingly, Mr. Wang is deemed to be interested in Jinma Xingye’s interest in the Company by virtue of the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors nor the chief executive had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During this reporting period or as at 30 June 2025, none of the Directors or Supervisors, or the entities connected with the Directors or Supervisors, has participated or is or was materially interested, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding Company, or any of its subsidiaries or fellow subsidiaries was a party.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during this reporting period was the Company, its holding company or any of its subsidiaries nor fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SECURITIES

As at 30 June 2025, so far as is known to the Directors, the following parties (other than a Director, Supervisor or Chief Executive Officer) were directly or indirectly interested or deemed to be interested in 5% or more of any class of the issued share capital of the Company:

| Name | Nature of Interest | Description of Shares | Number of Shares Held (Note 1) | Approximate percentage of shareholding in the total share capital of the Company (Note 2) |
|--|---|-----------------------|--------------------------------|---|
| Jinma HK | Beneficial owner | H shares | 162,000,000 (L) | 30.26% |
| Jinma Coking | Interests in controlled corporation (Note 3) (Note 5) | H shares | 162,000,000 (L) | 30.26% |
| Golden Star | Interests in controlled corporation (Note 4) (Note 5) | H shares | 162,000,000 (L) | 30.26% |
| Mr. Yiu Chiu Fai | Interests in controlled corporation (Note 5) | H shares | 162,000,000 (L) | 30.26% |
| | Beneficial owner | H shares | 2,681,000 (L) | 0.50% |
| Ms. Lam Yuk Wai | Interest of spouse (Note 5) (Note 6) | H shares | 164,681,000 (L) | 30.76% |
| Beijing Weigang New Energy Co., Ltd. ("Beijing Weigang") | Interests in controlled corporation (Note 5) | H shares | 156,665,000 (L) | 29.26% |
| Shandong Hengkun Coal Tar. Co., Ltd.* ("Shandong Hengkun") | Interests in controlled corporation (Note 5) | H shares | 156,665,000 (L) | 29.26% |
| Shandong Weijiao Holding Group Co., Ltd. ("Shandong Weijiao") | Interests in controlled corporation (Note 5) | H shares | 156,665,000 (L) | 29.26% |
| Li Zhengchao* (李正超) | Interests in controlled corporation (Note 5) | H shares | 156,665,000 (L) | 29.26% |
| Hainan Hengkun Construction Development Co., Ltd. ("Hainan Hengkun") | Interests in controlled corporation (Note 5) | H shares | 156,665,000 (L) | 29.26% |
| Weifang Zhenxing Investment Co.* ("Weifang Zhenxing") | Interests in controlled corporation (Note 5) | H shares | 156,665,000 (L) | 29.26% |
| Maanshan Steel | Beneficial owner (Note 7) | H shares | 144,000,000 (L) | 26.89% |
| Magang (Group) Holdings Co., Ltd. | Interests in controlled corporation (Note 7) | H shares | 144,000,000 (L) | 26.89% |
| Jiangxi PXSteel Industrial Co. Ltd.* ("Jiangxi PXSteel") | Beneficial owner | H shares | 52,945,000 (L) | 9.89% |
| Jiangxi Fangda Steel Group Co., Ltd. | Interests in controlled corporation (Note 8) | H shares | 52,945,000 (L) | 9.89% |
| Liaoning Fangda Group Industrial Co., Ltd. | Interests in controlled corporation (Note 8) | H shares | 52,945,000 (L) | 9.89% |
| Beijing Fangda International Enterprise Investment Co., Ltd. | Interests in controlled corporation (Note 9) | H shares | 52,945,000 (L) | 9.89% |
| Mr. Fang Wei | Interests in controlled corporation (Note 10) | H shares | 52,945,000 (L) | 9.89% |
| Jiyuan Jinma Xingye Investment Co., Ltd.* ("Jinma Xingye") | Beneficial owner | H shares | 42,900,000 (L) | 8.01% |
| Ms. Zheng Jing | Interest of spouse (Note 11) | H shares | 42,900,000 (L) | 8.01% |

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter “L” denotes the entity/person’s long position in such shares.
2. The percentage is based on the total number of 535,421,000 shares in issue of which all are H shares.
3. Jinma HK is wholly-owned by Jinma Coking. Accordingly, Jinma Coking is deemed to be interested in Jinma HK’s interest in the Company by virtue of the SFO.
4. Jinma Coking is held as to 96.3% by Golden Star. Accordingly, Golden Star is deemed to be interested in Jinma Coking’s, and in turn, Jinma HK’s interest in the Company by virtue of the SFO.
5. Mr. Yiu Chiu Fai is the legal and beneficial owner of the entire issued share capital of Golden Star Chemicals (Holdings) Limited* (“Golden Star”). As at the date of this report, Golden Star, in turn, holds 100% of the issued share capital of Jinma Coking (BVI) Limited* (“Jinma Coking”), while as at 30 June 2025, Jinma Energy (Hong Kong) Limited* (formerly known as Jinma Coking (Hong Kong) Limited) (“Jinma HK”) is wholly-owned by Jinma Coking. Accordingly, Mr. Yiu is deemed to be interested in Jinma HK’s interest in the Company by virtue of the SFO. On 3 April 2025, 北京維港新能源有限公司(Beijing Weigang New Energy Co., Ltd.*, “Beijing Weigang”) entered into an agreement with Jinma Coking, pursuant to which, subject to certain conditions precedent, Beijing Weigang shall purchase all issued share capital of Jinma HK (the “**Target Shares**”). Upon completion, Jinma HK will reduce its H share shareholdings in Jinma Energy to 156,665,000 H shares (representing approximately 29.26% of the issued share capital of Jinma Energy). So far as the Directors are aware, Beijing Weigang is held as to 66.67% by Shandong Weijiao and 33.3% by Shandong Hengkun. Shandong Weijiao is held as to 64% by Weifang Zhenxing, which in turn is held as to 42.73% by Mr. Liu Liangyu. Shandong Hengkun is held as to 46.09% by Mr. Xu Huaping and 53.13% by Hainan Hengkun, which in turn is held as to 100% by Mr. Li Zhengchao. Accordingly, each of Shandong Weijiao, Shandong Hengkun, Weifang Zhenxing, Hainan Hengkun and Mr. Li Zhengchao is deemed to be interested in Beijing Weigang’s interest in the Company by virtue of the SFO as at 30 June 2025. On 5 August 2025, Jinma Coking served termination notice to Beijing Weigang and the sale of the Target Shares by Jinma Coking to Beijing Weigang will not be proceeded with. Accordingly, as at the date of this report, Mr. Yiu continues to be indirectly interested in 100% in Jinma Coking, which holds 100% of Jinma HK, which in turn is the holder of 162,000,000 shares of Jinma Energy, representing approximately 30.26% of the capital of Jinma Energy, and Beijing Weigang, Shandong Weijiao, Shandong Hengkun, Weifang Zhenxing, Hainan Hengkun and Mr. Li Zhengchao are no longer deemed interested in any shares of the Company.
6. Ms. Lam Yuk Wai is the wife of Mr. Yiu Chiu Fai, and thus, she is deemed to be interested in the same amount of shares as Mr. Yiu.
7. Magang (Group) Holdings Co., Ltd., whose actual controller was the State-owned Assets Supervision and Administration Commission of the State Council (being the holder of 51% of the interest in Magang (Group) Holdings Co., Ltd. through its 100% controlled China Baowu Steel Group Corporation Limited), is the holding company of Maanshan Steel and holds approximately 48.35% of the shares of Maanshan Steel. Accordingly, Magang (Group) Holdings Co., Ltd. is deemed to be interested in Maanshan Steel’s interest in the Company by virtue of the SFO.
8. As per their confirmations, Jiangxi Fangda Steel Group Co., Ltd. (“Fangda Group”) directly holds approximately 52.248% of Jiangxi PXSteel, thus, Fangda Group is the holding company of Jiangxi PXSteel. Accordingly, Fangda Group is deemed to be interested in Jiangxi PXSteel’s interest in the Company by virtue of the SFO. On the other hand, Liaoning Fangda Group Industrial Co., Ltd. (“Liaoning Fangda”) is directly and indirectly interested in approximately 61.829% of Jiangxi PXSteel, and hence Liaoning Fangda is the controlling company of Jiangxi PXSteel. Accordingly, Liaoning Fangda is deemed to be interested in Jiangxi PXSteel’s interest in the Company by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

9. Beijing Fangda International Enterprise Investment Co., Ltd. (“Beijing Fangda”) is the holding company of Liaoning Fangda and holds approximately 99.2% of the shares of Liaoning Fangda. Accordingly, Beijing Fangda is deemed to be interested in Liaoning Fangda’s, and in turn, Jiangxi PXSteel’s interest in the Company by virtue of the SFO.
10. Mr. Fang Wei (方威) is the sole equity holder of Beijing Fangda. Accordingly, Mr. Fang is deemed to be interested in Beijing Fangda’s interest in the Company by virtue of the SFO.
11. Ms. Zheng Jing (鄭菁) is the wife of Mr. Wang Lijie, and thus, she is deemed to be interested in the same number of shares as Mr. Wang.

Save as disclosed above, there was no other interest recorded in the register that was required to be kept under Section 336 of the SFO as at 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is available to the Group and to the best knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules since its listing date and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

PROVISION OF FINANCIAL SUBSIDIES AND GUARANTEES TO ASSOCIATES

As at 30 June 2025, the Company has not provided financial subsidies and guarantees to the associates of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EMPLOYEES AND REMUNERATION POLICY

Employees are the Group's important asset. As at 30 June 2025, the Group had a total of 2,638 employees, including 8 senior management, 110 mid-level management and 2,520 ordinary employees. For the six months ended 30 June 2025, the staff cost of the Group amounted to approximately RMB127.6 million as compared to approximately RMB146.8 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 officers. The Remuneration Committee reviews the remuneration policy for all Directors and the management of the Group based on the Group's overall operating results, individual performance and comparison of market practices.

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 Company. Remuneration of ordinary employees consists of basic salary, bonuses and various subsidies.

The Group has made full contributions to social insurance (including pension scheme, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident funds for all employees in accordance with the relevant PRC labour laws and regulations.

According to the development plan and operating requirements of the Company, the management formulates 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 employees with various targeted trainings from job entry to achieve personal development.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee of the Company was set up by the Board with specific terms of reference for the purpose of reviewing the Company's financial information, overseeing the Company's financial reporting system, risk management and internal control systems. The Audit Committee comprises three Directors, including Mr. Su Jiangang (independent non-executive Director), Mr. Zhang Xicheng (independent non-executive Director) and Mr. Man Kwok Leung (independent non-executive Director), and is chaired by Mr. Man Kwok Leung.

The Audit Committee has reviewed with the management and the external auditor, Deloitte Touche Tohmatsu, the accounting methods adopted by the Company and the unaudited condensed consolidated interim financial statements of the Company for this reporting period. The Audit Committee also has reviewed this interim results announcement. The Company's unaudited consolidated interim results for this reporting period have been reviewed by the Company's external auditor in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PUBLICATION OF THE INTERIM REPORT

The Company's interim report for the six months ended 30 June 2025 will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.hnjmny.com) in due course.

The Company makes every effort to ensure consistency between the Chinese and English versions of the Company communication. In the event of any inconsistency, however, the English version shall prevail.

APPRECIATION

I would like to take this opportunity to thank all the Group's employees, shareholders and business partners for their continuous support to the Group.

By order of the Board
Henan Jinma Energy Company Limited
Deputy Chairman
Xu Fenglei

Hong Kong, 28 August 2025

** For identification purposes only*

As at the date of this announcement, the executive directors of the Company are Mr. XU Huaping and Mr. WANG Lijie; the non-executive directors of the Company are Mr. XU Fenglei, Ms. WAN Tingting and Ms. YE Ting; and the independent non-executive directors of the Company are Mr. SU Jiangang, Mr. ZHANG Xicheng and Mr. MAN Kwok Leung.