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

INTERIM REPORT 2021

CONTENTS

OVERVIEW

The Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan province. The Group operates a vertically integrated business model along the coking chemical value chain from coke production to the processing of coking by-products into refined chemicals and energy products. The Group's vertically integrated business model enables the Group to maximize the value of the Group's coking by-products, thereby allowing the Group to achieve a high recovery and re-utilization business model.

Capitalizing on the Group's years of operations in the coking chemical industry and the Group's long-term relationships with coal suppliers, the Group also engages in the trading of coal, coke, LNG and nonferrous materials mainly through the Group's trading company. As a continuing effort in extending the Group's vertical integration business model and expanding the Group's product portfolio along the coking chemical value chain, the Group has actively engaged in and developed the business of the production and sale of LNG and hydrogen recently. 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.

From the year of 2019, the Board is pleased to announce the establishment of joint venture companies. The scope of business of the JV Companies mainly includes energy project investment, logistics project investment, marketing planning, corporate management consulting, and domestic trading. Further expansion of the Group's production capacity are achieved by means of acquisitions and mergers. In January 2021, the Group completed the process of the formation of a joint venture (which will, upon its establishment, proceed with obtaining an annual production capacity of up to 1.6 million tonnes of coke). In addition, the construction of two advanced coking furnaces (with a height of 7.65 metres with an aggregate production capacity of 1.8 million tonnes of coke per annum) are expected to be completed and scheduled for commercial production in the third quarter of 2021.

In the first half of 2021, the Group's revenue was mainly generated from the following major business segments:

- **Coke:** which involves the production and sale of coke;

- **Refined chemicals:** which involves the processing of coking by-products into a series of benzene based and coal tar based refined chemicals and sale of these by-products;

- **Energy products:** which involves the processing of coke oven crude gas into coal gas, extraction of LNG from coal gas and sale of coal gas and LNG, in addition, hydrogen is also extracted from coal gas for sale; and

- **Trading:** which mainly involves the trading of coal, coke, and nonferrous materials.

The Board believes that as China aims to hit peak emissions of carbon dioxide and for carbon neutrality 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. As a result, the demand-supply tension of coke will continue and, in turn, support the growth of members of the coke manufacturing industry that excel in quality production and environment protection. 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 for the Group's business long- term 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 improving the standard of serving the iron and steel, chemical industry in the PRC.

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2021	2020	Change
	RMB million	RMB million	
	(unaudited)	(unaudited)	
		(restated)	
Revenue	**3,035.4**	3,336.6	-9.0%
Gross profit	**606.5**	465.8	+30.2%
Profit for the period	**342.9**	241.5	+42.0%
Basic earnings per share (in RMB)	**0.63**	0.42	+50.0%
Interim dividend per share (in RMB)	**0.10**	0.10	+0%
Gross profit margin	**20.0%**	14.0%	+6.0%
Net profit margin	**11.3%**	7.2%	+4.1%

	As at 30 June 2021	As at 31 December 2020	Change
	RMB million	RMB million	
	(unaudited)	(audited)	
Total assets	**7,082.0**	6,391.0	+10.8%
Total equity	**4,279.4**	3,980.5	+7.5%

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, nonferrous materials and LNG trading increase when economic conditions recover. The market price for the Group's coke recovered substantially in 2016, continued to remain stable from 2017 to 2019, and rose again in 2020. As the control measures over COVID-19 in China remains effective, the China economy maintained a steady growth in first half of 2021, within which the Group's operation and production were benefited from. The Group's results of operations, working capital position, as well as operating cash flows changed correspondingly as a result.

Sale of the Group's products of coke, LNG and refined chemicals depend primarily on the domestic consumption of such products by the iron and steel industry and the chemical industry. Coke is a key raw material used in the production of iron and steel, while refined chemicals are mainly used as raw materials in various downstream industries such as rubber, textiles and pharmaceutical industries and LNG is mainly provided for the use in the production in surrounding industrial parks and for supplying gas to logistics customers, heavy trucks and buses at gas stations. Coking refined chemicals are often taken as cost-competitive substitutes for petroleum-based refined chemicals in China as it has rich coal resources, the price of which is relatively cheaper than petroleum resources. Therefore, the demand and pricing for the Group's refined chemicals are also affected by the petroleum price and the development in the petrochemical industry.

Prices of the Group's Raw Materials and Products

The Group is exposed to movements in the market prices of the Group's products and coal, as well as changes in the spread between those prices. The Group generally sells the Group's products based on the prevailing market prices in the regions where the Group sells its products, by reference to various factors applicable to individual customers. Market forces of supply and demand generally determine the pricing of the Group's products. Historically, market prices for coke and its refined chemicals have fluctuated as a result of alternating periods of increase and decrease in demand. The prices of the Group's products are affected by a number of factors including:

- supply of and demand for the Group's products, which is mainly affected by (i) the PRC laws, regulations and policies affecting the coal, coking and iron and steel industries, (ii) the demands in the iron, steel and chemical industries and (iii) the PRC domestic as well as global economic cycles;

- price of coal, the Group's principal raw material, which is affected by the supply of and demand for coal and subject to the PRC domestic as well as global economic cycles;

- the Group's product characteristics and quality (as different types of coke command different prices in the market);

- prices of chemicals in the international market; and
- the Group's transportation costs, the availability of transportation capacity and means of transportation.

In addition, as most of the Group's refined chemicals, such as pure benzene, toluene, coal asphalt and industrial naphthalene, can be produced from both coking by-products and petroleum, prices of the Group's products are also affected by the fluctuations in petroleum prices. Historically, when petroleum price went down, the prices of the Group's products usually decreased.

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

	For the first six months of 2021 Average selling price(1)	2020 Average selling price(1)
	RMB/ton (except coal gas in RMB/m^3)	RMB/ton (except coal gas in RMB/m^3)
Coke	2,082.10	1,619.80
Coke	2,233.00	1,714.40
Coke breeze	984.00	805.90
Refined Chemicals		
Benzene based chemicals	5,149.00	3,332.70
Pure benzene	5,517.70	3,434.80
Toluene	4,369.30	3,237.70
Coal tar based chemicals	3,341.30	2,360.10
Coal asphalt	3,671.80	2,347.50
Anthracene oil	3,028.30	2,078.70
Industrial naphthalene	3,281.40	3,202.20
Energy Products		
Coal gas	0.70	0.71
LNG	4,049.60	3,058.90

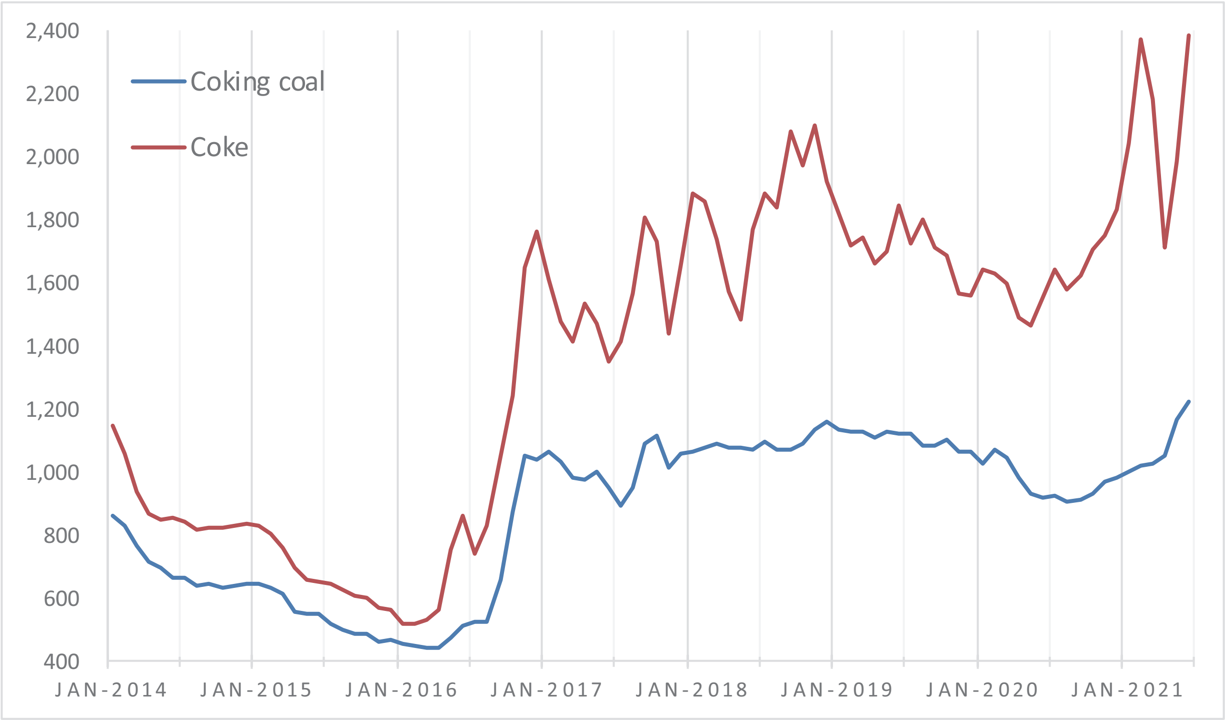
(1) Calculated by dividing the revenue of each relevant product by the sales volume of such product (on a moist basis for coke) (except that the average selling prices of the coke segment, benzene based chemicals and coal tar based chemicals represent the weighted average prices of relevant products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

Coal is the primary raw material for the Group's products. Coal prices affect the Group's raw material costs and are also one of the factors which affect the prices of the Group's products. The Group does not normally enter into long-term fixed-price purchase contracts with the Group's suppliers. The Group purchases coal based on the Group's production schedule. The purchase price is agreed between the Group and the suppliers based on arm's-length negotiation with reference to prevailing market prices at the time the Group places the orders. The supply of coal is also another factor affecting the results of the Group's operations. Tightened environmental protection regulations or an increase in industry consolidation driven by the government in the coal industry could reduce the supply or increase the price of coal. A fluctuation in coal supply may push the price of coal, which in turn will increase the costs of operating the Group's business.

Increases or decreases in the prices of coal may not immediately result in changes in the prices of the Group's products or vice versa. In a rising market for the Group's products, the Group may benefit from the widening spread between the prices of raw materials and the Group's products. While in a falling market for the Group's products, the Group may suffer from the narrowing spread. Following the second half of 2016 when the price spread between the Group's purchase of coal and sale of coke widened, the spread continued to expand in 2017 and sustained in 2018. The price spread remained steady during 2019 to 2020, thus the Group's profitability still remained stable.

In the first half of 2021, under the economic recovery and demand rebound following the COVID-19 pandemic as well as the supply-side reform, the Group recorded a significant rise in the average selling price of coke products. Compared with same period last year, while our average cost of coal only increased by 8.5%, the average selling price of the Group's coke products surged by 35.2% to approximately RMB2,380 per ton, thereby widening the price spread between the Group's coke products and the coal raw materials by 82.3%.

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 2021 according to the Group's internal records:



The Group believes that the prevailing market prices of coal and the Group's products are generally driven by market forces of supply and demand. Since the Group sells the Group's products and procure the Group's coal based on prevailing market prices and the prices of coal typically move in tandem, though at different speed and magnitude, with the prices of coke and iron and steel. The Group believes the Group is generally able to negotiate the prices of the Group's products and raw materials taking into account market price fluctuations.

Production Capacity and Sales Volume

The fluctuations of the Group's results of operations were mainly driven by the changes in the average selling price of the Group's products and the average purchase price of coal, while the sales volume of the Group's products was mainly determined by the Group's production capacity. Since the end of 2020, with the phasing out of the Group's two furnaces with height of 4.3 metres, the Group's aggregate production of coke has been reduced accordingly. The business of the Group in the first half of 2021 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 2021, the Group's current production capacity for coke was approximately 1.1 million tons (on a moist-free basis) per annum. Regarding the expansion plans of production capacity for coke, please refer to the section headed "Major Developments" in this report for details. In additiion, the Group's processing capacity for crude benzene and coal tar was approximately 200,000 tons and 180,000 tons per annum, respectively. At the same time, the Group's production capacity for coal gas was approximately 540 million m^3 per annum, for self-used (including the use in production of LNG and hydrogen) and sales, while the production capacity of LNG production facilities was approximately 123.0 million m^3 per annum.

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 benzene based chemicals, coal tar based chemicals as well as coal gas and LNG. Following the launch of the capacity expansion plan of benzene based chemicals as well as the capacity enhancement plan of environment protection facilities in 2018, the Group will further expand and deepen its involvement in the coking chemical value chain in 2021.

In line with the Group's business strategy in expanding its business vertically and horizontally along the coking chemical value chain of the coal chemical industry, the Group has been making continuous efforts in identifying coal chemical projects with promising profit and development potentials. From the year of 2019, the Board is pleased to announce the establishment of a number of JV companies. The scope of business of the JV Companies includes energy project investment, logistics project investment, marketing planning, corporate management consulting, domestic trading, and import and export trading. The Board has paid close attention to the development of the JV Companies since their establishment, and the effectiveness of the JV Companies has been realized on a preliminary stage. The Board is of the view that such cooperative model is suitable and conducive to the long-term development of the Group.

- **Hydrogen Energy Industry Chain**

  In 2015, the Group acquired 49% of the interest in Jinjiang Refinery, which is principally engaged in the production and sales of hydrogen, and has since then participated in the hydrogen production and sales market. Jinjiang Refinery produces hydrogen with a purity of up to 99.99% and has an annual production capacity up to 300 million m^3. Currently, the pipeline, which supplies hydrogen in Jiyuan to shareholders of the joint venture in Louyang for improving the quality of their petroleum products, is the hydrogen pipeline with longest miles, biggest diameter, highest pressure and largest transportation volume in China. Therefore, through Jinjiang Refinery, the Group currently has access to the extremely high-purity hydrogen required for the pipeline transportation and the production of hydrogen fuel cells.

  In view of the PRC government's strategic policy in developing clean energy, and in order to grasp the opportunity of the development of hydrogen fuel cell vehicles and the relevant industry in the Henan Province, the Group has formed a joint venture with Shanghai Hyfun Energy Technology Co., Ltd., whom has extensive experience in the construction and operation of hydrogen refueling stations, as well as its research, development and technology regarding high-density hydrogen storage and transportation equipment. Leveraging on the resources and expertise of the joint venture partner, and based on the Group's foundation in the business area of production and sales of hydrogen in which the Group has already set foot on, the Group plans to further expand its business scope through its joint venture and take part in various major components of the hydrogen energy industry chain with an aim to gradually develop and establish a hydrogen energy industry base in the Henan Province.

- **1.8 million tons/year Coking Facilities Upgrading Project**

  The project is mainly about upgrading the existing two coking furnaces with height of 4.3 meters to advanced coking furnaces with height of 7.65 meters and at the same time to increase the relevant annual production capacity from 1.2 million tons to 1.8 million tons. The project has been successfully filed with the local government and is in line with national industrial policies. The environmental assessment of the project was approved in the second quarter of 2020. The construction has been progressing smoothly and is expected to be completed in the third quarter of 2021 when production will commence. Total investment of the project is anticipated to be approximately RMB2,450 million.

- **Formation of Joint Venture for the Production and Sale of Coke**

  As disclosed in Company's announcement dated 22 September 2020, an agreement was entered for the establishment of a joint venture with Angang Group Xinyang Steel Co., Ltd. ("安鋼集團信陽鋼鐵有限責任公司") in Xinyang City, Henan Province, the PRC. This joint venture will be principally engaged in the production and sale of coke, the production and sale of electricity with heat dissipated in the relevant production process, and the production and sale of heat energy. The Company has conditionally agreed to contribute RMB700 million to the joint venture, representing 70% of the total capital contributions. On 23 December 2020, the formation of such joint venture has received the shareholders' approval of the Company. Since formation, the joint venture company has commenced with the development of coking facilities with production capacity of 1.6 million tons per annum. It is estimated that 50% of the coking facilities will start production in middle of 2022 and the remaining 50% will start production at the end of 2022.

- **Formation of Joint Ventures for the Acquisition of a Target Logistics Company and the Group's Subsequent Disposal Decision**

  As disclosed in Company's announcements dated 13 April 2020, 20 May 2020 and 27 May 2020, the Group has through the formation of two joint venture companies entered into an agreement for the acquisition of 80% in a target logistics company, Liyuan Railway, which is principally engaged in the provision of multimodal transportation, warehouse and distribution services for coal products. Since then, the Group has actively been procuring the integration of the target's business with the Group's main businesses. However, it was found that the efforts and resources would be more beneficially deployed towards the core coking chemical business and new energy business like the Hydrogen Energy Industry Chain business, and thus the Group has entered into active discussions with a number of parties who were interested to acquire the relevant logistics business. Please refer to Note 10 to the condensed consolidated financial statements of the Group in this report for details of the financial impact of the decision in disposing this logistic business.

  As at the date of this report, no legally binding agreement in relation to the abovementioned proposed disposal of the relevant logistics business has been entered into. Further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate.

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

  Due to the use of coke dry quenching facilities, the Group planned to invest RMB178 million in the new wastewater treatment project. Technology applied and facilities used meet the international standard, including one of the most advanced reverse osmosis technologies of Israel, with which processing capacity reached 180 m^3/h. As at 30 June 2021, the Group has invested approximately RMB130 million in the project. Currently, it is in pilot operation and full operation is expected to take place in the last quarter of current year.

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

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.

	Six months ended 30 June		
	2021 (unaudited) RMB'000	2020 (unaudited) (restated) RMB'000	Changes
Continuing operations			
Revenue	**3,035,392**	3,336,579	-9.0%
Cost of sales	**(2,428,851)**	(2,870,752)	-15.4%
Gross profit	**606,541**	465,827	30.2%
Other income	**22,632**	22,889	-1.1%
Other gains or losses	**(38,001)**	2,663	-1,527.0%
Impairment losses under expected credit loss ("ECL") model, net of reversal	**(10,694)**	(835)	1,180.7%
Distribution and selling expenses	**(33,219)**	(79,569)	-58.3%
Administrative expenses	**(60,983)**	(45,327)	34.5%
Finance costs	**(23,868)**	(27,540)	-13.3%
Share of result of a joint venture	**994**	1,508	-34.1%
Share of results of associates	**–**	(9,220)	-100.0%
Profit before tax	**463,402**	330,396	40.3%
Income tax expense	**(121,171)**	(87,501)	38.5%
Profit for the period from continuing operations	**342,231**	242,895	40.9%

	Six months ended 30 June		
	2021	2020	Changes
	(unaudited)	(unaudited)	
		(restated)	
	RMB'000	RMB'000	
Discontinued operations			
Profit (loss) for the period from discontinued operations	**706**	(1,416)	-149.9%
Profit for the period	**342,937**	241,479	42.0%
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI")	**(335)**	1,669	-120.1%
Total comprehensive income for the period	**342,602**	243,148	40.9%
Profit (loss) for the period attributable to owners of the Company:			
—From continuing operations	**339,877**	226,836	49.8%
—From discontinued operations	**(3,340)**	(1,279)	161.1%
	336,537	225,557	49.2%
Profit (loss) for the period attributable to non-controlling interests:			
—From continuing operations	**2,354**	16,059	-85.3%
—From discontinued operations	**4,046**	(137)	-3,053.3%
	6,400	15,922	-59.8%
	342,937	241,479	42.0%
Total comprehensive income for the period attributable to:			
—Owners of the Company	**336,202**	227,226	48.0%
—Non-controlling interests	**6,400**	15,922	-59.8%
	342,602	243,148	40.9%
Earnings per share (RMB)			
From continuing and discontinued operations			
—Basic	**0.63**	0.42	50.0%
From continuing operations			
—Basic	**0.63**	0.42	50.0%

Consolidated Financial Information

- **Revenue** decreased by approximately RMB301.2 million or approximately 9.0% as compared to the same period of the preceding year. This was mainly caused by a drop in the volume of sales of coke resulted from the cessation of operations of the Company's two 4.3 meter coking furnaces in December 2020. For details, please refer to the paragraph headed "Business Segment Result" in this section.

- **Cost of sales** decreased by approximately RMB441.9 million or approximately 15.4% as compared to the same period of the preceding year. This drop is in line with the drop in revenue. For details of segmental costs, please refer to the analysis under the paragraph headed "Business Segment Result" in this section.

- **Gross profit** increased by approximately RMB140.7 million or approximately 30.2% as compared to the same period of the preceding year. The gross profit margin of the Group increased from approximately 14.0% in the first half of 2020 to approximately 20.0% in the first half of 2021. The increase is mainly contributed by the increase in the gross margin of the coke segment and the substantial improvement in the refined chemicals segment due to the recovery of the international crude oil prices. For details please refer to the paragraph headed "Business Segment Result" in this section.

- **Other income** decreased by approximately RMB0.3 million or approximately 1.1% as compared to the same period of the preceding year. The decrease was mainly due to a decrease in average balances of bank deposits as compared to the same period of the preceding year, resulting in a corresponding decrease in interest income from bank deposits.

- **Other gains or losses** decreased by approximately RMB40.7 million or approximately 1,527.0% as compared to the same period of the preceding year. The decrease was mainly due to an impairment loss on some plants and equipment due to obsolescence.

- **Impairment losses, under expected credit loss model, net of reversal** increased by approximately RMB9.9 million or approximately 1,180.7% as compared to the same period of the preceding year. The increase mainly reflected the increase in provision for impairment losses in expected credit value of trade receivables.

- **Distribution and selling expenses** decreased by approximately RMB46.4 million or approximately 58.3% as compared to the same period of the preceding year. The decrease was mainly due to decrease in sales of some coke customers, whose transportation costs were borne by the Company, and resulted in a corresponding decrease in distribution and selling expenses.

- **Administrative expenses** increased by approximately RMB15.7 million or approximately 34.5% as compared to the same period of the preceding year. The increase was mainly due to an increase in staff costs and other administrative expenses of the subsidiaries new formed or started operation in the reporting period.

- **Finance costs** decreased by approximately RMB3.7 million or approximately 13.3% as compared to the same period of the preceding year. The decrease was mainly due to the reduction in average interest-bearing borrowings balance by cash flow management, and the drop of floating-rate in the first half of 2021, which reduced the finance costs compared to the same period in 2020.

- **Share of result of a joint venture** decreased by approximately RMB0.5 million or approximately 34.1% as compared to the same period of the preceding year. This was mainly due to the reduction in the refund of value added tax of comprehensive utilization of resources of the joint venture's operating profit.

- **Share of result of associates** was zero in the reporting period as compared to the loss of RMB9.2 million in the same period of the preceding year. This was mainly due to the recognition of loss from the operation in Huozhou Coal Power Group Hongdong Yilong Co., Ltd. in preceding period is not applicable in current period due to the substantial impairment made in the investment in that associate in December 2020.

- **Profit before tax from continuing operations** increased by approximately RMB133.0 million or approximately 40.3% as compared to the same period of the preceding year. This was mainly contributed by the increase in coke prices and recovery of the refined chemicals business due to the bouncing back of international crude oil prices.

- **Income tax expense** increased by approximately RMB33.7 million or approximately 38.5% as compared to the same period of the preceding year. This is in line with the increase in profit before tax.

- **Profit (loss) for the period from discontinued operations** increased by approximately RMB2.1 million or approximately 149.9% as compared to the same period of the preceding year.

- **Profit for the period** increased by approximately RMB101.5 million or approximately 42.0% as compared to the same period of the preceding year.

- **Bills receivables measured at fair value through other comprehensive income** decreased by approximately RMB2.0 million or approximately 120.1% as compared to the same period of the preceding year.

- **Total comprehensive income for the period** increased by approximately RMB99.5 million or approximately 40.9% as compared to the same period of the preceding year.

Business Segment Result

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

	Six months ended 30 June							
	Segment revenue		Segment result		Segment gross profit margin		Percentage in total revenue of the Group	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RMB'000 (unaudited)	RMB'000 (unaudited) (restated)	**RMB'000 (unaudited)**	RMB'000 (unaudited) (restated)	**%**	%	**%**	%
Coke	**1,333,135**	1,801,314	**487,977**	405,914	**36.6**	22.5	**43.9**	54.0
Trading	**766,449**	802,623	**23,829**	28,478	**3.1**	3.5	**25.3**	24.1
Refined Chemicals	**772,143**	495,223	**97,972**	(7,301)	**12.7**	-1.5	**25.4**	14.8
Energy Products	**142,344**	223,098	**3,421**	38,471	**2.4**	17.2	**4.7**	6.7

- **Coke** segment result increased by approximately RMB82.1 million or approximately 20.2% as compared to the same period of the preceding year. The increase in segment result was mainly due to the rise in demand and prices caused by China's economic adjustment. The average price of coke raised by 35.2% as compared to the same period of the preceding year. Due to the relevant production policies of the government, the average purchase price of the Group's main raw material coking coal just recorded a steady growth for 8.5% compared to the same period of the preceding year. Therefore, the gross profit margin of the coke segment in the first half of 2021 increased to approximately 36.6%.

- **Trading** segment result decreased by approximately RMB4.6 million or approximately 16.3% as compared to the same period of the preceding year. The decrease in segment result was mainly due to the Company's business strategy in the maintenance of the volume in trading activity in the first half of 2021. And the segment gross profit margin still remained around 3.1% as compared to the 3.5% of same period of the preceding year.

- **Refined Chemicals** segment result increased by approximately RMB105.3 million or approximately 1,441.9% as compared to the same period of the preceding year. This is due to a significant rise in international crude oil prices, that resulted in a significant rise also occurred in refined chemicals market price, thus, the segment gross profit margin recorded a significant increase from -1.5% to 12.7%.

- **Energy Products** segment result decreased by approximately RMB35.1 million or approximately 91.1% as compared to the same period of the preceding year. The decline in segment performance was mainly due to the drop in production of coal gas from the coking process that was resulted from the cessation of operations of the Group's two 4.3 meters coking furnaces in December 2020. With the reduced production of coal gas, LNG production was basically suspended in the first half of 2021.

FINANCIAL POSITION

Financial Resources

In the first half of 2021, 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 have confirmed that the Group did not experience any liquidity problems in the first half of 2021.

The Group's finance department prepares cash flow projections, which are reviewed regularly by the Group's senior management.

Specific considerations in determining the Group's appropriate cash position include the Group's forecast working capital and capital expenditure needs and the Group's liquidity ratios, and the Group also aims to maintain a certain level of excess cash to meet unexpected needs.

Cash Flow

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

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash from operating activities	**409,697**	411,568
Net cash used in investing activities	**(1,376,091)**	(496,261)
Net cash from financing activities	**101,173**	(215,070)
Net increase in cash and cash equivalents	**(865,221)**	(299,763)
Cash and cash equivalents at the beginning of the year	**1,355,149**	1,697,816
Impact of change in exchange rate	**104**	186
Cash and cash equivalents at the end of the year, representing bank balances and cash	**490,032**	1,398,239

- Cash Flow from Operating Activities

  In the first half of 2021, the Group's net cash from operating activities of approximately RMB409.7 million was primarily attributable to (i) the Group's operating cash flows before movements in working capital of approximately RMB597.9 million; (ii) decrease in inventories of approximately RMB198.3 million; and (iii) increase in trade and other payables of approximately RMB109.0 million. Yet the net cash inflow from operating activities are partially offset by (iv) increase in trade and other receivables of approximately RMB33.2 million; (v) increase in amounts due from related parties of approximately RMB36.6 million; (vi) increase in amounts due from a shareholder of approximately RMB14.2 million; and (vii) income tax paid of approximately RMB111.4 million.

- Cash Flow from Investing Activities

  In the first half of 2021, the Group's net cash used in investing activities of approximately RMB1,376.1 million was primarily due to (i) acquisition of property, plant and equipment or payment for right-of-use assets or other non-current assets of approximately RMB1,022.3 million; (ii) payment of approximately RMB206.0 million in relation to acquisition projects in prior year; (iii) net withdrawal of approximately RMB143.1 million from restricted bank balances; (iv) net pay in advance to a supplier for approximately RMB12.2 million and yet, partially offset by interest received for approximately RMB7.5 million.

- Cash Flow from Financing Activities

  In the first half of 2021, the Group's net cash from financing activities of approximately RMB101.2 million was primarily due to a net increase in bank and other borrowings of approximately RMB170.1 million; payment of dividends of approximately RMB123.6 million and interest expenses of approximately RMB24.7 million; yet partially offset by a capital contribution from the non-controlling interests of a subsidiary of RMB80.0 million.

Liabilities

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

	As at 30 June 2021	As at 31 December 2020	Increase/ (decrease)
	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000
Bank borrowings:			
Secured	**204,548**	8,200	196,348
Unsecured	**797,249**	853,500	(56,251)
	1,001,797	861,700	140,097
Fixed rate borrowings	**633,500**	562,200	71,300
Floating rate borrowings	**368,297**	299,500	68,797
	1,001,797	861,700	140,097
Carrying amount repayable based on scheduled payment terms			
Within one year	**518,519**	501,700	16,819
More than one year, but not more than two years	**478,000**	255,000	223,000
More than two year, but not more than five years	**5,278**	105,000	(99,722)
	1,001,797	861,700	140,097
Less: Amount shown under current liabilities	**(518,519)**	(501,700)	(16,819)
Amount due after one year shown under non-current liabilities	**483,278**	360,000	123,278

The Group's bank borrowings in 2020 and the first half of 2021 were all borrowings denominated in Renminbi. As at 31 December 2020, RMB8.2 million of the Group's borrowings were secured by the Group's land use rights and bank bills. All remaining secured borrowings were credit borrowings. As at 30 June 2021, the Group's borrowings of RMB204.5 million were secured by land use rights, construction in progress and bank bills.

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

	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
Effective interest rate:		
– Fixed-rate borrowings	**4.25% – 6.30%**	4.61% – 6.30%
– Floating-rate borrowings	**3.85% – 6.20%**	3.72% – 6.30%

As at 30 June 2021, the Group had obtained banking facilities in an aggregate amount of approximately RMB2,553.0 million (2020: RMB1,023.0 million), of which total amount of approximately RMB1,551.2 million (2020: RMB301.3 million) is still available for use. As at 30 June 2021, the Group had total outstanding bank borrowings of approximately RMB1,001.8 million (2020: RMB861.7 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 RMB337.5 million falling due in the first half of 2021 according to needs).

Save as disclosed in this "Financial Position" section, the Directors confirm that there has been no material change in the Group's indebtedness and contingent liabilities since 30 June 2021 and up to the date of this report. As at 30 June 2021, save as disclosed in this "Financial Position" section and apart from normal trade payables, intra-group liabilities and amounts due to connected parties and related parties, the Group did not have any outstanding mortgages, charges or pledges, debentures or other debt securities, term loans, loan capital, other borrowings or other similar indebtedness (including bank loans and overdrafts, hire purchase commitments, acceptance liabilities or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that, for the six months ended 30 June 2021, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during the first half of 2021, the Group did not experience any difficulty in obtaining bank loans and other borrowings, or any default in payment of bank loans and other borrowings or breach of covenants. The Directors believe that the Group maintains good relationships with the Group's lenders generally and they expect that, based on the current prevailing market conditions, the Group will be able to obtain replacement financing commitments when the Group's short-term bank borrowings become due.

FINANCIAL RATIOS

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

	Six months ended 30 June 2021	Year ended 31 December 2020
Gearing ratio	**0.23x**	0.22x
Return on equity (annualized ratio)	**22.3%**	17.6%
Return on assets (annualized ratio)	**10.2%**	8.8%

Gearing Ratio

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

The Group's gearing ratio slightly increased for the first half of 2021, mainly due to the fact that while the total interest-bearing bank borrowings increased in phase with the rise in total equity. Both the capital of the joint venture partner and profit for the period contributed to the increase in total equity.

Return on Equity

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

The Group's return on equity increased from 17.6% to 22.3% was due to an increase in the Group's profit primarily driven by the significant increase in margin spread between prices of coke and coking coal.

Return on Assets

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

The Group's return on assets increased from 8.8% to 10.2% was mainly due to the significant growth in the Group's profit and slight increase in contribution in assets of the Group.

CONTRACTUAL OBLIGATIONS AND CAPITAL EXPENDITURE

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

	As at 30 June 2021	As at 31 December 2020
	RMB' 000 (Unaudited)	RMB' 000 (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but without provision in the consolidated financial statements	**1,396,484**	897,930

The Group's capital commitments for the six months ended 30 June 2021 primarily relate to the construction of the Group's construction project of coking facilities of 1.8 million tons per annum. The Group expects to fund such capital commitments principally by bank loans and cash generated from the Group's operations.

Other than the transactions described in the above table, as at 30 June 2021, the Group had no other material contractual commitments.

Off-Balance Sheet Arrangements

The Group did not have any material off-balance sheet arrangements as at 30 June 2021. Specifically, the Group has not entered into any derivative contracts that are indexed to the Group's shares and classified as shareholders' equity, or that are not reflected in the Group's consolidated financial statements. Furthermore, the Group does not have any retained or contingent interests in assets transferred to an unconsolidated entity to serve as credit, liquidity or market risk support for such entity. Moreover, the Group does not have any variable interests in any unconsolidated entity that provides financing, liquidity, market risk or credit support to the Group or engages in leasing, hedging or research and development services with the Group.

CONTINGENT LIABILITIES

During the first half year of 2021, 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 endorsed and discounted bills receivables are issued and guaranteed by 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:

	As at 30 June 2021	As at 31 December 2020
	RMB'000 (Unaudited)	RMB'000 (Audited)
Endorsed bills for settlement of payables	2,202,378	2,430,853
Discounted bills for raising cash	292,684	183,633
Outstanding endorsed and discounted bill receivables with recourse	2,495,062	2,614,486

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

SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

Save as disclosed under the section headed "Major Developments" in this report, from the end of the reporting period 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 discipline operating and financial activities. During the first half of 2021, the Group has not entered into any foreign exchange or interest rate hedging contract or forward purchase or sale contract for commodities.

Other than the HK dollar proceeds of listing (HK$7.5 million and HK$9.7 million as at 30 June 2021 and 31 December 2020 respectively) pending remittance back to China, the Group has no exposure to significant exchange risks as all its operations are within China where there are no foreign currencies transactions, assets or liabilities.

Commodity Price Risk

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

Interest Rate Risk

The Group is subject to fair value interest rate risk in relation to the Group's interest-bearing 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 2021, the Group had fixed-rate borrowings in the amount of approximately RMB633.5 million (31 December 2020: RMB562.2 million).

The Group currently does not have an interest rate hedging policy, but the Group's management will consider hedging significant interest rate risk should the need arise.

Credit Risk

In the event that the Group's counterparties fail to perform their obligations, the Group's exposure to credit risk in relation to each class of recognized financial assets as at 30 June 2021 is the carrying amount of those assets stated in the condensed consolidated statements of financial position, and the maximum outstanding amount of contingent liabilities 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 the credit risk, the Group's management continues to monitor the level of risk exposure to ensure that the Group can recover any overdue debts. In addition, the Group 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 46% and 71% of exposure concentrated in five largest outstanding balances for the six months ended 30 June 2021 and the year ended 31 December 2020, 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.

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. For the first half of 2021, the Group increased the long-term fixed rate borrowings to replace part of the short-term floating rate borrowings.

DISTRIBUTABLE RESERVES

As at 30 June 2021, the Company had distributable reserves (i.e. retained profits) of RMB1,656.1 million (2020: RMB1,471.8 million).

For the six months ended 30 June 2021, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the first half of 2021.

NO MATERIAL ADVERSE CHANGE

As the control measures over COVID-19 in China remains effective, the China economy maintained a steady growth in the first half of 2021. The Board considered that it has no material impact on the operation and sales of the Group based on the available information recently. Therefore, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2021 and up to the date of this report.

DIVIDEND AND DIVIDEND POLICY

On 1 April 2021, the Company declared a 2020 final dividend of RMB0.20 per share, in an aggregate amount of RMB107,084,000 which were fully settled in June 2021.

In order to provide return to its shareholders, and having considered the financial and business conditions of the Group, the Group has established a dividend policy, subject to the relevant laws and regulations in the PRC and Hong Kong, the dividend to be distributed by the Company each year will not be less than 25% of the profit and total comprehensive income attributable to the Company's shareholders for the year. The PRC laws require that dividends shall be paid only out of the net profit calculated according to the PRC accounting principles, which may differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS.

On 16 August 2021, the Board recommended the payment of an interim dividend of RMB0.10 per share for the six months ended 30 June 2021. The interim dividend is subject to the approval of the shareholders of the Company at the forthcoming extraordinary general meeting of the Company. Please refer to the announcement to be issued by the Company for details on the closure of register of members in determining the shareholders who are eligible for the 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 organised 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 2020 and the six months ended 30 June 2021, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2020 and 30 June 2021, respectively.

NET PROCEEDS FROM THE LISTING OF THE COMPANY

The net proceeds from the listing of the Company (after deducting underwriting fees and other estimated expenses in connection with the global offering of the Company's shares) was approximately HK$358.7 million (equivalent to approximately RMB321.0 million). The Company has utilized the proceeds raised from the listing in accordance with the intended purposes as stated in the prospectus of the Company issued on 26 September 2017.

Analysis on the comparison between intended use of the net proceeds from the listing as disclosed in the prospectus and the actual use of such net proceeds from the Listing Date to 30 June 2021 and 31 December 2020 is set out below:

Business purpose as disclosed in the prospectus	Intended use of net proceeds		Actual use of net proceeds from the Listing Date to 31 December 2020	Unutilized net proceeds as at 31 December 2020	**Actual use of net proceeds from the Listing Date to 30 June 2021**	**Unutilized net proceeds as at 30 June 2021**	Estimated timetable for the utilization
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	**RMB'000 (unaudited)**	**RMB'000 (unaudited)**	
LNG project – coke granules coal gas facilities	128,400	40%	128,400	–	**128,400**	**–**	–
LNG project – LNG production facilities	32,100	10%	32,100	–	**32,100**	**–**	–
Dry quenching facility for coking furnaces 1 and 2	128,400	40%	100,674	27,726	**108,138**	**20,262**	December 2021
Working capital and other corporate purposes	32,100	10%	32,100	–	**32,100**	**–**	–
	321,000	100%	293,274	27,726	**300,738**	**20,262**	

The unutilized net proceeds as at 30 June 2021 shall mainly be applied to settle the balance of the payment concerning the implementation of dry quenching facility for coking furnaces 1 and 2, which are expected to be paid by the end of this year after the completion of the relevant inspection work to the Group's satisfaction.

The Company persists in becoming an enterprise full of sense of social responsibility, by adhering to the principle of harmonious development combining economic benefit and social benefit, promoting technological progress in the industry consistently and assuming social responsibility proactively.

The Company upholds a sound and efficient corporate governance philosophy while also focusing on shareholders' interests and is determined to achieve a high standard of corporate governance. In addition to following internationally accepted rules, the Company also continuously improves its internal control system through internal and third party audits.

CORPORATE GOVERNANCE CODE AND THE ARTICLES OF ASSOCIATION

The Company has formulated the Articles of Association of the Company (the "Articles") in accordance with the PRC Company Law, and other relevant laws and regulations of the PRC. These Articles are the code of conduct for the Company, regulating the organization and behavior 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 14 of the Listing Rules, and formulated a series of rules (such as Internal Audit Rules, Internal Control Evaluation Rules, Compliance Management Rules, Authorization Management Rules and External Investment Management Rules, etc.) as well as the Terms of Reference of Nomination Committee, Remuneration Committee and Audit Committee, to achieve the objective of good corporate governance.

During the six months ended 30 June 2021, the Company has complied with all the provisions under the Listing Rules and the Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules and the company secretary has also issued to all Directors and Supervisors a compliance notice of suspending trading during the black-out period in accordance with the Model Code. Having made specific enquiries 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 2021.

BOARD OF DIRECTORS

The current 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 current session of the Board of Directors are listed as follows:

Executive Directors

Mr. Yiu Chiu Fai (Chairman)
Mr. Wang Mingzhong (Chief Executive Officer)
Mr. Li Tianxi (Executive Deputy General Manager)

Non-executive Directors

Mr. Hu Xiayu (Deputy Chairman)
Ms. Ye Ting
Mr. Wang Kaibao

Independent Non-executive Directors

Mr. Wu Tak Lung
Mr. Meng Zhihe
Mr. Cao Hongbin

SUPERVISORS

The current 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 current session of the Supervisory Committee are listed as follows:

Supervisors

Mr. Wong Tsz Leung (Chairman)
Ms. Li Lijuan
Mr. Zhou Tao, David
Ms. Tian Fangyuan
Ms. Hao Yali
Mr. Fan Xiaozhu (appointed on 23 April 2021)
Mr. Zhang Wujun (resigned on 23 April 2021)

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 2021 and up to the date of this interim report are as follows:

Directors	**Details of change**
Mr. Wu Tak Lung	China Machinery Engineering Corporation, a company listed on the Hong Kong Stock Exchange (stock code: 1829), was delisted on 6 August 2021. Mr. Wu remains an independent non-executive director of the company.

Supervisors	**Details of change**
Mr. Zhang Wujun	resigned as the employee representative Supervisor on 23 April 2021.
Mr. Fan Xiaozhu	was appointed as the employee representative Supervisor on 23 April 2021. The biographical details of Mr. Fan are set out below: Mr. Fan Xiaozhu (范小柱), aged 33. Mr. Fan joined the Group in 2016 as a safety officer and served as the deputy manager of the production department of the Company since 2021. He is mainly responsible for formulating and supervising the implementation of safe production. Mr. Fan is qualified as an assistant engineer in chemical engineering and an intermediate certified safety engineer in chemical safety in the PRC. Mr. Fan graduated from the programme of applied chemical technology in the Chemical Technology Vocational College of Henan Industrial University in 2009 and further graduated from the junior college to bachelor degree transfer programme of chemical engineering and technology in Henan Institute of Science and Technology in 2017. Mr. Fan will not receive any supervisors remuneration and/or allowance from the Company during his term as an employee representative Supervisor of the Company but under his term as a deputy manager of the production department of the Company, he is currently entitled to a basic salary of RMB130,000 per annum and the retirement benefit in accordance with the relevant PRC labour laws and regulations, and is eligible to receive the performance-related discretionary bonus to be recommended by the Company's remuneration committee and the Board. Mr. Fan has entered into a service contract with the Company in respect of his appointment as an employee representative Supervisor, and his term of office will be from 23 April 2021 to the expiry date of the term of office of the current session of the supervisory committee of the Company.
Mr. Zhou Tao, David	Mr. Zhou resigned as the company secretary of Wealthking Investments Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1140) in June 2021, and has served as the person in charge of compliance in Dongxing Securities (Hong Kong) Financial Holdings Limited since June 2021.

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2021, 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 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	Class of shares	Number of shares Held (Note 1)	Approximate percentage of shareholding in the relevant class of shares of the Company (Note 2)	Approximate percentage of shareholding in the total share capital of the Company (Note 3)
Mr. Yiu Chiu Fai	Interests in controlled corporation (Note 4)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
	Beneficial owner	H Shares	1,453,000 (L)	1.07%	0.27%

Notes:

1. The letter "L" denotes the person's long position in such Shares.

2. As advised by the PRC legal advisers of the Company, holders of the unlisted foreign shares are treated as if they are in the same class as the holders of domestic shares. The percentage is based on the total number of 400,000,000 domestic shares and unlisted foreign shares in issue as the total number of domestic shares and 135,421,000 H shares in issue.

3. The calculation is based on the total number of 535,421,000 Shares in issue.

4. Mr. Yiu Chiu Fai (an executive Director) is the legal and beneficial owner of the entire issued share capital of Golden Star. Golden Star, in turns, holds 96.3% of the issued share capital of Jinma Coking, and 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.

Save as disclosed above, as at 30 June 2021, 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 the Reporting Period and as at 30 June 2021, none of the Directors or Supervisors of the Company, 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 the 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 of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SECURITIES

As at 30 June 2021, 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	Class of shares	Number of shares Held (Note 1)	Approximate percentage of shareholding in the relevant class of shares of the Company (Note 2)	Approximate percentage of shareholding in the total share capital of the Company (Note 3)
Jinma HK	Beneficial owner	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Jinma Coking	Interests in controlled corporation (Note 4)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Golden Star	Interests in controlled corporation (Note 5)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
Ms. Lam Yuk Wai	Interest of spouse (Note 6)	Unlisted Foreign Shares	162,000,000 (L)	40.50%	30.26%
		H Shares	1,453,000 (L)	1.07%	0.27%
Maanshan Steel	Beneficial owner (Note 7)	Domestic Shares	144,000,000 (L)	36.00%	26.89%
Magang (Group) Holdings Co., Ltd.	Interests in controlled corporation (Note 7)	Domestic Shares	144,000,000 (L)	36.00%	26.89%
Jiangxi PXSteel	Beneficial owner	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Liaoning Fangda Group Industrial Co., Ltd.	Interests in controlled corporation (Note 8)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Beijing Fangda International Enterprise Investment Co., Ltd.	Interests in controlled corporation (Note 9)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Mr. Fang Wei	Interests in controlled corporation (Note 10)	Domestic Shares	54,000,000 (L)	13.50%	10.09%
Jinma Xingye	Beneficial owner	Domestic Shares	40,000,000 (L)	10.00%	7.47%
Mr. Wang Lijie	Interests in controlled corporation (Note 11)	Domestic Shares	40,000,000 (L)	10.00%	7.47%
Ms. Zheng Jing	Interest of spouse (Note 12)	Domestic Shares	40,000,000 (L)	10.00%	7.47%
RAYS Capital Partners Limited	Investment manager	H Shares	21,806,000 (L)	16.10%	4.07%
Ruan David Ching Chi	Interests in controlled corporation (Note 13)	H Shares	21,806,000 (L)	16.10%	4.07%
Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial owner	H Shares	21,791,000 (L)	16.09%	4.07%
China Risun Group (Hong Kong) Limited	Beneficial owner (Note 14)	H Shares	13,000,000 (L)	9.60%	2.43%
Morgan Stanley	Interests in controlled corporation (Note 15)	H Shares	6,855,945(L)	5.06%	1.28%

Notes:

1. The letter "L" denotes the entity/person's long position in such Shares.

2. As advised by the PRC Legal Advisers, holders of the unlisted foreign shares are treated as if they are in the same class as the holders of domestic shares. The percentage is based on the total number of 400,000,000 domestic shares and unlisted foreign shares in issue as the total number of domestic shares and 135,421,000 H shares in issue.

3. The percentage is based on the total number of 535,421,000 Shares in issue.

4. 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.

5. 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.

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 45.54% 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, while Liaoning Fangda Group Industrial Co., Ltd. ("Liaoning Fangda") is directly and indirectly interested in approximately 60.46% of Jiangxi PXSteel, Liaoning Fangda is the holding company. Accordingly, Liaoning Fangda is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO.

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. Mr. Wang Lijie (王利杰) 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.

12. Ms. Zheng Jing (鄭菁) is the wife of Mr. Wang Lijie, and thus, she is deemed to be interested in the same amount of Shares as Mr. Wang.

13. Mr. Ruan David Ching Chi is the holder of approximately 95.24% shares in RAYS Capital Partners Limited, and RAYS Capital Partners Limited holds 100% shares in Asian Equity Special Opportunities Portfolio Master Fund Limited. Accordingly, Mr. Ruan David Ching Chi is deemed to be interested in the interest owned by RAYS Capital Partners Limited and Asian Equity Special Opportunities Portfolio Master Fund Limited in the Company by virtue of the SFO.

14. China Risun Group (Hong Kong) Limited (formerly known as Risun Coal Chemicals Group Limited), is a company incorporated in Hong Kong with limited liability on 5 March, 2007 and an indirect wholly-owned subsidiary of China Risun Group Limited. Accordingly, China Risun Group Limited is deemed to be interested in China Risun Group (Hong Kong) Limited's interest in the Company by virtue of the SFO.

15. Morgan Stanley, a company listed on the New York Stock Exchange, has 100% indirect interest in Morgan Stanley & Co. International plc. Accordingly, Morgan Stanley is deemed to be interested in Morgan Stanley & Co. International plc.'s interest in the Company by virtue of the SFO.

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 2021.

COMPLETION OF THE FULL CIRCULATION OF SHARES

The Company has applied to the Listing Committee of the Stock Exchange for the approval (the "Listing Approval") of the listing of and permission to deal in 400,000,000 H Shares (the "Converted H Shares", being the maximum domestic shares and unlisted foreign shares that will be converted under the Conversion). The Listing Approval was granted by the Stock Exchange on 6 July 2021, and the Converted H Shares have been listed on the Stock Exchange since 9:00 a.m. on 12 July 2021.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended 30 June 2021, neither the Company nor any and of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

PROVISION OF FINANCIAL SUBSIDIES AND GUARANTEES FOR ASSOCIATES OR SUBSIDIARIES

As at 30 June 2021, financial guarantees were provided by the Company for banking facilities of RMB24.0 million to Jinyuan Chemicals, a wholly-owned subsidiary of the Company.

EMPLOYEES AND REMUNERATION POLICY

Employees are the Group's important asset. As at 30 June 2021, the Group had a total of 1,890 employees, including 17 senior management, 96 mid-level management and 1,777 ordinary employees. For the six months ended 30 June 2021, the staff cost of the Group amounted to approximately RMB93.9 million as compared to approximately RMB58.5 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 of Directors, remuneration packages (including non-pecuniary benefits, pension rights and compensation) of individual executive Directors and remuneration packages of 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 employee. 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 labor laws and regulations.

According to the development plan and operating requirements of the Company, management formulates the annual training plans and the human resources department organizes annual external and internal trainings covering all employees. Among these, the training programs include comprehensive and long-term courses in management and finance and also include special short term training courses in management, production and organization. In addition, the Company is also committed to providing employees with all kinds of special trainings such as safety, environmental protection, use of equipment, technical skills, etc., and strives to offer employees with various targeted trainings from job entry to 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. Wu Tak Lung (independent non-executive Director), Mr. Hu Xiayu (non-executive Director) and Mr. Meng Zhihe (independent non-executive Director), and is chaired by Mr. Wu Tak Lung.

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 the reporting period. The Audit Committee also has reviewed this interim report. The Company's unaudited consolidated interim results for the 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.

INTERIM DIVIDEND

The final dividend of 2020 was RMB0.20 per share, which was fully paid in June 2021.

The Board has resolved to recommend the payment of interim dividend of RMB0.10 per share for the six months ended 30 June 2021 in cash to shareholders whose names appear on the register of members of the Company on 20 October 2021.

The relevant resolutions are subject to the approval by the shareholders at the extraordinary general meeting of the Company to be convened on 15 October 2021. The interim dividend is expected to be distributed on or before the end of November 2021.

TAX ON DIVIDENDS FOR H SHAREHOLDERS

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

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

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

Pursuant to the applicable provisions and the implementing regulations of the Individual Income Tax Law of the PRC《中華人民共和國個人所得稅法》, the State Administration of Taxation on the Administrative Measures on Enjoying Tax Treaty Treatment by Non-resident Taxpayers (State Administrative of Taxation Announcement 2019 No. 35) ("Tax Treaty Announcement") and other relevant laws and regulations as well as regulatory documents, the Company will withhold and pay individual income tax for the H shareholders according to the following arrangement:

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

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

For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the relevant shareholders shall file, report according to the Tax Treaty Announcement and enjoy treaty benefits and retain the relevant materials for future reference. If the information submitted is complete, the Company will withhold and pay individual income tax in accordance with the provisions of PRC tax laws and the tax treaty. If the relevant individual H Shareholders do not submit the information or the information submitted is not complete, the Company will withhold and pay individual income tax at a tax rate of 10%;

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

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

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

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

APPRECIATIONS

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.

Yiu Chiu Fai
Chairman of the Board

16 August 2021

TO THE BOARD OF DIRECTORS OF HENAN JINMA ENERGY COMPANY LIMITED
(a joint stock company established in the People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Henan Jinma Energy Company Limited (the "Company") and its subsidiaries set out on pages 33 to 66, which comprise the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
16 August 2021

	NOTES	Six months ended 30/06/2021 RMB'000 (unaudited)	Six months ended 30/06/2020 RMB'000 (unaudited) (restated)
Continuing operations			
Revenue	3	**3,035,392**	3,336,579
Cost of sales		**(2,428,851)**	(2,870,752)
Gross profit		**606,541**	465,827
Other income	4	**22,632**	22,889
Other gains and losses	5	**(38,001)**	2,663
Impairment losses under expected credit loss ("ECL") model, net of reversal	6	**(10,694)**	(835)
Distribution and selling expenses		**(33,219)**	(79,569)
Administrative expenses		**(60,983)**	(45,327)
Finance costs	7	**(23,868)**	(27,540)
Share of result of a joint venture		**994**	1,508
Share of results of associates		**–**	(9,220)
Profit before tax	8	**463,402**	330,396
Income tax expense	9	**(121,171)**	(87,501)
Profit for the period from continuing operations		**342,231**	242,895
Discontinued operations			
Profit (loss) for the period from discontinued operations	10	**706**	(1,416)
Profit for the period		**342,937**	241,479
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on:			
Bills receivables measured at fair value through other comprehensive income ("FVTOCI")		**(335)**	1,669
Total comprehensive income for the period		**342,602**	243,148

	NOTE	Six months ended 30/06/2021 RMB'000 (unaudited)	Six months ended 30/06/2020 RMB'000 (unaudited) (restated)
Profit (loss) for the period attributable to owners of the Company:			
– from continuing operations		**339,877**	226,836
– from discontinued operations		**(3,340)**	(1,279)
		336,537	225,557
Profit (loss) for the period attributable to non-controlling interests:			
– from continuing operations		**2,354**	16,059
– from discontinued operations		**4,046**	(137)
		6,400	15,922
		342,937	241,479
Total comprehensive income for the period attributable to:			
– Owners of the Company		**336,202**	227,226
– Non-controlling interests		**6,400**	15,922
		342,602	243,148
Total comprehensive income (expense) for the period attributable to owners of the Company:			
– from continuing operations		**339,542**	228,505
– from discontinued operations		**(3,340)**	(1,279)
		336,202	227,226
Earnings per share (RMB)			
From continuing and discontinued operations			
– Basic	12	**0.63**	0.42
From continuing operations			
– Basic	12	**0.63**	0.42

	NOTES	30/06/2021	31/12/2020
		RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment	13	2,988,743	2,390,900
Right-of-use assets	13	335,710	227,484
Intangible assets		54,359	61,658
Goodwill		8,902	38,294
Interest in a joint venture		57,162	56,168
Interests in associates		–	2,260
Advance to an associate		15,000	15,000
Deferred tax assets	14	30,884	31,158
Deposit for acquisition of property, plant and equipment		172,486	124,326
Prepayment for other non-current assets		10,755	–
		3,674,001	2,947,248
CURRENT ASSETS			
Inventories		164,945	370,945
Trade and other receivables	15	363,462	298,118
Amounts due from a shareholder	16	26,004	11,770
Amounts due from related parties	17	2,835	113,260
Financial assets at fair value through profit or loss ("FVTPL")	18	288,471	59,807
Bills receivables at FVTOCI	19	926,349	842,274
Restricted bank balances		535,565	392,458
Bank balances and cash		488,790	1,355,149
		2,796,421	3,443,781
Assets classified as held for sale	20	611,610	–
		3,408,031	3,443,781

	NOTES	30/06/2021	31/12/2020
		RMB'000	RMB'000
		(unaudited)	(audited)
CURRENT LIABILITIES			
Borrowings	21	518,519	501,700
Trade and other payables	22	1,536,431	1,407,029
Amounts due to related parties	23	38	1,211
Contract liabilities		48,861	49,851
Lease liabilities		1,086	2,962
Tax payable		27,962	30,984
		2,132,897	1,993,737
Liabilities associated with assets classified as held for sale	20	118,937	–
		2,251,834	1,993,737
NET CURRENT ASSETS		1,156,197	1,450,044
TOTAL ASSETS LESS CURRENT LIABILITIES		4,830,198	4,397,292
CAPITAL AND RESERVES			
Share capital	24	535,421	535,421
Reserves		2,593,825	2,364,707
Equity attributable to owners of the Company		3,129,246	2,900,128
Non-controlling interests		1,150,203	1,080,365
TOTAL EQUITY		4,279,449	3,980,493
NON-CURRENT LIABILITIES			
Borrowings	21	483,278	360,000
Lease liabilities		2,878	6,934
Deferred revenue		20,827	21,876
Deferred tax liabilities	14	43,766	27,989
		550,749	416,799
		4,830,198	4,397,292

Yiu Chiu Fai	**Wang Mingzhong**
DIRECTOR	*DIRECTOR*

	Attributable to owners of the Company								
	Share capital	Capital reserve	FVTOCI reserve	Statutory surplus reserve fund	Retained profits	Special Reserve	Total	Non-controlling 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	RMB'000
At 1 January 2021 (audited)	535,421	386,695	(7,473)	242,311	1,719,926	23,248	2,900,128	1,080,365	3,980,493
Profit for the period	–	–	–	–	336,537	–	336,537	6,400	342,937
Other comprehensive expense for the period	–	–	(335)	–	–	–	(335)	–	(335)
Total comprehensive (expense) income for the period	–	–	(335)	–	336,537	–	336,202	6,400	342,602
Dividends paid (Note 11)	–	–	–	–	(107,084)	–	(107,084)	(16,562)	(123,646)
Capital contribution from non-controlling shareholder (Note iv)	–	–	–	–	–	–	–	80,000	80,000
Transfer and utilisation	–	–	–	–	(107)	107	–	–	–
At 30 June 2021 (unaudited)	535,421	386,695	(7,808)	242,311	1,949,272	23,355	3,129,246	1,150,203	4,279,449
At 1 January 2020 (audited)	535,421	386,695	(9,296)	199,838	1,494,317	20,026	2,627,001	765,224	3,392,225
Profit for the period	–	–	–	–	225,557	–	225,557	15,922	241,479
Other comprehensive income for the period	–	–	1,669	–	–	–	1,669	–	1,669
Total comprehensive income for the period	–	–	1,669	–	225,557	–	227,226	15,922	243,148
Dividends paid (Note 11)	–	–	–	–	(160,626)	–	(160,626)	(9,800)	(170,426)
Capital contribution from non-controlling shareholder (Note v)	–	–	–	–	–	–	–	24,500	24,500
Acquisition of business	–	–	–	–	–	–	–	92,247	92,247
Transfer and utilisation	–	–	–	–	(2,894)	2,345	(549)	–	(549)
At 30 June 2020 (unaudited)	535,421	386,695	(7,627)	199,838	1,556,354	22,371	2,693,052	888,093	3,581,145

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 (the "Stock Exchange") in year 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 CaiQi [2006] No. 478 "Tentative measures for the financial management of the production safety fund for the high risk enterprises" that is issued by the Ministry of Finance and the Safety Production General Bureau. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

(iv) It represents the capital contribution from non-controlling shareholders of Shaanxi Jinma Energy Sources Co., Ltd., ("Shaanxi Jinma") 陝西金馬能源有限公司 and Yan'an Jinneng Railway Logistics Technology Co., Ltd., ("Yan'an Jinneng") 延安金能鐵路物流科技有限公司, established in April 2020 and May 2020, respectively.

(v) It represents the capital contribution from a non-controlling shareholder of Yan'an Jinneng.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**409,697**	411,568
INVESTING ACTIVITIES		
Interest received	**7,537**	14,657
Purchase of property, plant and equipment	**(629,983)**	(208,391)
Deposit for acquisition of property, plant and equipment	**(194,486)**	(92,052)
Advance to a supplier	**(60,000)**	–
Repayment from a supplier	**47,800**	–
Prepayment for other non-current assets	**(10,755)**	–
Proceeds from disposal of property, plant and equipment	**24,529**	1,311
Payments for right-of-use assets	**(201,586)**	–
Acquisition of a subsidiary/business (Note 28)	**(10,040)**	(16,653)
Payment for acquisition of a subsidiary in prior year	**(206,000)**	–
Investments in an associate	**–**	(1,750)
Placement of restricted bank balances	**(517,513)**	(370,741)
Withdrawal from restricted bank balances	**374,406**	177,358
NET CASH USED IN INVESTING ACTIVITIES	**(1,376,091)**	(496,261)
FINANCING ACTIVITIES		
Interest paid	**(24,693)**	(27,837)
New borrowings raised	**515,797**	429,200
Repayment of borrowings	**(345,700)**	(468,800)
Repayments of lease liabilities	**(585)**	(1,707)
Capital contributions from non-controlling interests of a subsidiary	**80,000**	24,500
Dividends paid	**(107,084)**	(160,626)
Dividends paid to non-controlling interests of a subsidiary	**(16,562)**	(9,800)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**101,173**	(215,070)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(865,221)**	(299,763)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,355,149**	1,697,816
Effect of foreign exchange rate changes	**104**	186
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, REPRESENTED BY:		
Bank balances and cash	**490,032**	1,398,239

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 Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange.

The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the Disposal Group (as defined in Note 10) as discontinued operations.

2. PRINCIPAL 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 values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2020.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021".

The application of the amendments to IFRSs 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.

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

Continuing operations

	For the six months ended 30 June 2021 (unaudited)						
Segments*	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Business	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service							
Sales of goods							
Coke	1,333,135	–	–	–	624,824	–	1,957,959
Ammonium sulphate	–	4,319	–	–	–	–	4,319
Benzene based chemicals	–	28,393	490,109	–	–	–	518,502
Coal tar based chemicals	–	66,484	289,238	–	–	–	355,722
Coal gas	–	–	–	230,600	–	–	230,600
LNG	–	–	–	938	34,883	–	35,821
Coal	–	–	–	–	63,363	–	63,363
Refined oil	–	–	–	–	32,889	–	32,889
Others	–	10,617	–	2,952	10,866	670	25,105
	1,333,135	109,813	779,347	234,490	766,825	670	3,224,280
Providing services							
Trading agency	–	–	–	–	11,636	–	11,636
Energy supply	–	–	–	8,702	–	19,233	27,935
Others	–	–	–	–	–	4,713	4,713
	–	–	–	8,702	11,636	23,946	44,284
Total	1,333,135	109,813	779,347	243,192	778,461	24,616	3,268,564

* 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 2021 (unaudited)		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	1,333,135	–	1,333,135
Coking by-products	109,813	94,877	14,936
Refined chemicals	779,347	7,204	772,143
Energy products	243,192	100,848	142,344
Trading	778,461	12,012	766,449
Other Business	24,616	18,231	6,385
Revenue from contracts with customers	3,268,564	233,172	3,035,392

3. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue from contracts with customers (continued)

Continuing operations

	For the six months ended 30 June 2020 (unaudited) (restated)						
Segments	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Business	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service							
Sales of goods							
Coke	1,801,314	–	–	–	678,728	–	2,480,042
Ammonium sulphate	–	5,964	–	–	–	–	5,964
Benzene based chemicals	–	40,627	302,427	–	–	–	343,054
Coal tar based chemicals	–	79,957	203,502	–	–	–	283,459
Coal gas	–	–	–	295,041	–	–	295,041
LNG	–	–	–	113,647	14,669	–	128,316
Coal	–	–	–	–	157,764	–	157,764
Refined oil	–	–	–	–	18,441	–	18,441
Others	–	–	–	2,974	24,829	2,000	29,803
	1,801,314	126,548	505,929	411,662	894,431	2,000	3,741,884
Providing services							
Trading agency	–	–	–	–	9,777	–	9,777
Energy supply	–	–	–	9,273	–	50,515	59,788
Others	–	–	–	–	–	988	988
	–	–	–	9,273	9,777	51,503	70,553
Total	1,801,314	126,548	505,929	420,935	904,208	53,503	3,812,437

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 2020 (unaudited) (restated)		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	1,801,314	–	1,801,314
Coking by-products	126,548	120,584	5,964
Refined chemicals	505,929	10,706	495,223
Energy products	420,935	197,837	223,098
Trading	904,208	101,585	802,623
Other Business	53,503	45,146	8,357
Revenue from contracts with customers	3,812,437	475,858	3,336,579

3. REVENUE AND SEGMENT INFORMATION (continued)

Performance obligations for contracts with customers

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

For sales of and trading as a principal of coke, coking by-products, refined chemicals and energy products, revenue is recognised when control of the products has transferred, being when the products have been delivered to the location specified in the sales contract. Following the delivery, the customer has the primary responsibility when on use of the products and bears the risks of obsolescence and loss in relation to the products.

For trading of coke and coal as an agent, revenue is recognised at a point in time when the agent service has been completed, being when the goods have been delivered from the suppliers to the customers, and collectability of the related receivables is reasonably assured.

In general, for customers with long-term relationships, the normal credit term is 30 to 60 days upon delivery. For other general customers, non-refundable prepayment from these customers is required in advance according to the contracts entered and recognised as a contract liability until the products have been delivered to the customer.

Performance obligation of sales of goods or providing services is part of a contract that has an original expected duration of one year or less. Applying the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the Group's revenue and profit for the 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 ("Coking by-products"), (iii) sales of refined chemicals, mainly benzene based chemicals and coal tar based chemicals ("Refined chemicals"), (iv) sales of energy products, mainly coal gas and LNG ("Energy products"), (v) trading of coke, coal, refined oil, mining equipment and nonferrous materials ("Trading"), and (vi) provision of other business including but not limited to provision of water, catering and fire prevention and management services ("Other Business").

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:

	Sales of goods						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Business	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Continuing operations							
For the six months ended 30 June 2021 (unaudited)							
External sales							
– contracts with customers	1,333,135	14,936	772,143	142,344	766,449	6,385	3,035,392
Inter-segment sales							
– contracts with customers	–	94,877	7,204	100,848	12,012	18,231	233,172
	1,333,135	109,813	779,347	243,192	778,461	24,616	3,268,564
Segment results	487,977	459	97,972	3,421	23,829	1,909	615,567
Other income							22,632
Other gains and losses							(38,001)
Impairment losses, under ECL model, net of reversal							(10,694)
Distribution and selling expenses							(33,219)
Administrative expenses							(60,983)
Finance costs							(23,868)
Share of result of a joint venture							994
Unallocated expenses							(9,026)
Profit before tax from continuing operations							463,402

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Sales of goods						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Business	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Continuing operations							
For the six months ended 30 June 2020 (unaudited) (restated)							
External sales							
– contracts with customers	1,801,314	5,964	495,223	223,098	802,623	8,357	3,336,579
Inter-segment sales							
– contracts with customers	–	120,584	10,706	197,837	101,585	45,146	475,858
	1,801,314	126,548	505,929	420,935	904,208	53,503	3,812,437
Segment results	405,914	3,294	(7,301)	38,471	28,478	1,202	470,058
Other income							22,889
Other gains and losses							2,663
Impairment losses, under ECL model, net of reversal							(835)
Distribution and selling expenses							(79,569)
Administrative expenses							(45,327)
Finance costs							(27,540)
Share of result of a joint venture							1,508
Share of results of associates							(9,220)
Unallocated expenses							(4,231)
Profit before tax from continuing operations							330,396

Entity-wide disclosures

Geographical information

During the six months ended 30 June 2021 and 2020, 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 2021 and 2020.

4. OTHER INCOME

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Interest income on bank deposits	**7,435**	5,088
Interest income on bills receivables at FVTOCI	**9,754**	10,748
Release of asset-related government subsidies	**1,049**	1,050
Government grants (Note)	**3,955**	4,812
Others	**439**	1,191
	22,632	22,889

Note: The amounts represent the subsidies received from the local governments for the Group's local business development, there were no unfulfilled conditions in the periods in which they were recognised.

5. OTHER GAINS AND LOSSES

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Continuing operations		
Gain on fair value changes from financial assets at FVTPL	**5,484**	14,852
Net loss arising on bills receivables at FVTOCI	**(13,835)**	(11,542)
(Loss) gain on disposal of property, plant and equipment	**(1,294)**	864
Impairment loss of property, plant and equipment	**(27,381)**	–
Foreign exchange gain, net	**13**	279
Others	**(988)**	(1,790)
	(38,001)	2,663

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Impairment losses under expected credit loss model, net of reversal, recognised on trade receivables	**10,694**	835

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

During the current interim period, the Group reversed the impairment allowance of RMB700,000 (for the six months ended 30 June 2020: RMB1,175,000 (unaudited)), due to collection of the receivables.

During the current interim period, the Group wrote off trade receivable of RMB588,000 (for the six months ended 30 June 2020: nil (unaudited)), due to no realistic prospect of recovery.

7. FINANCE COSTS

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Interest expense on:		
– Bank borrowings	**22,185**	26,431
– Lease liabilities	**130**	264
– Letter of credit	**1,553**	845
	23,868	27,540

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Profit before tax for the period from continuing operations has been arrived at after charging (crediting) the following items:

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Staff costs		
Directors' and supervisors' remuneration	**1,098**	1,183
Other staff costs	**78,266**	54,127
Other staffs' benefit	**5,934**	2,587
Total staff costs	**85,298**	57,897
Capitalised in inventories	**(33,816)**	(42,076)
Capitalised in property, plant and equipment	**(21,619)**	–
	29,863	15,821
Depreciation of property, plant and equipment	**68,560**	61,529
Capitalised in inventories	**(54,431)**	(57,396)
	14,129	4,133
Depreciation of right-of-use assets	**3,691**	2,500
Capitalised in property, plant and equipment	**(840)**	–
	2,851	2,500
Amortisation of intangible assets (included in cost of sales)	**8,205**	7,980
(Reversal) write-down of inventories	**(628)**	533
Cost of inventories recognised as expenses	**2,419,825**	2,866,521

9. INCOME TAX EXPENSE

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
PRC Enterprise Income Tax		
– Current tax	**110,449**	78,775
– Under-provision in prior year	**523**	2,604
Deferred tax	**10,199**	6,122
	121,171	87,501

10. DISCONTINUED OPERATIONS

During the current interim period, the directors of the Company resolved to dispose of its 51% equity interest in Yan'an Jinneng, and Yan'an Jinneng's subsidiary, Yan'an Liyuan Minerals Railway Logistics Co., Ltd. ("Liyuan Railway") 延安利源礦業鐵路運輸有限公司, (together, the "Disposal Group A"). The Group also resolved to dispose of its 35% equity interest in an associate, Yan'an Energy Railway Transportation Co., Ltd. ("Yan'an Railway") 延安能源鐵路運銷有限公司, ("Disposal Group B").

Negotiations with several interested parties have subsequently taken place. Disposal Group A and Disposal Group B (together the "Disposal Groups") are available for immediate sale in its present condition and the sale is in highly probable, because the appropriate level of management was committed to a plan to sell the Disposal Groups, and an active programme to locate a buyer and the plan has been initiated.

The Disposal Groups carried out the Group's coal trading business, railway related storage and logistics services previously included in the Group's Other Business for segment reporting purposes. In view of the PRC government's recent strategic policy in developing clean energy, the board is of the view that it would be more beneficial for the Group to focus on its main operations of coke production and to diversify into the national hydrogen energy market and hydrogen energy value chain. The disposals represent a good opportunity for the Group to recuperate its resources and funds and further improve the liquidity of the Group, whilst at the same time, optimising the overall structure of the Group.

The Disposal Groups' operations are treated as discontinued operations. As at 30 June 2021, the relevant disposal transaction has not been completed.

The results of Disposal Group A and Disposal Group B for the current and preceding interim periods were as follows. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated as discontinued operations.

From Disposal Group A

	Six months ended 30/06/2021	From incorporation date to 30/06/2020
	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue	**614,910**	36,012
Cost of sales	**(599,135)**	(35,624)
Gross profit	**15,775**	388
Other income	**102**	43
Other gains and losses	**878**	–
Impairment loss of goodwill (Note)	**(4,778)**	–
Impairment losses under ECL model, net of reversal	**–**	(684)
Distribution and selling expenses	**(4,486)**	–
Administrative expenses	**(3,489)**	(1,106)
Finance costs	**(1,211)**	(172)
Profit (loss) before tax	**2,791**	(1,531)
Income tax (expense) credit	**(1,575)**	115
Profit (loss) for the period attributable to Disposal Group A	**1,216**	(1,416)

10. DISCONTINUED OPERATIONS (continued)

From Disposal Group B

	Six months ended 30/06/2021	From incorporation date to 30/06/2020
	RMB'000 (unaudited)	RMB'000 (unaudited)
Shares of results of associates	595	–
Impairment of interest in associates (Note)	(1,105)	–
Loss for the period attributable to Disposal Group B	(510)	–
From Disposal Group A and Disposal Group B		
Result for the period from Disposal Group A and Disposal Group B	706	(1,416)

Note: The estimated fair value less costs to sell from the disposal are expected to be lower than the net carrying amounts of Disposal Group A and Disposal Group B by reference to the respective asking prices from potential buyers. An aggregate impairment loss of RMB5,883,000 has been recognised for the discontinued operations during the six months ended 30 June 2021.

Cash flows from the Disposal Group:

	Six months ended 30/06/2021	From incorporation date to 30/06/2020
	RMB'000 (unaudited)	RMB'000 (unaudited)
Net cash flows from operating activities	56,858	10,852
Net cash flows used in investing activities	(210,729)	–
Net cash flows from financing activities	106,222	24,500
Net cash flows	(47,649)	35,352

11. DIVIDEND

On 25 May 2020, a final dividend in respect of the year ended 31 December 2019 of RMB0.20 per share and a special dividend of RMB0.10 per share, in an aggregate amount of RMB160,626,000, was declared by the Company. Such dividend had been fully settled in June 2020.

On 1 April 2021, a final dividend in respect of the year ended 31 December 2020 of RMB0.20 per share, in an aggregate amount of RMB107,084,000, was declared by the Company. Such dividend had been fully settled in June 2021.

Subsequent to the end of the current interim period, an interim dividend of RMB0.10 per share, amounting to RMB53,542,000 in aggregate, have been proposed by the directors of the Company and is subject to approval by the shareholders (2020 interim dividend: RMB0.10 per share, amounting to RMB53,542,000 in aggregate).

12. EARNINGS PER SHARE

For continuing operations and discontinued operations

The calculation of basic earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**336,537**	225,557
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**535,421**	535,421

For continuing operations

The calculation of basic earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Earnings		
Profit for the period attributable to owners of the Company from continuing operations for the purpose of basic earnings per share	**339,877**	226,836
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**535,421**	535,421

12. EARNINGS PER SHARE (continued)

For discontinued operations

Based on the loss for the current interim period from discontinued operations of RMB3,340,000 (unaudited) (for the six months ended 30 June 2020: RMB1,279,000 (unaudited) (restated)) and with the same denominators detailed above, the basic loss per share from discontinued operations is less than RMB0.01 per share for the six months ended 30 June 2021 and 2020.

Diluted earnings per share

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

13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the construction in progress of the Group increased by approximately RMB990,714,000, mainly including coking equipment upgrading project (for the six months ended 30 June 2020: RMB134,090,000 (unaudited) mainly including coke dry quenching reconstruction facilities and facilities of comprehensive utilisation of resources); and other property, plant and equipment increased by RMB25,065,000 (for the six months ended 30 June 2020: RMB22,568,000 (unaudited)) in order to upgrade its manufacturing capabilities.

Carrying amounts of property, plant and equipment of approximately RMB26,042,000 was disposed of during the current period mainly including obsolescent coke ovens (for the six months ended 30 June 2020: RMB447,000 (unaudited)). Due to a new construction project initiated in June 2021, desulfurization, denitrification and dust removal for air ducts of coking furnaces were planned to be removed. With this impairment indicator, an impairment loss of RMB27,381,000 was recognised during the current interim period.

Property, plant and equipment of approximately RMB933,000 was acquired through acquisition of a gas station as disclosed in Note 28 (for the six months ended 30 June 2020: RMB348,562,000 (unaudited) through acquisition of a subsidiary).

During the current interim period, the Group acquired right-of-use assets of RMB201,586,000 in respect of leasehold land (for the six months ended 30 June 2020: RMB85,982,000 (unaudited) in respect of leasehold land, offices and apartments through the acquisition of a subsidiary). The total consideration for the leasehold land was fully paid at the date of acquisition, accordingly no lease liability is recognised (for the six months ended 30 June 2020: RMB2,710,000 (unaudited) lease liabilities were recognised).

During the current interim period, the Group acquired a leasehold land through acquisition of a gas station (Note 28). On the acquisition date, the Group recognised right-of-use assets of RMB81,000 (six months ended 30 June 2020: RMB4,130,000 (unaudited) due to acquiring of office premises and a leasehold land) and lease liabilities of RMB81,000 (six months ended 30 June 2020: RMB4,130,000 (unaudited)).

Carrying amounts of right-of-use assets of approximately RMB1,446,000 was derecognised during the current period mainly due to early termination of an office premise (for the six months ended 30 June 2020: nil (unaudited)).

Impact of variable lease payments and lease modification is immaterial for the Group.

14. DEFERRED TAX ASSETS/LIABILITIES

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

	Allowance for inventories RMB'000	ECL provision RMB'000	Accelerated tax depreciation and temporary difference on deductible expenses RMB'000	Fair value change of bills receivables at FVTOCI and assets at FVTPL RMB'000	Unrealised profits RMB'000	Fair value adjustments upon acquisition of business RMB'000	Deferred revenue RMB'000	Impairment of property, plant and equipment RMB'000	Total RMB'000
At 1 January 2020 (audited)	530	1,812	–	1,989	1,418	(17,720)	5,994	–	(5,977)
(Charge) credit to profit or loss	(396)	373	(9,662)	1,106	1,341	1,533	(262)	–	(5,967)
Charge to other comprehensive income	–	–	–	(556)	–	–	–	–	(556)
At 30 June 2020 (unaudited)	134	2,185	(9,662)	2,539	2,759	(16,187)	5,732	–	(12,500)
Credit (charge) to profit or loss	23	9,622	(3,270)	267	(767)	1,614	(263)	2,114	9,340
Charge to the comprehensive income	–	–	–	(51)	–	–	–	–	(51)
Acquisition	–	–	–	–	–	6,380	–	–	6,380
At 31 December 2020 (audited)	157	11,807	(12,932)	2,755	1,992	(8,193)	5,469	2,114	3,169
(Charge) credit to profit or loss	(157)	2,526	(17,717)	(1,034)	(122)	1,478*	(262)	4,731	(10,557)
Credit to the comprehensive income	–	–	–	111	–	–	–	–	111
Reclassification to assets classified as held for sale	–	–	–	–	–	(5,605)	–	–	(5,605)
At 30 June 2021 (unaudited)	–	14,333	(30,649)	1,832	1,870	(12,320)	5,207	6,845	(12,882)

* RMB358,000 out of the total was charged to the profit or loss from the discontinued operations.

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:

	30/06/2021 RMB'000 (unaudited)	31/12/2020 RMB'000 (audited)
Deferred tax assets	**30,884**	31,158
Deferred tax liabilities	**(43,766)**	(27,989)
	(12,882)	3,169

As at 30 June 2021, the Group had unused tax losses of RMB15,315,000 (31 December 2020: RMB2,484,000 (audited)) available to offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. All tax losses will expire within 5 years from the year of origination.

15. TRADE AND OTHER RECEIVABLES

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade receivables – contract with customers	82,579	93,573
Less: Allowance for ECL	(11,394)	(1,288)
	71,185	92,285
Other receivables	4,012	7,018
Advance to a supplier (Note)	12,200	–
Prepayments to suppliers	105,057	103,976
Input value added tax	164,503	88,488
Refundable deposits	1,605	1,451
Dividend receivables from a joint venture	4,900	4,900
	363,462	298,118

Note: The advance is non-interest bearing and is expected to be settled within twelve months.

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

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	71,088	70,504
91 – 180 days	97	21,781
	71,185	92,285

The normal credit term to the customers is ranged between 30 to 60 days. As at 30 June 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB97,000 (31 December 2020: RMB21,781,000 (audited)) which are past due as at the reporting date is considered as not in default because the customers show no financial difficulties and repaid receivables constantly during the current interim period. At 30 June 2021, trade receivables amounted to RMB11,394,000 (31 December 2020: RMB1,288,000 (audited)) has been past due 90 days or more and all of which are considered in default and full impairment allowance has been provided for.

The Group does not hold any collateral over these balances. Details of impairment assessment of trade receivables are set out in Note 6.

16. AMOUNTS DUE FROM A SHAREHOLDER

	30/06/2021	31/12/2020
	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	26,004	11,770

The amounts in trade nature are receivables from contracts with customers.

The normal credit term is 30 to 60 days. The Group does not hold any collateral over these balances and these balances are unsecured and interest-free.

The following is an aging analysis of trade receivables from a shareholder, presented based on invoice date at the end of the reporting period.

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	26,004	11,770

The amount due from a shareholder in trade nature is not past due.

17. AMOUNTS DUE FROM RELATED PARTIES

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade nature		
Jiangxi PXSteel Industrial Co., Ltd (“Jiangxi PXSteel”) 江西萍鋼實業股份有限公司 and its subsidiaries (Note i)	2,593	8,095
Jiyuan Fangsheng Chemicals Co., Ltd. (“Fangsheng Chemicals”) 濟源市方升化學有限公司 (Note ii)	242	3
Yan'an Railway (Note iii)	–	105,162
	2,835	113,260

Notes:

(i) Jiangxi PXSteel is a shareholder of the Company.

(ii) The entity is controlled by a shareholder of the Company. The balance is prepayment for purchase of materials.

(iii) The Group owns 35% equity interest in the entity and regards it as an associate. The balance as at 30 June 2021 has been reclassified to assets held for sale, details of which is set out in Notes 10 and 20.

17. AMOUNTS DUE FROM RELATED PARTIES (continued)

The normal credit term to the customers is ranged between 30 to 60 days. None of the balance is past due at 30 June 2021 and 31 December 2020.

The following is an aging analysis of amounts due from related parties (excluding prepayment for purchase of goods), presented based on invoice date at the end of the reporting period.

	30/06/2021	31/12/2020
	RMB'000 (unaudited)	RMB'000 (audited)
Within 90 days	2,593	113,257

The Group does not hold any collateral over these balances.

18. FINANCIAL ASSETS AT FVTPL

	30/06/2021	31/12/2020
	RMB'000 (unaudited)	RMB'000 (audited)
Financial assets measured at FVTPL:		
Listed securities held through a trust		
– Equity securities listed in the Stock Exchange (Note i)	471	31,751
Financial assets designated at FVTPL:		
– Structured deposits (Note ii)	288,000	28,056
	288,471	59,807

Notes:

(i) Prior to 31 December 2020, the Company subscribed initial public offering shares of a company listed in the Stock Exchange as cornerstone investor through a trust with sole investment. The investee company is engaged in the production and sales of coke and coking products. During the six months ended 30 June 2021, the entire investment was disposed by the trust under the Company's instruction and the remaining consideration is expected to be received by the Group within 12 months from the date of the reporting period end from the trust. These equity securities are held for trading.

(ii) The balance comprised structured deposits, for which is principal guaranteed and with a flexible maturity period for no more than one year with the yield rate stipulate in the contract which set at floating and linked with performance of the underlying assets. These structured deposits are held for trading.

19. BILLS RECEIVABLES AT FVTOCI

	30/06/2021	31/12/2020
	RMB'000 (unaudited)	RMB'000 (audited)
Bills receivables at FVTOCI	926,349	842,274

Under IFRS 9, certain bills which were held by the Group for the practice of discounting/endorsing to financial institutions/suppliers before the bills due for payment were classified as "bills receivables at FVTOCI". At 30 June 2021 and 31 December 2020, all the bills are with a maturity period of less than one year.

The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

20. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As set out in Note 10, the assets and liabilities attributable to the Disposal Group, which are expected to be sold within twelve months, have been classified as assets held for sale and liabilities associated with assets classified as held for sale, are presented separately in the condensed consolidated statement of financial position.

The major classes of assets and liabilities of the Disposal Groups classified as held for sale are as follows:

	30/06/2021
	RMB'000
	(unaudited)
Property, plant and equipment	290,324
Right-of-use assets	86,371
Intangible assets	6,574
Goodwill	24,614
Deferred tax assets	5,605
Inventories	8,331
Trade and other receivables	39,736
Amounts due from related parties	147,063
Bank balances and cash	1,242
	609,860
Interests in associates	1,750
Total assets classified as held for sale	611,610
Borrowings	30,000
Trade and other payables	83,673
Contract liabilities	145
Lease liabilities	2,885
Tax payable	2,234
Total liabilities associated with assets classified as held for sale	118,937

21. BORROWINGS

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Bank borrowings:		
– secured	204,548	8,200
– unsecured	797,249	853,500
	1,001,797	861,700
Fixed-rate borrowings	633,500	562,200
Floating-rate borrowings	368,297	299,500
	1,001,797	861,700
Carrying amount repayable:		
Within one year	518,519	501,700
More than one year, but not more than two years	478,000	255,000
More than two years, but not more than five years	5,278	105,000
	1,001,797	861,700
Less: Amount shown under current liabilities	(518,519)	(501,700)
Amount due after one year shown under non-current liabilities	483,278	360,000

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

	Six months ended 30/06/2021	Year ended 31/12/2020
	(unaudited)	(audited)
Effective interest rate:		
– Fixed-rate borrowings	4.25%-6.30%	4.61%-6.30%
– Floating-rate borrowings	3.85%-6.20%	3.72%-6.30%

Pledge of assets

At the end of the reporting period, the Group had pledged the following assets to banks as securities against general banking facilities, including banks borrowings and bills payables granted to the Group:

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Right-of-use assets	783	800
Restricted bank balances	535,565	392,458
Bills receivables at FVTOCI	9,942	102,996
Property, plant and equipment – construction in progress	1,273,017	–
	1,819,307	496,254

22. TRADE AND OTHER PAYABLES

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade payables	253,986	299,593
Bills payables	726,408	549,953
	980,394	849,546
Salaries and wages payables	9,696	29,166
Other tax payables	20,024	18,211
Consideration payable for purchase of property, plant and equipment	501,127	241,205
Accruals	7,512	5,801
Consideration payable for acquisition of business	3,660	252,267
Refundable deposit from constructors	11,892	4,230
Other payables	2,126	6,603
	556,037	557,483
	1,536,431	1,407,029

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

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	954,759	799,469
91 – 180 days	3,729	15,430
181 – 365 days	11,059	11,356
Over 1 year	10,847	23,291
	980,394	849,546

At the end 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.

23. AMOUNTS DUE TO RELATED PARTIES

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade nature		
Henan Jinjiang Refinery Co., Ltd.		
("Jinjiang Refinery") 濟源市金江煉化有限公司 (Note i)	–	114
Jiyuan Mingtai Industrial Co., Ltd		
("Jiyuan Mingtai") 濟源銘泰實業有限公司 (Note ii)	–	760
Fangsheng Chemicals	38	337
	38	1,211

Notes :

(i) The entity is a joint venture of the Company.

(ii) A close family member of a key management personnel of the Company has significant influence over this entity.

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

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

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Within 90 days	38	451
181 – 365 days	–	760
	38	1,211

24. SHARE CAPITAL

	Number of shares		Share capital	
	2021	2020	2021	2020
	'000	'000	RMB'000	RMB'000
Issued and fully paid				
Ordinary shares of RMB1 each				
At 30 June	535,421	535,421	535,421	535,421

25. CAPITAL COMMITMENTS

	30/06/2021	31/12/2020
	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	1,396,484	897,930

26. CONTINGENT LIABILITIES

The Group (i) endorsed certain bills receivables for the settlement of trade and other payables; and (ii) discounted certain bills receivables to banks for raising of cash. In the opinion of the directors 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:

	30/06/2021	31/12/2020
	RMB'000	RMB'000
	(unaudited)	(audited)
Endorsed bills for settlement of payables	2,202,378	2,430,853
Discounted bills for raising cash	292,684	183,633
Outstanding endorsed and discounted bills receivables with recourse	2,495,062	2,614,486

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

27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

Some of the Group's financial assets and financial liabilities 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 and financial liabilities 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 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 assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30/06/2021	31/12/2020		
Listed securities held through trust at FVTPL	**Assets-RMB471,000**	Assets-RMB31,751,000	Level 2	Quoted bid prices in an active market adjusted for deductible trust fees.
Bills receivables at FVTOCI	**Assets-RMB926,349,000**	Assets-RMB842,274,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.
Structured deposits classified as financial assets at FVTPL	**Assets-RMB288,000,000**	Assets-RMB28,056,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the contract and available market.

There were no transfer between Level 1 and 2 during the current interim period.

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.

28. ACQUISITION OF A SUBSIDIARY/BUSINESS

(a) Acquisition of Jidong Gas Station

On 4 January 2021, the Group acquired 100% equity interest in the business of Jidong Gas Station from an independent third party for cash consideration of RMB10,465,000. Jidong Gas Station is principally engaged in the retail of gasoline and diesel oil and was acquired with the objective of improving the Group's downstream distribution. The acquisition was completed on 4 January 2021, when the Group obtained the control of Jidong Gas Station. The acquisition has been accounted for using purchase method. The amount of goodwill (determined on a provisional basis) arising as a result of the acquisition was RMB1,337,000.

Fair value of assets acquired and liabilities (determined on a provisional basis) recognised at the date of acquisition are as follows:

	RMB'000
Property, plant and equipment	933
Intangible assets – operating license of refined oil	7,654
Right-of-use assets	81
Other receivables	541
Lease liabilities	(81)
	9,128

The other receivables acquired at the date of acquisition were prepaid other taxes. The fair value and the gross contractual amounts amounted to RMB541,000 at the date of acquisition.

Goodwill arising on acquisition (determined on a provisional basis)

	RMB'000
Consideration at fair value:	
– cash transferred	10,040
– included in trade and other payables	425
	10,465
Less: recognised amount of identifiable net assets acquired (100%)	(9,128)
Goodwill arising on acquisition	1,337

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflows arising on acquisition

	RMB'000
Cash consideration paid	10,040

28. ACQUISITION OF A SUBSIDIARY/BUSINESS (continued)

(a) Acquisition of Jidong Gas Station (continued)

Impact of acquisition on the results of the Group

Included in the profit for the interim period is RMB25,000 attributable to Jidong Gas Station. Revenue for the interim period included RMB1,115,000 was attributable to Jidong Gas Station.

Had the acquisition of Jidong Gas Station been completed on 1 January 2021, revenue and profit for the interim period of the Group would have been no material difference from the amounts disclosed above. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Jidong Gas Station been acquired at the beginning of the interim period, the directors of the Company calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment and intangible assets, on provisional basis, at the date of the acquisition.

(b) Acquisition of Liyuan Railway

On 31 May 2020, the Group acquired 80% interest in Liyuan Railway from an independent third party for cash consideration of RMB346,363,000. Liyuan Railway is principally engaged in railway related storage and logistics services and was acquired with the objective of improving the Group's downstream distribution. The acquisition was completed on 31 May 2020, also the date the Group obtained the control of Liyuan Railway. The acquisition has been accounted for as acquisition of business using the acquisition method. The amount of goodwill arising as a result of the acquisition was RMB29,392,000.

Acquisition-related costs amounting to RMB604,000 have been excluded from the consideration transferred and have been recognised as an expense in the six months ended 30 June 2020, within the administrative expenses line item in the consolidated statement of profit or loss and other comprehensive income.

28. ACQUISITION OF A SUBSIDIARY/BUSINESS (continued)

(b) Acquisition of Liyuan Railway (continued)

Fair value of assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Current assets	
Inventories	2,276
Trade and other receivables	38,154
Bank balances and cash	665
Non-current assets	
Property, plant and equipment	295,673
Right-of-use assets	89,387
Intangible assets – franchise right of railway transportation	6,951
Deferred tax assets	6,380
Current liabilities	
Trade and other payables	(32,565)
Payables to a non-controlling shareholder	(6,228)
Contract liabilities	(1,769)
Lease liabilities	(49)
Non-current liabilities	
Lease liabilities	(2,661)
	396,214

The trade and other receivables acquired (which principally comprised trade receivable) with a fair value of RMB38,154,000 at the date of acquisition had gross contractual amounts of RMB38,154,000. It was estimated that the fair value and the gross contractual cash flows were expected to be collected.

Non-controlling interests

The non-controlling interests (20%) in Liyuan Railway recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Liyuan Railway and amounted to RMB79,243,000.

28. ACQUISITION OF A SUBSIDIARY/BUSINESS (continued)

(b) Acquisition of Liyuan Railway (continued)

Goodwill arising on acquisition

	RMB'000
Consideration at fair value:	
– cash transferred	97,318
– included in trade and other payables (Note)	249,045
	346,363
Plus: non-controlling interests (20% in Liyuan Railway)	79,243
Less: recognised amount of identifiable net assets acquired	(396,214)
Goodwill arising on acquisition	29,392

Note: The directors of the Company are of view that the consideration payable will be settled within 12 months from the date of the end of the reporting period.

Goodwill arose on the acquisition of Liyuan Railway because the railway related business can improve performance of Trading segment of the Group and bring in integration effect, considering the location and storage capacity which connect and provide convenience for suppliers in the Northwestern region of the PRC. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of Liyuan Railway

	RMB'000
Cash consideration paid	97,318
Less: cash and cash equivalent balances acquired	(665)
	96,653

Impact of acquisition on the results of the Group

Included in the profit for the prior interim period is RMB102,000 attributable to Liyuan Railway. Revenue for the prior interim period included RMB3,045,000 was attributable to Liyuan Railway.

Had the acquisition of Liyuan Railway been completed on 1 January 2020, revenue for the prior interim period of the Group would have been RMB3,385,225,000, and the profit for the prior interim period would have been RMB240,033,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2020, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Liyuan Railway been acquired at the beginning of the prior interim period, the directors of the Company calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

29. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group and other 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 entered into the following transactions with its related parties.

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of products and services to:		
Jiangxi PXSteel and its subsidiaries	**576,530**	495,894
Maanshan Steel	**474,274**	449,611
Jinjiang Refinery	**50,625**	63,844
Yan'an Railway	**3,607**	88,002
Purchase of raw materials and services:		
Fangsheng Chemicals	**2,389**	2,927
Jinjiang Refinery	**3,384**	2,931

(b) Compensation and key management personnel

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

	Six months ended	
	30/06/2021	30/06/2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries and allowance	**2,449**	1,996
Retirement benefit scheme contributions	**116**	105
	2,565	2,101

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.

Company name

河南金馬能源股份有限公司
Henan Jinma Energy Company Limited

Share listing

Stock abbreviation: Jinma Energy
H Share: The Stock Exchange of Hong Kong Limited
Stock Code: 6885

Registered office and principal place of business in the PRC

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Board of Directors

Executive Directors

Mr. Yiu Chiu Fai (Chairman)
Mr. Wang Mingzhong (Chief Executive Officer)
Mr. Li Tianxi (Executive Deputy General Manager)

Non-executive Directors

Mr. Hu Xiayu (Deputy Chairman)
Ms. Ye Ting
Mr. Wang Kaibao

Independent Non-executive Directors

Mr. Wu Tak Lung
Mr. Meng Zhihe
Mr. Cao Hongbin

Supervisors

Mr. Wong Tsz Leung (Chairman)
Ms. Li Lijuan
Mr. Zhou Tao, David
Ms. Tian Fangyuan
Ms. Hao Yali
Mr. Fan Xiaozhu (appointed on 23 April 2021)
Mr. Zhang Wujun (resigned on 23 April 2021)

Audit Committee

Mr. Wu Tak Lung (Chairman)
Mr. Hu Xiayu
Mr. Meng Zhihe

Remuneration Committee

Mr. Cao Hongbin (Chairman)
Mr. Wu Tak Lung
Mr. Wang Mingzhong

Nomination Committee

Mr. Yiu Chiu Fai (Chairman)
Mr. Meng Zhihe
Mr. Cao Hongbin

Strategic Development Committee

Mr. Hu Xiayu (Chairman)
Mr. Li Tianxi
Mr. Cao Hongbin

Company secretary

Mr. Wong Hok Leung

Authorized representatives

Mr. Yiu Chiu Fai
Mr. Wong Hok Leung

Auditor

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Registered Public Interest Entity Auditors
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Hong Kong Law

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H share registrar

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PRC

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Jiyuan, Henan Province
PRC

Bank of China Limited Jiyuan Branch
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Zijingshan Road Operations Department
1F, Pufa Square
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Zhengzhou, Henan Province
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Bank of Luoyang Co., Ltd. Jili Branch
Zhongyuan Road, Jili District
Luoyang, Henan Province
PRC

China Citic Bank Zhengzhou Branch
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Zhengdong New Area
Zhengzhou, Henan Province
PRC

China Guangfa Bank Zhengzhou Shangdu Road Sub-branch
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Zhengzhou, Henan Province
PRC

Zhongyuan Bank Co., Ltd. Jiyuan Branch
No. 481 Huang He Central Road
Jiyuan, Henan Province
PRC

Bank of China (Hong Kong) Limited Metroplaza Branch
Shop 260-265, Metroplaza
223 Hing Fong Road
Kwai Chung, New Territories
Hong Kong

In this report, unless the context otherwise requires, the following expressions have the following meanings.

GENERAL TERMS

"Board"	the board of Directors of our Company
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Taiwan, the Macau Special Administrative Region of the PRC and the Hong Kong Special Administrative Region of the PRC
"Code"	Corporate Governance Code set out as Appendix 14 to the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as the same may be amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Henan Jinma Energy Company Limited (河南金馬能源股份有限公司)
"Connected Person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	Director(s) of our Company
"Group"	our Company and its subsidiaries
"HK" or "Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LNG"	liquefied natural gas
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	the member of the Supervisory committee of our Company established pursuant to the PRC Company Law
"Supervisory Committee"	the Supervisory committee of our Company established pursuant to the PRC Company Law

TECHNICAL TERMS

"basic earnings per share"	$\frac{\text{Profit attributable to owners of the Company}}{\text{Weighted average number of shares in issue during the year}}$
"current ratio"	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$
"dividend payout ratio"	$\frac{\text{Dividend}}{\text{Profit attributable to owners of our Company}}$
"gearing ratio"	$\frac{\text{Total interest-bearing bank borrowings}}{\text{Total equity}}$
"return on assets"	$\frac{\text{Profit and total comprehensive income}}{\text{Average total assets}}$
"return on equity"	$\frac{\text{Profit attributable to owners of our Company}}{\text{Average equity attributable to owners of our Company}}$

ABBREVIATED NAMES OF COMPANIES

"Bohigh Chemical"	河南博海化工有限公司(Henan Bohigh Chemical Co., Ltd.)
"China Baowu"	中國寶武鋼鐵集團有限公司(China Baowu Steel Group Corporation Limited)
"Golden Star"	金星化工(控股)有限公司(Golden Star Chemicals (Holdings) Limited)
"Jiangxi PXSteel"	江西萍鋼實業股份有限公司(Jiangxi PXSteel Industrial Co. Ltd.*) (formerly known as 萍鄉鋼鐵有限責任公司(Ping Xiang Steel Co., Ltd.*))
"Jinjiang Refinery"	河南金江煉化有限責任公司(Henan Jinjiang Refinery Co., Ltd.*)
"Jinma Coking"	金馬焦化(英屬維爾京群島)有限公司(Jinma Coking (BVI) Limited)
"Jinma Energy"	河南金馬能源股份有限公司(Henan Jinma Energy Co., Ltd.*)
"Jinma HK"	金馬能源(香港)有限公司(Jinma Energy (Hong Kong) Limited), formerly known as 金馬焦化(香港)有限公司(Jinma Coking (Hong Kong) Limited)
"Jinma Qingfeng"	河南金馬氫楓氫能源有限責任公司(Henan Jinma Qingfeng Hydrogen Energy Co., Ltd.*)
"Jinma Xingye"	濟源市金馬興業投資有限公司(Jiyuan Jinma Xingye Investment Co., Ltd.*)
"Jinma Zhongdong"	河南金馬中東能源有限公司(Henan Jinma Zhongdong Energy Co., Ltd.)
"Jinning Energy"	濟源市金寧能源實業有限公司(Jiyuan Jinning Energy Co., Ltd.*)

"Jinrui Energy"	河南金瑞能源有限公司(Henan Jinrui Energy Co., Ltd.*)
"Jinrui Gas"	河南金瑞燃氣有限公司(Henan Jinrui Gas Co., Ltd.*)
"Jinyuan Chemicals"	濟源市金源化工有限公司(Jiyuan Jinyuan Chemicals Co., Ltd*)
"Liyuan Railway"	延安利源礦業鐵路運輸有限公司(Yan'an Liyuan Minerals Railway Logistics Co., Ltd.*)
"Maanshan Steel"	馬鞍山鋼鐵股份有限公司(Maanshan Iron & Steel Company Limited)
"Shaanxi Jinma"	陝西金馬能源有限公司(Shaanxi Jinma Energy Sources Co., Ltd.)
"Shanghai Qingfeng"	上海氫楓能源技術有限公司(Shanghai Qingfeng Energy Technology Co., Ltd.*)
"Shanghai Jinma"	上海金馬能源有限公司(Shanghai Jinma Energy Sources Co., Ltd.*)
"Shanghai Luxiang"	上海鷺翔實業集團有限公司(Shanghai Luxiang Enterprise Group Co., Ltd.*)
"Shenzhen Jinma"	深圳市金馬能源有限公司(Shenzhen Jinma Energy Co., Ltd*)
"Xinyang Steel"	信陽鋼鐵金港能源有限公司(Xinyang Steel Jingang Energy Co., Ltd.*)
"Xuzhou Oriental"	徐州東方物流集團有限公司(Xuzhou Oriental Logistics Group Co., Ltd.*)
"Yan'an Jinneng"	延安金能鐵路物流科技有限公司(Yan'an Jinneng Railway Logistics Technology Co., Ltd.)
"Yan'an Railway"	延安能源鐵路運銷有限公司(Yan'an Energy Railway Transportation Co., Ltd.)
"Yilong Coal"	霍州煤電集團洪洞億隆煤業有限責任公司(Huozhou Coal Power Group Hongtong Yilong Co., Ltd.*)
"Yugang Coking"	豫港(濟源)焦化集團有限公司(Henan Hongkong (Jiyuan) Coking Group Co., Ltd.)
"Zenith Steel"	中天鋼鐵集團有限公司(Zenith Steel Group Co., Ltd.*)
"ZT Logistics"	江蘇中通物流有限公司(Jiangsu Zhong Tong Logistics Co., Ltd.*)

In this report, if there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese which are marked with "*" is for identification purpose only.

河南金馬能源股份有限公司
HENAN JINMA ENERGY COMPANY LIMITED