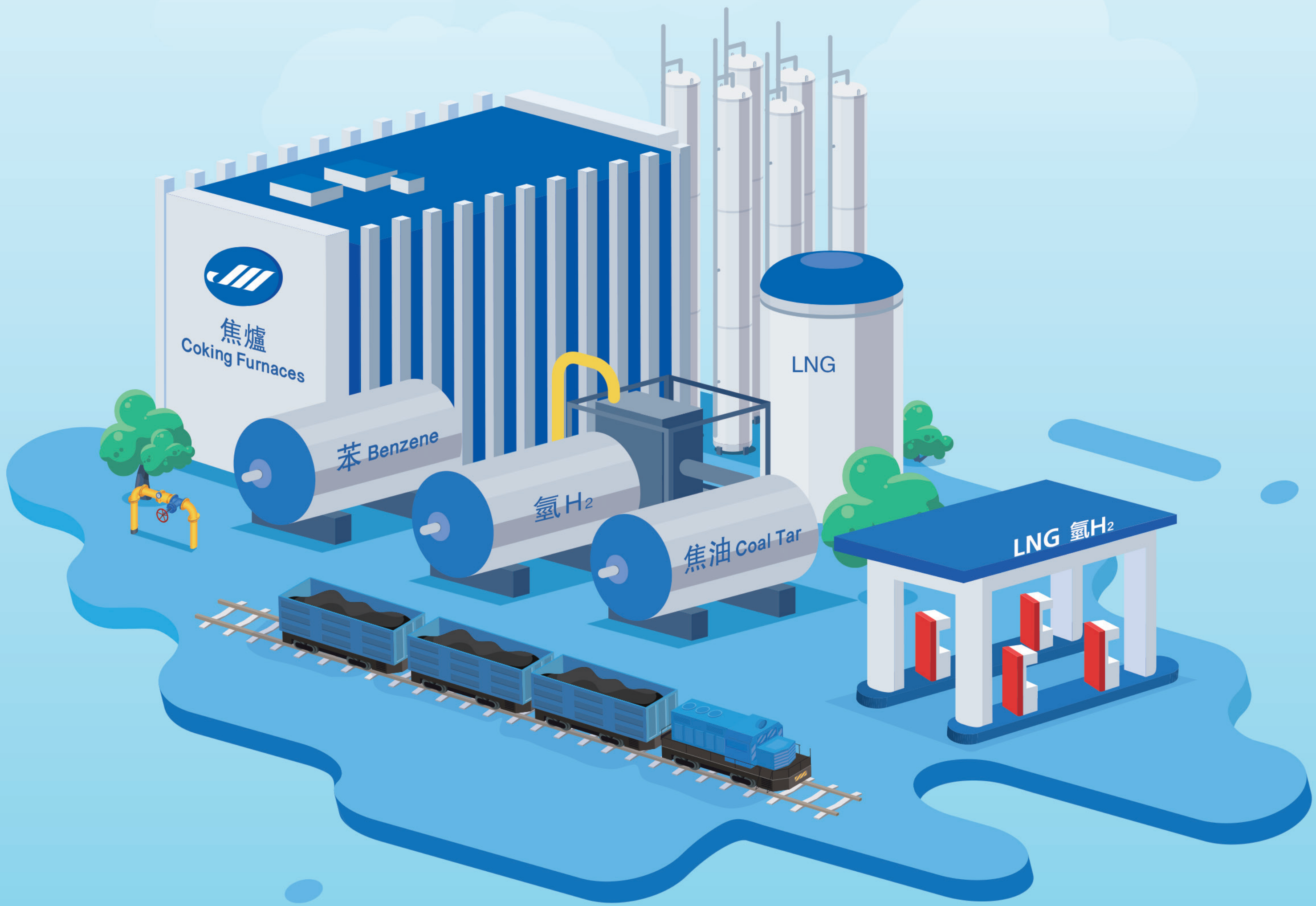
河南金馬能源股份有限公司
HENAN JINMA ENERGY COMPANY LIMITED

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

Stock Code: 6885



2024
ANNUAL REPORT

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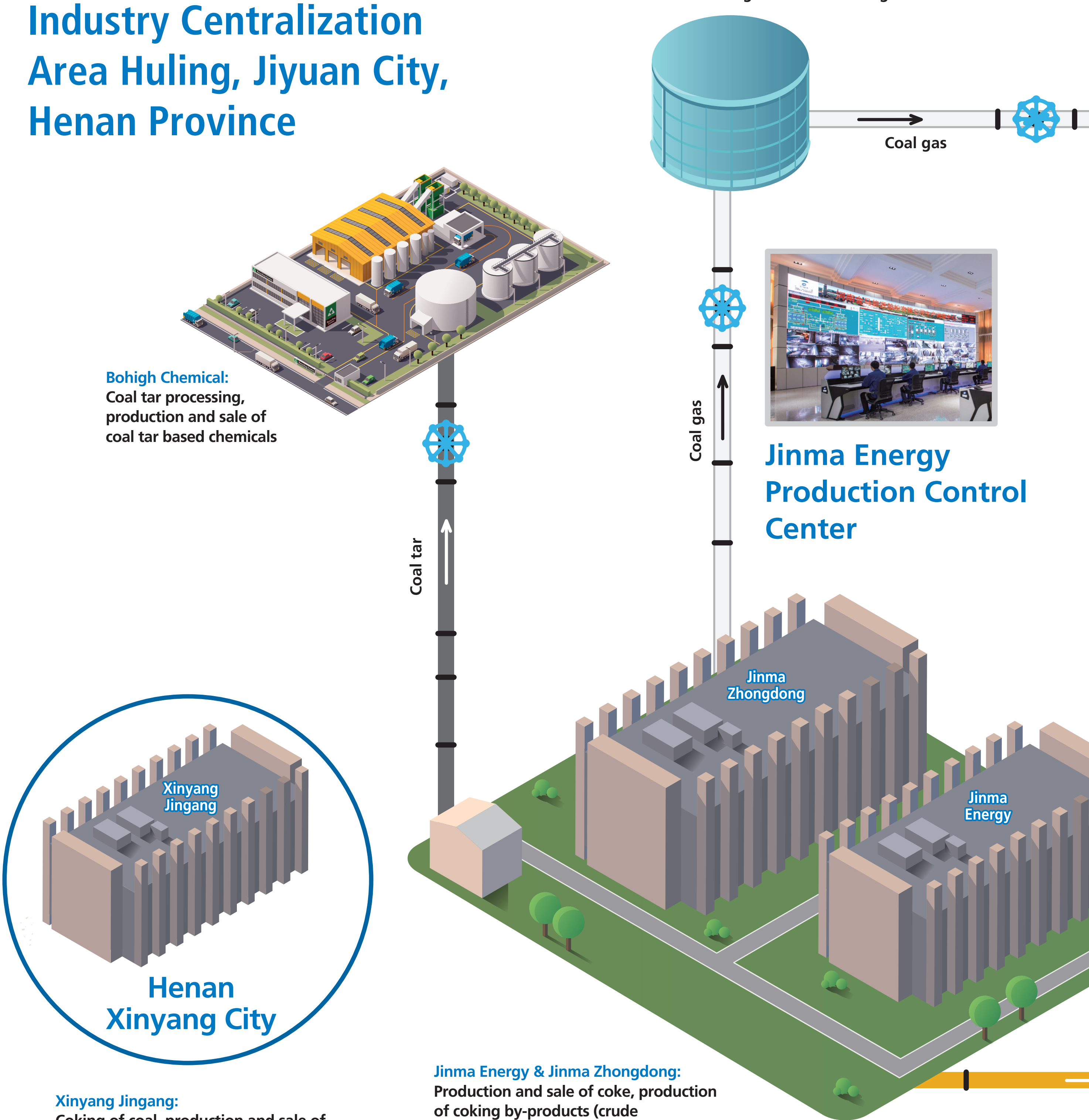
Chemical Industry Park, Industry Centralization Area Huling, Jiyuan City, Henan Province

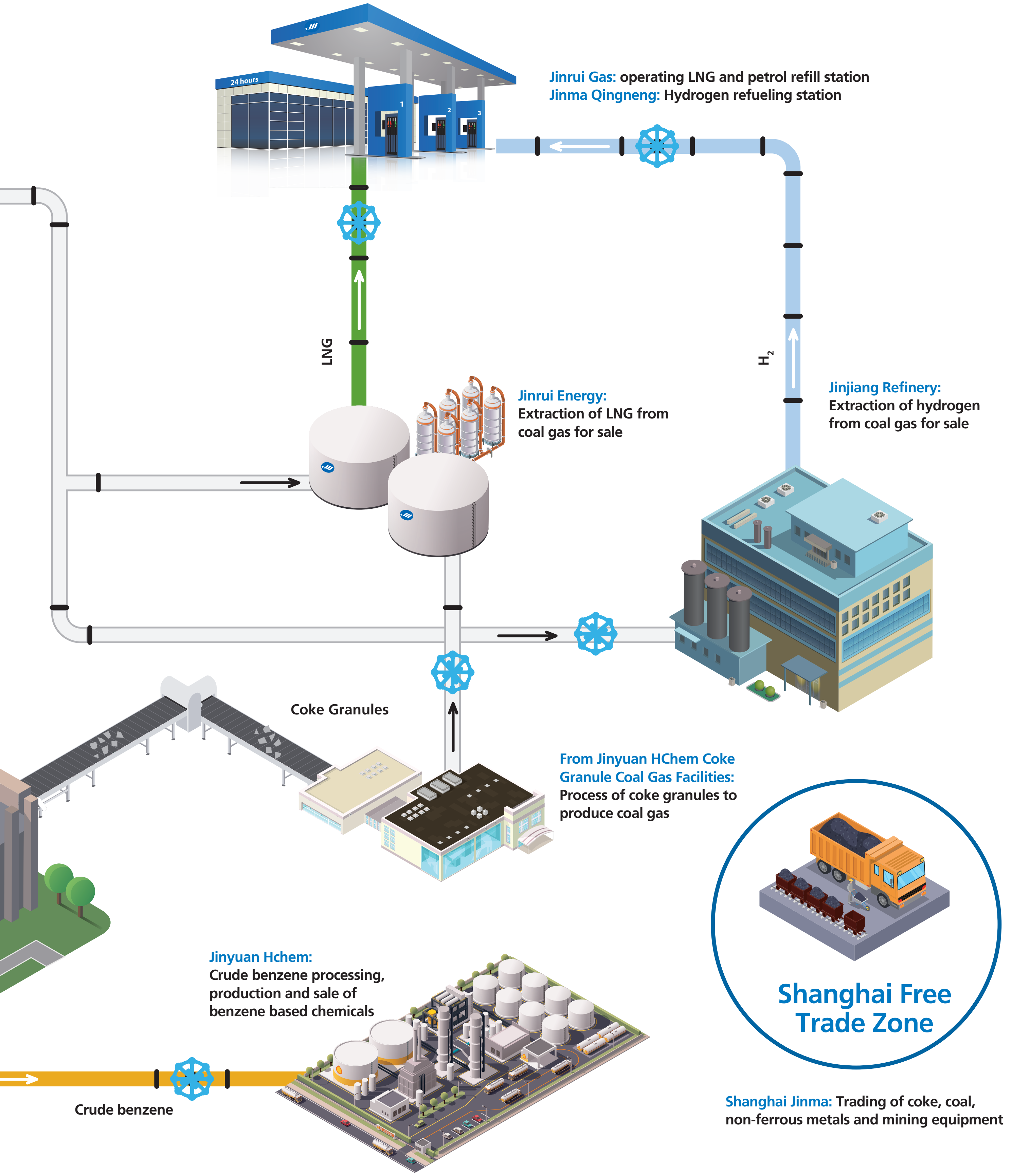


Jinning Energy:
Storage and sale of coal gas

Bohigh Chemical:
Coal tar processing, production and sale of coal tar based chemicals

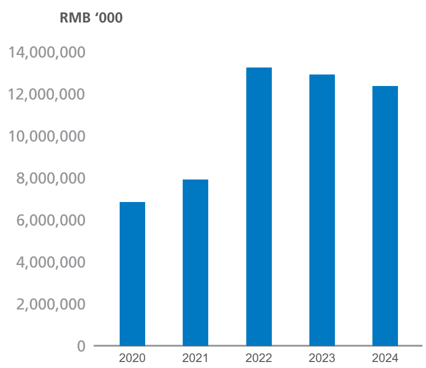
Xinyang Jingang:
Coking of coal, production and sale of coke, heat and electricity

Jinma Energy & Jinma Zhongdong:
Production and sale of coke, production of coking by-products (crude benzene, coal tar and coal gas) for further processing and sale by Group Companies


Jinrui Gas: operating LNG and petrol refill station
Jinma Qingneng: Hydrogen refueling station
24 hours
LNG
H_2
Jinrui Energy: Extraction of LNG from coal gas for sale
Jinjiang Refinery: Extraction of hydrogen from coal gas for sale
Coke Granules
From Jinyuan HChem Coke Granule Coal Gas Facilities: Process of coke granules to produce coal gas
Shanghai Free Trade Zone
Jinyuan Hchem: Crude benzene processing, production and sale of benzene based chemicals
Crude benzene
Shanghai Jinma: Trading of coke, coal, non-ferrous metals and mining equipment

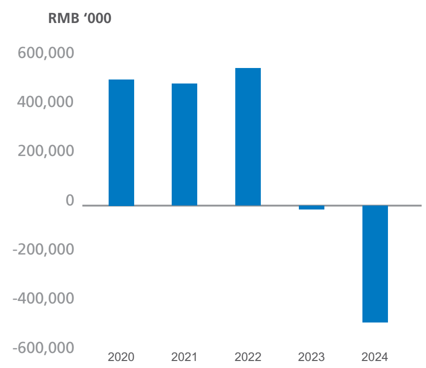
Revenue

For the year ended 31 December



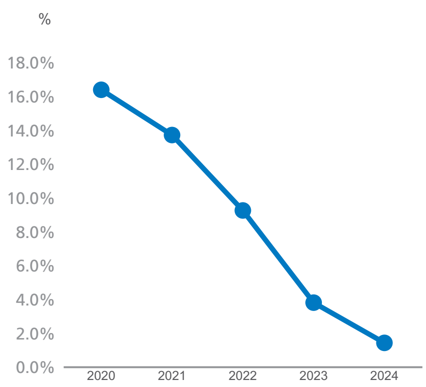
Profit for the year

For the year ended 31 December



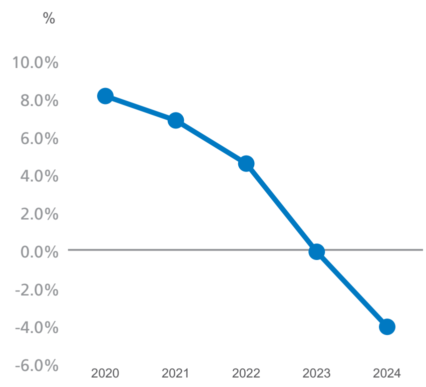
Gross profit margin

For the year ended 31 December



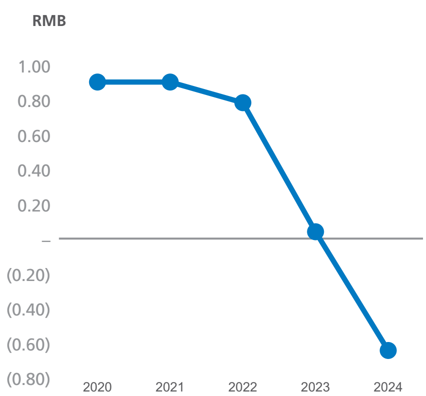
Net profit margin

For the year ended 31 December



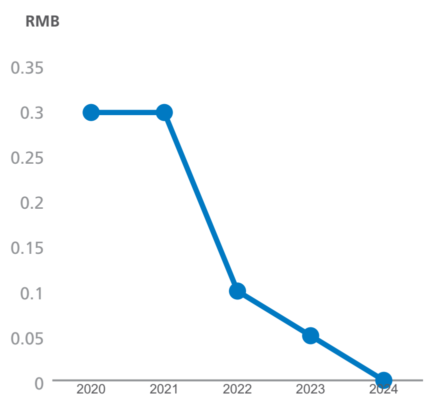
Earnings per share

For the year ended 31 December



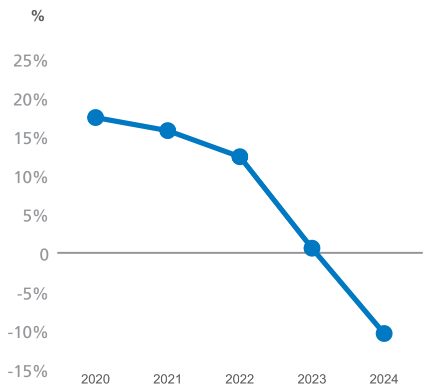
Dividend per share

For the year ended 31 December

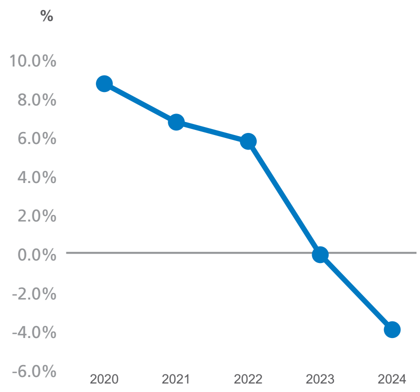


Note: The above figure shows the dividend distribution of the Company for the years, which included the paid interim dividend and the final dividend recommended by the Board.

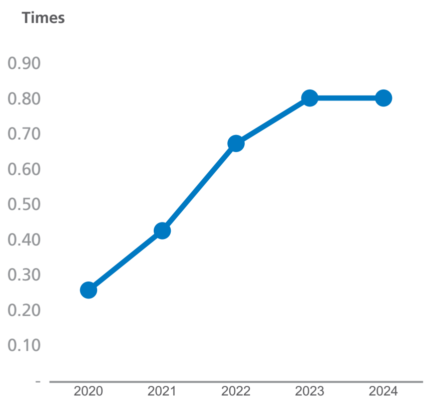
Return on equity
For the year ended 31 December



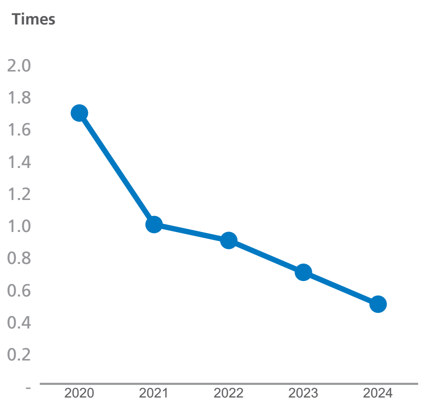
Return on assets
For the year ended 31 December



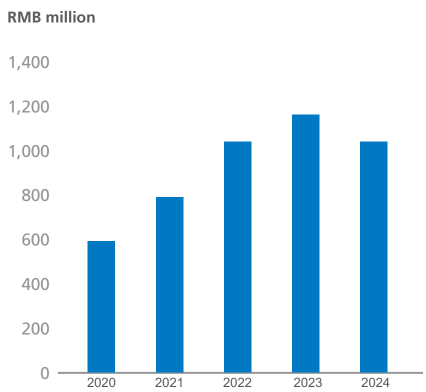
Gearing ratio
For the year ended 31 December



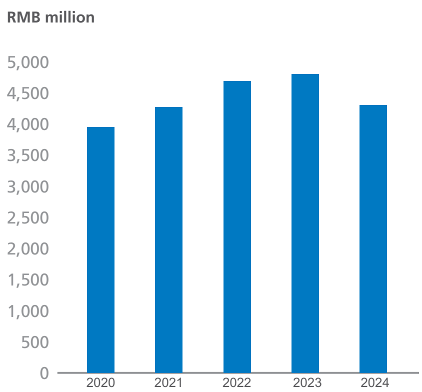
Current ratio
For the year ended 31 December



Total assets
As at 31 December



Total equity
As at 31 December



It is my pleasure to present to you the annual results of the Group for the year ended 31 December 2024 (the "Year"), the eighth year since the Company's listing.

In 2024, the Chinese economy faced multiple challenges. Affected by the global economic slowdown and domestic structural adjustments, economic growth moderated, with full-year GDP growth at approximately 5%. The real estate sector remained under regulatory control, leading to a slowdown in development investment growth, which stood at around 3%-4% for the year, a decline compared to 2023. Meanwhile, the steel industry, impacted by weakening demand and environmental production restrictions, experienced overall fluctuations in both output and prices, trending downward. Against this backdrop, the coke market in 2024 exhibited weak supply and demand, with prices falling more often than rising. Although coke prices saw periodic rebounds during seasonal peaks and under the influence of favourable policies, the oversupply situation in the coke sector, coupled with strong supply elasticity and persistently sluggish demand, led to a renewed downtrend in coke prices.

In 2024, the Group's coke sales volume (in tonnes) decreased by approximately 4.4% compared to 2023. However, due to an average decline of about 10.0% in coke selling prices, while the average procurement price of coal, the primary raw material for coke production, only fell by around 7.8% compared to 2023, the results of the coke segment dropped significantly from approximately RMB464.4 million in 2023 to about RMB102.5 million in 2024. Additionally, the results of the refined chemicals segment worsened from a loss of approximately RMB76.0 million in 2023 to a loss of around RMB124.0 million in 2024, due to a consumption tax provision of approximately RMB41.0 million levied on one of its products. The Group's gross profit margin also declined from about 3.7% in 2023 to approximately 1.3% in 2024. Consequently, the profit attributable to owners of the Company for the year plummeted from approximately RMB22.3 million in 2023 to a loss of around RMB345.9 million in 2024.

Looking ahead to 2025, the Chinese economy will face even greater challenges due to U.S. tariff policies. The Group will focus on stabilizing its operations, actively expanding sales and procurement channels, optimizing product pricing, and reducing raw material costs to widen the purchase-sale margin. Furthermore, the Group will vigorously advance lean management to enhance production efficiency and reduce operating costs.

In light of the Company's operational performance, the Board has resolved not to declare a final dividend for the year ended 31 December 2024.

Finally, I would like to take this opportunity to express, on behalf of the Board, our sincere gratitude to all members of management and staff for their hard work and dedication, as well as to our business partners for their longstanding trust and support.

HENAN JINMA ENERGY COMPANY LIMITED
Yiu Chiu Fai
Chairman
23 April 2025

OVERVIEW

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

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

In 2024, the Group's revenue was mainly generated from the following major business segments:

- **Coke:** which involves the production and sale of coke;
- **Refined chemicals:** which involves the processing of coking by-products into a series of benzene based and coal tar based refined chemicals and sale of these chemicals;
- **Energy products:** which involves the processing of coke oven crude gas into coal gas, extraction of LNG from coal gas and sale of coal gas and LNG, in addition, hydrogen is also extracted from coal gas for sale; and
- **Trading:** which mainly involves the trading of coal, coke, hydrogen and LNG.

FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF THE GROUP

The Group's results of operations are affected by a number of factors. Set forth below is a discussion of the most significant factors that may affect the Group's results of operations.

General Economic Conditions and the Demand in Downstream Industries

The Group sells all its products in the PRC. General economic conditions of the PRC affect the market prices and demands for the Group's products, as well as the prices of coal, the primary raw material for the production of the Group's coke, refined chemicals and energy products. During economic downturns, the average selling prices of the Group's products may decrease and the Group may need to adjust the Group's purchase and sale strategies to adapt to such conditions, such as reducing the Group's purchase of raw materials or engaging in more financing activities to increase the Group's working capital. The Group's trading activities may decrease during economic downturns. When economic conditions recover, the Group may increase the selling prices of the Group's products along with the increase in market demands and raw material prices. In addition, the Group may increase the Group's prepayments for raw materials in order to secure raw material supplies. The Group's trading activities may also increase as the demands for coke, coal, nonferrous materials and LNG increase when economic conditions recover. 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 filling 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. For LNG products, global LNG price movements will affect China as China is highly dependent on LNG imports. Therefore, the price of LNG in China will maintain a similar trend to the international LNG price.

Prices of the Group's Raw Materials and Products

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

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

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

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

- prices of chemicals and LNG in the international market; and

- the Group's transportation costs, the availability of transportation capacity and means of transportation.

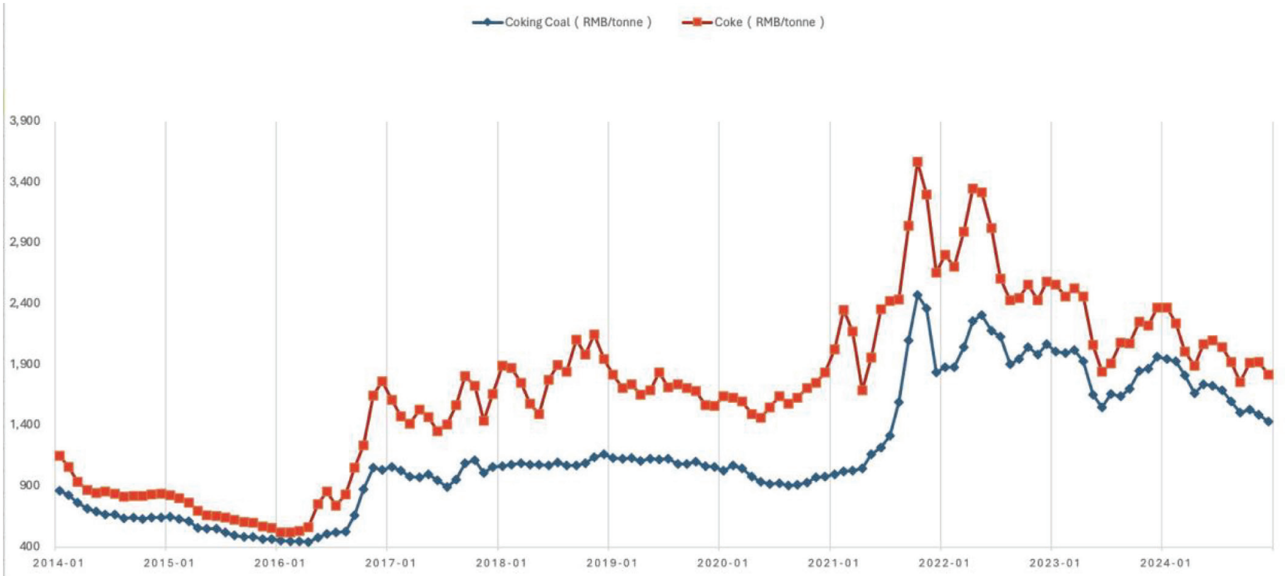
The following table sets forth the average selling price (net of VAT) of each of the Group's principal products during 2024 and 2023 according to the Group's internal records.

	Year ended 31 December	
	2024 Average selling price(1)	2023 Average selling price(1)
	RMB/tonne (except coal gas in RMB/m^3)	RMB/tonne (except coal gas in RMB/m^3)
Coke	**2,012.50**	2,235.74
Coke	**2,134.30**	2,366.59
Coke breeze	**967.27**	1,233.18
Refined Chemicals		
Benzene based chemicals	**6,791.54**	6,312.49
Pure benzene	**7,270.64**	6,468.50
Toluene	**6,395.48**	6,465.35
Coal tar based chemicals	**4,086.59**	4,491.57
Coal asphalt	**4,162.09**	4,752.35
Anthracene oil	**3,748.28**	4,072.05
Industrial naphthalene	**5,044.71**	5,034.84
Energy Products		
Coal gas	**0.83**	0.83
LNG	**4,197.43**	4,360.35

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

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

Increases or decreases in the prices of coal may not immediately result in changes in the prices of the Group's products or vice versa. In a rising market for the Group's products, the Group may benefit from the widening spread between the prices of raw materials and the Group's products. While in a falling market for the Group's products, the Group may suffer from the narrowing spread, and the final price spread of coal coke (coal and coke) is also affected by the respective volatilities. The following chart shows the average purchase price of coking coal and the average selling price of coke (net of VAT) from 2014 to December 2024 according to the 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 its products and procures 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 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 volume. The production of the Group in 2024 remained stable, with production capacity utilization rate of each of the principal products substantially maintained. In essence, full sales of the Group's products have been consistently achieved. In 2024, the Group's production for coke was approximately 3.6 million tonnes, and the processing volume for coal tar and crude benzene was approximately 172,426 tonnes and 353,683 tonnes respectively. While the production of LNG was approximately 72,362 tonnes.

Access to and Cost of Financing

In addition to cash generated from the Group's operations, the Group financed the Group's operations and capital expenditures primarily through bank and financial institution borrowings during the period. The Group's interest-bearing borrowings for the years ended 31 December 2024 and 2023 were approximately RMB3,348.7 million and RMB3,943.8 million, respectively. The Group's finance costs for the years ended 31 December 2024 and 2023 were approximately RMB144.0 million and RMB125.4 million, respectively, accounting for approximately 1.2% and 1.0% of the Group's total revenue for the respective periods. The Group's ability to pay the interest incurred with respect to the borrowings, or repay or refinance the Group's borrowings could have an impact on the financial position and operation results of the Group.

RESULTS OF OPERATIONS

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	**11,598,533**	12,072,303
Cost of sales	**(11,448,421)**	(11,623,836)
Gross profit	**150,112**	448,467
Other income	**65,516**	103,237
Other gains and losses	**(26,050)**	(14,042)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	**–**	858
Selling and distribution expenses	**(411,137)**	(293,018)
Administrative expenses	**(177,136)**	(178,405)
Finance costs	**(143,963)**	(125,369)
Share of result of a joint venture	**3,219**	15,788
Share of results of associates	**626**	(8,474)
Loss before tax	**(538,813)**	(50,958)
Income tax credit	**61,090**	44,895
Loss for the year	**(477,723)**	(6,063)
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss:		
Fair value gain on bills receivables at fair value through other comprehensive income ("**FVTOCI**"), net of income tax	**8,267**	15
Total comprehensive expense for the year	**(469,456)**	(6,048)
(Loss) profit for the year attributable to:		
– Owners of the Company	**(345,890)**	22,324
– Non-controlling interests	**(131,833)**	(28,387)
	(477,723)	(6,063)
Total comprehensive (expense) income for the year attributable to:		
– Owners of the Company	**(340,614)**	23,372
– Non-controlling interests	**(128,842)**	(29,420)
	(469,456)	(6,048)
(Loss) earnings per share (RMB)	**(0.65)**	0.04

Consolidated Financial Information

- **Revenue and gross profit margin**

  In 2024, the prices of the Group's major products (coke, refined chemicals and natural gas) decreased in line with the overall economic conditions, the Group's revenue in 2024 decreased by approximately RMB473.8 million (or approximately 3.9%) to approximately RMB11,598.5 million. However, the magnitude of price decrease in the raw materials of the major products did not match with the decrease in prices of the products, leading to a decrease in the Group's gross profit margin from 3.7% in 2023 to 1.3% in 2024. For details, please refer to the section headed "Business Segment Result" in this chapter.

- **Other Income**

  Other income decreased from approximately RMB103.2 million in 2023 to approximately RMB65.5 million in 2024, mainly due to the repayment of interest of approximately RMB44.7 million by Yilong Coal in 2023 on a receivable due.

- **Other Gains and Losses**

  Other gains and losses increased from a net loss of approximately RMB14.0 million in 2023 to a net loss of approximately RMB26.1 million in 2024. The increase was mainly attributable to the gains recognised due to the decrease in the loss of fair value changes on notes of RMB14.9 million in the current year and a gain of RMB26.4 million on the transfer of a 33% equity interest in Yilong Coal in 2023.

- **Impairment Losses under Expected Credit Loss Model, Net of Reversal**

  The Group's expected credit impairment reversal decreased from approximately RMB0.9 million in 2023 to approximately RMB0.0 million in 2024, this was mainly due to the reversal of the credit impairment loss of RMB0.9 million charged to Yilong Coal in 2023.

- **Selling and Distribution Expenses**

  Selling and distribution expenses increased from approximately RMB293.0 million in 2023 to approximately RMB411.1 million in 2024. The increase was mainly due to an increase of higher sales volume from customers who are responsible for freight costs as well as freight costs incurred by new customers with higher volumes in the current year.

- **Administrative Expenses**

  Administrative expenses remained stable with a slight decrease of approximately RMB1.3 million from approximately RMB178.4 million in 2023.

- **Finance Costs**

  Finance costs increased by approximately RMB18.6 million or approximately 14.8% from approximately RMB125.4 million in 2023 to approximately RMB144.0 million in 2024. This increase was mainly due to the completion of the coking and benzene-based chemicals production facility upgrade projects, which resulted in a significant decrease in the capitalised portion of interest of the related financing.

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

  Share of result of a joint venture decreased by approximately RMB12.6 million or approximately 79.6% from a profit of approximately RMB15.8 million in 2023 to approximately RMB3.2 million in 2024. The decrease was mainly attributable to the decrease in hydrogen sales volume and lower unit sales price of the joint venture (Jinjiang Refining).

- **Share of Results of Associates**

  The associated company, Xiamen Jinma, recorded a loss in 2023, mainly due to the loss arising from price inversion in the purchase and sale of goods, the Group thus shared a loss of approximately RMB8.5 million, while in 2024, the Group shared a profit of approximately RMB0.6 million.

- **Loss before Tax**

  As a result of the foregoing, the Group's loss before tax significantly increased by approximately RMB487.9 million from approximately RMB51.0 million in 2023 to a loss of approximately RMB538.8 million loss in 2024.

- **Income Tax Credit**

  As a result of the above losses, our income tax credit in 2024 increased by approximately RMB16.2 million from a deferred tax income of approximately RMB44.9 million in 2023 to approximately RMB61.1 million in 2024.

- **Other Comprehensive Income**

  The comprehensive income from the changes in fair value of the bills receivables through other comprehensive income ("**FVTOCI**") at the end of 2023 was approximately RMB0.02 million, and it achieved a gain of approximately RMB8.3 million in 2024.

- **Total Comprehensive Expense for the Year**

  As a result of the foregoing, the Group's total comprehensive loss significantly increased by approximately RMB463.5 million from approximately RMB6.0 million in 2023 to approximately RMB469.5 million in 2024, while the comprehensive loss for the year attributable to the owners of the Company was approximately RMB340.6 million.

Business Segment Result

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

	Year ended 31 December							
	Segment revenue		Segment results		Segment gross margin		Percentage in total revenue of the Group	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**%**	%	**%**	%
Coke	**7,190,991**	8,351,413	**102,489**	464,420	**1.4**	5.6	**62.0**	69.2
Refined Chemicals	**3,050,447**	2,243,700	**(123,987)**	(75,976)	**(4.1)**	(3.4)	**26.3**	18.6
Energy Products	**857,541**	867,224	**111,434**	9,024	**13.0**	1.0	**7.4**	7.2
Trading	**400,169**	525,430	**15,774**	28,864	**3.9**	5.5	**3.5**	4.4

In 2024, the Group's coke sales volume (tonnes) decreased by approximately 4.4% as compared to 2023. However, the segment revenue for 2024 decreased by approximately 13.9% due to the average selling price of coke decreased by approximately 10.0%. Meanwhile, the average purchase price of coal, which is the major raw material for the production of coke, only decreased by approximately 7.8% in 2024 as compared with 2023, and therefore the coke segment result decreased by approximately 77.9% in 2024 as compared with 2023, while the gross margin of the coke segment also decreased from approximately 5.6% in 2023 to approximately 1.4% in 2024.

The Group's refined chemicals produced from coal coking are also by-products of oil industry. Crude oil prices show volatility in 2024 due to multiple factors, this lead to benzene based products increased by approximately 7.6% and a drop of approximately 9.0% for coal tar based products. However, the raw materials of the Group's refined products are derived from the coking of coal, and their price adjustment extent was different from its products, and together with a provision on consumption tax levied on one of the products of approximately RMB41.0 million, thus their gross margin adjusted from approximately -3.4% in 2023 to approximately -4.1%. In the fourth quarter of 2023, the capacity of benzene based products increased from 200,000 tonnes to 400,000 tonnes, its sales volume of 2024 increased by approximately 48.2% as compared with 2023, and the revenues of the refined chemicals segment increased by approximately 7.7% of the total revenue as a result.

For the energy products segment, other than LNG and coal gas, its major products also include electricity generated from Phase I coking furnace of Xinyang Jingang, the sales of which amounted to approximately RMB237.6 million (2023: RMB205.0 million), and the segment recorded a slight decrease in revenue of approximately 1.1% as compared with 2023. For segment results, though the average selling price of LNG decreased by approximately 3.9% compared to 2023, the result increased significantly by RMB102.4 million to RMB111.4 million as a result of higher gross margins due to an improvement in production expenses greater than price reduction.

The trading segment's revenue in 2024 decreased by approximately RMB125.3 million or approximately 23.8% as compared with 2023. This decrease was mainly due to the decrease in the volume of coke trading business when coke prices fell, and the gross margin correspondingly adjusted downward from approximately 5.5% in 2023 to approximately 3.9% in 2024.

FINANCIAL POSITION

Financial Resources

In 2024, the Group's major financial resources were funded by the proceeds from the sales of the Group's products, shareholders' equity and borrowings from bank and financial institutions. The Directors have confirmed that the Group did not experience any liquidity problems in 2024.

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, capital expenditure needs and the Group's liquidity ratios, in addition, 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 consolidated statement of cash flows for the periods:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net cash from operating activities	**942,525**	69,988
Net cash used in investing activities	**(722,969)**	(898,718)
Net cash (used in) from financing activities	**(633,446)**	832,653
Net (decrease) increase in cash and cash equivalents	**(413,890)**	3,923
Cash and cash equivalents at the beginning of the	**917,869**	913,992
Effect of foreign exchange rate changes	**5,581**	(46)
Cash and cash equivalents at the end of the year, represented by bank balances and cash	**509,560**	917,869

- **Cash Flow from Operating Activities**
  The Group's net cash from operating activities of approximately RMB942.5 million for 2024 was primarily attributable to (i) decrease in inventories of approximately RMB268.2 million; (ii) decrease in bills receivables at FVTOCI of approximately RMB839.9 million; (iii) decrease in trade and other receivables of approximately RMB134.4 million. Yet the net cash inflow from operating activities are partially offset by (i) decrease in trade and other payables of approximately RMB450.0 million; (ii) decrease in contract liabilities of approximately RMB63.5 million; (iii) income tax paid of approximately RMB19.4 million.

- **Cash Flow from Investing Activities**
  The Group's net cash used in investing activities of approximately RMB723.0 million for 2024 was primarily due to (i) acquisition of property, plant and equipment of approximately RMB360.8 million; (ii) placement of time deposits of RMB213.9 million in the bank; and (iii) net deposits of approximately RMB193.7 million in restricted bank balances, partially offset by (i) interest received of approximately RMB24.2 million.

- **Cash Flow from Financing Activities**
  The Group's net cash used for financing activities of approximately RMB633.4 million in 2024 was primarily due to (i) interest paid of approximately RMB161.1 million; (ii) net decrease in bank and other borrowings of approximately RMB595.1 million; (iii) repayment of sale and leaseback payable of approximately RMB134.0 million; and (iv) payment of dividends of approximately RMB32.1 million.

Liabilities

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

	As at 31 December		
	2024	2023	**Increase/ (decrease)**
	RMB'000	RMB'000	RMB'000
Bank borrowings	**3,258,740**	3,893,791	(635,051)
Other borrowings	**90,000**	50,000	40,000
Secured	**1,374,077**	2,059,771	(685,694)
Unsecured	**1,974,663**	1,884,020	90,643
	3,348,740	3,943,791	(595,051)
Fixed-rate borrowings	**1,604,137**	1,916,948	(312,811)
Floating-rate borrowings	**1,744,603**	2,026,843	(282,240)
	3,348,740	3,943,791	(595,051)
Carrying amount repayable (based on scheduled payment terms)			
Within one year	**2,668,118**	2,438,420	229,698
More than one year, but not more than two years	**432,909**	978,700	(545,791)
More than two years, but not more than five years	**247,713**	526,671	(278,958)
	3,348,740	3,943,791	(595,051)
Less: Amount due for settlement within 12 months shown under current liabilities	**(2,668,118)**	(2,438,420)	(229,698)
Amount due for settlement after 12 months shown under non-current liabilities	**680,622**	1,505,371	(824,749)

The Group's bank borrowings in 2024 and 2023 were all borrowings denominated in Renminbi. As at 31 December 2024, RMB1,374.1 million of the Group's borrowings were secured by the Group's property, plant and equipment, right-of-use assets, restricted bank balances and bills receivable. All remaining borrowings were credit borrowings. For further details, please refer to Note 29 to the Consolidated Financial Statements in this report. As at 31 December 2023, RMB2,059.8 million of the Group's borrowings were secured by the Group's property, plant and equipment, right-of-use assets, restricted bank balances and bills receivable, and all remaining borrowings were credit borrowings. As at 31 December 2024 and 2023, the Group did not have any bank and other borrowings which were guaranteed by third parties and the Group's related parties.

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

	As at 31 December	
	2024	2023
Effective interest rate per annum:		
– Fixed-rate borrowings	**3.35%-5.70%**	3.85%-5.70%
– Floating-rate borrowings	**2.80%-5.05%**	2.60%-5.60%

As at 31 December 2024, the Group had obtained banking facilities in an aggregate amount of approximately RMB13,923.70 million (2023: RMB9,520.0 million), of which total amount of approximately RMB984.2 million (2023: RMB820.1 million) is still available for use. As at 31 December 2024, the Group had total outstanding bank borrowings of approximately RMB3,258.7 million (2023: RMB3,893.8 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 RMB1,461.2 million falling due in 2024 according to needs).

Save as disclosed in this "Financial Position" section, the Directors confirm that there has been no material change in the Group's indebtedness and contingent liabilities since 31 December 2024 and up to the date of this report. As at 31 December 2024, save as disclosed in this "Financial Position" section and apart from normal trade payables, intra-group liabilities and amounts due to connected parties and related parties, the Group did not have any outstanding mortgages, charges or pledges, debentures or other debt securities, term loans, loan capital, other borrowings or other similar indebtedness (including bank loans and overdrafts, hire purchase commitments, acceptance liabilities or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that, for the year ended 31 December 2024, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during 2024, the Group did not experience any difficulty in obtaining bank loans and other borrowings, or any default in payment of bank loans and other borrowings or breach of covenants. The Directors believe that the Group maintains good relationships with the Group's lenders generally and they expect that, based on the current prevailing market conditions, the Group will be able to obtain replacement financing commitments when the Group's short-term bank borrowings become due.

FINANCIAL RATIOS

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

	As at 31 December	
	2024	2023
Gearing ratio	**0.8x**	0.8x
Return on equity	**-10.5%**	0.6%
Return on assets	**-4.0%**	-0.1%

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 in 2024 maintained at 0.8x of 2023.

Return on Equity

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

The decrease in return on equity in 2024 was due to an increase in the loss attributable to owners of the Company.

Return on Assets

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

The decrease in return on assets in 2024 was mainly due to an increase in the loss attributable to owners of the Company.

CONTRACTUAL OBLIGATIONS AND CAPITAL EXPENDITURE

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**18,215**	133,390

The Group's capital commitments for the year ended 31 December 2024 was primarily related to the construction of the Group's coking facilities of approximately 1.6 million tonnes per annum The Group expects to fund such capital commitments principally by the Group's own financial resources, bank loans and cash generated from the Group's operations.

Other than the transactions described in the above table, as at 31 December 2024, the Group had no other material contractual commitments.

OFF-BALANCE SHEET ARRANGEMENTS

The Group did not have any material off-balance sheet arrangements as at 31 December 2024. Specifically, the Group has not entered into any derivative contracts that are indexed to the Group's shares and classified as shareholders' equity, or that are not reflected in the Group's audited consolidated financial statements. Furthermore, the Group does not have any retained or contingent interests in assets transferred to an unconsolidated entity to serve as credit, liquidity or market risk support for such entity. Moreover, the Group does not have any variable interests in any unconsolidated entity that provides financing, liquidity, market risk or credit support to the Group or engages in leasing, hedging or research and development services with the Group.

CONTINGENT LIABILITIES (OR TRANSFER OF FINANCIAL ASSETS)

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Endorsed bills for settlement of payables	**1,667,344**	2,828,952
Discounted bills for raising cash	**1,087,806**	1,250,544
Outstanding endorsed and discounted bills receivables	**2,755,150**	4,079,496

Save as disclosed above and as of 31 December 2024, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group. The Directors confirmed that there have not been any material changes in the contingent liabilities of the Group since 31 December 2024 up to the date of this report.

SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

Save as described under the section headed "Major Developments" in this report, from 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 disciplined operating and financial activities. During 2024, the Group has not entered into any foreign exchange or interest rate hedging contract or forward purchase or sale contract for commodities.

Other than the Hong Kong dollar ("**HK$**") proceeds of listing (HK$10.1 million and HK$254.0 million as at 31 December 2024 and 2023 respectively) pending remittance back to China, the Group has no exposure to significant exchange risks as all its operations are within China where there are no foreign currencies transactions, assets or liabilities.

COMMODITY PRICE RISK

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

INTEREST RATE RISK

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

As at 31 December 2024, the Group had fixed-rate borrowings in the amount of approximately RMB1,604.1 million (2023: RMB1,916.9 million). The Group currently does not have an interest rate hedging policy, but the Group's management will consider hedging significant interest rate risk should the need arise.

CREDIT RISK

In the event that the Group's counterparties fail to perform their obligations, the Group's exposure to credit risk in relation to each class of recognized financial assets as at 31 December 2024 is the carrying amount of those assets stated in the consolidated statements of financial position, while the maximum outstanding amount of contingent liabilities was disclosed in the consolidate financial statement.

The Group mainly conducts transactions with high-quality customers that the Group has established long-term relationship with. When transacting with new customers, the Group generally requests advanced payment before the Group's goods are delivered. In order to minimize the credit risk, the Group's management continues to monitor the level of risk exposure to ensure that the Group can recover any overdue debts. In addition, the Group 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 concentration of credit risk in trade receivables and amounts due from Shareholders and trading amounts due from related parties, with over 84% and 68% of exposure concentrated in five largest outstanding balances for the years ended 31 December 2024 and 2023, respectively. The Group believes the Group's credit risks on bank balances and deposits or bills receivable 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.

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

	As at 31 December 2024						
	Interest rate	Carrying amount	On demand or within 6 months	6 months to 1 year	1 year to 5 years	> 5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	2.80%-5.70%	3,258,740	1,579,418	1,074,189	706,356	–	3,359,963
Other borrowings	5.30%-11.45%	90,000	93,085	–	–	–	93,085
Lease liabilities	3.99%-5.96%	4,587	782	1,397	1,275	2,260	5,714
Trade and other payables	N/A	2,736,500	2,585,658	6,750	144,092	–	2,736,500
Amounts due to related parties	N/A	87,130	87,130	–	–	–	87,130
Refundable deposit payable	N/A	111,375	–	–	67,500	43,875	111,375
Perpetual loan	10.24%	15,630	–	1,600	6,400	15,630	23,630
Sale and leaseback payable	4.96%-6.18%	377,500	79,199	82,131	245,426	–	406,756
		6,681,462	4,425,272	1,166,067	1,171,049	61,765	6,824,153

	As at 31 December 2023						
	Interest rate	Carrying amount	On demand or within 6 months	6 months to 1 year	1 year to 5 years	> 5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	2.60%-5.70%	3,893,791	1,780,377	714,538	1,554,961	–	4,049,876
Other borrowing	12.00%	50,000	51,833	–	–	–	51,833
Lease liabilities	4.00%-5.96%	4,240	858	406	1,719	2,510	5,493
Trade and other payables	N/A	3,275,298	3,077,124	–	198,174	–	3,275,298
Amounts due to related parties	N/A	2,636	2,636	–	–	–	2,636
Perpetual loan	10.24%	15,630	–	1,600	6,400	15,630	23,630
Sale and leaseback payable	6.18%	191,000	56,284	43,953	105,120	–	205,357
		7,432,595	4,969,112	760,497	1,866,374	18,140	7,614,123

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had distributable reserves (i.e. retained profits) of RMB2,063.5 million (2023: RMB2,069.3 million). For the year ended 31 December 2024, the Company had no immediate plan to distribute the retained profits of the Company accumulated prior to the year 2024.

DIVIDEND AND DIVIDEND POLICY

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.

Based on the operating performance, the board of directors of the Company has resolved not to declare a final dividend for the year ended 31 December 2024.

MAJOR DEVELOPMENTS

In 2024, the Chinese economy experienced a slowdown in growth due to the global economic downturn and domestic structural adjustments. The downstream steel industry was affected by environmental production restrictions and a decline in demand, leading to a slight decrease in output. As a result, the coke market remained under pressure, with narrow coal-coke price differential. To address these challenges, the Group actively implemented measures to reduce losses in operations, production, and costs, including:

- Optimizing supply and sales management: Actively expanding sales and procurement channels, optimizing product sales prices, and reducing raw material costs to widen the purchase-sale price differential.

- Promoting lean management and efficiency improvements: Reducing non-essential expenses, cutting production costs across units, and actively seeking government subsidies.

- Expanding bidding for finished products and auxiliary materials: Aiming to secure more stable and higher-quality customers and purchase more cost-effective raw materials.

These measures will continue in 2025.

In terms of production facilities, the following two projects were completed:

5.5-meter Coke Oven Upgrade Project

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

Coal Tar Processing Capacity Expansion and Technical Upgrade Project

The project, with an investment of approximately RMB80 million, involved expanding the existing 180,000 ton coal tar processing facility to achieve an annual processing capacity of 360,000 tons. Construction started in October 2023, and by the end of December 2024, individual and integrated trial runs were completed, making it ready for operation. By the end of December 2024, a total of RMB60 million had been invested.

In the hydrogen energy industry chain business:

At the beginning of 2024, the Group was operating two hydrogen refilling stations: the Zhengzhou Chemical Road Hydrogen Station and the Jiyuan South Second Ring Hydrogen Station. The annual hydrogen refilling volumes were 206.78 tons and 390.43 tons, respectively, primarily serving hydrogen fuel cell vehicles such as dump trucks, coal transport tractors, municipal sanitation vehicles, concrete mixers, and refrigerated logistics vehicles.

In mid-2024, the Group constructed two new hydrogen refilling stations: the Gongyi Heluo Hydrogen Station and the Dengfeng Guojiawa Hydrogen Station, which were completed and put into operation in April and September, respectively. These stations mainly serve Datang Gongyi Power Generation Co., Ltd. and State Power Investment Corporation Henan Electric Power Co., Ltd.

The above construction investments were financed through the group's internal financial resources, bank loans, and funds raised from public offerings.

EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group had a total of 2,761 employees (2023: 2,963), including 5 senior management (excluding the directors of the Group) (2023: 5), 107 middle management (2023: 131) and 2,645 ordinary employees (2023: 2,822). For the year ended 31 December 2024, the staff cost of the Group amounted to approximately RMB277.9 million as compared to approximately RMB275.2 million for the same period of last year.

The Company has established a remuneration committee which is responsible for advising the Board on the Company's policies and structures regarding remuneration packages (including non-pecuniary benefits, pension rights and compensation) of Directors and senior management.

Their emoluments were within the following bands:

	Number of senior management	
	2024	2023
Nil to Hong Kong Dollar ("**HK$**") 1,000,000	**5**	5
HK$1,000,001 to HK$1,500,000	**0**	0
HK$1,500,001 to HK$2,000,000	**0**	0

Remuneration of mid-level management of the Company is based on annual salary and year-end bonus. Annual remuneration mainly consists of basic salary, assessment bonus and performance bonus, and bonuses are given according to the performance of the employee. Remuneration of ordinary employees consists of basic salary, bonuses and various subsidies.

According to the development plan and operating requirements of the Company, management formulates the annual training plans and the human resources department organizes annual external and internal trainings covering all employees. Among these, the training programs include comprehensive and long-term courses in management and finance; and also include special short-term training courses in management, production and organization. In addition, the Company is also committed to providing employees with all kinds of special trainings such as safety, environmental protection, use of equipment, technical skills, etc., and strives to offer employers with various targeted trainings from job entry to personal development.

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 years ended 31 December 2023 and 31 December 2024, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2023 and 31 December 2024, respectively. The Group contributes the lower of HK$1,500 per month or 5% of the relevant monthly payroll costs to the Mandatory Provident Fund Scheme.

The Company persists in becoming an enterprise with strong sense of social responsibility. Consistently adhering to the pathway of harmonious development of economic benefit and social benefit, it promotes technological advancement in the industry and assumes its social responsibility proactively.

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

Corporate Governance Code and the Articles of Association

The Company has formulated the Articles of Association of the Company (the "**Articles**") in accordance with the Company Law of the PRC, and other relevant laws and regulations of the PRC. These Articles are the code of conduct for the Company, regulating the organization and behaviour of the Company, the rights and obligations shared between the Company and its shareholders, and between and among the Company's shareholders.

Meanwhile, based on the Corporate Governance Code (the "**Code**") as set out in Appendix C1 (formerly known as Appendix 14) to the Listing Rules, the Company has also formulated a series of rules (such as Internal Audit Rules, Internal Control Evaluation Rules, Compliance Management Rules, Authorization Management Rules and Management Rules for External Investment, etc.) as well as the Terms of Reference of Nomination Committee, Remuneration Committee and Audit Committee, to achieve the objective of good corporate governance.

During the reporting period, according to the relevant requirements in the Listing Rules regarding the expansion of the paperless listing regime and the electronic publication of corporate communications by listed issuers, the Company revised the Articles in accordance with the PRC Company Law and the relevant regulations to further improve the corporate governance system. For details of the amendments to the Articles and the relevant resolutions of the meeting, please refer to the announcement dated 27 March 2024, the notice of 2023 annual general meeting dated 29 April 2024 and the announcement on poll results of the annual general meeting dated 22 May 2024 of the Company published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company.

During the reporting period, save as disclosed below, the Company has complied with the Listing Rules and all Code Provisions to the Code:

– Reference is made to the Company's announcement dated 10 May 2024 ("Xinyang Jingang Announcement"), which mentioned that the Company failed to comply with the relevant requirements of Chapter 14 of the Listing Rules in a timely manner with respect to the Xinyang Jingang Project ("Xinyang Jingang Project"); and

– Reference is made to the Company's announcement dated 5 February 2025 and 25 March 2025, regarding the Group's continuing connected transactions with Maanshan Steel Group ("Maanshan Steel Group Connected Transactions") that exceeded the relevant annual caps and failed to comply with the relevant requirements of Chapter 14A of the Listing Rules in a timely manner.

Xinyang Jingang Project Incident

Between 2021 to 2023, the Group entered into various construction-related agreements with certain third parties in connection with the construction of the Xinyang Jingang Project, an advanced heat recovery coking furnace project with a total capacity of approximately 1.6 million tonnes, by Xinyang Jingang, a 70%-owned subsidiary of Company.

The entering into of each of the construction transactions constituted various notifiable transactions of the Company under Chapter 14 of the Listing Rules. In addition, the transaction between Xinyang Jingang and Liaoning Science University Engineering and Technology Co., Ltd., after aggregation with previous transactions, constituted a major transaction for the Company. Regrettably, the Company failed to comply with the relevant requirements of announcement, publishing relevant circular or shareholders' approval under Chapter 14 of the Listing Rules in respect of the construction transactions in a timely manner due to its unintentional and inadvertent oversight.

The Company deeply regrets its non-compliance with Chapter 14 of the Listing Rules. To address the non-compliance and strengthen the internal control system of the Company, the Company has taken and will implement the following actions and measures:

(i) as an immediate measure, the Company has issued a memo to relevant personnel, including the finance, legal, corporate and internal audit departments of the Group, reiterating the relevant Listing Rules requirements regarding notifiable transactions and connected transactions and reinforcing the importance of timely report of relevant transactions to the compliance department in accordance with established internal control procedures;

(ii) the Company has enhanced the training provided to relevant personnel, including the Directors and the senior management, to reinforce their understanding and to emphasise the importance of compliance with the Listing Rules, including conducting an internal training session to explain and reiterate the relevant Listing Rules requirements and reporting procedures for notifiable transactions;

(iii) the Company has engaged an internal control consultant in the Reporting Period to review, update and enhance its internal control systems for notifiable and connected transactions timely discovery and effective compliance management; and

(iv) the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance on an ongoing basis and shall (and as when appropriate and necessary) consult its professional advisors before entering possible notifiable transactions.

Maanshan Steel Group Connected Transactions Incident

In early January 2025, during the regular monthly review of the Group's sales to Maanshan Steel Group for December 2024, the finance department of the Company discovered that the accumulated actual transaction amount of the Group, after consolidating the sales of the Company and the sales of Jinma Zhongdong pursuant to the Maanshan Steel Framework Agreement, had exceeded the annual cap for the year ended 31 December 2024 by approximately RMB40 million (equivalent to approximately 3.4% of the annual cap for the relevant year).

To prevent similar non-compliance in the future, the Company has strengthened its internal control as follows:

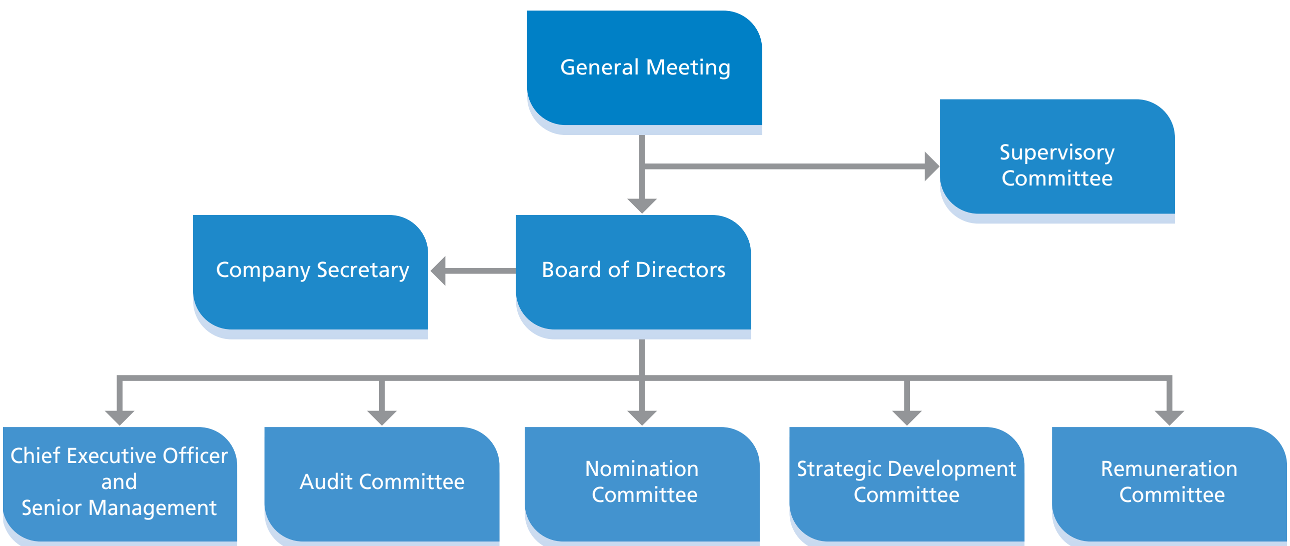
– once the utilization rate of annual cap reaches 80%: (i) the head of the finance department is required to issue a written notice to the head of the shipment department alerting that annual cap must not be exceeded by arranging shipment; (ii) all shipment instructions must be jointly approved by the head of finance department (previously, only the head of sales department's approval was required) before being issued to the head of the shipment department for arranging shipment. The relevant workflow in IT system will be upgraded to enable online joint approval of the head of the finance department before any shipment instruction can further proceed in the system by 30 April 2025;

– the Company will provide bi-annual training conducted by an external law firm, in relation to continuing connected transactions listing rules and regulations (including annual cap requirements of continuing connected transactions), the relevant continuing connected transactions internal control manual and procedures to the personnel of the finance, sales, shipment and operational management departments. The first bi-annual training for the year 2025 was conducted on 12 March 2025.

Going forward, the Company will use its best endeavours to carry out necessary measures and appropriate actions to ensure full compliance with the Listing Rules on an on-going basis.

Corporate Governance Functions

The corporate governance structure of the Company is as follows:



The Board is responsible for performing corporate governance functions. In 2024, the Board has performed the following responsibilities in relation to its corporate governance functions (for details, please refer to the summary of the main work performed by the Board in 2024 on page 31 of this report):

- developed and reviewed the Company's corporate governance policies and practices;
- reviewed and supervised the training and continued professional development of Directors and senior management;
- reviewed and supervised the Company's policies and practices in complying with legal and regulatory requirements;
- developed, reviewed and supervised the code of conduct and compliance manuals for employees and Directors; and
- reviewed the Company's compliance with the Code and disclosure in the Corporate Governance Report.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 (formerly known as 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 lock-up periods in accordance with the Model Code. Having made specific enquiries, the Company hereby confirms that all the Directors and Supervisors have complied with the standards as set out in the Model Code regarding the trading of securities by Directors.

Board of Directors

The Directors of the third session of the Board of Directors were appointed at the annual general meeting held on 23 May 2022 for a term of three years until the conclusion of the annual general meeting for the year ended 31 December 2024. The third 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 third 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. Xu Baochun (Deputy Chairman)
Ms. Ye Ting
Mr. Wang Kaibao

Independent Non-executive Directors
Mr. Wu Tak Lung
Mr. Meng Zhihe
Mr. Cao Hongbin

The Board held 5 meetings and passed 10 written resolutions during the year ended 31 December 2024. The attendance of each Director of the Company at board meetings and general meeting held in 2024 is as follows:

Directors	Attendance at Board Meetings	Attendance at General Meeting
Executive Directors		
Mr. Yiu Chiu Fai (Chairman)	5/5	1/1
Mr. Wang Mingzhong	5/5	1/1
Mr. Li Tianxi	5/5	1/1
Non-executive Directors		
Mr. Xu Baochun (Deputy Chairman)	3/5	0/1
Ms. Ye Ting	5/5	0/1
Mr. Wang Kaibao	4/5	0/1
Independent Non-executive Directors		
Mr. Wu Tak Lung	5/5	1/1
Mr. Meng Zhihe	5/5	1/1
Mr. Cao Hongbin	5/5	1/1

The division of responsibilities between the Board and the management of the Company is clear. The Board is responsible for formulating the overall strategy of the Company, setting management objectives, regulating internal control and financial management, and overseeing the management's performance. The Company's day-to-day operation and management are undertaken by the Company's management under the authorization of the Board. Article 100 of the Articles clearly states the functions and powers of the Board.

The Board has passed the Authorization Management Rules of Henan Jinma Energy Company Limited (the "**Authorization Management Rules**"), which sets out the scope of responsibilities and decision-making authority of governing bodies, departments and related staff at all levels. Specifically, the approval authority of the general meeting, the Board, the Chairman of the Board and the Chief Executive Officer is set out for the following items:

- Equity investment, management and disposal;
- Fixed asset investment, management and disposal;
- Intangible asset investment, management and disposal;
- Financial assistance provided by the Company and its controlled subsidiaries to external parties; and
- Applying for loans or credit lines from financial institutions, grants or donations, assets retirement and written off and other major transactions.

The roles of Chairman and Chief Executive Officer of the Company are exercised by different individuals. The Chairman of the Board is Mr. Yiu Chiu Fai, and the Chief Executive Officer is Mr. Wang Mingzhong.

The Chairman of the Board exercises the functions and powers provided in laws, regulations, rules, regulatory documents, regulatory rules of the securities regulatory authorities or the stock exchange where the Company's shares are listed, the Articles, the Authorization Management Rules and other management rules and regulations of the Company or functions and powers delegated by the Board. Article 101 of the Articles clearly states the functions and powers of the Chairman of the Board.

The Chief Executive Officer is the person in charge of the daily operation and management of the Company under the leadership of the Board, and is accountable to the Board. The day-to-day operational matters of the Company shall be in principle, approved and decided by the Chief Executive Officer, other than those that should be submitted for approval by governing bodies at higher level in accordance with laws, regulations, rules, regulatory documents, regulatory rules of the securities regulatory authorities or the stock exchange where the Company's shares are listed, the Articles, the Authorization Management Rules or other management rules and regulations of the Company. The specific duties of the Chief Executive Officer shall be performed in accordance with the Articles, the Authorization Management Rules, and other management rules and regulations of the Company. Article 117 of the Articles clearly sets out the functions and powers of the Chief Executive Officer.

The Board comprises three non-executive Directors, namely Mr. Xu Baochun, Ms. Ye Ting and Mr. Wang Kaibao, for terms commencing from 23 May 2022 and until the conclusion of the annual general meeting for the year ended 31 December 2024.

The Board comprises three independent non-executive Directors, accounting for one-third of the members of the Board. The three independent non-executive Directors are experts in coking, economics and accounting respectively and have appropriate professional qualifications. Among them, Mr. Wu Tak Lung, chairman of the Audit Committee, has the appropriate accounting and financial management expertise and experience. The terms of office of three independent non-executive Directors commence from 23 May 2022 and expire upon the conclusion of the annual general meeting for the year ended 31 December 2024.

The Board is committed to ensuring the appointment of at least three independent non-executive Directors and at least one-third of them being independent non-executive Directors. In addition to complying with the requirements of the Listing Rules on the composition of certain Board committees, the Company also appoints independent non-executive Directors to other Board committees to ensure independent views as far as possible. The Company also formulated and implemented the Mechanism for Ensuring Independent Views and Opinions of the Board《確保董事會取得獨立觀點及意見機制》, whereby independent non-executive Directors (like other Directors) are entitled to seek for further information from the management on matters to be discussed at Board meetings. They can also seek assistance from the Company's company secretary and independent professional advice, where necessary, at the Company's expense. The Board has reviewed the implementation and effectiveness of this mechanism and confirmed the effectiveness of the policy and will continue to review the implementation and effectiveness of such mechanism constantly. The Chairman of the Board held meetings with independent non-executive Directors during the year without the presence of other Directors to discuss material matters and any concerns.

The Board confirms that none of the independent non-executive Directors has served for more than nine years, and equity-based remuneration linked to performance has not been granted to any independent non-executive Directors. All the three independent non-executive Directors have submitted written confirmations to the Company for their independence.

After making reasonable enquiry with the members of the Board (including the Chairman of the Board and the Chief Executive Officer), the Company confirms that there is no financial, business, family or other material or relevant relationship between the members of the Board (including the Chairman of the Board and the Chief Executive Officer).

Save for entering into service contracts and except as otherwise disclosed in this report, none of the Directors, Supervisors and their connected entities had entered into any material transactions, arrangements or contracts with the Company directly or indirectly in 2024.

After making reasonable enquiry with the members of the Board, the Company confirms that none of the Directors have any interests in other businesses which compete or may compete with the businesses of the Company (for example, as a director, substantial shareholder, partner or sole proprietor).

A summary of the main work performed by the Board in 2024 is as follows:

- approved the working report of the Board and annual results announcement for 2023 of the Company;
- reviewed the auditor's report and annual report for 2023 of the Company;
- approved the interim report and interim results announcement for 2024 of the Company;
- considered the final dividend for 2023 and the interim dividend for 2024;
- considered and proposed the re-appointment of auditor; and
- approved the agenda for convening general meetings.

The Company places considerable emphasis on the training and continuing professional development of its directors. The Company recognises that personal development is primarily based on work experience but needs to be supplemented by different training. In 2024, the Company encourages its Directors to participate in e-learning and also arranged different corporate training for its Directors. By participating in the training, the Directors refreshed and enhanced their knowledge and skills to ensure that they are fully informed and have the necessary input into the work of the Board.

According to the records kept by the Company, as at 31 December 2024, all Directors have complied with the code provisions on continuing professional development under the Code for training:

	Topic	
Directors	**Training on Connected Transactions under the Listing Rules of the Hong Kong Stock Exchange**	**Regulatory Requirements and Compliance of Disclosable Transactions and Connected Transactions of Hong Kong Listed Companies**
Executive Directors		
Mr. Yiu Chiu Fai (Chairman)	√	√
Mr. Wang Mingzhong	√	√
Mr. Li Tianxi	√	√
Non-executive Directors		
Mr. Xu Baochun (Deputy Chairman)		√
Ms. Ye Ting		√
Mr. Wang Kaibao		√
Independent Non-executive Directors		
Mr. Wu Tak Lung		√
Mr. Meng Zhihe	√	√
Mr. Cao Hongbin	√	√

Audit Committee

The Board has established the Audit Committee.

The Audit Committee is primarily responsible for recommending the appointment, re-appointment and removal of the external auditor, reviewing the Company's financial information, overseeing the Company's financial reporting system, risk management and internal control systems, and reporting to the Board on all matters within its Terms of Reference.

The Audit Committee held four meetings during the year ended 31 December 2024. A list of the members and the attendance of each of its members at its meetings during 2024 are as follows:

Directors	Attendance at Audit Committee's meetings
Mr. Wu Tak Lung (Chairman) (Independent non-executive Director)	4/4
Mr. Xu Baochun (Non-executive Director)	0/4
Mr. Meng Zhihe (Independent non-executive Director)	4/4

As of the date of this report, a summary of the main work performed by the Audit Committee is as follows:

- reviewed the audited financial statements for 2023 and the unaudited condensed consolidated interim financial statements for 2024 of the Company;
- reviewed the interim report for 2024 of the Company;
- reviewed the report on the 2024 audit plan;
- reviewed the letter from the external auditor to the management;
- monitored and reviewed the adequacy and effectiveness, follow-up actions and implementation of the risk management, internal audit function and internal control system of the Group;
- reviewed and monitored the independence and objectivity of the external auditor; and
- advised the Board on re-appointment of the external auditor.

The Audit Committee has reviewed the audited financial statements for the year ended 31 December 2024.

The auditor of the Company has audited the 2024 financial statements, and issued an unqualified auditor's report.

Remuneration Committee

The Board has established the Remuneration Committee.

The Remuneration Committee primarily advises the Board on the remuneration policy and structure of the Directors and the management of the Company, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices, and the establishment of a formal and transparent procedure for developing remuneration policy, and makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The Remuneration Committee also reviews compensation matters relating to the resignation of Directors or senior management and is responsible for reviewing on matters relating to share schemes of the Company (if any) under Chapter 17 of the Listing Rules. The Company has adopted code provision E.1.2 (c)(ii) contained in Part 2 of the Code, i.e. the Remuneration Committee recommends to the Board remuneration packages of individual executive Directors and senior management.

The Remuneration Committee held one meeting during the year ended 31 December 2024. A list of the members and the attendance of each of its members at its meeting during 2024 are as follows:

Directors	Attendance at Remuneration Committee's meeting
Mr. Cao Hongbin (Chairman) (Independent non-executive Director)	1/1
Mr. Wang Mingzhong (Executive Director)	1/1
Mr. Wu Tak Lung (Independent non-executive Director)	1/1

During the above meeting held in 2024, the Remuneration Committee discussed and considered the remuneration policy and structure of the Directors and the management of the Company.

Nomination Committee

The Board has established the Nomination Committee.

The Nomination Committee reviews the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually, and makes recommendations on any proposed changes to the Board to complement the Company's business strategy. The Nomination Committee also identifies candidates for Directors and assesses the suitability and qualifications of such candidates to become Directors, selects or makes recommendations to the Board on the selection of individuals nominated for directorships and also assesses the independence of independent non-executive Directors.

The Nomination Committee held one meeting during the year ended 31 December 2024. A list of the members and the attendance of each of its members at its meetings during 2024 are as follows:

Directors	**Attendance at Nomination Committee's meeting**
Mr. Yiu Chiu Fai (Chairman) (Executive Director)	1/1
Mr. Meng Zhihe (Independent non-executive Director)	1/1
Mr. Cao Hongbin (Independent non-executive Director)	1/1

A summary of main work performed by the Nomination Committee in 2024 is as follows:

- assessed the independence of the independent non-executive Directors;
- reviewed the structure, size and composition of the Board;
- agreed to and approved the Composition of the Board and Management of the Company;
- reviewed the nomination policy of Directors of the Company; and
- reviewed the Board Diversity Policy of the Company.

The Company has developed and adopted the Board Diversity Policy to enhance the performance of the Board of the Company. Pursuant to the Board Diversity Policy, when recommending candidates to join the Board, the Nomination Committee will consider the candidates according to objective conditions, and will take due consideration of the benefits of diversity (in terms of skills, age, education background, ethnicity, gender, knowledge, experience etc.) among the Board members. The Nomination Committee conducts discussions each year and agrees on the measurable objectives for board diversity, and will recommend to the Board relevant objectives for adoption.

Our Directors have rich knowledge and skills, including overall management and strategic development, sales and marketing, finance and accounting, law, consulting and corporate governance, and have years of experience in coke operation. They have also earned various professional degrees, including business administration, coal chemistry, metallurgical engineering, industrial economic management, accounting, law and chemical engineering. The Company has three independent non-executive Directors with different industry backgrounds, accounting for one third of the board members. In addition, the Board is of a wide range of ages, ranging from 38 to 69. To achieve gender diversity, the Company sets to achieve female participation at the board at no less than one female member, which has already been achieved. The Board confirmed that not all members of the Board and the Supervisory Committee of the Company are of a single gender, of which, Ms. Ye Ting served as a non-executive director of the Company since 2019, while Ms. Tian Fangyuan and Ms. Hao Yali served as the supervisors of the Company since its listing, demonstrating that the Company values the views and opinions of females. Taking into account our existing business model and specific needs as well as the different background and abilities of our Directors, our Directors are of the view that the current composition of our Board satisfies our board diversity policy. With a view to developing a pipeline of potential successors to our Board that may achieve gender diversity, we will (i) make appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of our Group by recruiting staff of different gender; (iii) consider the possibility of nominating female management staff who has the necessary skills and experience to our Board; and (iv) provide career development opportunities and more resources in training female staff with the aim of promoting them to our senior management or our Board so that we will have a pipeline of female senior management and potential successors to our Board in a few years' time. The target set by the Company for gender diversity in its employees is at least 15%.

As the Company is mainly engaged in the production of coke and process of coking by-products, it actively recruits talents graduated from coking – and chemical-related majors. However, traditionally, males are the majority of those who choose these majors, and given that the Company's work involves high temperatures and the operation of heavy machinery, there are relatively fewer females that are engaged in the coking industry, which is a challenge for us to achieve gender diversity in our employees. That said, in order to achieve gender diversity and attract more females to join the Group, the Company provides practical benefits to its female employees, including: establishing a female worker committee, paying attention to the expectations and demands of female employees; organizing regular health check-ups for female employees every year; providing baby-care rooms and other supporting facilities for female employees who need to breastfeed during their working hours. During the Reporting Period, the female employees (including senior management) of the Company accounted for approximately 19% of the total employees. As such, the Board confirmed that the Company has reached its measurable goal of gender diversity in its employees. The Company confirmed that the policy is still effective and will continue to review the feasibility of such goal and the challenges and factors in achieving it, and the Company also actively discussed more benefits to be provided for female employees, so as to attract more females to join the Company.

Moreover, the Company has formulated and adopted the Directors Nomination Policy. The Directors Nomination Policy covers selection criteria, nomination procedures, terms of confidentiality, supervision and reporting, and policy review. Several factors will be taken into account when nominating Board candidates, including but not limited to the following:

- reputation and integrity;
- achievements, talents, skills, knowledge and experience in the coal chemical industry, business and economics area, accounting;
- views and perspectives that can be brought to the Board;
- commitment in respect of available time and relevant interest;
- independence of independent non-executive Directors; and
- the objective of the Board diversity considering factors including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, etc.

The factors above are not exhaustive nor decisive. The Nomination Committee can decide to nominate any candidate that is considered suitable. The Nomination Committee will review the Directors Nomination Policy annually and make reference to the Board Diversity Policy in filling director vacancies to procure the diversity of the Board.

A summary of the nomination process for Directors is as follows:

- the chairman of the Nomination Committee shall convene a Nomination Committee meeting and invite the Board members to nominate candidates (if any) for consideration before the meeting. The Nomination Committee may also nominate candidates from other different sources (such as professional societies, professional headhunting companies, recommendations by the Shareholders or management, internal promotion, etc.);

- the Nomination Committee shall recommend candidates for consideration and approval by the Board, with reasons for consideration and recommendation provided to the Board;

- the Board recommends candidates to stand for election at a general meeting;

- the Company will issue a circular to shareholders to provide information on candidates nominated by the Board for election at a general meeting. The names, resumes (including eligibility and related experience), independence, proposed emoluments and other information of the candidates will be set out in the circular to the shareholders in accordance with the applicable laws, rules and regulations;

- if the Shareholders wish to recommend a person to be elected as a Director of the Company at a general meeting, they may refer to the Procedures for a Member to Propose a Person for Election as a Director which has been uploaded to the Company's website for the relevant procedures; and

- the election of Board members shall be proposed as ordinary resolutions at a general meeting, and should be passed by more than one-half of the voting rights held by shareholders (including proxies) attending the general meeting.

Strategic Development Committee

The Board has established the Strategic Development Committee.

The Strategic Development Committee mainly conducts researches and makes recommendations on the Company's long-term development strategy, major investment decisions, and medium and long-term plans, and monitors the implementation of the strategic development plan of the Company.

The list of members of the Strategic Development Committee of the Company is as follows:

Directors
Mr. Xu Baochun (Chairman) (Non-executive Director)
Mr. Li Tianxi (Executive Director)
Mr. Cao Hongbin (Independent non-executive Director)

Auditor's Remuneration

The auditor of the Company is Deloitte Touche Tohmatsu ("**Deloitte**"). The Directors do not have any opinion to the contrary on the selection and appointment of Deloitte as the auditor. For the year ended 31 December 2024, the remuneration of Deloitte and its related parties for audit service was approximately RMB1.5 million, for other audit services were approximately RMB1.3 million and for non-audit services were approximately RMB0.6 million. Non-audit services provided to the Group included the review of the internal control system of the Group and the assurance of the environmental, social and governance report of the Company.

Responsibilities of Directors and Auditor for Financial Statements

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

The financial statements of the Company for the year ended 31 December 2024 have been reviewed by the Audit Committee and audited by the external auditor, Deloitte. The Directors confirm their responsibilities for preparing the Company's financial statements and presenting the results of the Company in a truthful and fair manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast doubt upon the Company's ability to continue as a going concern.

For the statement of the auditor about its responsibilities for reporting the financial statements, please refer to the section headed "Independent Auditor's Report and Consolidated Financial Statements – Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" on pages 119 to 120 of this annual report.

Company Secretary

The company secretary of the Company is Mr. Wong Hok Leung. The biography of Mr. Wong is as follows:

Mr. Wong Hok Leung (alias Wong Hok Leung Paul) (王學良), joined the Group and was appointed as our head of capital markets and company secretary on 1 January 2017. Mr. Wong is responsible for the Group's corporate governance, company secretarial and capital markets matters.

Prior to joining our Group, from August 2002 to April 2008, Mr. Wong served in the Sun Hung Kai Properties Group as the group head of financial control and business development, and served as the chairman of Sun Hung Kai Logistics Limited. From May 2008 to November 2009, Mr. Wong was a director of China Metal Recycling (Holdings) Limited (stock code: 773), which was delisted from the Main Board in 2016. Mr. Wong was the chief corporate officer of IMC Industrial Pte Ltd. (formerly known as IMC Corp Pte Ltd) from January 2010 to August 2011. From August 2011 to February 2016, Mr. Wong served as the head of Asia Pacific of Scholz AG (now known as Scholz Holding GmbH) and was responsible for its business development in the PRC and Asian region. Mr. Wong has over 20 years of experience in banking, finance, IT and retail banking, and his last position in banking was in Singapore, as the head of distribution channels for DBS Bank.

Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Chartered Association of Certified Accountants and obtained his accounting qualification experience in Price Waterhouse Lowe Bingham & Matthews (now known as PricewaterhouseCoopers). Mr. Wong obtained a bachelor's degree in science from the University of Hong Kong in November 1975.

The company secretary attended relevant professional training for no less than 15 hours in 2024.

Major Changes in the information of Directors and Supervisors

The major changes in the information of Directors and supervisors are set out below:

Director	Details of Change
Li Tianxi	From December 2024, Mr. Li served as chairman and legal representative of Xinyang Jingang, a subsidiary of the Company.

Supervisor	Details of Change
Wong Tsz Leung	From July 2024, Mr. Wong ceased to be the executive director and chief financial officer of Smart-Core Holdings Limited (stock code: 2166), a listed company in Hong Kong, and now serves as non-executive director of the company.

Shareholders' Rights

Pursuant to the Articles, shareholders holding 10% or more of the Company's outstanding shares carrying voting rights may request in writing that an extraordinary general meeting be convened. Please refer to Article 82 of the Articles for the detailed procedure regarding such shareholder's request for convening an extraordinary general meeting.

Pursuant to the Articles of Association, when the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the Company's shares carrying voting rights shall have the right to put forward a new proposal in writing to the Company by any of the means mentioned below in the "Communications with Shareholders and Investors" section. The Company shall include the contents of the proposal that fall within the scope of power of the shareholders' general meeting into the agenda of the said meeting.

Communications with Shareholders and Investors

The Company believes that effective communication with its shareholders is essential to enhancement of the relationship with investors and enhancement of investors' understanding of the Company's business and strategies.

The Board has adopted a formal Shareholders Communication Policy to ensure that shareholders are provided with ready, equal and timely access to the Company's information. We have established effective communication channels in accordance with the Shareholders Communication Policy to encourage effective shareholders' engagement and communication with shareholders. During the Reporting Period, the Board has reviewed the Shareholders Communication Policy. As such Policy has provided effective channels for shareholders to express their opinions to the Company and the Company has complied with such Policy, and the Board agreed that the policy has been properly implemented and was effective. The Company will continue to promote investor relations and enhance its communication with shareholders. A summary of the Shareholders Communication Policy is as follows:

We maintain a corporate website (www.hnjmny.com), to keep our shareholders and the investing public posted of our Share price information, latest business developments, annual and interim results announcements, financial report, public announcements, corporate governance policies and practices and other relevant shareholder information.

The Company views its annual general meeting as one of the important platforms to communicate with shareholders and encourages all Directors to make an effort to attend the annual general meeting. The Company also encourages shareholders to raise questions at the annual general meeting. All members of the Board, management officers and external auditors attended the annual general meeting and answered questions raised by shareholders. Shareholders may at any time put enquiries to the Board. Such enquiries may be made by any of the following means:

- by post to the principal place of business of the Company in Hong Kong at Room 2801, 28/F, 88 Hing Fat Street, Causeway Bay, and addressed to the company secretary;
- call +852 3115 7766;
- send an email to paulwong@hnjmny.com; or
- put enquiries at the general meeting.

Corporate Culture: To build a Century-old Jinma by striving towards excellence

In order to achieve the core values of the Company, namely the integration of efficiency, benefit and responsibility, the Company's vision is advancing industry-wide technical improvement, establishing an environment-friendly and energy-saving enterprise and fulfilling corporate social responsibilities. Leading by such vision and core values on the way to achieving its mission, the Group integrates economic growth, environmental protection and social responsibility into its business strategies, and creates continuous values for customers by high-quality products. Building a healthy corporate culture within the Group is crucial for the Company to achieve its vision and mission of sustainable development. The Board has the responsibility for building a corporate culture which provides guidance for employees' behavior. The Board of the Company has reviewed and confirmed that the Company's vision, values and business strategies are in line with its corporate culture.

Principles of Development

The Company conscientiously implements its development principles, and passing the inspection, assessment and vesting by the National Security Information Centre on the certification of integration of informatization and industrialization system; it attaches great importance to boost the development of cyclic economy in the park, realizing the zero discharge of production and domestic wastewater, as well as solid waste, and the pollutant discharges meeting the ultra-low discharge requirements of Henan Province; insisting on the strategy of "strengthening enterprises with talents" ("人才強企"), it successively established long-term cooperations with Tsinghua University, Zhejiang University, Xiamen University, Zhengzhou University, Anhui University of Technology, cultivating professional talents with excellent expertise and strong management capacity; it vigorously promotes scientific and technological innovation, evidenced by the cooperation with Zhengzhou University to establish "Coal-based Ecology Refined Chemical Laboratory of Henan Province" ("煤基生態精細化工河南省工程實驗室") which provides technological support for the development of new refined chemical materials.

Principle of Honesty

Honesty is the basic principle that shall be followed by the employees of Jinma when they cooperate with each other and conduct business activities with business partners. Jinma has formulated human resource management policies that a mutual respect, inclusive and friendly environment shall be built in the workplace. In terms of business ethics, the guidelines for employee conduct are set out in the Group's code of conduct and anti-corruption policies. In order to support the implementation of the above policies, the Group carries out relevant education on a regular basis, to promote and reinforce the Group's values of acting in a lawful, ethical and responsible manner.

Achievement of Excellence

The Company has been awarded the National Green Factory (國家級綠色工廠), National Advanced Collective Entity in the Steel Industry (全國鋼鐵工業先進集體), National Ecological and Cultural Exemplary Enterprises (The First Batch) (全國(首批)生態文化示範企業), National Labor Day Certificate (全國五一勞動獎狀), National Environmental and Greenery Exemplary Units (全國綠化模範單位), National Advanced Unit in Open and Democratic Management in Factory Affairs (全國廠務公開民主管理工作先進單位), Henan Province Excellent Private Enterprises (河南省優秀民營企業), Top Manufacturing Enterprises in Henan Province (河南省製造業頭雁企業), Exemplary Unit for Innovation on Energy-saving and Emission Reducing Technology in Henan Province (河南省節能減排科技創新示範企業), Model Enterprises for Intelligent Manufacture in Henan Province (The First Batch) (河南省首批智慧製造標桿企業), etc.

Development Strategies

The Group's strength in coking operations has in the past enabled the Group to extend the Group's engagement in the coking chemical industry chain of the coal chemical industry through the acquisition of companies engaging in the production of upstream and downstream products in coking operations. Furthermore, in order to expand the Group's business of benzene based chemicals, coal tar based chemicals as well as coal gas and LNG, the Group successfully acquired and consolidated the management and operations of Jinyuan Hchem in May 2015, and have listed Jinyuan Hchem on 20 December 2023 (for further details, please refer to the announcement of the Company dated 20 December 2023), the management and operations of Bohigh Chemical in October 2016 and the management and operations of Jinning Energy in December 2016. Leveraging on the Group's successful track record and past experience in extending the Group's involvement in the coking chemical value chain, the Group is further extending the Group's value chain from coal gas to the production of downstream energy products, mainly LNG and hydrogen (including green hydrogen and other industry chain businesses).

The Board is satisfied that the abovementioned purpose, value and strategy and the Company's culture are aligned.

Regulations on Management of Anti-corruption and Whistleblowing Mechanism

In order to prevent corruption, strengthen the governance and internal control of the Company, reduce the risk of the Company, improve its operation, ensure the achievement of the Company's operation goals and its sustainable, stable and healthy development, as well as to safeguard the lawful interest of the Company and Shareholders, the Company formulated the Regulations on Management of Anti-corruption and Whistleblowing Mechanism based on the actual situation of Company.

For the efforts made by the Company relating to anti-corruption, please refer to the section headed "Environmental, Social and Governance Report" on pages 43 to 90 of this annual report.

Risk Management and Internal Control

The Board confirms its responsibility for overseeing the Group's risk management and internal control system on an ongoing basis and reviewing their effectiveness. The Audit Committee is authorized by the Board to review the Group's risk management and internal control system at least annually. Such systems are established to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable rather than absolute assurance against material misstatement or loss.

The Group has an internal audit function to conduct analyses and independent assessments on whether the Group's risk management and internal control systems are adequate and effective.

Risk management and internal control procedures

The risk management and internal control procedures of the Group are as follows:

- **Main features of risk management and internal control system**

  Taking a risk-based approach which focuses on control, integrating risk management, internal control and process management to establish a sound comprehensive risk management and internal control system.

- **Risk management procedures**

  First of all, establishing a Risk Database for risk management at three levels, classifying the risk levels according to the features or processes of operation and management activities that involve risks, identifying and presetting a list of risks; then assessing the identified risks in terms of their possibilities of occurrence and impacts through scored surveys and questionnaires, and ranking the risks based on their levels of importance; lastly, conducting risk diagnosis for risk liabilities, and providing suggestions for dealing with risks.

- **Procedures for reviewing the effectiveness of the risk management and internal control system**

  The Audit Department and Corporate Governance Department regularly carry out risk and internal control evaluation, pursuant to the Company's Internal Control Evaluation Rules and the operation monitoring – internal evaluation of internal control procedures in the Internal Control Manual, as well as the requirements of the Audit Committee.

- **Procedures for resolving material internal control defects**

  If the Audit Department, externally-engaged consulting firm or listing regulatory authority identifies any material internal control defects, the Corporate Governance Department of the Company shall respond to and treat such defects as material and important risks, formulate response measures, and improve the Risk Database of the Company and internal control processes in a timely manner.

- **Internal control measures**

  The Company establishes and clearly defines internal control organizational bodies and their responsibilities. The Board is the governing body of internal control, responsible for establishing a sound internal control system and its effective implementation, and also responsible for reviewing the effectiveness of the internal control system design, supervising the internal evaluation status of internal control, as well as coordinating internal control audit and other relevant matters. The Corporate Governance Department of the Company is the centralized management department for internal control system operation, responsible for organizing the establishment, daily maintenance and supervision of internal control system. The Audit Department of the Company is the centralized management department for internal control system evaluation, responsible for organizing evaluation of internal control system. All departments of the Company are internal control execution departments, responsible for implementing management rules and business processes within their scope of responsibilities, as well as internal supervision of the status of such implementations. As part of its internal control measures, the Company has also put in place appropriate internal controls and mechanism to monitor related-party transactions, connected transactions and continuing connected transactions (if any) in compliance with the relevant requirements of the Listing Rules.

  The Audit Department will incorporate the Company's internal control evaluation into its annual work plan each year. The Company will organize internal and external professionals to participate in the supervision and evaluation of internal control, and adopt qualitatively and quantitatively integrated methods, to enhance the accuracy of the supervision and evaluation results. The Company will also incorporate the internal control evaluation results into the performance appraisal system for departments.

- **Handling and dissemination of inside information**

  In respect of inside information disclosure, the Company has established a set of management policies according to the SFO and the Listing Rules, which mainly include the definition of inside information, the issuance criteria, the responsibilities of directors, senior management, controlling shareholders and other relevant staff of the Company, so that the public can obtain the disclosed inside information in an equal, timely and effective manner.

Opinions of the Audit Committee and the Board

The Audit Committee reviews the risk management and internal control system of the Group annually. In 2024, for the purpose of enhancing the internal control systems of the Company for effective compliance management of notifiable and connected transactions going forward, the Company has engaged an independent internal control consultant (the "**IC Consultant**") to review the internal control systems and measures designed for disclosable and connected transactions ("**Transactions**") under the Chapter 14 and 14A of the Listing Rules. The IC Consultant had not identified material deficiencies in the Company's internal control systems and measures. The main findings under the report of the IC Consultant relate to (i) omissions in the definition of certain Transactions that do not occur frequently, and (ii) the insufficient description of compliance management measures in respect of certain Transactions in the Company's internal control system, which omissions and insufficiencies could be properly managed through the review by specific departments of the Company and the obtaining of advice from professional advisors. The Board confirms that it agreed with and has accepted the recommendations as stated in the report of the IC Consultant. All such recommendations of the IC Consultant have been reflected in the Company's updated internal control systems and measures which have already been approved and implemented by the Board. Furthermore, based on the management's assessment, the Audit Committee reviewed and firmly believed that there was no event that led the Audit Committee to believe that the Company's risk management and internal control system (covering finance, operations, compliance and all other material controls) were inadequate and no significant control failings or weaknesses were identified during the Reporting Period, and there is an ongoing process to identify, assess and manage the significant risks the Company exposes to. The Audit Committee has also reviewed the adequacy of resources, staff qualification and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions and ESG performance and reporting, and considered that the Company's risk management and internal control system was adequate and effective and the Company concurred with the opinion of the Audit Committee. The Audit Committee also considered that the Company's processes for financial reporting and Listing Rules compliance were effective.

The Audit Committee also confirmed that the Company's resources, staff qualifications and experience in accounting and financial reporting functions, as well as training programs received by staff and the relevant budget were adequate.

The Audit Committee has reported its above findings to the Board and the Board has concurred with the relevant findings.

Report Description

This is the Group's Environmental, Social and Governance report for the period from 1 January 2024 to 31 December 2024 (the "Reporting Period"). This report aims to disclose the Group's overall performance in two main aspects (i.e., environmental and social) during the operation of its main businesses (production and sale of coke, and the processing and sale of coking byproducts).

For the Group's governance strategies, please refer to the section headed "Corporate Governance Report" of this annual report (Pages 25-42).

This report is prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) as set forth in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Reporting principles for the report:

Materiality: This report has pinpointed the primary stakeholders and the ESG issues that concern them, and has made targeted disclosures within the report in accordance with the significance level of these issues.

Quantitative: The statistical criteria, methods, assumptions and calculation tools for the KPIs herein, as well as the sources of the conversion factors, are described in different sections of the report.

Consistency: The statistical methods used in this report are consistent with those of previous years to ensure the comparability of the data.

Balance: This report presents the Group's ESG performance in an unbiased manner, avoiding any inappropriate influence on readers' decision-making or judgment that may be caused by selective disclosure, information omission, or improper presentation methods.

Languages and Formats:

The report is available in electronic version, in Chinese language and English language. For an electronic version of the report, please visit the Company's website or HKEXnews website. Website: https://www.hnjmny.com/or http://www.hkexnews.hk/

Statement of the Board on ESG Governance

Henan Jinma Energy Company Limited undertakes that the Company has strictly abided by the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited. As the supreme decision-making and regulatory authority for ESG (environmental, social and governance) matters of the Company, the Board assumes full responsibility for the examination & approval and promotion of the Company's ESG strategies and relevant reporting, and oversees the implementation of ESG-related matters. The Board of Directors has enhanced the ESG governance framework to systematically evaluate, prioritize and manage material ESG issues (including business-related risks), while conducting regular progress assessments against established ESG targets and performance indicators to ensure close alignment between ESG strategy and business development objectives. In 2024, the Board continued to optimize the ESG governance framework and dedicated efforts to improving the Company's overall performance in the ESG field. This report provides a detailed disclosure of the progress and effectiveness of the Company's ESG work in 2024, and was reviewed and approved by the Board prior to its disclosure. The Board and all Directors of the Company warrant that the information contained in this report does not contain false records, misrepresentations, or major omissions, and assume individual and joint responsibility for the truthfulness, accuracy and completeness of its contents. During the Reporting Period, the Board conducted in-depth discussions and made decisions on the Company's ESG affairs to ensure that the Company's actions were highly consistent with its commitments.

1. Responsibility Management

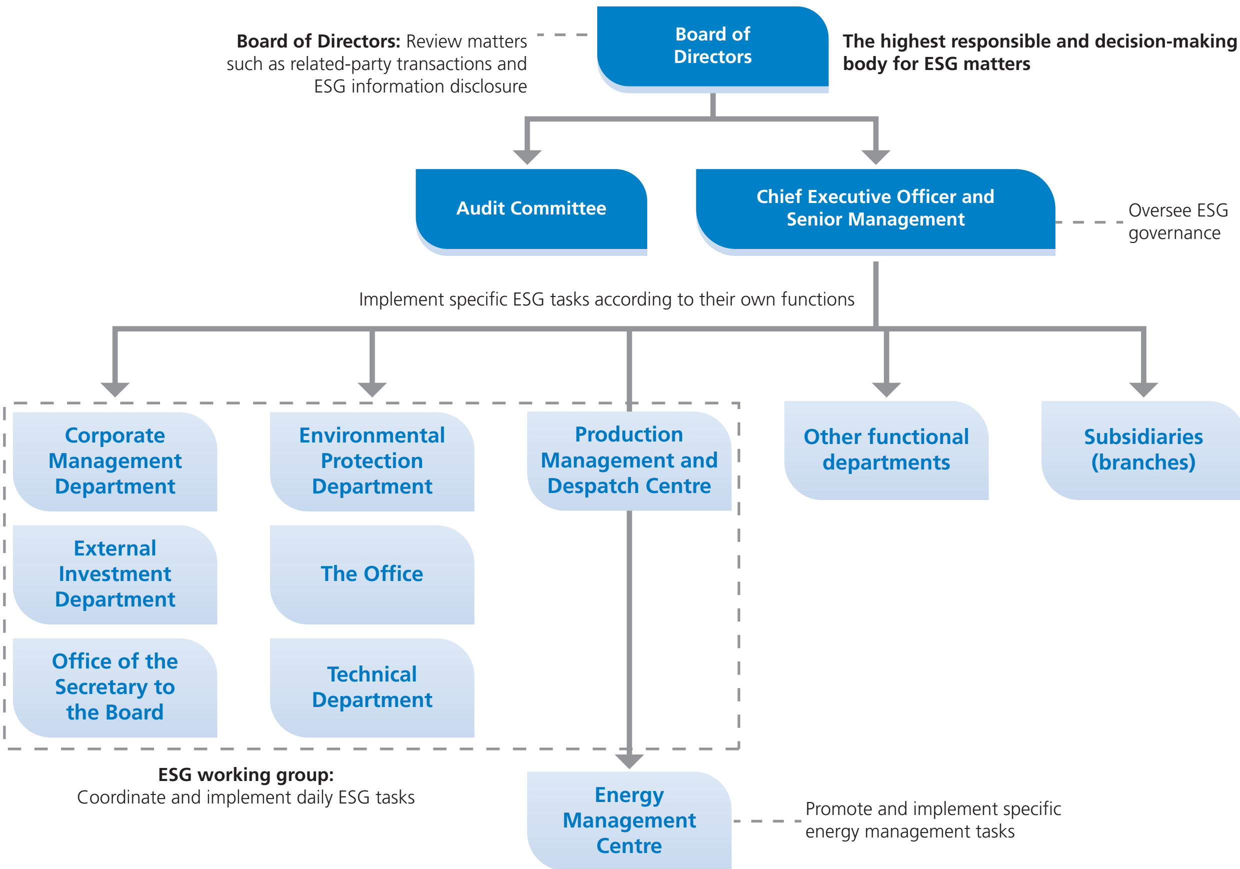
During the Reporting Period, the Group, upholding a high sense of social responsibility and mission, actively implemented responsible management and strived to set an industry benchmark in promoting sustainable development and fulfilling social responsibilities. By setting up an ESG management system and continuously improving it, strengthening communication with stakeholders, and timely responding to and properly handling the reasonable demands of various stakeholders, the Company strengthened compliance management and ensured the deep integration of the concept of sustainable development into its business operation.

1.1 ESG Management System

ESG governance

The Group has established an ESG management system with the Board of Directors at its core, the Audit Committee, the Chief Executive Officer, and the Senior Management as the supervision layer, and the ESG working group, various functional departments, and subsidiaries (branches) as the execution layer.

Board of Directors	➢ The highest decision-making and regulatory body for ESG matters ➢ Approving and advancing the Company's ESG strategies and reports ➢ Overseeing the implementation of ESG-related matters
Chief Executive Officer and Senior Management	➢ Monitoring the commitments and actual performance on key ESG issues ➢ Assessing ESG-related risks the Company faces ➢ Tracking and evaluating the formulation and implementation of ESG management policies, strategies, and goals ➢ Regularly reporting ESG matters and progress to the Company's Board of Directors
Audit Committee	➢ Monitoring ESG-related risk management and internal control systems
ESG working group	➢ It is composed of multiple core departments such as the office of the Secretary to the Board, the Corporate Management Department, the External Investment Department, the Office, the Production Management and Despatch Centre, the Energy Management Centre, and the Environmental Protection Department, forming a linkage mechanism ➢ The office of the Secretary to the Board is responsible for reviewing the annual ESG report and information disclosure matters ➢ The Corporate Management Department is responsible for advancing ESG initiatives and enhancing performance in carbon emissions reduction, pollution prevention and control, as well as energy-saving ➢ The External Investment Department coordinates the daily ESG management work ➢ The Office promotes the implementation of ESG management ➢ The Production Management and Despatch Centre and the Energy Management Centre supervise the scheduling of resources such as water, electricity, gas, steam, and sewage ➢ The Environmental Protection Department is responsible for environmental information management, evaluation of carbon-reduction measures, and formulation and supervision of ESG policies
Various functional departments and subsidiaries (branches)	➢ In line with their respective business scopes and functions, they are responsible for implementing specific ESG tasks as per the ESG management system and processes, and collaborating in the annual ESG information disclosure and reporting



ESG Governance Structure

Board Diversity

The Group highly values the Board team building, and has formulated and implemented a Board Diversity Policy. In recommending candidates for the Directors to the Board, the Nomination Committee fully considers them from a range of perspectives, such as gender, age, cultural and educational background, professional experience, skills, and length of service. Meanwhile, the Nomination Committee annually discusses and sets measurable goals for achieving diversity among Board members, and offers suggestions to the Board. The Group's Board of Directors has met the gender diversity goal. Additionally, the Board is composed of individuals with diverse ages, educational levels, academic backgrounds, and professional work experiences. The effectiveness of this policy has been verified. The Group will continue to assess the feasibility of the goal, along with the relevant challenges and influencing factors it faces, to continuously optimize and enhance the policy.

1.2 ESG Concept and Strategy

The Group continuously adheres to the ESG governance concept, strictly follows national standards, focuses on the overall development strategy deployment, and adheres to the leadership of the Party building. Upholding the core concepts of industry leadership, innovative development and value creation, we are unwavering in promoting integrated, coordinated, and safe development, accelerating the implementation of intelligent applications, promoting clean and efficient utilization along the entire coal industry chain, and making every effort to provide high-quality energy products and services.

In compliance with the relevant national laws and regulations on environmental protection, following the latest national policies and the requirements of the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange, and taking into account the results of the identification of substantive issues and its own actual operational conditions, the Group adheres to the development concept of being green, low-carbon and highly efficient and has formulated and disclosed its environmental objectives for 2021-2025, with a focus on its performance in carbon emission reduction, pollution prevention and control, and energy saving, to drive high-quality development of management. The ESG working group periodically reviews and monitors the implementation of environmental objectives to ensure that various measures are effectively implemented, and reports the relevant progress to the Board. Meanwhile, the Group conducts comprehensive identification of risks, and actively carries out detection of hidden dangers according to the environmental risk characteristics and control responsibilities of each production link, and in accordance with the risk control system and process to ensure a win-win situation for production safety and environmental protection.

Communication with Stakeholders

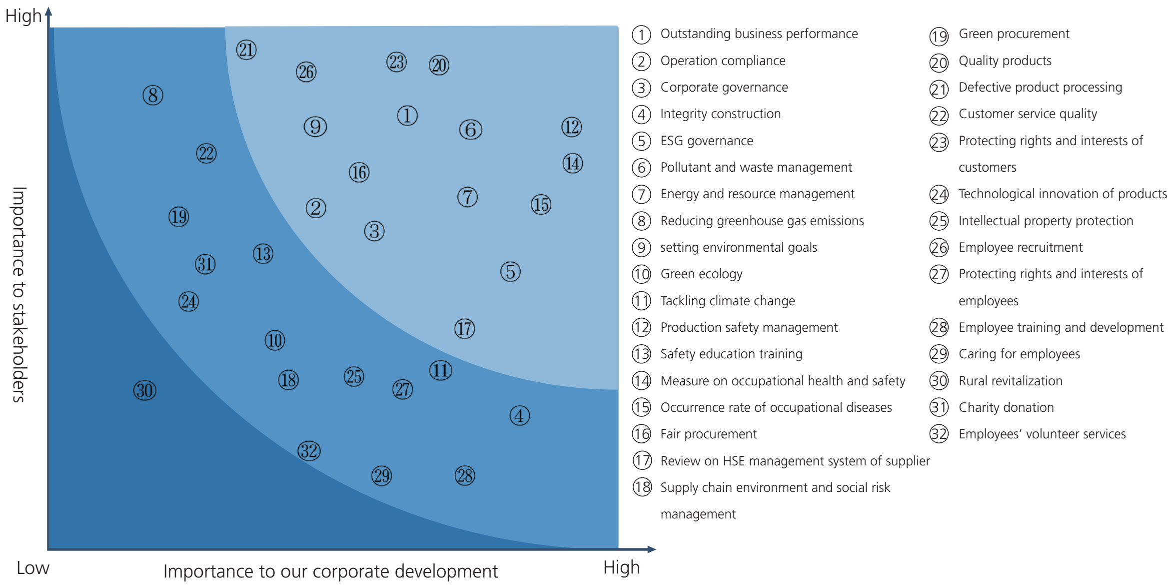
The Group has established diversified communication channels with stakeholders and maintained a normal and efficient communication mechanism to promptly convey important information, collect and respond to the expectations and demands of various stakeholders. During the Reporting Period, the Company conducted a survey on the stakeholders by issuing questionnaires, and used the results of the survey as an important basis for information disclosure strategies. A substantive analysis was performed in conjunction with the issues to determine the focus of disclosure in this report.

Stakeholders	Communication Channels	Topics of Concern
Investors/Shareholders	• Regular reports and information disclosure • Shareholders' meeting • Investors' surveys • Roadshow on business results • Teleconference	• Continuous yield of value returns • Corporate governance and risk management • Exercise of the rights to know and participation in decision-making • Integrity construction
Governments/Regulatory Agencies	• Daily communications • Information bulletin • Public-private-partnerships • Governmental review	• Complying with laws and disciplines • Protection of intellectual properties • Safe production • Response to climate change • Pollutant and waste management • Energy and resource management
Customers	• Daily services and communications • Portal websites • Customer service hotline	• Stable product quality • Defective product processing • Response guarantee for services and feedbacks

Stakeholders	Communication Channels	Topics of Concern
Supply Chain	• Business negotiations • Win-win by cooperation • Seeking development together	• Good cooperation • Smooth communication channels • Fair procurement • Careful implementation of cooperation agreements
Business Partners	• Project cooperation • Daily business communication • Establishment of industrial leagues • Online service platform	• Growing together • Sharing customer base with business partners • Operating in compliance with laws
Experts	• Green and low-carbon development • Industrial transformation and upgrading • Quality products	• Promoting the construction of green factories • Reducing greenhouse gas emissions • Application of low-carbon development technology • Technological innovation of products • Green procurement • Supplier ESG management
Employees	• Regular meetings • Employee training • Portal websites • Opinion collection • Daily communication and exchange	• Employee recruitment • Safeguarding employees' legitimate rights and interests • Caring for employees • Promoting career development and skills upgrading • Occupational health and safety
Community	• Volunteer services • Charity events	• Community public service • Charity education • Rural revitalization

Identification of Material Topics and Reporting Boundary

In accordance with Appendix C2 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to international ESG initiatives and standards and taking into account the key issues in the industry and the Company's own business situation, the Company identified and screened the ESG issues relating to the Company through various forms of communications and exchanges with various stakeholders under the guidance of experts.



1.3 Compliance Management

The Group highly values compliance management. By implementing a series of measures, it continuously intensifies the anti-corruption campaign and the construction of a clean corporate culture, strengthens compliance management capabilities, fosters a clean and honest corporate environment, and promotes the Group's high-quality and stable development.

During the Reporting Period, the Group's anti-corruption work achieved good results, and it was not involved in any lawsuits or penalties related to corruption and bribery.

➢ **Improving the anti-corruption and integrity system:** The Group stringently complies with relevant laws and regulations, including the Criminal Law of the PRC, the Company Law of the PRC, the Interim Provisions on Banning Commercial Bribery, the Anti-Unfair Competition Law of the PRC, the Anti-Money Laundering Law of the PRC and the Prevention of Bribery Ordinance of Hong Kong, and has formulated and implemented the Administrative Rules on Anti-Corruption and Whistle-blowing Mechanisms and other internal rules. Also, the Group improved the Company's mechanisms in areas such as anti-embezzlement, anti-corruption, and self-discipline in integrity, to facilitate its law-based and regulated anti-corruption work;

- **Conducting probity supervision and inspection:** The Group established a disciplinary inspection committee as a permanent agency for anti-corruption work, and formulated the Notice on Enhancing the Construction of Corruption-free Conducts, to strictly implement the supervision system and ensure implementation of all regulations;

- **Keeping whistle-blowing channels open:** The Group makes reporting channels such as mailboxes, email addresses, and phone numbers known to employees and encourages and supports them to report in accordance with the law. It continuously enforces internal regulations such as the Whistleblower Protection and Awards Rules, the Requirements on Whistleblowing and Complaint Management and the Regulations on the Management of Letters and Visits. It adheres to the principles of keeping whistle-blowers' information confidential, rewarding meritorious whistle-blowers, and protecting the legitimate rights and interests of whistle-blowers. A reporting reward system is established to ensure that employees can exercise their right to report in accordance with the law;

- **Implementing probity audit and supervision:** In accordance with internal regulations such as the Project Audit and Management Rules, the Group actively conducted internal and external audits and strengthened the audit supervision over its construction and investment projects. Following the Post-employment Audit Policy, the Group conducts a comprehensive evaluation of the performance of the resigned employees during their entire tenure, defines their economic responsibilities and potential risks, and assists the departing employees and their successors in completing the work handover;

- **Strengthening the work-style building of leading cadres:** The Group continuously enforced the requirements for integrity and self-discipline of leading cadres at all levels. It prohibited leading cadres and their relatives from participating in any business of the Company, put an end to the illegal acceptance of gifts, and required all leading cadres to sign a commitment regarding the regulations on integrity and self-discipline;

- **Conducting and strengthening anti-corruption training:** The Group carried out systematic and all-encompassing anti-corruption education and training to improve employees' ability to prevent and control integrity risks. For senior management, the Group focused on training related to anti-embezzlement, integrity and self-discipline, and compliance with laws and regulations; For grass-roots employees, the focus is on explaining the awareness of integrity in professional conduct, self-discipline and external discipline, as well as the Company's regulations on integrity in professional conduct. This is combined with in-depth analysis of typical cases of disciplinary violations to explore the ideological roots and serious consequences of corruption. The Group also organized employees to watch the educational video of the implementation of the spirit of the Eight-point Regulation from the Central-"Standard", to foster the awareness of integrity in professional conduct.

Data of Anti-corruption Training in 2024

Indicators of anti-corruption training	Unit	2024
Training frequency		
Number of anti-corruption training sessions	Times	3
Number of participants in anti-corruption training by sub-level		
Number of directors participating in anti-corruption training	Participation times	19
Number of the management participating in anti-corruption training	Participation times	76
Number of employees participating in anti-corruption training	Participation times	5,751

2. Strengthen Environmental Control

The Group adhered to the concept of green development, actively responded to the national "double carbon" target, and continuously stepped up efforts in the building of an environmental management system, aiming at developing into a "high-efficiency clean energy chemical enterprise". Taking the environmental system as a solid guarantee and using technological innovation as a core driving force, the Group adopted multiple measures to promote energy conservation, emission reduction, and pollution prevention, aiming to achieve a win-win situation between the Company's high-quality development and environmental protection.

During the Reporting Period, no major environmental lawsuits or corresponding penalties occurred within our Group.

2.1 Strict Emission Control

The Group has stringently complied with the laws, regulations and standards, including the Environmental Protection Law of the PRC, the Atmospheric Pollution Prevention and Control Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes, the Emission Standard of Pollutants for Coking Chemical Industry, the Measures for the Transfer of Hazardous Wastes, the Emission Standard of Air Pollutants for Coking Chemical Industry DB41/1955-2020 and the Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB41/1066-2020, to keep strengthening its emissions management.

With the basic principle of "control increment and reduce inventory", the Group is committed to reducing emissions of greenhouse gases and discharge of water wastes, gas wastes, solid wastes and harmful substances through technological innovation and an improved management system. The Group adheres to the guiding principle of "reduce, reuse and recycle" and continues to promote the efficient use and recycling of resources to achieve the goal of "production with high efficiency, products being cleansed and doing no harm to the environment". This aims to ensure the steady advancement towards high-quality and sustainable corporate development.

Emissions Management Goals: 2021-2025

Air pollutants	Implementation of ultra-low emission standards • Particulates $< 10\text{mg/m}^3$ • Sulfur dioxide emissions from coke dry quenching $< 45\text{g/m}^3$ • Sulfur dioxide emissions from coal loading $< 70\text{mg/m}^3$ • Sulfur dioxide emissions from coke oven stacks $< 20\text{g/m}^3$ • Nitrogen oxides $< 80\text{mg/m}^3$
Wastewater	All waste water can be recycled to achieve zero discharge.
Solid wastes	Solid wastes that can be comprehensively utilized are fully utilized to achieve zero discharge; Solid wastes that cannot be comprehensively utilized are all entrusted to qualified companies for transportation and disposal to ensure that they will be not leaked or discharged.

Environmental Management System	■ **Establish a sound environmental protection management organizational structure**: The Group has built and continuously refined a multi-level environmental protection management system with the Environmental Management Committee acting as the top management body, routine management provided by the Environmental Protection Department, technical support provided by the Technical Department, and each workstation is assigned a full-time environmental officer. This ensured clear responsibilities at all levels. By establishing a performance-based incentive mechanism, the Group stimulates the enthusiasm of employees at all levels to engage in environmental protection work and ensures the continuous optimization of the environmental management system; ■ **Optimise the environmental management rules**: The Company has formulated and implemented such internal rules as the Environmental Protection Management Rules, the Regulations on Environmental Test Management, Procedure for Identification, Evaluation and Update of Environmental Factors and the Procedure for Record Management; ■ **Dynamically identify and assess environmental factors**: The Company adopts dynamic working mode to carry out the identification and assessment of environmental factors according to changes in the operating activities, facilities and environment, and formulates precise and effective control measures on major environmental factors according to the principle of elimination, reduction and control; ■ **Launch environmental protection promotion and education activities**: The Company launches training sessions on environmental protection for employees through environment-related seminars, company publications and notice boards to integrate environmental awareness into employees' daily work and life, and improve the overall environmental awareness of employees.

Exhaust Gas Management	**Production**	• Exhaust emissions are effectively controlled through exhaust gas control facilities such as coke dry quenching reconstruction, coke end dust removal of coking furnaces, desulfurization and denitrification for air ducts of coking furnaces, dust removal for raw material and product storage and transfer station, VOCs collection and in-depth processing, ammonia escape control and airtight storage and transport system of raw materials and products, and online monitoring base stations and through precision management so as to ensure the stable operation and regular maintenance of facilities and meet ultra-low emission standards; The Group installed dust removal facilities at the dust production nodes of the production units to reduce particulate emissions during the production processes.
	Online Monitoring	• The Company's monitoring system is connected to the environmental monitoring platform for information sharing, and real-time monitoring is realized by using equipment such as online monitoring base stations to ensure the timeliness and accuracy of data; • The Group conducts comparisons of online monitoring equipment four times a year and issues monitoring reports.
	Improvement of systems	• The Group has formulated and implemented internal systems such as the Management Procedure for Exhaust Gas and Dust Emissions.

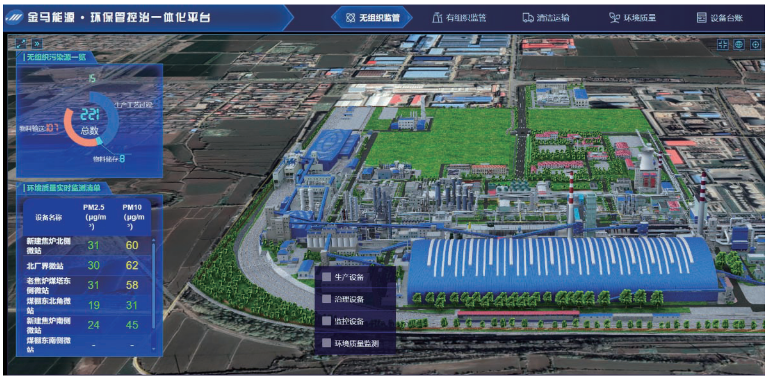
Wastewater Management	**Domestic Wastewater**	• The Company set up a domestic wastewater treatment station to conduct professional purification of domestic wastewater, and the domestic wastewater after treatment enters the Company's water circulation system for internal recycling of water resources, realizing "zero emission" of domestic wastewater.
	Production Wastewater	• The Company is equipped with facilities such as phenolic and cyanic wastewater treatment station, advanced wastewater treatment station and comprehensive wastewater treatment station to purify and recycle all the wastewater from the Company through multiple processes to ensure that the water quality complies with the reuse standards and realize no discharge of wastewater, "zero" discharge of wastewater, and recycling of all wastewater.
	Ancillary Treatment Facilities	• The Company has built a domestic wastewater treatment station, a phenolic and cyanic wastewater treatment station, a comprehensive wastewater treatment station, an initial rainwater collection pool and a water recycling system covering the whole Company, which collects and treats all of the Company's domestic wastewater, production wastewater and initial rainwater for professional treatment and reuses 100% of them.
	Regular monitoring	• The Group conducts soil and groundwater monitoring once a year, and issues monitoring reports and monitoring plans to prevent and control pollution.
	Improvement of systems	• The Group has formulated and implemented internal systems such as the Wastewater Discharge Management Procedure and the Sewage Discharge Management System.

Solid Waste Management	Hazardous Waste	• The hazardous wastes that can be utilised, such as tar residue, biochemical sludge, sludge of gas-making water circulation system and waste mineral oil, are now 100% comprehensively utilised; tar residue, biochemical sludge, sludge of gas-making water circulation systems are used for coal blending and coking, and waste mineral oil is used for lubricating equipment; • The Group engages qualified entities to treat hazardous wastes that cannot be utilised in accordance with the laws and regulations upon approval for filing by the municipal environmental protection bureau and the environmental protection bureau where the entrusting party is located; • The entire process of hazardous solid waste from generation to treatment and utilization is recorded in a complete ledger for statistics and monitoring; • During the Reporting Period, there were no instances of abandonment or leakage of any hazardous waste.
	Non-hazardous Waste	• The non-hazardous waste includes dust from dust collectors, coke oven flue gas desulphurisation residues and gas slag is properly utilized, entrusted for disposal, or temporarily stored according to their respective characteristics and classified accordingly. Specifically, all dust from dust collectors is used for coal blending and coking; coke pellet gas slag is mainly used for paving, back-filling and temporary storage in the slag reservoir; and a third-party company is engaged for the temporary storage and disposal of desulphurisation residues; • The entire process of non-hazardous solid waste from generation to treatment and utilization is recorded in a complete ledger for statistics and monitoring; • During the Reporting Period, there were no instances of abandonment or leakage of any non-hazardous waste.
	Improvement of systems	• The Group has formulated and implemented internal systems such as the Management Procedures on Solid Wastes, the Liability System for Prevention and Control of Hazardous Waste Pollution, the Liability System for Prevention and Control of Environmental Pollution in the Generation Process of Solid Waste, the Liability System for Prevention and Control of Environmental Pollution in the Collection Process of Solid Waste, the Liability System for Prevention and Control of Environmental Pollution in the Storage Process of Solid Waste, the Liability System for Prevention and Control of Environmental Pollution in the Transportation Process of Solid Waste, the Liability System for Prevention and Control of Environmental Pollution in the Utilization Process of Solid Waste, and the Liability System for Prevention and Control of Environmental Pollution in the Disposal Process of Solid Waste.

Noise Management	Management Method	• The Group has formulated the Regulations on Noise Emission Management and ensured noise emissions under certain standards by measures such as addition of noise reduction equipment, construction of noise equipment plant, tree planting and reasonable layout.

Case: **Ultra-low Emission Retrofit Project**

The Company continuously promotes the ultra-low emission retrofit project. According to the ultra-low emission policies of the coking industry including the Opinions on Promoting the Implementation of Ultra-low Emissions in the Coking Industry, it adopts advanced technologies such as the Internet of Things (IoT) and big data to create an industry-leading integrated environmental protection platform for ultra-low control and treatment that combines "organized emissions + unorganized emissions + clean transportation", along with its supporting treatment, monitoring and surveillance equipment. This enables the Company to meet the policy requirements and helps enterprises successfully pass the ultra-low emission acceptance. Meanwhile, eight new belt corridor transfer station dust collectors were provided for the coal preparation section of the Company's coking workshop to collect dust generated during coal transfer to reduce impact on the environment.



Integrated platform of environmental management and control

Belt corridor transfer station dust collector

Emissions data from 2022 to 2024

Type of Emissions	Unit	2024	2023	2022
Total emissions volume of SO_2	Ton	**276.26**	215.11	90.39
Intensity of SO_2 emissions	Kg/RMB10,000	**0.24**	0.18	0.07
Total emission volume of nitrogen oxides	Ton	**448.96**	413.51	249.64
Intensity of nitrogen oxides emissions	Kg/RMB10,000	**0.39**	0.34	0.20
Total emission volume of particulates	Ton	**72.76**	65.77	41.31
Intensity of particulate emissions	Kg/RMB10,000	**0.06**	0.05	0.03
Total emission volume of greenhouse gases	tCO_2e	**1,399,784.76**	1,578,757.36	853,822.12
Total emission volume of direct greenhouse gases	tCO_2e	**1,348,336.25**	1,503,267.12	841,954.01
Total emission volume of indirect greenhouse gases	tCO_2e	**51,448.51**	75,490.24	11,868.12
Intensity of greenhouse gas emissions	tCO_2e/RMB10,000	**1.21**	1.31	0.69
Total discharge volume of sewage	Ton	**0.00**	0.00	0.00
Intensity of sewage discharge	ton/RMB10,000	**0.00**	0.00	0.00
Production volume of hazardous wastes	Ton	**7,561.89**	4,248.19	107,073.00
Intensity of hazardous waste production	ton/RMB10,000	**0.01**	0.004	0.09
Hazardous waste handling rate	%	**100.00**	100.00	100.00
Production volume of non-hazardous wastes	Ton	**16,372.10**	3,558.69	15,387.69
Intensity of non-hazardous waste production	ton/RMB10,000	**0.01**	0.003	0.01
Non-hazardous waste handling rate	%	**100.00**	100.00	100.00

Notes:

1. In 2024, the Company's consumption of washed coal decreased compared with previous years, resulting in a corresponding reduction in direct greenhouse gas emissions;
2. Emission data of SO_2, NO_x and particulates in exhaust gas are calculated according to the Group's online monitoring system and self-monitoring statistics;
3. The emission volume of greenhouse gases is calculated based on the Greenhouse Gas Accounting System Corporate Accounting and Reporting Standards issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the Fifth Assessment Report 2013 issued by the Intergovernmental Panel on Climate Change (IPCC) and the Accounting Method and Reporting Guide for Greenhouse Gas Emissions by Independent Coking Enterprise of the PRC (Trial), among which the greenhouse gas emission factors of the power part are selected according to the Announcement on Releasing the 2022 Power Sector CO_2 Emission Factors issued by the Ministry of Ecology and Environment;
4. The production volume of hazardous wastes is calculated according to the statistical ledger of the production system of the Group;
5. Non-hazardous wastes are mainly wastewater biochemical treatment sludge, coke pellet gas sludge and domestic wastes, and the total emission volume of domestic wastes is calculated at 0.5kg/person/day;
6. Intensity data are calculated by dividing emission/discharge/production volume by revenue;
7. The source of emissions data comes from the production-oriented subsidiaries of the Group.

2.2 Attach Importance to Resource Utilization

The Group strictly complies with the Energy Saving Law of the People's Republic of China《中華人民共和國節約能源法》, the Clean Production Promotion Law of the People's Republic of China《中華人民共和國清潔生產促進法》and other laws and regulations, and established and improved a series of internal management systems, including the Company's Energy Performance Management System《公司能源績效管理制度》and the Company's Energy Supervision Management System《(公司能源監督管理制度》. By upholding the resource management concept of "energy conservation and emission reduction, environmental protection and sustainable development" and the resource utilization philosophy of "compliance with regulations, green production, improvement in energy efficiency, full participation, lean management and continuous improvement", we actively fulfilled our environmental responsibilities and promoted the efficient and circular use of energy.

With the aim of "building a green and low-carbon energy and chemical enterprise", the Group continuously advanced the establishment of an energy management system. We incorporated green concepts into both production and office operations and promoted improvements in economic quality and efficiency through low-carbon development, contributing to the industry's green transformation and the development of circular economy.

Resource Management Objective: 2021-2025

Energy consumption	Process energy consumption per unit product of coke≤110kgce/t
Water consumption	Fresh water consumption per unit product of coke≤1.2m^3/t, and steam consumption per ton of coke≤0.36t

Achievement of 2024 Resource Management Objective

Energy consumption	Process energy consumption per unit product of coke was 108.1kgce/t
Water consumption	Fresh water consumption per unit product of coke was 1.1m^3/t, and steam consumption per ton of coke was 0.22t

Note: As Jinma Zhongdong has not commenced its production at the time of setting the resource management objective for 2021-2025, the management objective and annual achievement excluded the consumption by Jinma Zhongdong. We will update and adjust the management objectives based on the actual conditions of the Company.

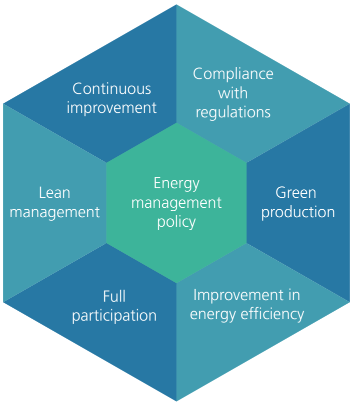
Energy Management

The Group continued to improve the energy management system. In accordance with the Energy Management Systems Requirements and Guidance for Use and applicable national laws and regulations and in light of its own business and strategic plan, the Group formulated and implemented the Energy Management System Manual based on a thorough analysis of changes in both internal and external environments. On this basis, the Group clarified its energy management policy and revised 40 management systems that encompass the entire lifecycle from energy input to product conversion. This initiative further standardized the Group's energy management practices, reduced energy consumption, and enhanced energy utilization efficiency, ensuring the standardized, effective and persistent energy management.

The Group has established a well-defined energy management structure by forming an energy management leadership team led by the Company's general manager, with the vice general manager of production serving as the deputy leader, and department heads acting as team members. They are responsible for overseeing and executing energy management initiatives. Additionally, the Group has created an energy control center and developed and used a Manufacturing Execution System (MES). As of the end of the Reporting Period, we have largely accomplished online monitoring of energy consumption data.

Energy management policy

- Comply with energy-related laws, regulations and other requirements
- Actively promote clean production, reduce energy consumption from the source, and promote the development of circular economy
- Vigorously adopt new energy-saving technologies and equipment to reduce energy consumption and improve the efficiency of energy utilization
- Rationally utilize energy, establish and continuously improve energy management system
- Insist on the people-oriented principle, full participation and fulfil social responsibility



Key steps in energy management

Risk Assessment Management	Implementation of Energy Targets	Regular Energy Review
Assess and analyze the risks and opportunities of energy management, plan risk and opportunity response measures, and promote continuous improvement of energy management system and energy performance.	All departments and branches (subsidiaries) shall formulate and implement energy management schemes to achieve the Group's environmental goal of energy and water consumption.	Based on the measurement and other data, analyze the energy use and consumption, identify the main areas of energy use, etc., and draw a clear energy structure, energy flow and product energy consumption map.

During the Reporting Period, the Group completed the recertification audit of the ISO 50001:2018 Energy Management System Certificate and continued to maintain disclosure of information by the national green factory in accordance with the regulations, being awarded the 2023 Enterprise Green Code Grade A Enterprise.

Energy management system certificate

Case: Building a photovoltaic power plant to promote the use of clean renewable energy

The Company built a 1.24 KWP distributed photovoltaic power station on the idle rooftop of its factory, utilizing the "self-generation and self-consumption, with excess electricity fed into the grid" model. During the Reporting Period, a total of 1,211,000 kWh of electricity was generated by photovoltaic cells.

Photovoltaic power station construction

Case: Constructing an energy storage power station to improve electricity efficiency

A 17.2 MW/34.4 MWh energy storage power station built on idle land within the factory area is designed to shift peak load by taking advantage of the price differences between peak and off-peak hours in Henan Province, reducing electricity costs and enhancing energy utilization. The energy storage power station was connected to the grid on 8 May 2024.

Energy storage power station construction

Water Resources Management

In line with the management concept of "careful use of water resources and strict management of water resources" and in strict accordance with the Water Law of the People's Republic of China (《中華人民共和國水法》) and relevant national laws and regulations, the Group continued to enhance the management of water resources by developing and improving the internal systems, including the Company's Non-Production Water Management System (《公司非生產用水管理制定》) and the Domestic Water Management Regulations (《生活水管理規定》).

Regarding acquisition of water resources, the Group primarily depends on the municipal water supply system and surface water sources, creating a stable and diversified water acquisition pattern.

Taking multiple measures to promote water conservation

- Enhance the measurement and statistics of water use data and establish a water use ledger while ensuring that all metering devices at water consumption points are fully operational and properly maintained for accurate readings;

- Build advanced water treatment facilities to achieve the tertiary use of water resources and reduce consumption of fresh water;

- Conduct regular maintenance and servicing of reclaimed water and wastewater treatment facilities to ensure they operate properly;

- Standardize the collection and treatment of swill from restaurants to prevent unnecessary wastage of water resources;

- Strengthen inspections of daily water consuming system, identify and correct unreasonable water pipe network layout in a timely manner to ensure the balance and efficiency of the water consuming system;

- Organize diverse publicity activities to raise the employees' awareness of water conservation.

During the Reporting Period, the Group completed the reinspection of water-saving enterprises in the province and the self-inspection of enterprises meeting the water efficiency standards in the coking industry in 2024, effectively improving the efficiency of water resources utilization and facilitating the industry's advancement towards green and sustainable development.

Energy Saving and Consumption Reduction Management

Dedicated to advancing energy saving and consumption reduction initiatives, the Group adopted a comprehensive energy-saving approach that integrates both "technology and management", continuously refined its institutional framework and management schemes, and leveraged technological innovation as a key driver for achieving energy saving and consumption reduction. The Group integrated emission reduction principles into various facets of its operations, optimizing the production cost structure, improving energy utilization efficiency, and promoting its high-quality, green, and low-carbon development.

Green production

- Introduce an energy management system, implement energy management policies that encompass the entire production process, and take systematic measures such as energy-saving monitoring, energy audit, energy efficiency benchmarking, internal audit, energy-saving technical transformation, and energy-saving assessment to achieve expected energy consumption goals;
- Build an intelligent factory production despatch management center to perform unified despatch of production resources such as water, electricity, gas, steam, wind and sewage of each subsidiary, which can reduce material consumption, improve energy utilization efficiency, optimize the energy consumption network, improve the utilization rate of surplus heat and pressure, and reduce the consumption of energy;
- Implement clean production, eliminate outdated and high energy-consumption equipment, select energy-saving and environmental products and reduce energy consumption of process and equipment;
- Strengthen the allocation of the public and auxiliary measuring instruments to ensure accurate measurement of public and auxiliary facilities;
- Build advanced water treatment facilities to achieve the tertiary use of water resources and reduce consumption of fresh water;
- Facilitate research and development of energy-saving and emission-reduction technology and promote the renewable energy utilization projects.

Green office

- Formulate and implement systems, including the Office Supplies Management Regulations and the Regulations on the Management of Computers and Air Conditioning, regulate the use of office supplies and air-conditioning and computers;
- Improve automated office facilities, with a 100% utilization rate of computers in management posts; promote paperless work in respect of administrative examination and approval, document handling, internal signing and reporting, financial reimbursement, notices and announcements and management of meetings and meeting affairs. OA and NC systems have covered all the staff members of the group company, strengthened the technical support for daily work, promoted the electronic-based exchange and storage of documents, shortened the cycle of financial approval and information transmission, and reduced the costs of paper, equipment, transportation and human resources;
- Use LED energy-saving lamps in public areas and offices, set temperature limits for air conditioners, and post slogans next to the lighting switches to remind employees to save electricity;
- Strengthen detail management to prevent dripping and leakage, continuous lighting, and excessive water flow, control the operating times of streetlights and cultivate a culture of conservation among all employees.

Green commuting

- Check and approve the travel fuel consumption limit standard of the vehicles to avoid long-term speeding and idling;
- Communicate about the need to use of scheduled buses in advance and combine all of the needs to arrange scheduled buses reasonably, improving the utilization efficiency of scheduled buses and buses;
- Install the car wash machine based on the vehicle shifts, which saved three tons of water daily;
- Encourage green commuting among employees. Every day, the Group transports employees to and from work by scheduled bus, with a total of 2,900 trips throughout the year, transporting 145,000 employees, reducing more than 140,000 employees' trips by private car and saving by about 112,000 liters of gasoline.

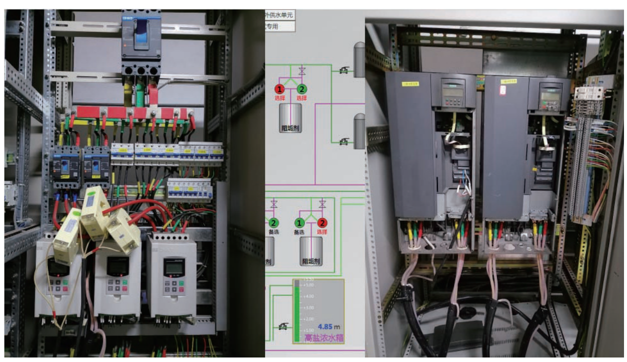
Case: Introducing hydrogen fuel heavy-duty trucks to promote green transportation

During the Reporting Period, the Company acquired 150 hydrogen fuel heavy-duty trucks for transporting raw coal, with the goal of achieving "zero carbon emissions" and "zero fuel consumption". The Company will continue to leverage its strengths to create transportation routes for hydrogen fuel heavy-duty trucks that scale from points to lines and from lines to broader networks. Over the next three years, it plans to gradually use 500 hydrogen fuel heavy-duty trucks to completely replace existing gasoline and diesel logistics vehicles, with the aim of establishing a green and low-carbon logistics system. This initiative aligns with the national hydrogen energy development strategy and upholds its commitment to energy conservation and emissions reduction.

Hydrogen fuel heavy-duty trucks

Case: Replacing energy-efficient motors and inverters to enhance electricity savings

During the Reporting Period, the Company replaced 230 energy-efficient motors and five inverters, phasing out outdated and inefficient motors in the factory. For some motors, inverters were added to convert them from standard frequency to variable frequency operation, enabling load adjustments through the inverter. This transition reduced energy consumption of the equipment, promoted electricity savings, and enhanced overall quality and efficiency.



Replacing energy-efficient motors and inverters

Data on use of resources from 2022 to 2024

Type of resources	Unit	2024	2023	2022
Diesel	Ton	**748.02**	755.11	692.92
Gasoline	Ton	**115.58**	41.53	23.31
Net purchase of electricity	MWh	**-284,119,284.77**	-200,034,945.94	230,515.90
Net purchase of thermal power	GJ	**-196,843.96**	-446,453.18	-235,832.86
Total volume of integrated energy consumption	Ton of standard coal	**1,490,274.14**	1,331,963.35	884,708.95
Intensity of integrated energy consumption	Ton of standard coal/ RMB10,000	**1.3**	1.10	0.71
Total volume of freshwater consumption	Million ton	**5.42**	4.85	2.66
Intensity of freshwater consumption	Ton/RMB10,000	**4.67**	4.02	2.16
Recycling rate of water for industrial use	%	**98.28**	98.28	98.28
Packaging	Ton	**N/A**	N/A	N/A

Notes: 1. The integrated energy consumption data above is calculated according to the General Rules for Calculation of Integrated Energy Consumption;

2. The intensity data above is calculated by dividing consumption volume by revenue;

3. The resource consumption data comes from the production-oriented subsidiaries of the Group;

4. As coke is a bulk industrial product, no packaging is used in the process of production and transportation.

2.3 Tackle Climate Change

The Group places a strong emphasis on tackling climate change, recognizing it as a significant global challenge with far-reaching implications for economic and social development. During the Reporting Period, the Group concentrated on four core areas: governance, strategy, risk management, and indicators and targets. It actively embraced the principles of green and low-carbon development, committing to making contributions to global climate governance.

Governance

The Group strictly adhered to environmental protection laws and regulations, continuously enhancing its environmental management systems and improving greenhouse gas emissions management. Simultaneously, the Group incorporated climate-related risk management and monitoring into its ESG management and performed supervision and management through a governance structure that encompasses the governance level, senior management, and execution teams, where it is subject to the leadership of the Board of Directors, supervision by the audit committee, the chief executive officer and the senior management, and execution by the ESG working group, functional departments and subsidiaries (branches), laying a foundation for the smooth progress of climate change initiatives.

Strategy

Actively aligned with national strategic objectives of "carbon peaking and carbon neutrality", the Group attaches great importance to the environmental impacts of greenhouse gases generated during its production and operation process, and effectively strengthens dual-control of greenhouse gases and pollutant treatment by a series of practices including optimisation of energy structure, and energy-saving settings and renovations. In response to the impact of extreme weather events caused by climate change, the Group pays close attention to its development trend, takes precautions against disasters such as floods, rain, snow and ice, and high temperatures under seasonal extreme weather, improves emergency plans, and enhances emergency disposal capabilities to ensure rapid and effective response to natural disasters. By taking multiple measures such as strengthening the risk management mechanism, optimizing the business portfolio, and promoting technological innovation, the Group actively tackled the transitional risks and physical risks arising from climate change. These efforts provide robust support for achieving the goal of "carbon peaking and carbon neutrality", while promoting green and low-carbon transformation and sustainable development.

Risk Management

Climate-related risks	Type of risks	Potential impacts	Response to risks
Transitional risks	Policy and regulatory risk	The market is gradually paying more attention to the risks posed by climate change, and relevant national policies are more stringent on GHG limits	Intensify the development of renewable energy, and strengthen the research, development and application of energy-saving technology. Promote the integrated development of coking chemical and hydrogen energy through the purification of hydrogen from by-product gas, and actively transform to develop clean energy
	Market risk	Consumers' preference changes and consumers tend to choose low-carbon products	Promote the integrated development of coking chemical and hydrogen energy and provide clean products and services
	Technical risk	The development and use of new green technologies will help reduce greenhouse gas emissions; however, the investments required may result in higher operating costs in the short term	Closely monitor industry trends in technological transformation and promptly adjust strategies
	Reputational risk	Failure to take proactive and effective actions to respond to climate change and to disclose information in a timely manner so as to respond to the needs of external stakeholders may damage the Company's reputation	Enhance the disclosure on compliance information and strengthen communication and exchange with stakeholders continuously
Physical risks	Acute risk	Extreme weather, such as floods and typhoons, may cause damage to assets, loss of personnel and interruption of business activities	Develop and implement rules such as the Special Weather Response System, the Storm Drainage System, Zenan Reservoir Flood Control and Emergency Plan etc. and organize emergency drills regularly to prevent and control risks related to lightning, rain and snow and other special weather to ensure safe production
	Chronic risk	Equipment and facilities may be damaged due to the rising temperature, which may affect the Company's normal operation or increase its operating cost	Intensify daily inspection and maintenance of production and operation equipment

Case: **Developing the hydrogen energy industry chain**

Dedicated to establishing a complete industrial chain for hydrogen energy encompassing "production, storage, transportation, refueling, and utilization", the Company effectively utilized its advantages in hydrogen resources to actively explore the creation of an industrial cluster focused on "coking – energy – hydrogen energy and made substantial investments throughout the hydrogen energy industry chain covering hydrogen production, purification, filling and transportation, and the construction and operation of hydrogen refueling stations. During the Reporting Period, the Company set up five hydrogen refueling stations in four locations: Jiyuan, Zhengzhou, Gongyi and Dengfeng. As a leading player in the hydrogen energy chain, the Company plans to further expand its hydrogen production capabilities, extend its reach to surrounding cities like Zhengzhou, and deploy additional hydrogen refueling stations to explore a variety of hydrogen applications. By promoting the use of hydrogen fuel cell vehicles in logistics and public transportation, along with initiating hydrogen utilization demonstration projects in the industrial sector, the Company aims to facilitate a transition to green, low-carbon practices and clean production. It is committed to developing an integrated and ecologically sustainable hydrogen energy pattern, thereby contributing to sustainable development.

Hydrogen refueling station construction

Climate indicators and targets: 2021-2025

- Through energy saving and consumption reduction, process upgrading, green office and other measures, the Group will further reduce carbon emissions and contribute to achieving the goal of carbon peaking and carbon neutrality

2.4 Protection of Environment and Natural Resources

With a high sense of responsibility and mission, the Group actively conducted its environment and natural resource protection efforts under the principles of reasonable development and effective protection and in strict compliance with the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) and other relevant laws and regulations and relevant industry standards. Throughout the entire process of project site selection, construction, and operation, the Group carefully assessed and minimized potential impacts on the environment and natural resources. By implementing various mitigation measures, the Group effectively reduced environmental pollution, contributing positively to green and sustainable development and ecological protection.

Site selection stage

- Site selection and land used for new, rebuilding or expansion projects should avoid occupying agricultural and forest land, and soil control measures should be strictly implemented to prevent soil environmental pollution
- Steer clear of environmentally sensitive areas and key water source locations, thereby minimizing disruption to ecosystems

Construction and operation stage

- Strictly implement "Three Simultaneity" rules and environmental impact assessment rules. All new, rebuilding or expansion projects have to prepare environmental impact assessment reports as required, and obtain the approval of competent departments
- Implement "six 100%" for construction projects, enforce strict requirements in six key areas: construction site enclosures, dust suppression through spraying, vehicle washing and more, complete enclosure of construction areas, 100% wet cleaning being used as coverage of exposed soil, complete coverage of construction materials, reduce fume generated from welding with fume collector and complete coverage of transport vehicles such as construction trucks, and strictly implement the relevant early warning regulations during the heavy pollution weather warning period
- Implement water-proof measures at factory areas, set up groundwater monitoring stations as required, and actively implement groundwater and soil control and pollution prevention measures and environmental risk mitigation measures
- Build a domestic wastewater treatment station, a phenolic and cyanic wastewater treatment station, a comprehensive wastewater treatment station, an initial rainwater collection pool and a water recycling system covering the whole company, which collects and treats all of the Company's domestic wastewater, production wastewater and initial rainwater and reuses 100% of them. Reduce the soil and water pollution in the natural environment to a large extent
- Conduct regular self-monitoring, soil health monitoring, and groundwater quality monitoring
- Monitor changes in environmentally sensitive areas within industrial parks and develop effective emergency response plans for environmental risks
- Reduce dust and soil loss through greening, coverage, spray and other measures, and carry out excavation and back-filling operations based on national and local requirements, with diligent efforts in soil and water conservation to prevent erosion and protect these resources
- Formulate the Regulations on Greening Management, attach importance to the greening construction of the Company, stipulate the greening coefficient target of the Company, and carry out greening management

Greening coefficient target:
Area in front of the plant≥50%, production area≥30%

Case: Environmental protection measures during the construction period of the 7-meter coke oven renovation project

During the construction period of the 7-meter coke oven renovation project, the Company took several measures to minimize environmental impact:

➢ Selected construction contractors with outstanding environmental performance, included explicit environmental protection clauses in the contracts, and took adherence to these clauses as a criterion for project acceptance;

➢ Provided training for construction personnel on various topics, including environmental knowledge, awareness, and skills;

➢ Integrated environmental management into all phases of the construction project, addressing every aspect of the production process. The construction team developed and implemented an environmental management manual and procedural documents, and enhanced the environmental management records;

➢ Mandated that contractors adhere to the environmental management plan during construction operations and diligently implement all environmental protection measures;

➢ Implemented an environmental supervision mechanism for the project, which was incorporated into the overall project supervision framework.

Case: Construction of dust collectors

The Company renovated its existing facilities by equipping them with dust collectors. In the coke oven gas purification stage, we employed a combination of selective catalytic reduction (SCR) denitrification and sodium dry desulfurization along with membrane filtration materials for dust removal to ensure that flue gas emissions meet regulatory standards. During the coal charging and coke pushing stages, ground stations for dust removal were constructed to minimize dust dispersion. Additionally, in the dry quenching section, these ground stations for dust removal were equipped with desulfurization units to reduce the release of dust and sulfur compounds.

During the Reporting Period, the Company installed two new dust collectors specifically designed to capture and manage dust generated during the coking process. Monitoring results indicate that the dust removal efficiency for the coke collecting system on the train is 99.5%, while the reversible belt for the coke storage pit achieves a dust removal efficiency of 99.2%. The concentration of particulate matter emissions complies with the standards established in the Opinions on Promoting Ultra-low Emissions in the Coking Industry, effectively reducing environmental pollution and supporting ecological protection and sustainable development.

Dust collector

Moreover, the Company actively conducted environmental protection training and awareness programs, and organized heads of production workshops and the environmental protection officers to participate in the training for environmental protection and the simulated environmental emergency drills. Employees were encouraged to enhance their understanding of environmental protection in order to foster environmental awareness among all staff members. Meanwhile, environmental protection slogans were displayed or posted in places such as corridors, buildings, lawns, and areas with vegetation, guiding employees to develop green and low-carbon work and living habits, thereby embedding an environmental protection ethos in their daily activities.

3. Care for Employees

We firmly believe that talent is the cornerstone of the Company's development. Embracing a talent concept of "respecting people, relying on people, developing people, and satisfying people", the Group strives to cultivate harmonious and mutually beneficial labour relations, collaborating closely with its employees for shared growth and creating a promising future for both itself and its staff.

3.1 Equal Employment

The Group is committed to establishing a fair, transparent, and inclusive work environment. In strict compliance with the relevant laws and regulations including the Labour Law of the PRC《中華人民共和國勞動法》, Labour Contract Law of the PRC《中華人民共和國勞動合同法》, and the Provisions on the Prohibition of Using Child Labour《禁止使用童工規定》, the Group established and enhanced its employment management policy and built a sound supervision management system.

The Group follows the principle of equal employment, rigorously adheres to transparent and fair processes for recruitment and promotion, and ensures that talent selection is based strictly on job requirements and individual capabilities. The Company has formally developed and implemented two key regulatory documents: the Regulations on Management of Recruitment of Employees and the Regulations on Management of Resignation of Employees, in accordance with applicable national laws and regulations as well as industry standards. In the talent acquisition efforts, the Company has developed a diverse recruitment channel system, which includes partnerships with mainstream job platforms, collaborations with local employment authorities, and the distribution of information through its official WeChat account. We implement these recruitment strategies systematically while emphasizing the value of workforce diversity, reaffirming our commitment to fostering an equitable and inclusive work environment. The Company prohibits any form of discrimination against employees based on gender, age, race, religion, social background, or disability, ensuring that all staff members can thrive in a fair competitive environment. Furthermore, we have enhanced our internal monitoring mechanisms and established diverse feedback channels to guarantee the effective implementation of our human resource policies.

The Group strictly prohibits any form of child labour and forced labour, ensuring that all employment relationships are legal and compliant. Before new employees join the Group, the Group's human resources department will carry out strict background checks on candidates to eliminate any employment of child labour. When any irregularities are found, the Group will immediately investigate and take disciplinary action. If necessary, the Group will further improve the labour mechanism in view of any violation. During the Reporting Period, the Group was not involved in any litigation relating to employment of child labour, forced labour and material breach of labour laws.

Employment data in 2024

Indicator	Unit	Number in 2024	Unit	Proportion in 2024
Total employees	Persons	2,761	%	100
By Gender				
Male employees	Persons	2,243	%	81.24
Female employees	Persons	518	%	18.76
By Employment Type				
Full-time employees (contract)	Persons	2,761	%	100
Part-time employees (labour dispatch, temporary workers)	Persons	0	%	0
By Age				
Under 30 years old	Persons	671	%	24.30
31-40 years old	Persons	1,126	%	40.78
41-50 years old	Persons	785	%	28.43
Above 51 years old	Persons	179	%	6.48
By Region (Native Place)				
Within Henan Province	Persons	2,761	%	100
Outside Henan Province	Persons	0	%	0
Minority Employees				
Number of minority	Persons	26	%	0.94

Employee turnover indicator in 2024

Indicator	Unit	2024
Annual Turnover Rate of Employees		
Annual turnover rate of full-time employees	%	8.12
By Gender		
Turnover rate of full-time male employees	%	8.97
Turnover rate of full-time female employees	%	4.25
By Age		
Turnover rate of employees under 30 years old	%	15.70
Turnover rate of employees who are 31-40 years old	%	7.10
Turnover rate of employees who are 41-50 years old	%	2.12
Turnover rate of employees over 51 years old	%	8.21
By Region		
Turnover rate of employees within Henan Province	%	8.12
Turnover rate of employees outside Henan Province	%	0

3.2 Employees' Rights and Interests

The Group strictly implements the Labour Law and Labour Contract Law, and other laws and regulations, establishes and improves the remuneration and welfare system, career development channels and labor protection mechanisms, and continuously optimizes measures to protect employees' rights and interests. Through democratic consultation, skills training, safety management and other systems, the Group ensures that the legitimate rights and interests of employees are fully respected, to achieve the development of both enterprise and employees.

Remuneration and benefits

- Establish a scientific and reasonable working hours and remuneration system which offers competitive remuneration to employees, and rewards and incentivizes them based on their performance and contributions;
- The post wage was implemented, other fees such as high-temperature subsidies and cooling fees, and health expenses for female employees were provided, which has further improved the salary level of employees and protected their benefits;
- Pay five social insurance premiums according to law for all employees and housing provident funds for employees who have completed their probation period;
- Organize annual occupational health check-ups for all employees.

Assessment and promotion	• Establish an open and transparent employee performance evaluation mechanism to ensure fair assessments for each employee during his/her tenure; • Based on the nature of the job positions, employees are provided with three promotion pathways, namely, technical, skill-based, and management ways; each pathway has clear eligibility criteria and promotion standards, creating a clear and transparent career development path for employees.
Attendance and vacation	• The Company formulates clear and concise rules on attendance, to ensure a fair working atmosphere; • Develop comprehensive rules on vacation that fully cover the holidays stipulated by the labor law, ensuring that employees' vacation is adequately protected.
Strengthen democratic communication	• Establish and improve democratic communication mechanisms in strict accordance with the Company Law, the Labour Contract Law and the Trade Union Law; • The system of employee representatives meeting: regularly convene the employee representatives meeting according to law to review significant issues concerning the rights and interests of employees, with participation rate of employee representatives ≥ 95%; • Trade union consultation mechanism: sign labor contracts, labor safety and health and other special agreements with all employees through collective negotiation; • Establish a labor dispute mediation committee: A labor dispute mediation committee, composed of representatives of employees, enterprises and trade unions, is established in accordance with the law to facilitate channels for feedback, protect the legitimate rights and interests of workers, and promote harmonious and stable labor relations; • Information disclosure system: Disclose salary adjustment, welfare policies and other contents in a timely manner through the enterprise Intranet, notice board and other means; • Democratic evaluation mechanism: Annually organize employees to anonymously evaluate the management, and the results are used as an important basis for performance assessment.

3.3 Growth and Development

The Group has established the cultivation of high-level and compound talents as a strategic pivot, and continuously improves the mechanism for selecting, cultivating, using, and gathering talents. Through the establishment of a sound multi-level and multi-directional training system, the creation of multidimensional career development pathways, and the enhancement of talent exchange, we have effectively improved employees' professional qualities and comprehensive skills, providing a solid talent foundation for the Company's development.

Improve the employee training system	• Establish and form a four-in-one training system for new employee induction training, employee vocational capability training, backup management training, and management training; • Enrich the training content, innovate training methods and strive to integrate training and learning throughout employees' careers, which covers the aspects from professional skill enhancement to leadership development, as well as personal growth and team collaboration, providing employees with a wide range of learning resources and abundant practice opportunities.
Optimize the talent development mechanism	• Strengthen the training mechanism for outstanding talents, and formulate the Outstanding Talent Selection and Cultivation Management Plan《優秀人才選拔培養管理方案》to promote talent cultivation through internal training, external training, and post rotation, to further improve the management level and business capabilities of existing middle and senior management personnel and technical backbones.
Establish an assessment and evaluation mechanism	• Establish a scientific and effective performance evaluation mechanism, take training performance as an important indicator of talent pool assessment, select outstanding talents and form a dynamic management mechanism which can facilitate mobility of personnel within the organization and maintain vitality of the organization; • Conduct assessments for middle and senior management personnel annually, and the assessment result will be an important basis of adjustment for leaders and cadres.

Enhance talent exchange and development	• Establish a talent mobility mechanism, conduct talent exchange and training, continue to improve the talent rotation system with planned and multi-position cultivation, and provide exceptional talent with opportunities for exceptional promotions, to ensure they "stay and develop"; • Construct a multi-channel career development system, establish a post-value evaluation model centered on innovation ability and post contributions, and implement an expert talent training mechanism. Focus on building a professional management team of electromechanical instruments, set up a Skill Master Workshop, and improve the professional qualification certification and dynamic assessment mechanism of key positions for chief engineers, technicians, chemists, and others.
Build a first-class talent team	• Adopt the "bring in and go out" training model to build a talent team that is appropriately scaled, well-structured, and of high quality across various fields, including operations management, professional technology, and skill operations; • Focus on cultivating young reserve cadre talents with high mindset quality, advanced professional skills, strong work capabilities, and establish a systematic training plan.

Training data of employees from 2023 to 2024

Indicator	Unit	2024	2023
Total number of employee training	Times	**2,305**	420
Total number of employees	Persons	**71,108**	55,860
Total expenditure on training	RMB ten thousand	**280.53**	105.31
Percentage of employees trained (Percentage of employees trained = (Number of employees trained/Number of employees) * 100%)	%	**100**	100
Percentage of male employees trained	%	**100**	100
Percentage of female employees trained	%	**100**	100
Percentage of ordinary employees trained	%	**100**	100
Percentage of middle employees trained	%	**100**	100
Percentage of senior employees trained	%	**100**	100
Average hours of training for employees	Hours	**82**	76
Average hours of training for male employees	Hours	**82**	72
Average hours of training for female employees	Hours	**82**	72
Average hours of training for ordinary employees	Hours	**82**	72
Average hours of training for middle employees	Hours	**172**	192
Average hours of training for senior employees	Hours	**70.17**	56

Case: Training on knowledge about coal and coke futures

Coal coke futures knowledge training class

3.4 Humanistic Concern

The Group always upholds the philosophy of humanism, deepens employee care, and is committed to enhancing employees' sense of happiness and belonging. The Group continuously promotes employee assistance and has developed and improved the Administrative Measures for the Mutual Aid Funds, the Measures for the Implementation of Scholarships and other assistance systems, to encourage employees' children in their schooling through scholarships. In daily operations, the Company implements considerate initiatives to put humanistic care into practice. For example, the Company's leaders visited and comforted the employees and their families during the Spring Festival. At the same time, the Group actively holds a diverse range of leisure and cultural activities to enrich employees' lives, promote their physical and mental health, and support them in enjoying a fulfilling career.

Case: "Jinma Cup" basketball tournament

During 19-21 May 2024, the 2024" Jinma Cup" basketball invitation tournament organized by the Company was successfully held at the Mingzhong Sports Gymnasium of Jiyuan No. 1 Middle School. The tournament featured four basketball teams from the Housing and Urban-Rural Development Bureau, Jinma Energy, Jinli Group, and Urban Investment Group, using a round-robin format without ranking. It focused on" friendship through basketball" to create a civilized, harmonious, and united atmosphere for exchange.

"Jinma Cup" basketball tournament

Case: **Dragon Boat Festival sachet making activity**

To promote traditional culture and enhance team cohesion, on the morning of 7 June 2024, the Company's labor union held a sachet making activity themed on" Warm Ties of the Dragon Boat Festival, Passing on Scented Feelings" in the audio-visual room. The event included several segments, such as the recitation of excerpts from Li Sao and the sewing of sachets. This allowed employees to personally experience the festive atmosphere of the Dragon Boat Festival and promoted communication among them, significantly contributing to the enhancement of team cohesion and unity.

Sachet making activity

Case: **"May Day" employee sports meeting**

On the morning of 27 April 2024, the Company held a "May Day" employee sports meeting in the Company's office building. The sports meeting featured a total of eight events: tug-of-war, basketball, table tennis, rope skipping, brisk walking, crab walking with a watermelon, hula hoop walking, and ring tossing. Over 600 persons from the group company and its subsidiaries took part in the event. The successful holding of the sports meeting further enriched the cultural life of the employees and reflected the Company's people-oriented cultural philosophy.

Opening ceremony of "May Day" employee sports meeting

4. Focus on Safety and Health

The Group always adheres to the safety principle that "safety is the cornerstone of the Company's existence", placing safety work at the core of its operational management. The Group strictly abides by the Work Safety Law of the PRC 《中華人民共和國安全生產法》, the Law of the PRC on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》, the Regulations on Safety Management of Dangerous Chemicals 《危險化學品安全管理條例》 and the Regulations on Safety Production in Henan Province 《河南省安全生產條例》 and other relevant laws and regulations, as well as industry standards. The Group continuously deepens the construction of its safety management system, advances the implementation of safety responsibilities, strengthens safety risk control, and reinforces the foundation of production safety.

During the Reporting Period, no deaths or major injury accidents had occurred.

4.1 Management on Safety Operation

The Group adhered to the policy of safety first, prevention-oriented and comprehensive management (安全第一、預防為主、綜合治理), and formulated the Safety Standardization Management Manual 《安全標準化管理手冊》, Safety Production Responsibility System for All Employees 《全員安全生產責任制》 and other institutional documents, with "safety production standardization" as the focal point and "dual prevention mechanism" as the means of implementation, promoting the smooth development of safety management efforts. During the Reporting Period, in accordance with national and provincial requirements for safety production, the Company prepared and issued a series of special work plans, including the Action Plan for Special Fire Safety Rectification in Winter and Spring, the Root Cause Management and Safety Improvement Plan (2024-2026), and the Implementation Plan for Strengthening Safety Production Work during Extreme Summer Weather, to comprehensively fulfill the main responsibility for safety production.

During the Reporting Period, the Group's total investment in safety production amounted to RMB5,051,348.5, providing a solid guarantee for safety production. The Company's environmental management system passed the review and complies with the GB/T 24001-2016/ISO 14001:2015 standard. Moreover, the Company successfully completed the renewal of its safety production license in January 2024.

During the Reporting Period, the Group set the following safety production objectives:

- Minor injury rate ≤ 1‰, with no serious injuries and work-related fatalities;
- The equipment maintenance rate is 100% as planned;
- No major equipment operation accidents;
- No in-plant traffic accidents;
- No incidence of occupational diseases;
- "Three-level" safety training for all of the employees;
- 100% training and training pass rate for outsourced construction personnel.

To achieve these goals, the Group implemented the following initiatives:

Improvement of organizational structure	➢	Adjust the organizational structure for safety management and compile a position list according to the work requirements of "comprehensive coverage, no gaps in responsibilities, and no omissions in personnel"
Revision of relevant systems	➢	Conduct a comprehensive revision of the responsibility system for safety production among employees to specify that "each position has a specific responsibility", ensuring that safety responsibilities are fully covered by all personnel and forming a work system in which "responsibility is layered, everyone is accountable, and each fulfills their duties"
Identification of safety hazards	➢	Implement early deployment of work, early management of hazards, and early prevention of accidents, continuously carry out daily inspections, regular checks, and quarterly, specialized and comprehensive checks, strengthen inspections before holidays and during critical periods, adhere to weekly inspections led by management, conduct comparative inspections of incidents, and invite experts for guidance. A total of 53 company-level inspections were conducted throughout the year, revealing over 760 safety issues, and 12 mutual inspections within the Group were conducted, culminating in the identification of 809 safety hazards
	➢	From September to November, a special campaign was launched to dynamically eliminate significant accident hazards, resulting in the identification of 48 hazards (including 15 significant hazards); a hazard ledger was established, and a table of major hazard inspection situations was created to track and implement the rectification effects on a daily basis. A seminar on the special campaign for dynamic elimination of significant accident hazards was organized to share results and experience
Special operation risk control	➢	Strictly follow the requirements of the Safety Regulations for Special Operations in Hazardous Chemical Enterprises and the Implementation Plan for Special Operation Rectification, leverage an intelligent control platform, and combine the review of measures for risk control in special operations and personnel positioning to achieve whole-process management of special operation permits and operation process, take various measures to strengthen safety management in special operations, address control issues related to hot work, blind plate plugging, and other special operation risks to ensure the safety of maintenance and repair operations
Safety culture construction	➢	Continuously promote the normalization of safety education and training, encourage warning education, conduct emergency drills, and enhance employees' quality and capabilities
	➢	Strictly enforce qualification entry reviews for relevant parties, thoroughly implement safety education and training, safety technical disclosures, and hazard notifications before site entry, and rigorously supervise and manage daily operations of relevant parties

Job risk analysis and assessment ➢ In accordance with the requirements of the Safety Risk Assessment and Commitment Notice System, risk analysis and assessment were conducted every week for one position, with operation videos recorded and archived. In 2024, a total of 24 positions were assessed. Issues identified were communicated to various units through weekly risk assessment meeting minutes and supervisory notices, promoting corrective actions based on lessons learned

Through systematic safety operation management and the collective efforts of all employees, the Group's safety production goals for 2024 were fully achieved. In 2024, there were no safety accidents throughout the year, with minor injuries ≤1‰ and zero occurrences of serious injuries, or fatalities; the factory's traffic accident rate was zero; the incidence rate of occupational diseases was zero; emergency drill plans were completed on schedule; 5 new employees in the fire, workshop, logistics and other departments were trained in 2024, and 350 outsourced construction workers were trained, with a pass rate of 100%. The Group has achieved zero work-related fatality for three consecutive years, demonstrating significant effectiveness in safety management.

Work-related Injury Data in 2022-2024

Indicator	Unit	2024	2023	2022
Deaths of full-time employees who died from work-related injuries	Persons	**0**	0	0
Percentage of full-time employees who died from work-related injuries	%	**0**	0	0
Days of work lost due to work-related injuries (days lost per 200,000 work hours)	Days	**50**	40	45

4.2 Safety Education and Training

The Group attaches great importance to the safety education and training of employees, and views safety training as a key initiative for safeguarding employees' life safety and the stable development of the Company. Through systematic and diversified training methods, the Group continuously enhances employees' safety awareness and operational skills. During the Reporting Period, the Company held 275 sessions of special training, training over 30,000 employees in total, and organized safety management-related video training conferences for management personnel at all levels, with more than 300 attendees.

The Company carries out daily training centered on the contents such as the Work Safety Law, Several Provisions for Thoroughly Implementing the "Three Managements, Three Musts" for Safety Production in Henan Province, and the Guidelines for Safety Handling of Abnormal Conditions in Production Processes of Chemical Enterprises (Trial). In addition, the Group continuously conducts safety culture publicity through platforms such as safety bulletins, Jinma Energy Report, and Qiusuo Magazine, reviewing 825 submissions for the whole year, editing over 40 articles, and selecting 108 outstanding bulletins. Furthermore, we have learned from past incidents to drive improvements, conducted in-depth analyses and reflections on the causes of accidents, and turned "lessons learned from incidents" into "safety educational materials", such as practical and effective post operational procedures, safety management systems, or safety warning slogans (signage), to comprehensively enhance employees' awareness of production safety.

Case: Conducting a series of thematic activities for the "Production Safety Month"

In June 2024, which is the 23rd national production safety month, the Group organized a variety of vibrant thematic activities for the production safety month. Through a series of events such as a safety launching ceremony, expert lectures, hidden danger investigation, emergency drills, and warning education, the Group aimed to effectively enhance the safety awareness of all employees and standardize safety behaviors, laying a solid foundation for the Company's production safety.

- Launching ceremony: The Company held a grand launching ceremony for "Production Safety Month" and organized the staff to sign commitment banners to strengthen the awareness of safety responsibilities.

- Expert lectures: External experts were invited to conduct special lectures on production safety, attended by over 200 management personnel at all levels, creating a strong safety atmosphere.

- Comprehensive coverage of safety publicity and education: During the event, the Company made full use of the display screens at the entrance and the dispatch center to showcase production safety publicity videos. Each unit produced thematic bulletin boards for the "Production Safety Month" every ten days, continually reinforcing safety publicity. All the units organized a total of 32 special discussions centered on General Secretary Xi Jinping's important statements on production safety and the Guidelines for Safety Management in Chemical Processes, and over 800 employees participated, deepening their understanding of the importance of production safety.

- Emergency drills to enhance practical skills: During the safety month, the Company organized a special emergency drill for liquid oxygen leakage; all units carried out a total of 25 emergency drills focused on the theme "familiarizing with the escape route, quickly evacuating to safety", with 559 participants. Through on-site observation and practical drills, we helped employees learn about emergency rescue procedures and master emergency handling methods, enhancing their emergency rescue knowledge.

- Comprehensive hazard identification and control: During the "Production Safety Month", a total of 30 hazard inspection activities were conducted, identifying a total of 468 issues, all of which were rectified, ensuring controlled safety management and effectively preventing accidents.

- Warning education activities: A total of 27 accident warning education activities were conducted, in which 733 employees participated, further enhancing the safety awareness, risk awareness, and prevention consciousness of all employees, and reinforcing their awareness of compliance with safety regulations and implementation of production safety responsibilities.

- Familiarization with escape routes: Each unit actively conducted activities of "familiarization with escape routes" according to actual conditions, created 52 escape route maps specific to job positions, posted these maps in work areas, and organized employees to participate in evacuation and emergency drills to ensure quick and safe escapes in case of emergencies.

- Innovative activities and family engagement: To amplify the influence of safety education, the Company invited 53 family members of employees to participate in team activities, allowing them to visit the workplace and engage in safety events, in order to build an integrated safety protection network between families and the enterprise.

- Fire prevention and extinguishing education: The Company organized 12 fire prevention and extinguishing education sessions to comprehensively enhance employees' safety awareness regarding fire hazards.

- Safety examination: The Company organized a safety exam for all employees, with a pass rate of 96.59%.

Case: **Awarded the second prize for team contribution in the corporate safety culture and accident prevention knowledge competition**

The Company continues to improve the construction of a safe training space and adopts a strategy that combines online independent learning with offline physical training, innovatively establishes an online classroom of "Safety Training Space" and "Turning Crisis into Safety", and forms a three-dimensional training network that integrates digital and traditional face-to-face instruction, with an aim to efficiently utilize training resources to enhance employees' professional skills and production safety levels. The Company develops or utilizes existing online learning platforms to support employees to learn through computers and mobile devices; in the construction of physical space for offline training, the Company invests resources to create training classrooms equipped with comprehensive multimedia teaching facilities, which can accommodate a sufficient number of employees to conduct concentrated learning.

4.3 Occupational Health Management

The Group complies with the Work Safety Law of the PRC (《中華人民共和國安全生產法》), the Labour Law of the PRC (《中華人民共和國勞動法》), the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Workplace Occupational Health Supervision and Management Regulations (《工作場所職業衛生監督管理規定》) and the "Three Simultaneities" Supervision and Management Measures for Occupational Disease Protection Facilities of Construction Projects (《建設項目職業病防護設施"三同時"監督管理辦法》), and other national laws, regulations and standards, and continuously strengthens occupational health management. We provide regular medical examinations and occupational disease screening and consultations for employees, and pay work-related injury insurance in accordance with the law, to ensure that their health is fully protected. We comprehensively assess and improve the work environment and operational procedures that may affect employees' health and strictly implement the workplace hygiene standards, to reduce occupational hazards. We aim to establish a sound occupational health and safety production management system of "taking charge by enterprise, management by professionals, and supervision by employees", strengthen and standardize the supervision and management of the construction of occupational disease prevention facilities in construction projects, and ensure the occupational health and safety of all employees in the production process.

The Company's occupational health and safety management system passed the review in 2024 and complies with the GB/T 45001-2020/ISO 45001:2018 standard, which indicates that the Company's occupational health management has reached an international and standardized level, providing a reliable guarantee for employees' health.

During the Reporting Period, the Group did not record any occupational disease cases, with a 100% coverage rate of occupational disease physical examination.

Improve the occupational health management mechanism

In 2024, the Company formulated an occupational disease hazard prevention and control plan and implementation scheme, and established an efficient decision-making and implementation mechanism for occupational health management. The Company established a leading group for occupational disease hazard prevention and control, which is responsible for examining and approving the annual occupational disease hazard prevention and control plan and implementation scheme, ensuring capital investment, organizing education and training as well as physical examinations, improving rules and regulations, and supervising the implementation of protective measures.

Strengthen the monitoring of occupational hazard factors

The Company conducts daily inspections of occupational disease hazard factors in the workplace on a monthly basis as planned, and entrusts third-party professional institutions to conduct regular monitoring of positions exposed to occupational hazard factors. Targeted rectification is carried out for positions that fail in the monitoring, so as to ensure that the control of occupational hazard factors complies with national standards.

Implement supervision of key positions

Positions with exceeding hazard factors are regarded as key supervision targets. An inspection plan for occupational disease hazards at key positions is formulated and incorporated into the safety assessment. Occupational health warning signs and occupational hazard notice boards are posted at these positions. Regular inspections and maintenance of occupational health protection facilities are carried out to ensure that employees in these positions are clearly aware of the occupational hazard factors in their positions and protective measures.

Conduct occupational health training

Through various forms such as the National Production Safety Month, team safety activities, Jinma Learning Platform, and DingTalk Classroom, the Company organizes employees to study laws and regulations such as the Law of the PRC on the Prevention and Control of Occupational Diseases, the Workplace Occupational Health Supervision and Management Regulations, and the Measures for the Supervision and Administration of Occupational Health Monitoring in Employers. Occupational health training is arranged once a quarter, with a total of 489 person-times trained throughout the year, which improves employees' self-protection awareness and ability.

Strengthen the management of occupational protective equipment	In accordance with the Company's Labor Protection Equipment Management System (《勞保用品管理制度》), the Company procured occupational health and labor protection equipment that complies with national regulations. The equipment was distributed promptly according to the labor protection equipment allocation plan for each position. The Company strengthened supervision over employees' proper use of labor protection equipment and took measures such as criticism and education, assessment, and suspension for training for those who failed to wear, wear improperly, or deliberately damaged the labor protection equipment. Additionally, the responsible persons of units that failed to distribute labor protection equipment on time were subject to an assessment penalty of RMB500 per occurrence, ensuring the full implementation of protective measures.
Enhance occupational health monitoring	The Company established and continuously improved its occupational health archives, including personal occupational health monitoring records. Employees engaged in occupational hazard-related work underwent pre-employment, on-the-job, post-employment, and pre-transfer health examinations, achieving a 100% examination rate. The Company scientifically reassigned 20 employees diagnosed with occupational contraindications during health examinations, reflecting its strong commitment to employee health. The Company specially invited the Red Cross to provide emergency responder training for 23 employees, who successfully obtained the corresponding certification, thereby enhancing the Company's emergency response capabilities.
Standardize the management of relevant stakeholders	The Company strengthened occupational health supervision and training for external construction personnel, requiring contractors to provide occupational health training and inspections for their personnel. The management of occupational health for related stakeholders was incorporated into the contractor management system, ensuring that all personnel operating within the Company's premises receive appropriate occupational health protection.

5. Adhere to Responsible Operations

The Group continued to deepen its commitment to responsible operations, upholding the quality concept and innovation-driven development approach of "creating value for users with high-quality products." It is dedicated to accelerating industrial transformation and upgrading, aiming to achieve green, low-carbon, and high-quality development goals. Meanwhile, the Group continued to enhance supply chain management, striving to build a responsible supply chain that fosters collaborative development. During the Reporting Period, the Group was ranked the 51st of Henan Top 100 Enterprises (河南企業 100 強).

5.1 Quality Products Management

The Group places great emphasis on product quality and service management, consistently adhering to the quality concept of "creating value for users with high-quality products." It strictly complies with the Product Quality Law of the PRC (《中華人民共和國產品質量法》) and other relevant laws, regulations, and standards. The Group has established and continuously improved its product quality management system, strengthening process management of coal blending, coking, chemical production, processing of coal tar and benzene, so as to control product quality in an all-rounded way and to ensure that coke, coal tar, crude benzene and other products meet the standards such as the Coke for Metallurgy (GB/T 1996-2017), Coal Tar (YB/T 5075-2010) and Crude Benzene (YB/T 5022-2016). At the same time, the Group remains customer-focused, dedicated to delivering high-quality customer service and enhancing customer satisfaction. It has established a multi-channel feedback mechanism for different issues to effectively protect customers' rights and interests.

The Group adopted various management measures to promote quality and efficiency. During the Reporting Period, there were no complaints related to product quality, with 99% customer satisfaction and 0% product return rate.

Comprehensive Quality Management System

Quality management is the foundation of the Group's core competitiveness. The Group has established a systematic and standardized quality management system, implementing rigorous quality control measures that cover the entire production process – from raw material procurement to finished product delivery – forming a comprehensive quality assurance chain.

Robust quality management system	The Group has formulated a comprehensive set of quality control policies, including the Quality Management Regulations (《質量管理規定》), Production Process Control Procedures (《生產過程控制程序》), Quality Control Point Management Measures (《質量控制點管理辦法》), Product Monitoring and Measurement (《產品監視和測量》), and Quality Control Standards for Washing Clean Coal and Reward and Punishment Measures (《進場洗精煤質量控制標準及獎懲辦法》. These policies are consolidated into a Quality Management Manual (《質量管理手冊》), with ongoing tracking and periodic evaluations to assess goal achievement, ensuring the effective implementation and continuous improvement of the quality management system.
Raw material quality control	The Group has enforced strict raw material inspection procedures to ensure product quality from the source. It utilized specialized analytical and laboratory equipment combined with standardized testing methods to support assessments, providing a solid foundation for subsequent production processes.
Production process quality control	The Group has developed internal requirements such as the Production Process Control Procedures (《生產過程控制程序》) and the Production and Operation Outline (《生產運行大綱》). A strict process control system has been established for each stage, including coal blending, coking, chemical production, processing of coal tar and benzene. Meanwhile, by setting critical quality control points, the Group conducted real-time monitoring of process parameters and adjusted production conditions promptly.
Finished product quality management	For different products, the Group has established detailed inspection standards and procedures to ensure compliance with quality requirements. This ensures professional quality control for all types of products. Additionally, a comprehensive traceability system has also been implemented to enable accountability in quality management, providing critical support for quality analysis and problem resolution.
Management of defective products	The Group has enforced the Defective Products Management Rules (《不合格品管理規定》) and the Defective Products Control Procedures (《不合格品控制程序》), ensuring scientific classification and management, and targeted handling measures for identified defective products. In the event of quality anomalies, relevant departments would conduct in-depth analyses to identify the root cause, develop and implement improvement measures, thereby establishing a closed-loop quality management system for continuous improvement.

Product after-sales service	The Group has developed and implemented internal regulations, including the Customer Complaint Form, Customer Complaint Handling Scheme, and Customer Feedback Form, to establish a comprehensive customer service system. This ensures effective after-sales service, addresses product-related complaints, conducts customer follow-ups, and maintains close communication with customers through multiple channels to promptly understand customer needs and feedback, thereby continuously improving service quality.
Customer satisfaction surveys	The Group has regularly conducted customer satisfaction surveys through face-to-face meetings, correspondence, and other channels. It actively responded to customer feedback and welcomed their supervision to facilitate continuous improvements in product and service quality.
Customer privacy protection	The Group has established a comprehensive customer information confidentiality system and strengthened the protection of customer data and records. Dedicated professional personnel were assigned to handle customer interactions and communications, ensuring the security of customer information and related documents. Additionally, the Group employed real-time monitoring, peripheral device management, application control, and endpoint security systems, utilizing encryption technologies to safeguard company information and network security while reinforcing internal management.

5.2 Encourage Innovative Development

Against the backdrop of accelerating industry transformation and upgrading, technological innovation has become a key driver for enterprises to overcome development bottlenecks and achieve high-quality, sustainable growth. The Group is committed to building an "innovative modern energy and chemical enterprise", positioning technological innovation as a critical pillar of its core competitiveness. By continuously refining its innovation management system and fostering effective integration between the innovation chain and industrial chain, the Group actively develops new materials and energy industry systems, increases R&D investment, drives technological breakthroughs and results commercialization, and provides strong support for high-quality corporate development and the realization of dual-carbon goals.

Science and technology innovation management

The Group has formulated the Innovation Project Management Measures (《創新課題管理辦法》), which clearly define the objectives, organizational structure, operational mechanisms, and incentive measures of innovation activities from a regulatory perspective, establishing a comprehensive management framework covering the entire innovation lifecycle. To ensure efficient allocation and collaborative advancement of innovation resources, the Group has established an innovation project task force, led by the deputy chief engineer and composed of the Technical Department, Corporate Management Department, Finance Department, Human Resources Department, and various production workshops, jointly facilitating the rapid transformation and application of innovation achievements.

Based on a robust institutional and organizational foundation, the Group has developed a full-cycle innovation management mechanism, covering project application, evaluation and approval, process management, and final acceptance, to drive the successful implementation and promotion of innovation projects:

- **Innovation project application:** Encouraging diverse sources of project applications based on corporate strategic direction, actual production needs, and employee innovation proposals;

- **Scientific project evaluation and approval:** Conducting a comprehensive assessment from the perspectives of innovation level, economic potential, technological content, and safety and environmental impact, ensuring that approved projects align with corporate development needs and are practically feasible;

- **Closed-loop process management:** Holding regular project meetings to promptly address technical challenges, track innovation progress, and support major breakthroughs;

- **Standardized final acceptance:** Conducting professional evaluations, on-site validations, and benefit assessments to comprehensively assess the technological advancement and application effectiveness of innovation outcomes.

Technological innovation

The Group regards technological innovation as the core driving force for high-quality corporate development. Through technological breakthroughs and collaborative exchanges, it strives to achieve a synergistic improvement of economic and environmental benefits, setting a strong example for the green transformation of the energy industry.

Driving innovation and upgrading of the industrial chain

- The Group vigorously extended, supplemented and strengthened the industrial chain, cultivated "chain leaders", formed an ecological industry, leveraged the advantages of benzene-based aromatic hydrocarbon resources and extended the chain to establish the industry chain of benzene hydrogenation -cyclohexanol-adipic acid-biodegradable plastics;

- The Group implemented capacity expansion and transformation in deep processing of coal tar, with a deep processing capacity of hundreds of thousands of tons every year. It also extended the chain to develop high-end carbon-based new materials, such as needle coke, high-power graphite electrodes and carbon fibers;

Promoting technological innovation and application

- The Group invested RMB2.5 billion to upgrade a 7-meter, 65-chamber large top-charging coke oven, reducing energy consumption by 20% and total pollutant emissions by 30% after the transformation;

- The Group enhanced resource recycling capabilities through the application of dry quenching waste heat power generation and desulfurization and denitrification technologies;

- During the Reporting Period, the Group was granted authorization for 16 national utility model patents.

Making layout in hydrogen energy sector to boost the utilization of new energy

- The Group actively established industrial parks to expand hydrogen supply, with an aim to achieve a hydrogen production capacity of 1 billion cubic meters per year and build a hydrogen supply base in Henan Province;

- During the Reporting Period, the Group built five new hydrogen refueling stations, with a focus on key scenarios, to promote the pilot applications of fuel cell vehicles and hydrogen power generation;

- The Group pursued development throughout the hydrogen equipment industry chain, focusing on fields such as hydrogen fuel cells, hydrogen vehicle transformation, hydrogen engines and complete hydrogen vehicle transformation.

Collaborating with universities to promote industry-academia integration

- The Group jointly built the Henan Province Engineering Laboratory of Coal-based Ecological Fine Chemicals in collaboration with the Jiyuan Research Institute of Zhengzhou University. This initiative integrated 56 R&D personnel to work on product research and development, process optimization and improvement. Additionally, an academic committee comprising seven university professors and four renowned industry experts was established to provide guidance on the research activities of the engineering laboratory;

- The Group gave full play to the platform role of the engineering laboratory of coal-based ecological fine chemicals, planned to establish a research institute for hydrogen energy and coal-based new materials, and carried out applied basic research in areas such as fine chemicals, new materials, hydrogen energy, energy storage, carbon dioxide capture and utilization, energy conservation, environmental protection, and green low-carbon technologies, in order to enhance its independent innovation capabilities and promote industrial application;

- The Group took advantage of the expertise of graduate students to continue conducting research projects and technological transformations and actively apply for patents and scientific and technological achievements;

- The Group established partnerships with renowned universities such as Tsinghua University and Zhejiang University, and established technology centers to strengthen cooperation and communication between the academic and industrial sectors and jointly explore innovative applications in cutting-edge technological fields.

Case: 7-meter coke oven upgrade project

The Company has upgraded its 5.5-meter coke ovens by constructing 7-meter-high large top-charging coke ovens, accelerating the transformation and upgrading of traditional industries. This initiative promotes the development of large-scale, high-end intelligent, and environmentally friendly equipment. The project includes the construction of desulfurization, denitrification, and dust removal facilities, as well as ground-level dust removal systems, making full use of existing dry quenching and gas purification systems. In April 2024, the 7-meter coke oven was successfully commissioned for trial operation, producing coke through an intelligent and energy-efficient process. Its emission levels comply with international and domestic leading environmental standards, with key pollutant indicators meeting the ultra-low emission limits set by both the industry and the province where the project is located.

7-meter-high large top-charging coke ovens

Steadily promote the deep integration of informatization and industrialization

Following national informatization policies and aligning with its corporate development strategy, the Group has been promoting the deep integration of informatization and industrialization to build a smart Jinma. This initiative fosters a data-driven ecosystem that enables continuous improvement, drives corporate transformation and upgrading, and ensures the effective implementation of the development strategy, providing sustained momentum for long-term growth of the enterprise. The Group has successively established a corporate big data center, a dispatch and emergency command center, multiple subsidiary control centers, and various system platforms. These efforts have led to: Standardized management, with the ERP-NCC enterprise resource management system as the backbone; Intelligent production, driven by the MES manufacturing execution system; Smart supply chain management, supported by the bulk materials system; Comprehensive safety transformation, enabled by the intelligent safety management platform.

During the Reporting Period, the Group achieved significant milestones in the construction of its integrated informatization and industrialization management system. The system successfully passed the supervisory audit on the integrated informatization and industrialization platform, maintaining the validity of its AAA-level certification. Meanwhile, the Group garnered multiple industry accolades, including provincial special funds for outstanding intelligent application scenarios, recognition as a pilot enterprise for Chief Data Officer in Henan Province, honors for exemplary data element application scenarios in the industrial sector of Henan Province, a third prize in the 7th "Blooming Cup" for its "5G + Smart Factory" initiative, and the designation of its automation and informatization innovation studio as a Model Worker and Craftsman Talent Innovation Studio by the Jiyuan Demonstration Zone. These achievements underscore the widespread recognition of the Group's integrated informatization and industrialization practices.

Through the deepening of integrated informatization and industrialization, the Group continues to empower its operations with digital technologies, constantly optimizing and adjusting phased objectives while adhering to dynamic improvements. This approach has enabled cost reduction and efficiency enhancement, with the scientific management system of integrated informatization and industrialization standardizing and streamlining production and operations, improving management efficiency, reducing costs, and enhancing quality. Additionally, digital technologies have been leveraged to support green production, with equipment intelligence enhancing process management, reducing energy consumption, and minimizing pollutant emissions, thereby contributing to energy conservation and emission reduction.

Intellectual property and privacy protection

The Group strictly complied with the Patent Law of the PRC《中華人民共和國專利法》and the intellectual property protection regulations of its operating jurisdictions, establishing a systematic intellectual property management process. On one hand, the Group continuously optimized management practices and strengthened protection measures to ensure full compliance throughout the intellectual property lifecycle. On the other hand, it consistently enhanced its end-to-end capabilities in intellectual property creation, utilization, protection, and management. This includes conducting confidentiality awareness training for technical personnel to safeguard the integrity and security of the Company's intellectual property assets. In external collaborations, the Group placed high importance on privacy and information security in accordance with the Contract Law of the People's Republic of China《中華人民共和國合同法》, rigorously protecting the trade secrets of both parties as stipulated in contracts. For the transformation of scientific and technological achievements, the Group fully implemented the Law on Promoting the Transformation of Scientific and Technological Achievements of the PRC《中華人民共和國促進科技成果轉化法》, strictly maintaining technical confidentiality.

During the Reporting Period, the Group was granted authorization for 16 utility model patents.

Technology and Innovation Data in 2024

Indicator	Unit	2024
Annual investment in research and development	RMB ten thousand	3,006
R&D personnel	Persons	16
Number of patent applications	/	34
Number of patents granted	/	16

5.3 Supply Chain Responsibility Management

The Group placed a strong emphasis on supply chain management, striving to build a responsible supply chain and establish strategic, mutually beneficial relationships with suppliers. The Group rigorously controlled the supplier selection process, continuously improved procurement standards and information construction, and optimized supplier evaluation mechanisms. It incorporated risk factors such as safety production, occupational health, and environmental protection into the supplier assessment and evaluation system. Upholding the principle of fair procurement, the Group established a transparent management platform to foster an open, fair, and just procurement environment, preventing commercial bribery and other corrupt practices. Additionally, the Group consistently refined its supplier management system, implemented tiered supplier management, clarified supplier responsibility requirements, and conducted regular training activities to continuously enhance supplier accountability and capabilities.

- **Improving supplier management rules:** The Group developed a series of systems, including the Material Procurement Management Rules《物資採購管理制度》, the Raw Material Coal Procurement Management Rules《原料煤採購管理制度》, the Supplier Evaluation Management Rules《供方評價管理制度》, and the Qualified Supplier Credit Evaluation System《合格供方信用評價制度》. These systems detail procurement requirements and procedures to ensure the stability and efficiency of the supply chain, laying a solid foundation for cost control, quality assurance, and risk mitigation;

- **Implementing supplier rating management:** According to the actual production needs of the Company, the raw and auxiliary materials provided by suppliers are classified into key materials, important materials and general materials; and the suppliers are classified into qualified suppliers, temporary suppliers and unqualified suppliers according to the influence of the purchased products provided by suppliers on the production and product quality of the Company;

- **Conducting regular inspections:** The Company's procurement staff conducted on-site inspections of suppliers as needed. During shipment, the quality and shipment conditions of coal supplied by vendors were regularly monitored;

- **Establishing evaluation and audit mechanisms:** In accordance with the quality and penalty indexes specified in contracts, the Group conducted bi-monthly assessments and settlements for coal supplied by vendors. Non-compliant coal was subject to deductions or returns;

- **Carrying out social risk assessment of suppliers:** The Group established a stringent supplier evaluation system and formed a supplier evaluation team comprising relevant functional departments. This team was responsible for comprehensive and dynamic evaluation management, requiring suppliers to strictly comply with all applicable environmental, health, and safety laws, regulations, and standards. The team also focused on assessing suppliers' environmental and social responsibility performance and the potential impact of their products on the Company's environmental safety, ensuring that all qualified suppliers can provide stable and continuous supplies;

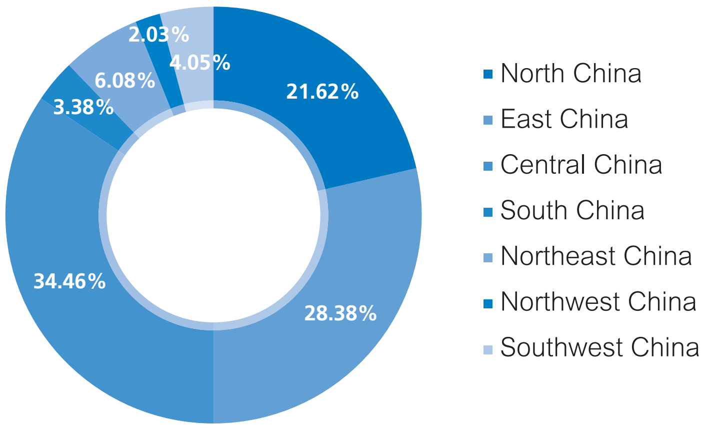
- **Preferentially select energy-saving and environmentally-friendly products:** For newly revamped projects, the Group clearly defined its procurement requirements and preferentially selected energy-saving materials and equipment during the procurement process for equipment and products, contributing to the reduction of costs, emissions and pollution. The Company ensured effective implementation through regular audits and performance evaluations;

- **Carrying out supplier training:** The Group actively carried out training on safety and other aspects for outsourced construction units in conjunction with the production operation of the Company. For equipment maintenance personnel and manufacturer representatives entering the facility, the Group's safety department conducted initial training, followed by secondary training by relevant workshops, ensuring they understand the Company's safety policies and procedures and master correct safety practices;

- **Providing whistleblowing channels for suppliers:** The Company highly valued feedback and concerns from suppliers and maintained stringent requirements for internal compliance and integrity. Relevant complaints could be reported directly to the Company's Party Committee Secretary.

Supplier Data in 2024

Indicator	Unit	2024
North China	Supplier	32
East China	Supplier	42
Central China	Supplier	51
South China	Supplier	5
Northeast China	Supplier	9
Northwest China	Supplier	3
Southwest China	Supplier	6
Number of annual audited suppliers	Supplier	132
Annual supplier assessment rate	%	89
Sessions of training on ESG related topics for suppliers	Times	0
Percentage of supply chain ESG audits	%	100



The Ratio of Suppliers by Region

6. Community Public Service

The Group is committed to creating value for society, integrating social responsibility into its corporate mission. It consistently adheres to the corporate culture of "being loyal internally, being honest externally, and being responsible toward the society," and upholds its corporate duty to "create value and give back to society." The Group actively supports the development of infrastructure in new rural areas, vigorously promotes public initiatives in education, culture, and charity, and contributes to rural revitalization and common prosperity, with cumulative donations exceeding RMB170 million. Furthermore, through various means such as educational funding, disaster relief, and poverty alleviation, the Group continues to deepen its philanthropic practices, fulfilling its corporate social responsibility through concrete actions.

During the Reporting Period, the Group donated a total of RMB548,000, benefiting 142 individuals through volunteer activities. In January 2024, the Group was honored with the Charitable Company with a Caring Heart (愛心捐贈企業) in the first Henan Charity Award (河南慈善獎) by Henan Provincial Government, recognizing its outstanding contributions and sense of responsibility.

6.1 Public Welfare

The Group remains committed to charitable education initiatives, providing financial assistance and encouragement to outstanding yet underprivileged students, helping them complete their studies. In line with the "Ten-Year Plan for Charity Education of Jinma Energy," the Group granted a total of RMB500,000 in scholarships to 50 financially disadvantaged university students during the Reporting Period. Since the launch of the "Ten-Year Plan for Charity Education of Jinma Energy" in 2012, the Group has provided RMB10.255 million in unconditional financial aid, supporting 500 students in pursuing higher education. As 2024 marks the 13th year of the "Ten-Year Plan for Charity Education of Jinma Energy", the Group has successfully fulfilled its commitment, bringing the "Ten-Year Plan for Charity Education of Jinma Energy" to a successful conclusion.

Additionally, the Group supports the children of employees facing financial hardship, as well as students from neighboring villages who have been admitted to undergraduate programs. During the Reporting Period, the Group awarded a total of RMB298,000 in scholarships to 60 students from the 2021, 2022, and 2023 cohorts who had gained admission to undergraduate institutions but had not previously received scholarships.

Jinma Energy's "Charity Education" fund distribution event

6.2 Volunteer Activities

The Group actively promotes a culture of volunteerism, encouraging employees to participate in various community service initiatives, regularly organizes activities, including environmental beautification projects, voluntary blood donation drives, and other diverse forms of volunteer engagement. During the Reporting Period, the Group conducted two volunteer activities, totaling 16 hours, with a combined participation of 142 employee engagements. These initiatives have strengthened the Group's ties with the community while fostering team cohesion and a strong sense of social responsibility among employees.

Case: Jinma Zhongdong Energy Co., Ltd. organized a voluntary blood donation campaign

To uphold the Red Cross spirit of "humanity, fraternity, and dedication" and ensure an adequate blood supply for clinical use during the summer, Henan Jinma Zhongdong Energy Co., Ltd., a subsidiary of the Group, partnered with Jiyuan Central Blood Bank to host a voluntary blood donation campaign from 25 to 26 July. Numerous compassionate individuals within the company premises enthusiastically signed up to participate. During this event, a total of 70 individuals successfully donated blood, contributing a cumulative volume of 26,800 milliliters. Henan Jinma Zhongdong Energy Co., Ltd. has actively responded to the call for voluntary blood donation, demonstrating its commitment to corporate social responsibility. So far, it has organized voluntary blood donation activities for five consecutive years, with over 500 employees participating. This ongoing commitment not only embodies the lifesaving spirit of generosity but also reflects the company's enduring dedication to social welfare.

Voluntary blood donation campaign

Case: **Jinning Energy participated in public welfare volunteer campaign for Safety Promotion and Consultation Day**

In June 2024, Jinning Energy Co., Ltd., a subsidiary of the Group, organized and participated in the "Safety Promotion and Consultation Day" event in the Jiyuan Demonstration Zone, focusing on volunteer efforts to promote gas safety awareness. At the event, various activities were held, including informational consultations, prize quizzes, and film screenings. Company employees engaged with the public, delivering educational sessions on the Work Safety Law《安全生產法》, the Henan Provincial Urban Gas Management Regulations《河南省城鎮燃氣管理條例》, and essential gas safety practices. They also patiently addressed public inquiries regarding gas usage safety, offering expert advice and guidance. During the event, over 200 informational brochures were distributed, more than 100 commemorative gifts were handed out, and over 10 public inquiries were addressed. The initiative enhanced public understanding of gas safety, reinforced safety awareness, and improved emergency response capabilities.

Safety Promotion and Consultation Day

The Board of Henan Jinma Energy Company Limited hereby presents its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

Principal activities

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 of the coal chemical industry from coke production to the processing of coking by-products into refined chemicals and energy products. The Group is committed to optimal resource utilization and environmentally responsible production throughout the production cycle. The Group has adopted a number of environmentally responsible measures to alleviate the impact of operations of the Group on the environment.

Discussion and analysis of the business of the Group, significant factors affecting the results and financial position of the Group and financial ratios of the Group are provided in the section headed "Management Discussion & Analysis Overview" of this annual report (pages 7 to 24). The Group's environmental policies and performance are provided in the section headed "Environmental, Social and Governance Report" of this annual report (pages 43 to 90). In addition, description of the principal risks and uncertainties faced by the Group, the future development of the Group and details regarding the Group's relationships with its key stakeholders including employees are provided in the sections headed "Management Discussion & Analysis Overview – Employees and Remuneration" and "Management Discussion & Analysis Overview – Pension Scheme" (pages 43 to 90), "Corporate Governance Report" (pages 25 to 42), "Environmental, Social and Governance Report" (pages 43 to 90) and this section (pages 91 to 105) of this annual report. The particulars of important events that have occurred since the end of reporting period are provided in the section headed "Management Discussion & Analysis Overview" of this annual report (pages 43 to 90). These discussions form part of this Directors' report.

Five-year Financial Summary

Summaries of the results, assets and liabilities of the Group for the past five financial years (extracted from the audited financial statements published by the Group for 2020 to 2024) are set out as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000 (restated)	RMB'000
Revenue	**11,598,533**	12,072,303	12,448,644	7,398,260	6,392,350
Cost of sales	**(11,448,421)**	(11,623,836)	(11,307,824)	(6,383,003)	(5,344,854)
Gross profit	**150,112**	448,467	1,140,820	1,015,257	1,047,496
Other income	**65,516**	103,237	51,121	43,673	43,615
Other gains and losses	**(26,050)**	(14,042)	(25,658)	(93,209)	(7,368)
Impairment losses under expected credit loss model, net of reversal	**–**	858	48,821	(2,907)	(39,943)
Selling and distribution expenses	**(411,137)**	(293,018)	(251,033)	(104,398)	(139,313)
Administrative expenses	**(177,136)**	(178,405)	(173,081)	(140,288)	(110,169)
Finance costs	**(143,963)**	(125,369)	(94,182)	(48,285)	(61,208)
Share of result of a joint venture	**3,219**	15,788	28,482	3,334	2,194
Share of results of associates	**626**	(8,474)	1,969	—	(40,951)
(Loss) Profit before tax	**(538,813)**	(50,958)	727,259	673,177	694,353
Income tax credit (expense)	**61,090**	44,895	(156,475)	(172,497)	(188,003)
(Loss) Profit for the year from continuing operations	**(477,723)**	(6,063)	570,784	500,680	506,350
Profit for the year from discontinued operations	**–**	–	–	7,067	14,820
Other comprehensive income (expenses):					
Item that may be reclassified subsequently to profit or loss:					
Fair value gain (loss) on bills receivables at FVTOCI, net of income tax	**8,267**	15	(36)	(2,291)	1,823
Total comprehensive (expense) income for the year	**(469,456)**	(6,048)	570,748	505,456	522,993
Total comprehensive (expense) income for the year attributable to:					
—Owners of the Company	**(340,614)**	23,372	422,423	485,911	487,295
—Non-controlling interests	**(128,842)**	(29,420)	148,325	19,545	35,698
	(469,456)	(6,048)	570,748	505,456	522,993
(Loss) earnings per share (RMB)					
From continuing and discontinued operations					
—Basic	**(0.65)**	0.04	0.79	0.91	0.91
From continuing operations					
—Basic	**(0.65)**	0.04	0.79	0.91	0.90

Selected Historical Consolidated Assets and Liabilities Data

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000 (restated)	RMB'000
Non-current assets	**8,581,014**	8,649,368	7,124,154	5,186,072	2,947,248
Current assets	**2,634,730**	3,885,610	4,106,928	3,339,269	3,443,781
Current liabilities	**5,650,210**	5,787,569	4,533,238	3,326,323	1,993,737
Net current assets (liabilities)	**(3,015,480)**	(1,901,959)	(426,310)	12,946	1,450,044
Total assets less current liabilities	**5,565,534**	6,747,409	6,697,844	5,199,018	4,397,292
Equity attributable to owners of the Company	**3,118,302**	3,460,434	3,513,981	3,225,413	2,900,128
Total equity	**4,337,263**	4,840,215	4,726,480	4,304,287	3,980,493
Non-current liabilities	**1,228,271**	1,907,194	1,971,364	894,731	416,799
	5,565,534	6,747,409	6,697,844	5,199,018	4,397,292

Payment of Dividends

As at 28 March 2025, based on the operating results, the Board has resolved not to declare any final dividends for the year ended 31 December 2024. There is no arrangement under which the shareholders of the Company have waived or agreed to waive any dividends.

Key relationships with stakeholders – Key Customers and Suppliers

For the year ended 31 December 2024, the total revenue from the top five customers of the Group and the revenue from the largest customer of the Group accounted for 39.53% and 10.37% (2023: 45.81% and 14.7%), respectively, of the total revenue of the Group. The top three largest customers are the Company's substantial shareholders or its subsidiaries and/or substantial shareholders and/or subsidiaries of the subsidiaries of the Company, and such revenue was generated from the sales of coke of the Group and there is no collectability problem upon due.

Save as disclosed above, none of the Directors of the Company, close associates of the Directors or Shareholders (which, to the best knowledge of the Board, own more than 5% of the Company's issued shares (excluding treasury shares)) had an interest in any of the Group's five largest customers at any time during the year.

During the year ended 31 December 2024, the aggregate amount of purchase attributable to the Group's top five suppliers and the purchase amount attributable to the largest supplier of the Group accounted for 28.54% and 7.33% (2023: 32.7% and 11.3%), respectively, of the total purchase amount of the Group.

None of the Directors of the Company, close associates of the Directors or Shareholders (which, to the best knowledge of the Board, own more than 5% of the Company's issued shares (excluding treasury shares)) had an interest in any of the Group's five largest suppliers at any time during the year.

In recent years, the Group has been operating with stable production and sales level. Such efficiency relied on the close and effective relationship management with major suppliers and customers via good communication and execution in all aspects, which included quality control, logistics and payment, resulting in a win-win situation.

Subsidiaries, Associates and Joint Ventures

Details of key subsidiaries, associates and joint ventures of the Group are provided in Note 19, Note 21 and Note 20 to the consolidated financial statements in this report.

Save as disclosed in this annual report, there was no material acquisitions and disposals of subsidiaries, associates and joint ventures of the Company during the Reporting Period.

Reserves and Distributable Reserves

Details of movements in the reserves of the Company during the year are provided in Note 47 to the consolidated financial statements. On 31 December 2024, distributable reserves (i.e. retained profits) of the Company amounted to RMB2,063.5 million (2023: RMB2,069.3 million).

Donations

During 2024, the Group made a total of approximately RMB0.55 million (2023: approximately RMB1.2 million) of charitable donations, details of which are provided in the section headed "Environmental, Social and Governance Report" of this annual report (pages 43 to 90).

Share Capital

For details of the share capital of the Company, please refer to Note 35 to the consolidated financial statements in this annual report.

Purchase, Sale or Redemption of Securities of the Company

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including treasury shares) of the Company.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Compliance with Relevant Laws and Regulations

The Group has compliance procedures in place to ensure its compliance with relevant laws, rules and regulations. During the Reporting Period, save as disclosed in this report, the Group has complied with relevant laws and regulations which have material influence on its operation.

Environmental Policies and Performance

The details of environmental, social and governance (ESG) policies and performance of the Group are disclosed in the section headed "Environmental, Social and Governance Report" of this report.

Directors and Supervisors

During the year and as at the date of this report, the Directors and Supervisors of the Company were as follows:

Executive Directors:

Mr. Yiu Chiu Fai (饒朝暉) *(Chairman)*
Mr. Wang Mingzhong (王明忠) *(Chief Executive Officer)*
Mr. Li Tianxi (李天喜) *(Executive Deputy General Manager)*

Non-executive Directors:

Mr. Xu Baochun (徐葆春) *(Deputy Chairman)*
Mr. Wang Kaibao (汪開保)
Ms. Ye Ting (葉婷)

Independent Non-executive Directors:

Mr. Wu Tak Lung (吳德龍)
Mr. Meng Zhihe (孟至和)
Mr. Cao Hongbin (曹紅彬)

Supervisors:

Mr. Wong Tsz Leung (黃梓良)
Mr. Wu Jiacun (吳家村)
Mr. Zhou Tao David (周韜)
Ms. Tian Fangyuan (田方遠)
Ms. Hao Yali (郝亞莉)
Mr. Fan Xiaozhu (范小柱)

None of the Directors or Supervisors has entered into any service agreement with the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

For the biographical details of the Directors, Supervisors and the senior management of the Company, please refer to the section headed "Directors, Supervisors and Senior Management" of this annual report (pages 109 to 115).

Interests of Directors, Supervisors and Chief Executive in Securities

As at 31 December 2024, 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 for Securities Transactions by Directors of Listed Companies (the "**Model Code**") were as follows:

Name	Nature of Interest	Class of securities	Number of Shares held(Note 1)	Approximate percentage of shareholding in the total share capital of the Company(Note 2)
Mr. Yiu Chiu Fai	Interest in controlled corporation(Note 3)	H shares	162,000,000 (L)	30.26%
	Beneficial owner	H shares	2,681,000 (L)	0.50%
Mr. Zhou Tao David	Beneficial owner	H shares	8,000 (L)	0.001%

Notes:

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

2. The calculation is based on the total number of 535,421,000 Shares in issue of which all are H shares.

3. 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 turn, holds 96.3% of the issued share capital of Jinma Coking, and Jinma HK is wholly-owned by Jinma Coking. Jinma HK holds 30.26% of the issued share capital of the Company. Accordingly, Mr. Yiu is deemed to be interested in Jinma HK's interest held by Jinma Coking by virtue of the SFO.

Save as disclosed above, as at 31 December 2024, 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 year or as at the end of the year, 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.

Non-competition Undertaking

Mr. Yiu Chiu Fai has confirmed to the Company that during the Reporting Period, he has complied with the non-competition undertaking (the "**Non-competition Undertaking**") given by him to the Company on 18 September 2017. Details of the Non-competition Undertaking are set out in the section headed "Relationship with our Controlling Shareholder" of the prospectus of the Company dated 26 September 2017.

The independent non-executive Directors have also reviewed the status of compliance by Mr. Yiu with the undertakings in the Non-competition Undertaking and have confirmed that, as far as the independent non-executive Directors can ascertain, there is no breach of any of the undertakings in the Non-Competition Undertaking.

Arrangement to Purchase Shares or Debentures

At no time during the year 2024 was the Company, its holding company or any of its subsidiaries or 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.

Management Contracts

No other contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during 2024 and until the Latest Practicable Date.

Permitted Indemnity Provision

The Company has taken out appropriate insurance coverage for Directors', Supervisors' and chief executive's liabilities in respect of legal actions against its Directors, Supervisors and chief executive arising out of corporate activities. The level of the coverage is reviewed annually. In 2024, no permitted indemnity provision was in force for the benefit of the Company's Directors, Supervisors and the chief executive.

Independence of Independent Non-executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the year ended 31 December 2024 and remain so as at the date of this annual report.

Continuing Connected Transactions

For the year ended 31 December 2024, the Group conducted the following continuing connected transactions in respect of its business, details of which are disclosed in compliance with the requirements under Chapter 14A of the Listing Rules:

Name of Connected Person	Relationship with the Group	Nature of Transaction	Annual Cap for 2024 RMB'000	Actual Transaction Amount for 2024 RMB'000
Maanshan Steel	Maanshan Steel is interested in 26.89% of the total number of shares in issue of the Company and is one of the substantial shareholders of the Company	Sale of coke	1,170,000	1,210,425
Zenith Steel	Holder of approximately 22.27% of the equity interest in Shenzhen Jinma (a subsidiary of the Company)	Sale of coke	3,753,600	1,113,979
Xuzhou Oriental	Shanghai Luxiang is the holder of approximately 22.27% of the equity interest in Shenzhen Jinma (a subsidiary of the Company); Shanghai Luxiang is held as to 30% by Mr. Wei Dechao, one of the directors of Shenzhen Jinma; Xuzhou Oriental is held by Shanghai Luxiang as to approximately 63.30% equity interest and is therefore a subsidiary of Shanghai Luxiang	Sale of coke and coal Purchase of coal Provision of logistics services	1,092,000 1,050,000 88,200	0 104,067 0
Xinyang Co	Holder of 30.00% of the equity interest in Xinyang Jingang (a subsidiary of the Company)	Sale of coke and heat	5,375,000	776,533

Sale of Coke to Maanshan Steel Group

Pursuant to the framework agreement entered into between the Company and Maanshan Steel on 23 August 2019 (the "**Maanshan Steel Framework Agreement**"), it was agreed that sales of coke by the Group to Maanshan Steel and its associates (the "**Maanshan Steel Group**") shall continue for a term commencing from 1 January 2020 to 31 December 2022. For further details, please refer to the announcement of the Company dated 23 August 2019.

Under the Maanshan Steel Framework Agreement, the Maanshan Steel Group shall place purchase orders with the Group from time to time, specifying the amount of coke required by the Maanshan Steel Group, the requisite product specifications, as well as the expected delivery schedule; and following the Group's acceptance of the orders, the Group will sell the coke at a prevailing market price and complete the delivery of the products according to the agreed delivery schedule, and payment is settled on a monthly basis according to the terms of payment.

On 8 November 2022, the Company and Maanshan Steel agreed to renew the Maanshan Steel Framework Agreement for three years commencing from 1 January 2023 to 31 December 2025, pursuant to which the Group will continue to sell coke to the Maanshan Steel Group during the three years from 1 January 2023 to 31 December 2025. The proposed annual caps for each of the three years ended 31 December 2025 remain the same, i.e. RMB1,170.0 million per year.

Through the transactions contemplated under the Maanshan Steel Framework Agreement, the Group will continue to sell coke to the Maanshan Steel Group and record stable and predictable revenue. Accordingly, the Directors (including the independent non-executive Directors) considered that it would be beneficial for the Company to continue the transactions under the Maanshan Steel Framework Agreement. With respect to the sales amount, the 2024 annual cap for such continuing connected transactions was RMB1,170.0 million, and the actual annual transaction amount for the year ended 31 December 2024 was approximately RMB1,210.4 million. Regarding the actual transaction exceeding the annual cap for 2024, the Company has already published announcements dated 5 February 2025 and 25 March 2025 to disclose the relevant details and internal control measures. Please refer to the announcements of the Company dated 5 February 2025 and 25 March 2025.

For further details of the renewal of the Maanshan Steel Framework Agreement, please refer to the announcement of the Company dated 8 November 2022.

Sale of Coke and Coal to Zenith Steel Group

Pursuant to the framework agreement entered into between the Company and Zenith Steel dated 29 December 2021 (the "**New Zenith Steel Sales Framework Agreement**"), it was agreed that the Group could sell coke and coal to Zenith Steel and its associates (the "**Zenith Steel Group**") from 1 January 2022 to 31 December 2024. For further details, please refer to the announcement of the Company dated 29 December 2021. As the New Zenith Steel Framework Agreement expired on 31 December 2024, on 27 December 2024, the Group entered into a new framework agreement with Zenith Steel in respect of the sale of coke by the Group to the Zenith Steel Group for a term from 1 January 2025 to 31 December 2027. For further details, please refer to the announcement of the Company dated 27 December 2024.

Under the New Zenith Steel Sales Framework Agreement, the Zenith Steel Group shall from time to time place purchase orders with the Group, specifying the amount of coke and/or coal required by the Zenith Steel Group, the requisite product specifications, as well as the expected delivery schedule; and the Group shall sell the coke and/or coal at a prevailing market price and complete the delivery of the products according to the agreed delivery schedule, and payment will be settled on a monthly basis.

Through the transactions under the New Zenith Steel Sales Framework Agreement, the Group considered that the Group will sell coke and/or coal to the Zenith Steel Group and record predictable revenue. Accordingly, the Directors (including the independent non-executive Directors) considered that it would be beneficial for the Company from the transactions. With respect to the sales amount, the 2024 annual cap for such continuing connected transactions was RMB3,753.6 million, and the actual annual transaction amount for the year ended 31 December 2024 was approximately RMB1,114.0 million.

Sale of Coke and Coal to Xuzhou Oriental Group and Purchase of Coal and Provision of Logistics Services from Xuzhou Oriental Group

- **Sale of Coke and Coal to Xuzhou Oriental Group**

  Pursuant to the framework agreement entered into between the Company and Xuzhou Oriental dated 29 December 2021 (the "**New Xuzhou Oriental Sales Framework Agreement**"), it was agreed that the Group could sell coke and coal to Xuzhou Oriental and its associates (the "**Xuzhou Oriental Group**") from 1 January 2022 to 31 December 2024. For further details, please refer to the announcement of the Company dated 29 December 2021. As the New Xuzhou Oriental Sales Framework Agreement expired on 31 December 2024, on 27 December 2024, the Group entered into a new framework agreement with Xuzhou Oriental in respect of the sale of coke and coal by the Group to the Xuzhou Oriental Group for a term from 1 January 2025 to 31 December 2027. For further details, please refer to the announcement of the Company dated 27 December 2024.

  Under the New Xuzhou Oriental Sales Framework Agreement, the Xuzhou Oriental Group shall from time to time place purchase orders with the Group, specifying the amount of coke and/or coal required by the Xuzhou Oriental Group, the requisite product specifications, as well as the expected delivery schedule; and the Group shall sell the coke and/or coal at a prevailing market price and complete the delivery of the products according to the agreed delivery schedule, and payment will be settled on a monthly basis.

  Through the transactions contemplated under the New Xuzhou Oriental Sales Framework Agreement, the Group considered that the Group will continue to sell coke and/or coal to the Xuzhou Oriental Group and record stable and predictable revenue. Accordingly, the Directors (including the independent non-executive Directors) considered that it would be beneficial for the Company to continue the transactions. With respect to the sales amount, the 2024 annual cap for such continuing connected transactions was RMB1,092.0 million, and there was no actual annual transaction amount for the year ended 31 December 2024.

- **Purchase of Coal from Xuzhou Oriental Group**

  Pursuant to the framework agreement entered into between the Company and Xuzhou Oriental dated 29 December 2021 (the "**New Xuzhou Oriental Purchase Framework Agreement**"), it was agreed that the Group could purchase coal from the Xuzhou Oriental Group from 1 January 2022 to 31 December 2024. For further details, please refer to the announcement of the Company dated 29 December 2021. As the New Xuzhou Oriental Purchase Framework Agreement expired on 31 December 2024, on 27 December 2024, the Group entered into a new framework agreement with Xuzhou Oriental in respect of the purchase of coal by the Group from the Xuzhou Oriental Group for a term from 1 January 2025 to 31 December 2027. For further details, please refer to the announcement of the Company dated 27 December 2024.

  Under the New Xuzhou Oriental Purchase Framework Agreement, the Group shall from time to time place purchase orders with the Xuzhou Oriental Group, specifying the amount of coal required by the Group, the requisite product specifications, as well as the expected delivery schedule; and the Xuzhou Oriental Group shall sell the coal at a prevailing market price and complete the delivery of the products according to the agreed delivery schedule, and payment will be settled on a monthly basis.

  Through the transactions contemplated under the New Xuzhou Oriental Purchase Framework Agreement, the Group considered that the Group will continue to acquire coal from the Xuzhou Oriental Group and strengthen the business relationship with reliable business partners, in order to ensure stable supply of high-quality coking coal for production and promote business development plan. Accordingly, the Directors (including the independent non-executive Directors) considered that it would be beneficial for the Company to continue the transactions. With respect to the sales amount, the 2024 annual cap for such continuing connected transactions was RMB1,050.0 million, and the actual annual transaction amount for the year ended 31 December 2024 was approximately RMB104.1 million.

- **Provision of Logistics Services from Xuzhou Oriental Group**
  Pursuant to the framework agreement entered into between the Company and Xuzhou Oriental dated 29 December 2021 (the "**New Xuzhou Oriental Logistics Services Framework Agreement**"), it was agreed that the provision of logistics services by the Xuzhou Oriental Group to the Group from 1 January 2022 to 31 December 2024. For further details, please refer to the announcement of the Company dated 29 December 2021. As the New Xuzhou Oriental Logistics Services Framework Agreement expired on 31 December 2024, on 27 December 2024, the Group entered into a new framework agreement with Xuzhou Oriental in respect of the provision of logistics services by the Xuzhou Oriental Group to the Group for a term from 1 January 2025 to 31 December 2027. For further details, please refer to the announcement of the Company dated 27 December 2024.

  Under the New Xuzhou Oriental Logistics Services Framework Agreement, the sales department of the Group will regularly monitor the changing trends of different types of transportation (including railway, road and ship), and determine the prevailing price range of the transportation fees after considering the prices published by specialized online information platforms. Based on the prevailing price range of coke, the Group will also hold an internal price analysis meeting. After considering the above factors, the transportation fee will be determined through fair negotiation with the Xuzhou Oriental Group, and the payment will be settled on a monthly basis.

  Through the transactions contemplated under the New Xuzhou Oriental Logistics Services Framework Agreement, the Group believes that it can ensure a stable and reliable supply of high quality products and services without having to purchase from other market suppliers, which will further support the smooth operation of the Group. Accordingly, the Directors (including independent non-executive Directors) considered that it would be beneficial for the Company to continue the transactions. With respect to the sales amount, the 2024 annual cap for such continuing connected transactions was RMB88.2 million, and there was no actual annual transaction amount for the year ended 31 December 2024.

Sales of Coke and Heat to Xinyang Co Group

On 8 November 2022, the Company entered into a new framework agreement (the "**New Xinyang Company Sales Framework Agreement**") with Xinyang Co, pursuant to which the Group agreed to provide coke and heat to Xinyang Co and its associates (excluding Xinayng Jingang) (the "**Xinyang Co Group**") for a period of three years from 1 January 2023 to 31 December 2025.

The Xinyang Co Group shall from time to time place purchase orders with the Group, specifying the amount of coke and/or heat required by the Xinyang Co Group, the requisite product specifications, as well as the expected delivery schedule; and following the Group's acceptance of the orders, the Group shall sell the coke and/or heat at a prevailing market price and complete the delivery of the products according to the agreed delivery schedule. The costs of transportation of coke from the Group's production facilities to the depot designated by the Xinyang Co Group shall be borne by the Xinyang Co Group. The payment to the Group in respect of the sale of coke and/or heat shall be settled on a monthly basis by the Xinyang Co Group.

The annual caps for transactions contemplated under the New Xinyang Company Sales Framework Agreement for the years 2023, 2024 and 2025 are RMB4,600 million, RMB5,375 million and RMB5,375 million, respectively, and the actual amount of the transactions for the year ended 31 December 2024 is approximately RMB776.5 million.

The Directors (including the independent non-executive Directors) were of the view that the continuation of the sales of coke and heat to the Xinyang Co Group was beneficial to the Group as it would enable the Group to further strengthen the relationship between the Group and the Xinyang Co Group, as well as provide a stable source of income for the Group and increase the overall sales of the Group's products, which would contribute to the implementation of the Group's sales growth plan.

For further details of the New Xinyang Company Sales Framework Agreement, please refer to the announcement of the Company dated 8 November 2022.

Save as disclosed above, the Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the aforementioned continuing connected transactions.

Opinions of Independent Non-executive Directors and Auditor

The independent non-executive Directors of the Company have reviewed the continuing connected transactions set out above at the meeting of the Board held on 28 March 2025 and confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of the Group's business; (ii) on normal commercial terms or on terms no less favourable than those entered into by independent third parties with the Group; and (iii) pursuant to the relevant agreements governing these transactions on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole, other than exceeding the annual cap for the year ended 31 December 2024 in the Maanshan Steel Framework Agreement as mentioned in the announcement of the Company dated 5 February 2025.

The Group's auditor has issued a letter containing its findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. The auditor confirms and states in the letter that:

- They have not noticed anything that causes them to believe that the continuing connected transactions disclosed have not been approved by the Board of Directors of the Company.

- For transactions involving the provision of goods or services by the Group, they have not noticed anything that causes them to believe that the transactions were not conducted in accordance with the Group's pricing policy in all material aspects.

- They have not noticed anything that causes them to believe that the transactions were not conducted in accordance with the relevant agreements governing the transactions in all material aspects.

- In respect of the aggregate transaction amount of the above continuing connected transactions, they have not noticed anything that causes them to believe that the continuing connected transactions disclosed exceeded the relevant annual caps as approved by the Company except for the transaction mentioned below.

- The Company entered into the Maanshan Steel Framework Agreement. During the year ended 31 December 2024, aggregate transaction amount between the Group and Maanshan Steel for sales of coke (the "Maanshan Steel Connected Transaction") was RMB1,210,425,000, which exceeded the annual cap of RMB1,170,000,000 set out in the announcement of the Company dated 8 November 2022 in respect of the continuing connected transactions. On 5 February 2025, the Company made an announcement to disclose the fact that the Maanshan Steel Connected Transaction exceeded the annual cap for the year ended 31 December 2024 with the reason set out therein.

Except for the continuing connected transactions disclosed above, all the related parties' transactions set out in Note 43 to the consolidated financial statements of the Group do not constitute continuing connected transactions or connected transactions of the Company that are required to comply with the relevant annual review, disclosure or shareholder's approval requirements under Chapter 14A of the Listing Rules.

Interests of Substantial Shareholders in Securities

As at 31 December 2024, 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 the issued share capital of the Company:

Name	Nature of Interest	Class of Securities	Number of Shares Held(Note 1)	Approximate percentage of shareholding in the total share capital of the Company(Note 2)
Jinma HK	Beneficial owner	H shares	162,000,000 (L)	30.26%
Jinma Coking	Interests in controlled corporation(Note 3)	H shares	162,000,000 (L)	30.26%
Golden Star	Interests in controlled corporation(Note 4)	H shares	162,000,000 (L)	30.26%
Ms. Lam Yuk Wai	Interest of spouse(Note 5)	H shares	164,681,000 (L)	30.76%
Maanshan Steel	Beneficial owner(Note 6)	H shares	144,000,000 (L)	26.89%
Magang (Group) Holdings Co., Ltd.	Interests in controlled corporation(Note 6)	H shares	144,000,000 (L)	26.89%
Jiangxi PXSteel	Beneficial owner	H shares	52,945,000 (L)	9.89%
Jiangxi Fangda Steel Group Co., Ltd.	Interests in controlled corporation(Note 7)	H shares	52,945,000 (L)	9.89%
Liaoning Fangda Group Industrial Co., Ltd.	Interests in controlled corporation(Note 7)	H shares	52,945,000 (L)	9.89%
Beijing Fangda International Enterprise Investment Co., Ltd.	Interests in controlled corporation(Note 8)	H shares	52,945,000 (L)	9.89%
Mr. Fang Wei	Interests in controlled corporation(Note 9)	H shares	52,945,000 (L)	9.89%
Jinma Xingye	Beneficial owner	H shares	42,900,000 (L)	8.01%
Mr. Wang Lijie	Interests in controlled corporation(Note 10)	H shares	42,900,000 (L)	8.01%
Ms. Zheng Jing	Interest of spouse(Note 11)	H shares	42,900,000 (L)	8.01%

Notes:

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

2. The percentage is based on the total number of 535,421,000 Shares in issue of which all are H shares.

3. Jinma HK is wholly owned by Jinma Coking. Accordingly, Jinma Coking is deemed to be interested in Jinma HK's interest in the Company by virtue of the SFO.

4. Jinma Coking is held as to 96.3% by Golden Star. Accordingly, Golden Star is deemed to be interested in Jinma Coking's, and in turn, Jinma HK's interest in the Company by virtue of the SFO.

5. 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.

6. Magang (Group) Holdings Co., Ltd., whose actual controller was the State-owned Assets Supervision and Administration Commission of the State Council (being the holder of 51% of the interest in Magang (Group) Holdings Co., Ltd. through its 100% controlled China Baowu Steel Group Corporation Limited), is the holding company of Maanshan Steel and holds approximately 48.20% 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.

7. As per their confirmations, Jiangxi Fangda Steel Group Co., Ltd. ("**Fangda Steel**") is directly interested in approximately 52.25% of Jiangxi PXSteel and is the holding company of Jiangxi PXSteel. Accordingly, Fangda Steel is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO. And while Liaoning Fangda Group Industrial Co., Ltd. ("**Fangda Group**") is directly and indirectly interested in approximately 61.83% of Jiangxi PXSteel, Fangda Group is the holding company of Jiangxi PXSteel. Accordingly, Fangda Group is deemed to be interested in Jiangxi PXSteel's interest in the Company by virtue of the SFO.

8. Beijing Fangda International Enterprise Investment Co., Ltd. ("**Beijing Fangda**") is the holding company of Fangda Group and holds approximately 99.2% of the shares of Fangda Group. Accordingly, Beijing Fangda is deemed to be interested in Fangda Group, and in turn, Jiangxi PXSteel's interest in the Company by virtue of the SFO.

9. 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.

10. Mr. Wang Lijie (王利杰) is the holder of approximately 33.44% of the equity interest in Jinma Xingye. Accordingly, Mr. Wang is deemed to be interested in Jinma Xingye's interest in the Company by virtue of the SFO.

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

Save as disclosed above, there was no other interest recorded in the register that was required to be kept under Section 336 of the SFO as at 31 December 2024.

Sufficiency of Public Float

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

Provision of Financial Assistance or Guarantees for Affiliated Companies

For the year ended 31 December 2024, no financial assistance or guarantees in respect of any banking facilities were provided by the Company to affiliated companies.

Employees and Remuneration Policy

Employees are the Group's important asset. As at 31 December 2024, the Group employed about 2,761 employees, with an average turnover of less than 7.6% over the past three years, reflecting the competitive remuneration and benefits provided by the Group to its employees.

The Directors and management of the Group receive compensation in the form of fees, salaries, allowances, benefits in kind and/or discretionary bonuses linked to the performance of the Group. The Company also reimburses the Directors and management for expenses which are necessarily and reasonably incurred for providing services to us or discharging their duties in relation to the Company's operations. The Group has established a remuneration committee to review 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. 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 its employees in accordance with the relevant PRC labour laws and regulations. Other relevant information is provided in Note 34 Retirement Benefit Costs to the "Consolidated Financial Statements".

Details of Directors' remunerations for 2024 are provided in Note 14 to the "Consolidated Financial Statements" in this annual report.

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 years ended 31 December 2023 and 2024, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2023 and 2024.

Auditor

The consolidated financial statements for the year ended 31 December 2024 have been audited by Deloitte Touche Tohmatsu ("**Deloitte**") who will retire from the office of auditor at the forthcoming annual general meeting of the Company and, being eligible, will offer itself for re-election. Since the Listing Date and up to the date of this annual report, the Company has not changed its auditor.

On behalf of the Board of Directors

Yiu Chiu Fai
Chairman

Hong Kong
23 April 2025

In 2024, in strict compliance with the relevant requirements of the Company Law, Securities Law, Articles of Association, and Rules of Procedures for Supervisory Committee Meetings, in response to being accountable for all shareholders' interests, all members of the Supervisory Committee of Henan Jinma Energy Company Limited (hereinafter referred to as the "**Company**") had conscientiously fulfilled their Supervisory Committee's functions, proactively carried out the relevant work and exercised supervision over the operations of the Company according to law and the performance of duties of the directors and senior management personnel of the Company, which safeguarded the legal rights and interests of the Company and shareholders and promoted regulated operation, risk avoidance and sound development of the Company.

I. BASIC ASSESSMENT ON THE OPERATION, MANAGEMENT BEHAVIOUR AND RESULTS OF THE COMPANY IN 2024

In 2024, in strict compliance with the requirements of the Company Law, Articles of Association, Rules of Procedures for Supervisory Committee Meetings and relevant laws and regulations, the Supervisory Committee effectively safeguarded the interests of the Company and the rights and interests of the majority of small and medium shareholders, and conscientiously fulfilled its supervision duty. It supervised all aspects of the Company in 2024. The Supervisory Committee is of the view that the directors faithfully performed their duties and fully implemented the resolutions of the general meeting, without any act detrimental to the interests of shareholders. Meanwhile, the Company established a relatively complete internal control system, and the senior management was diligent and responsible, with no violation in operations.

II. THE MEETINGS OF THE SUPERVISORY COMMITTEE

During the Reporting Period, the Supervisory Committee of the Company convened two meetings:

On 27 March 2024, the third meeting of the Third Session of the Supervisory Committee was held, out of the six Supervisors who were eligible to attend the meeting, six Supervisors were present at the meeting. The meeting was convened in compliance with the requirements of the Company Law and Articles of Association. The meeting had considered and approved the following proposal: 2023 Work Report of the Supervisory Committee of Henan Jinma Energy Company Limited; Audited Financial Statements and Auditor's Report of Henan Jinma Energy Company Limited for the Year Ended 31 December 2023; 2023 Annual Report of Henan Jinma Energy Company Limited; 2023 Annual Performance Report of Henan Jinma Energy Company Limited; Proposal on the Distribution of Final Cash Dividends for 2023.

On 29 August 2024, the fourth meeting of the Third Session of the Supervisory Committee was held, out of the six Supervisors who were eligible to attend the meeting, six Supervisors were present at the meeting. The meeting was convened in compliance with the requirements of the Company Law and Articles of Association. The meeting had considered and approved the following proposal: 2024 Interim Report of Henan Jinma Energy Company Limited; 2024 Interim Performance Report of Henan Jinma Energy Company Limited; Proposal on the Distribution of Interim Dividends for 2024.

III. SUPERVISION OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2024:

(I) Operating the Company according to law

During the Reporting Period, the Supervisors were present or attended meetings of the Board of Directors and general meetings, and strictly supervised the Company's decision-making procedures and the performance of directors and senior management. The Supervisory Committee is of the view that the Company was operated strictly in accordance with relevant laws, regulations and the Articles of Association, and the decision-making procedures were legal with no violations in operations; the directors and senior management faithfully and diligently performed their duties in accordance with relevant provisions of relevant state laws, regulations and the Articles of Association, with no behavior detrimental to the interests of the Company and shareholders.

(II) Financial conditions of the Company

During the Reporting Period, the Supervisory Committee carefully and meticulously examined and reviewed the Company's accounting statements and financial information. The Supervisory Committee considered that the preparation of the Company's financial statements was in compliance with the Accounting Systems for Enterprises, the Accounting Standards for Business Enterprises and the relevant provisions, that the Company's 2024 financial report truly reflected its financial position and operation results. The "standard unqualified opinion" auditor's reports issued by the accounting firm were objective and fair.

(III) Related party transactions

During the Reporting Period, the Supervisory Committee supervised the related party transactions of the Company. The Supervisory Committee was of the view that the related party transactions were conducted at arm's length with fair price and compliant procedures, and that there was no behavior detrimental to the interests of the Company and other shareholders.

(IV) Internal control assessment of the Company

During the Reporting Period, the Company has established a relatively complete internal control system, which met the requirements of relevant state laws and regulations and the actual needs of the Company in production, operation and management, and could be effectively implemented. The establishment of the internal control system played an important role in risk prevention and control in all aspects of production, operation and management of the Company, ensuring the orderly and effective development of the Company's business activities, protecting the safety and integrity of the Company's assets, and safeguarding the interests of the Company and shareholders.

IV. COMPREHENSIVE OPINIONS OF THE SUPERVISORY COMMITTEE ON THE CIRCUMSTANCES OF THE COMPANY IN 2024

(I) During the Reporting Period, the Supervisory Committee conscientiously performed their duties and fulfilled their responsibilities by attending Board meetings and supervising the Board of Directors in exercising its powers and implementing the Company's decision-making procedures. The Supervisory Committee is of the view that the resolutions and procedures of the Board of Directors were in strict compliance with the Company Law, the Articles of Association and the Rules of Procedure of the Board of Directors, and were lawful and valid.

(II) During the Reporting Period, the senior management of the Company complied with the Articles of Association of the Company and state laws and regulations in the performance of their duties to safeguard the interests of the shareholders of the Company, conscientiously implemented the resolutions of the general meetings of the Company, fulfilled their obligations of good faith and diligence, so as to enable the Company to operate in a standardized manner, to make democratic decisions, to manage scientifically, to set clear objectives, to innovate constantly, to achieve good economic benefits, without any violations of laws and regulations.

(III) The Supervisory Committee carefully reviewed the 2024 financial report audited by Deloitte & Touche with an unqualified opinion, and other relevant information, and is of the view that the report objectively reflected the Company's financial position and operating results, and that the performance of the Company for 2024 was true with effective cost control.

V. SUPERVISORY COMMITTEE'S OUTLOOK OF WORK IN 2025

In 2025, the Supervisory Committee will continue to explore and improve the work mechanism and operation mechanism of the Supervisory Committee, conscientiously implement the Company Law, the Securities Law, the Articles of Association and other laws and regulations, improve the supervision and management of the Company's operation in accordance with the law, strengthen the working communication with the Board of Directors and the management, and supervise the Board of Directors and the senior management according to the law, so as to conduct the decision-making and operation activities in a more standardized and legal manner. In accordance with the provisions of the Rules of Procedure of the Supervisory Committee, the Supervisory Committee will organize and hold working meetings on a regular basis, continue to strengthen the implementation of its supervisory functions, attend the Board meetings and the general meetings in accordance with the law, and grasp in a timely manner the legitimacy of the Company's major decisions and the decision-making procedures, so as to better safeguard the rights and interests of shareholders.

DIRECTORS

The Board currently consists of nine Directors, of whom three are executive Directors, three are non-executive Directors and three are independent non-executive Directors. The term of office of all Directors (of the current session of the Board) shall end at the conclusion of the annual general meeting for the year ended 31 December 2024, and the Directors may be appointed for consecutive terms. The Board shall be responsible for and shall have general power to manage and develop the Company's business.

Executive Directors

Mr. Yiu Chiu Fai (饒朝暉), aged 56, was appointed as an executive Director and the chairman of the Board of the Company in July 2016. Mr. Yiu is also a director of Jinma HK, Jinma Coking and Golden Star, all of which are companies controlled by Mr. Yiu. Mr. Yiu joined the Group in May 2006 as a Director of the Company's predecessor. As chairman of the Board, Mr. Yiu is mainly responsible for leading the Board to formulate corporate and operational strategies and make major corporate and operational decisions of the Group. Mr. Yiu is also a non-executive director of Jinyuan HChem (a subsidiary of the Company and a company listed in Hong Kong, stock code: 2502).

Prior to joining the Group, Mr. Yiu was a department manager of Xiamen Commercial Foreign Trade Corporation from around August 1990 to September 1993, a director and deputy general manager of Shangxiang Minmetals Investment Ltd. from December 1993 to June 1997, an executive director of Central China Enterprises Limited, a company listed in Hong Kong (stock code: 351), from June 1998 to September 2000, and the chairman of Yugang Coking from June 2002 to July 2012. Mr. Yiu has over 20 years of experience in corporate management.

Mr. Yiu obtained a bachelor's degree in law from Xiamen University in July 1990. He also obtained a master's degree in business administration from the University of South Australia in April 2003 through long distance learning.

Mr. Wang Mingzhong (王明忠), aged 61, was appointed as the Chief Executive Officer and an executive Director of the Company in July 2016. Mr. Wang is also a director of Jinma Xingye, a Substantial Shareholder of the Company. Mr. Wang joined the Group as a Director of the Company's predecessor since its establishment in February 2003 and has served as the general manager of the Company (and the Company's predecessor) since April 2003. He is mainly responsible for formulating development and operational strategies and the overall daily business operation and management of the Group.

Prior to joining the Group, Mr. Wang was a manager in Henan Jiyuan Liquefied Petroleum Gas Company* (河南省濟源市石油液化氣公司) from December 1993 to December 1995. He also served as the general manager and the deputy secretary of the party committee of Yugang Coking from January 1996 to February 2003. Mr. Wang has over 20 years of experience in the petroleum and coking industry.

Mr. Wang obtained the qualification of senior economist in November 2010.

Mr. Li Tianxi (李天喜), aged 60, was appointed as an executive Director of the Company in December 2016. Mr. Li is currently the Company's executive deputy general manager and chief engineer, and also an executive director of Bohigh Chemical, a subsidiary of the Company. Mr. Li is also a director of Jinma Xingye, the Company's Substantial Shareholder. Mr. Li joined the Group in April 2003 as the Company's executive deputy general manager, chief engineer and the secretary to the Board. He is mainly responsible for the technological, environmental and construction developments of the Group. Mr. Li served as an executive director and general manager of Jinma Qingneng (formerly known as Jinma Qingfeng), a subsidiary of the Company from January to August 2023. Mr. Li also served as chairman and legal representative of Xinyang Jingang, a subsidiary of the Company from December 2024.

Prior to joining the Group, Mr. Li worked in Yugang Coking from February 1996 to October 2002 and served as a deputy general manager and the chief engineer.

Mr. Li was qualified as a senior engineer in September 2005 and was employed as a metallurgy industry expert in Henan province by Henan Iron and Steel Association* (河南省鋼鐵工業協會) and Henan Society for Metals* (河南省金屬學會) in December 2006, and awarded the second prize of Metallurgy Science and Technology Award by China Iron and Steel Association* (中國鋼鐵工業協會) and The Chinese Society for Metals in August 2009, and recognized as a coking expert by Henan Iron and Steel Association in September 2016. Mr. Li has been serving as the president of Coking Industry Branch of Henan Iron and Steel Association* (河南省鋼鐵工業協會焦化行業分會) since April 2019 and has also been serving as the vice president of the Seventh Session of the Henan Society for Metals* since October 2020. Mr. Li was appointed as an expert of the Seventh Session of China Coking Industry Association by China Coking Industry Association in January 2018, and re-appointed as an expert of the Eighth Session of China Coking Industry Association by China Coking Industry Association in September 2023. Mr. Li was qualified as an certified senior engineer in December 2023.

Mr. Li obtained a bachelor's degree in Chemical Engineering and Technology from Henan University in January 2010.

Non-executive Directors

Mr. Wang Kaibao (汪開保), aged 52, was appointed as a non-executive Director of the Company in May 2020. Mr. Wang is mainly responsible for participating in the formulation of the Group's corporate and operational strategies. Mr. Wang is also a non-executive director of Jinyuan HChem (a subsidiary of the Company and a company listed in Hong Kong, stock code: 2502).

Mr. Wang joined the coking factory headquarters of Maanshan Iron & Steel Company Limited* (馬鞍山鋼鐵股份有限公司) in February 2018 and is currently the Party committee secretary, the factory director and the chief engineer of the coking factory headquarters of Maanshan Iron & Steel Company Limited*. Mr. Wang previously worked in various positions for the coal-coking company of Maanshan Iron & Steel Company Limited* (馬鞍山鋼鐵股份有限公司煤焦化公司) from August 1996 to February 2018, including positions such as the deputy manager and the chief engineer from March 2015 to February 2018.

Mr. Wang graduated from Wuhan Metallurgy University of Science and Technology* (武漢冶金科技大學) (now known as Wuhan University of Science and Technology* (武漢科技大學)) with a bachelor's degree in coal chemical technology in July 1996. Mr. Wang is qualified as a senior engineer.

Ms. Ye Ting (葉婷), aged 38, was appointed as a non-executive Director of the Company in October 2019. Ms. Ye is mainly responsible for participating in the formulation of the Group's corporate and operational strategies.

Ms. Ye joined the Jiangxi PXSteel Group (being Jiangxi PXSteel Industrial Co. Ltd. ("Jiangxi PXSteel") and its subsidiaries) since July 2009 and served in various positions, including as a chemical analyst of the quality assurance department and the manager of Administrations Office of Jiujiang Ping Gang Steel Co., Ltd.* (九江萍鋼鋼鐵有限公司, the coal-coking company of Jiangxi PXSteel). Since October 2018, she has been serving as the deputy manager in Administrations Office of Ping Xiang Ping Gang Anyuan Steel Co., Ltd.* (萍鄉萍鋼安源鋼鐵有限公司), a subsidiary of Jiangxi PXSteel.

Ms. Ye graduated from Jiujiang University (九江學院) in July 2007, majoring in tourism and aviation services.

Mr. Xu Baochun (徐葆春), aged 54, was appointed as a non-executive Director of the Company in May 2022. Mr. Xu is mainly responsible for participating in the formulation of the Group's corporate and operational strategies. Mr. Xu graduated from Wuhan Institute of Iron and Steel* (武漢鋼鐵學院) (now known as Wuhan University of Science and Technology (武漢科技大學)) with a Bachelor's degree in Engineering specialising in iron and steel metallurgy. Mr. Xu is a qualified engineer.

Mr. Xu joined the No. Three Steel Factory* (三鋼廠) of Maanshan Steel in August 1994 and is currently the manager of the procurement centre of Maanshan Steel. Mr. Xu previously worked in various positions in the steel making workshops of No. Three Steel Factory of Maanshan Steel from August 1994 to July 2009, and acted as the factory manager of the steel casting branch factory of the No. Three Main Steel Mill* (三鋼軋總廠連鑄分廠) and the deputy chief engineer, the deputy manager and the manager of the procurement centre, of the No. 1 Main Steel Mill* (一鋼軋總廠) of Maanshan Steel from July 2009 to April 2022.

Independent non-executive Directors

Mr. Wu Tak Lung (吳德龍), aged 59, was appointed as an independent non-executive Director of the Company in September 2017. He is responsible for supervising the compliance and corporate governance issues of the Group and providing independent opinion and advice to the Board of the Group. Mr. Wu currently serves as an independent non-executive director of Kam Hing International Holdings Limited (stock code: 2307), Zhongguancun Science-Tech Leasing Co., Ltd. (stock code: 1601) and Sinopharm Group Co., Ltd. (stock code: 1099).

During the past three years, Mr. Wu served as an independent non-executive director of Sinomax Group Limited (stock code: 1418) (resigned from 28 June 2023), and Minth Group Limited (stock code: 425) (resigned from 31 May 2023). Mr. Wu has been criticized by the Listing Committee of the Stock Exchange for violations in relation to his capacity as a former independent non-executive director of Beijing Media Corporation Limited (a company listed in Hong Kong (stock code: 1000)), details of which are set out in the Company's announcement dated 14 February 2022. As stated in the announcement of the Company dated 14 February 2022, the Board has carefully assessed the abovementioned criticism and considers that Mr. Wu's ability to discharge his duties as an independent non-executive Director of the Company has not been affected, and he remains competent and suitable to act as an independent non-executive Director. Mr. Wu has worked in Deloitte Touche Tohmatsu, an international accounting firm, for five years.

Mr. Wu is an Accounting Expert of the Ministry of Finance of The State Council of the PRC, a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities and Investment Institute, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong, and the Hong Kong Chartered Governance Institute ("HKCGL").

Mr. Wu obtained a bachelor's degree of business administration in accounting from the Hong Kong Baptist University and a master's degree of business administration (MBA) jointly issued by the University of Manchester and the University of Wales. Additionally, he has acquired the ESG Reporting Certification Course Certificate issued by HKCGI.

Mr. Meng Zhihe (孟至和), aged 69, was appointed as an independent non-executive Director of the Company in May 2020. He is responsible for supervising the compliance and corporate governance issues of the Group and providing independent opinion and advice to the Board of the Group.

Mr. Meng is currently the vice president and secretary-general of Tsinghua University Association of Senior Scientists and Technicians* (清華大學老科學技術工作者協會). Mr. Meng held various positions in Tsinghua University Corporation* (清華大學企業集團) (now known as Tsinghua Holdings Co., Ltd.* (清華控股有限公司)) from 1997 to 2003, including the secretary to the board of directors, the assistant to the chief executive and the director of the chief executive's office, the head of investment development department and the head of corporate management department. He was the chief financial officer of School of Continuing Education, Tsinghua University* (清華大學繼續教育學院) from 2003 to 2006. Mr. Meng was the associate dean of School of Continuing Education, Tsinghua University* from 2006 to 2015.

Mr. Meng graduated from Tsinghua University with a bachelor's degree in engineering in 1983 and obtained a master's degree in engineering from Tsinghua University in 1986. He is qualified as a senior engineer.

Mr. Cao Hongbin (曹紅彬), aged 57, was appointed as an independent non-executive Director of the Company in December 2020. He is responsible for supervising the compliance and corporate governance issues of the Group and providing independent opinion and advice to the Board of the Group.

Mr. Cao joined the group of Beijing Shougang Co., Ltd.* (北京首鋼股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000959), in August 1990 and served various positions in the group until March 2011, including the deputy division head of the technical department of the coking plant, the deputy manager of the engineering department (遷焦工程部) and the chief of the recycling section of the coking plant. Mr. Cao joined the China Coking Industry Association in April 2011, was appointed as the deputy secretary, and is currently appointed as the chief secretary since March 2023.

Mr. Cao obtained a bachelor's degree in environmental engineering from Hefei University of Technology and a master's degree in environmental engineering from Beijing University of Technology. Mr. Cao was qualified as a senior engineer.

SUPERVISORS

The Supervisory Committee of the Company currently consists of six Supervisors, of whom two are shareholder representatives, two are external Supervisors and two are employee representatives. Shareholder representative Supervisors and external Supervisors are elected by the Shareholders and employee representative Supervisors are elected by employee representatives. The supervisors of this session of the Supervisory Committee were appointed for a term to the conclusion of the annual general meeting for the year ending 31 December 2024, and may be appointed for consecutive terms. The Supervisory Committee is responsible for overseeing the Board and senior management in discharging their responsibilities and reviewing financial statements of the Group.

Mr. Wong Tsz Leung (黃梓良), aged 61, was appointed as a shareholder representative Supervisor of the Company in July 2016 and was elected as the chairman of the Supervisory Committee of the Company in July 2016. Mr. Wong joined the Group in February 2012 as a Supervisor of the Company's predecessor. Mr. Wong is currently the financial manager of Jinma HK, a Substantial Shareholder of the Company. He is mainly responsible for overseeing the affairs of the Supervisory Committee and supervising the Group's operations and financial activities. Mr. Wong served as an executive director and the chief financial officer of Smart-Core Holdings Limited (stock code: 2166), a listed company in Hong Kong, from October 2016 to June 2024, and has been serving as non-executive director of that company since July 2024. Mr. Wong is also a supervisor of Jinyuan HChem (a subsidiary of the Company and a company listed in Hong Kong, stock code: 2502).

Mr. Wong has approximately 20 years of experience in financial strategic planning and management. He was the chief financial controller of OSSIMA Publishing Group Limited, a company engaged in travel media business, from January 1995 to September 2005.

Mr. Wong obtained a master's degree in business administration from the University of Wales in December 2011 via its distance learning program.

Mr. Wu Jiacun (吳家村), aged 59, joined the original No. Two Sintering plant of Maanshan Steel in November 1982 and is currently the senior manager (高級主任管理師) of the audit department of Maanshan Steel. He was appointed as a shareholder representative Supervisor of the Company in May 2022.

Mr. Wu served the audit department of Maanshan Steel from January 1989 to October 1998, and subsequently the audit department and the audit supervising department of 馬鋼(集團)控股有限公司 (Magang (Group) Holdings Co., Ltd.) from October 1998 to October 2021. Mr. Wu graduated from the 安徽廣播電視大學 (Anhui Radio & TV University*) (now known as 安徽開放大學 (Anhui Open University)) with a degree in auditing. Mr. Wu is a qualified political commissioner (政工師).

Mr. Zhou Tao David (周韜), aged 54, joined the Group in September 2017 when he was appointed as an external Supervisor of the Company. Mr. Zhou is mainly responsible for supervising the Group's operations and financial activities. Mr. Zhou has served as the person in charge of compliance in Dongxing Securities (Hong Kong) Financial Holdings Limited since June 2021.

Mr. Zhou has been a non-executive director of Sansheng Holdings (Group) Co. Ltd. (a company listed in Hong Kong, stock code: 2183, delisting from December 27, 2023) since December 2021. He had been serving as the company secretary of Wealthking Investments Limited (formerly known as OP Financial Limited, a company listed in Hong Kong, stock code: 1140) from November 2016 to June 2021, during which he also acts as the head of legal and compliance. Mr. Zhou was appointed as an independent non-executive director of Beijing Evercare Medical Technology Group Co., Ltd. from July 2021 to January 2024. Mr. Zhou also served as an independent director of Tian Di No. 1 Beverage Inc. (天地壹號飲料股份有限公司), a company quoted on the National Equities Exchange and Quotations System in the PRC. Mr. Zhou has over 20 years of experience in handling legal and compliance matters in financial institutions in Hong Kong. Mr. Zhou is qualified as a Hong Kong solicitor and obtained lawyer qualification in the PRC. He is also an arbitrator of the South China International Economics and Trade Arbitration Commission.

Mr. Zhou obtained a bachelor of laws degree from Xiamen University in July 1992 and a bachelor of laws degree from the Manchester Metropolitan University in July 2007 through a long-distance learning program.

Ms. Tian Fangyuan (田方遠), aged 37, joined the Group in September 2017 when she was appointed as an external Supervisor of the Company. Ms. Tian is mainly responsible for supervising the Group's operations and financial activities.

Ms. Tian has over five years of experience in the finance and accounting. She has been the Market Development Manager of Central Finance Advisory (a company based in Sydney) since October 2017. She worked in KBL Mining Ltd., a company listed on the Australian Stock Exchange from July 2011 to September 2016 and served as a manager of the financial department. She is also a member of CPA Australia. Ms. Tian served as the financial manager of Yuguang (Australia) Pty Ltd. from March 1, 2024.

Ms. Tian obtained a bachelor's degree in commerce from the University of Melbourne in December 2009.

Ms. Hao Yali (郝亞莉), aged 51, was elected as an employee representative Supervisor of the Company in September 2017. Ms. Hao joined the Group in September 2004, and was promoted to the position of the deputy manager of the materials procurement department of the Company's predecessor in July 2005, and was promoted to the position of the manager of the materials procurement department of the Company in 2018. Since December 2009, Ms. Hao has also served as a member of the labor union committee and the head of the female employee committee and was appointed as the deputy chairman of the labor union in April 2018. Ms. Hao was appointed as chairman of the third session of labor union. She is mainly responsible for supervising the Group's operations and financial activities.

Prior to joining the Group, Ms. Hao worked in the finance, enterprise management, operations and supply divisions of Yugang Coking from November 1996 to September 2004.

Ms. Hao was certified as a senior professional manager by China Enterprise Confederation and the China Enterprise Directors Association in August 2008. Ms. Hao graduated from the finance postgraduate program from Henan University in June 2015.

Mr. Fan Xiaozhu (范小柱), aged 37. 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 and was elected as an employee representative Supervisor on 23 April 2021. He is mainly responsible for planning 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 University of Technology 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.

SENIOR MANAGEMENT

Members of the senior management are responsible for the day-to-day operation of the business of the Company. For the biographical details of Directors who form part of the senior management, please see pages 109 to 110 of this section.

Mr. Tang Jianfa (唐建發), aged 59 joined the Group in May 2017, and was appointed as the chief financial officer and deputy general manager of the Company in March 2018. He is mainly responsible for overseeing the Group's financial and accounting management and coordination as well as implementation of the Group's financial strategic planning. He is also responsible for overseeing the finance department, the settlement department and the budget department.

Prior to joining the Group, Mr. Tang held various positions at Maanshan Steel from July 1986 to May 2017, including being a clerk of the costing section of accounting and finance department, business executive, and deputy section chief and section chief of the finance section under the accounting and finance department stationed in No. 3 steel-making headquarter plant.

Mr. Tang graduated from the accounting program of Anhui Institute of Finance and Trade (安徽財貿學院) (now Anhui University of Finance and Economics (安徽財經大學)) in October 1989 and obtained an accountant certificate in May 2000.

Mr. Fan Jianguo (范建國), aged 58, joined the Group in March 2005 as the Group's deputy general manager. He was the general manager of Henan Jinyuan (Formerly named Jinyuan Chemicals), a subsidiary of the Company, between January 2015 and January 2018. He was also an executive Director of that company from January 2018 to November 2020. Mr. Fan is a chairman of Jinma Zhongdong, a subsidiary of our Company since April 2021. He is currently the Group's deputy general manager and is mainly responsible for the sales management of the Group.

Prior to joining the Group, Mr. Fan worked in Yugang Coking from July 1998 to March 2005, and served as the deputy head of the sales division, the head of the operation division, the deputy general manager and manager of the sales arm of Yugang Coking.

Mr. Fan obtained a master's degree in management from the Australian National University in December 2016.

Mr. Ju Lixing (琚理興), aged 49, joined the Group in October 2007 as the assistant to the general manager of the Company's predecessor. Since April 2012, he has served as the Company's deputy general manager and is in charge of the procurement operations. Mr. Ju was a director and chairman of the board of directors of Shanghai Jinma, a subsidiary of our Company. Mr. Ju also served as a director of Shaanxi Jinma, a former subsidiary of our Company from April 2020 to November 2021, and the chairman of Yan'an Jinneng, a former subsidiary of our Company from May 2020 to November 2021, and an executive director of Liyuan Railway, a former subsidiary of our Company from June 2020 to November 2021. Mr. Ju served as a director and general manager of 廈門金馬國貿有限公司 (Xiamen Jinma ITG Co., Ltd.*) since March 2022. Mr. Ju is mainly responsible for overseeing procurement of the Group.

Prior to joining the Group, Mr. Ju had joined Yugang Coking group and served as the deputy head of the operations division of Yugang Coking in September 2001, the deputy manager of the raw materials procurement department in December 2002 and the executive deputy manager of the materials procurement department in November 2003.

Mr. Ju obtained a master's degree in business management from Huazhong University of Science and Technology (華中科技大學) in June 2015.

Mr. Wang Yongxin (王永新), aged 49, joined the Group in January 2004 as a deputy director of the electrical instrument workstation of the Company's predecessor and was appointed as the director of such workstation in March 2007. Mr. Wang was subsequently promoted to the position of the director of the workstation of the Company's predecessor in January 2008 and the head of the production department of the Company's predecessor in February 2011. Since October 2013, Mr. Wang has served as the deputy general manager of the Company's predecessor and he is mainly responsible for overseeing production of the Group. Mr. Wang was a director and the chairman of the board of directors of Jinning Energy, the Company's subsidiary. Mr. Wang currently is a director of Jinma Xingye, a Substantial Shareholder of the Company.

Prior to joining the Group, Mr. Wang worked at Yugang Coking from August 1997 to January 2002 and held positions including the leader of the electricity team. Mr. Wang obtained a bachelor's degree in chemical engineering and craftsmanship from Henan Institute of Science and Technology (河南科技學院) in July 2015.

Mr. Wang Zhaofeng (王兆峰), aged 48, joined the Group in March 2008. Mr. Wang was subsequently promoted to the position of the deputy office manager and the deputy director of the human resources department of our predecessor in September 2012 and the manager of the investment department of our predecessor in January 2015. Since December 2016, Mr. Wang has also been serving as the secretary to our Board and is mainly responsible for providing support to our Board and coordinating the Group's administrative management. From September 2017 to August 2023, Mr. Wang served as a supervisor of of Jinjiang Refinery, a joint venture of the Company. In April 2020, Mr. Wang also served as a director of Jinning Energy, a Company's subsidiary. From May 2020 to November 2021, Mr. Wang served as a director of Yan'an Jinneng, a former subsidiary of our Company, and the deputy chairman of Yan'an Railway, a former associate of the Company. From February 2021 to October 2022, Mr. Wang has served as a director of Jinma Qingneng (formerly known as Jinma Qingfeng), a subsidiary of the Company.

Mr. Wang obtained a bachelor's degree in management from Shenyang University of Technology in July 2000 and a master's degree in corporate management from Shenyang University of Technology in April 2003.

To the Shareholders of Henan Jinma Energy Company Limited
(a joint stock company established in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Henan Jinma Energy Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 121 to 209, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Principal versus agent consideration relating to revenue recognition	
We identified revenue recognition, specifically on the revenue from some of its contracts with customers relating to trading of coal and coke as a key audit matter because of the significant degree of judgment made by the Group's management in determining the revenue recognition. As disclosed in Note 4 to the consolidated financial statements, the management identified the Group taking different roles within contracts with customers relating to trading of coal and coke by determining whether its promise is a performance obligation to provide the specified goods itself (i.e. the Group is a principal) or to arrange for those goods to be provided by the other party (i.e. the Group is an agent). When the Group acts as a principal, it recognises trading revenue in the gross amount of consideration ("Gross Amount") to which the Group expects to be entitled as specified in the contracts. When the Group acts as an agent, it recognises revenue in the net amount of consideration ("Net Amount") that it retains after paying the other party the consideration received in exchange for the goods provided by that party. In identifying the nature of promise, the Group's management takes into consideration indicators such as the contractual party that is primarily responsible for fulfilling the promise, is exposed to inventory risk and has discretion in establishing the price. Management's disclosures with regard to the judgement are set out in Note 4 to the consolidated financial statements. For the year ended 31 December 2024, the Group recognised revenue, acting as a principal, amounted to RMB268,339,000 and revenue, acting as an agent, amounted to RMB1,117,000 respectively relating to trading of coal and coke, the details of which are included in Note 5 to the consolidated financial statements.	Our procedures in relation to the revenue recognition as a principal or agent included: • Understanding the Group's revenue recognition process on sales relating to trading of coal and coke; • Evaluating the reliability of sales contracts list prepared by the management which entails contractual terms of contracts relating to trading of coal and coke, on a sample basis, by comparing them to the underlying contracts; • Evaluating the reasonableness of the management's assessment on the Group's roles within the contracts relating to trading of coal and coke, on sample basis, by assessing its promise is a performance obligation to provide the specified goods itself (i.e. the Group is a principal) or to arrange for those goods to be provided by the other party (i.e. the Group is an agent) after taking into consideration indicators as follows: – Primary responsibility: the Group has the primary responsibility for the good meeting the customer's specifications; – Inventory risk: the Group obtains the control over products before passing on to customers; – Pricing strategy: the Group has discretion in establishing the pricing; and • Evaluate the appropriateness of the sales amounts, relating to trading of coal and coke, recorded at Gross Amount or at Net Amount by comparing to respective record in the sales contracts list.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yip Tin Hang, Michael.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 March 2025

	NOTES	Year ended 31/12/2024	Year ended 31/12/2023
		RMB'000	RMB'000
Revenue	5	11,598,533	12,072,303
Cost of sales		(11,448,421)	(11,623,836)
Gross profit		150,112	448,467
Other income	6	65,516	103,237
Other gains and losses	7	(26,050)	(14,042)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	8	—	858
Selling and distribution expenses		(411,137)	(293,018)
Administrative expenses		(177,136)	(178,405)
Finance costs	9	(143,963)	(125,369)
Share of result of a joint venture		3,219	15,788
Share of results of associates		626	(8,474)
Loss before tax	10	(538,813)	(50,958)
Income tax credit	11	61,090	44,895
Loss for the year		(477,723)	(6,063)
Other comprehensive income:	12		
Item that may be reclassified subsequently to profit or loss:			
Fair value gain on bills receivables at fair value through other comprehensive income ("FVTOCI"), net of income tax		8,267	15
Total comprehensive expense for the year		(469,456)	(6,048)
(Loss) profit for the year attributable to:			
– owners of the Company		(345,890)	22,324
– non-controlling interests		(131,833)	(28,387)
Loss for the year		(477,723)	(6,063)
Total comprehensive (expense) income for the year attributable to:			
– Owners of the Company		(340,614)	23,372
– Non-controlling interests		(128,842)	(29,420)
		(469,456)	(6,048)
(Loss) earnings per share (RMB)			
– Basic	15	(0.65)	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	31/12/2024	31/12/2023
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**7,409,017**	7,475,492
Right-of-use assets	17	**417,375**	429,148
Intangible assets	18	**403,240**	424,124
Goodwill		**10,669**	10,669
Interest in a joint venture	20	**67,791**	74,372
Interests in associates	21	**97,021**	91,495
Deferred tax assets	22	**173,994**	140,744
Deposits for acquisition of property, plant and equipment and right-of-use assets		**1,907**	3,324
		8,581,014	8,649,368
CURRENT ASSETS			
Inventories	23	**525,940**	818,964
Trade and other receivables	24	**362,920**	494,019
Tax recoverable		**5,667**	9,460
Amount due from a shareholder	25	**31,456**	18,423
Amounts due from related parties	26	**130**	18,843
Bills receivables at FVTOCI	27	**316,852**	1,135,340
Restricted bank balances	28	**666,362**	472,692
Time deposits	28	**215,843**	—
Bank balances and cash	28	**509,560**	917,869
		2,634,730	3,885,610
CURRENT LIABILITIES			
Borrowings	29	**2,668,118**	2,438,420
Trade and other payables	30	**2,674,306**	3,118,963
Amounts due to related parties	31	**87,130**	2,636
Sale and leaseback payable	37	**156,438**	96,371
Contract liabilities	32	**53,689**	117,226
Lease liabilities	33	**2,107**	1,229
Tax payable		**8,422**	12,724
		5,650,210	5,787,569
NET CURRENT LIABILITIES		**(3,015,480)**	(1,901,959)
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,565,534**	6,747,409

	NOTES	31/12/2024	31/12/2023
		RMB'000	RMB'000
CAPITAL AND RESERVES			
Share capital	35	535,421	535,421
Reserves		2,582,881	2,925,013
Equity attributable to owners of the Company		3,118,302	3,460,434
Non-controlling interests		1,218,961	1,379,781
TOTAL EQUITY		4,337,263	4,840,215
NON-CURRENT LIABILITIES			
Borrowings	29	680,622	1,505,371
Payables for purchase of property, plant and equipment		144,092	198,174
Refundable deposit payable	36	111,375	—
Sale and leaseback payable	37	221,062	94,629
Lease liabilities	33	2,480	3,011
Deferred revenue	38	25,041	18,440
Deferred tax liabilities	22	27,969	71,939
Perpetual loan	39	15,630	15,630
		1,228,271	1,907,194
		5,565,534	6,747,409

The consolidated financial statements on pages 121 to 209 were approved and authorised for issue by the Board of Directors on 28 March 2025 and are signed on its behalf by:

Yiu Chiu Fai
DIRECTOR

Wang Mingzhong
DIRECTOR

	Attributable to owners of the Company								
	Share capital	Capital reserve	FVTOCI reserve	Statutory surplus reserve fund	Retained profits	Special reserve	Sub-total	Non-controlling interests	Total
	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 2023	535,421	386,695	(7,611)	267,710	2,302,249	29,517	3,513,981	1,212,499	4,726,480
Profit (loss) for the year	—	—	—	—	22,324	—	22,324	(28,387)	(6,063)
Other comprehensive income (expense) for the year	—	—	1,048	—	—	—	1,048	(1,033)	15
Total comprehensive income (expense) for the year	—	—	1,048	—	22,324	—	23,372	(29,420)	(6,048)
Conversion of equity accounts of a subsidiary	—	238,533	769	—	(239,302)	—	—	—	—
Acquisition of non-controlling interests	—	2,143	—	—	—	—	2,143	(22,143)	(20,000)
Issue of shares by a subsidiary to non-controlling interests	—	5,042	—	—	—	—	5,042	255,845	260,887
Transaction costs attributable to issue of shares by a subsidiary to non-controlling interests	—	(30,562)	—	—	—	—	(30,562)	—	(30,562)
Dividends recognised as distribution (Note 13)	—	—	—	—	(53,542)	—	(53,542)	(37,000)	(90,542)
Transfer	—	—	(769)	—	(6,130)	6,899	—	—	—
At 31 December 2023 and 1 January 2024	535,421	601,851	(6,563)	267,710	2,025,599	36,416	3,460,434	1,379,781	4,840,215
Loss for the year	—	—	—	—	**(345,890)**	—	**(345,890)**	**(131,833)**	**(477,723)**
Other comprehensive income for the year	—	—	**5,276**	—	—	—	**5,276**	**2,991**	**8,267**
Total comprehensive income (expense) for the year	—	—	**5,276**	—	**(345,890)**	—	**(340,614)**	**(128,842)**	**(469,456)**
Transaction costs attributable to issue of shares by a subsidiary to non-controlling interests	—	**(1,518)**	—	—	—	—	**(1,518)**	—	**(1,518)**
Dividends recognised as distribution (Note 13)	—	—	—	—	—	—	—	**(31,978)**	**(31,978)**
Transfer	—	—	—	—	**(4,314)**	**4,314**	—	—	—
At 31 December 2024	**535,421**	**600,333**	**(1,287)**	**267,710**	**1,675,395**	**40,730**	**3,118,302**	**1,218,961**	**4,337,263**

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; (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, when acquiring the non-controlling interest of Shanghai Jinma in year 2019; (iii) the difference between the carrying amount of consideration paid and 10% of the net assets value of Henan Jinrui Energy Co., Ltd. ("Jinrui Energy") 河南金瑞能源有限公司, when acquiring the non-controlling interest of Jinrui Energy from Henan Hongkong (Jiyuan) Coking Group Co., Ltd.* ("Yugang Coking") 豫港(濟源)焦化集團有限公司 in year 2023; (iv) the difference between the carrying amount of consideration received and 25% of the net assets value of Henan Jinyuan Hydrogenated Chemicals Co., Ltd. ("Jinyuan Hchem") 河南金源氫化化工股份有限公司, when Jinyuan Hchem issues H shares for listing on the Main Board of The Stock Exchange in year 2023.

(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 Group is required to make appropriations based on its revenue in accordance with CaiQi [2006] No. 478 and CaiZi [2022] No. 136 "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.

* *For identification purpose only*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
OPERATING ACTIVITIES		
Loss before tax	**(538,813)**	(50,958)
Adjustments for:		
Interest income on bank deposits	**(24,859)**	(17,614)
Interest income on loans to other companies	**(10,080)**	(1,696)
Interest income on bills receivables at FVTOCI	**(10,353)**	(28,909)
Gain on disposal of property, plant and equipment	**(255)**	(286)
Gain on disposal of right-of-use assets	**(351)**	—
Depreciation of property, plant and equipment	**428,758**	353,963
Depreciation of right-of-use assets	**12,339**	9,883
Amortisation of intangible assets	**20,884**	25,338
Impairment losses under ECL model, net of reversal	**—**	(858)
Allowance for inventories	**24,841**	14,576
Share of results of associates	**(626)**	8,474
Share of result of a joint venture	**(3,219)**	(15,788)
Finance costs	**143,963**	125,369
Release of assets-related government subsidies	**(2,318)**	(2,204)
Gain on disposal of interest in an associate	**—**	(26,400)
Interest received on execution of a judgment	**—**	(44,679)
Net foreign exchange (gain) loss	**(5,477)**	748
Operating cash flows before movements in working capital	**34,434**	348,959
Decrease (increase) in inventories	**268,183**	(262,462)
Decrease (increase) in bills receivables at FVTOCI	**839,864**	(40,763)
Decrease in trade and other receivables	**134,403**	321,979
(Increase) decrease in amount due from a shareholder	**(13,033)**	52,067
Decrease in amounts due from related parties	**18,713**	59,546
Decrease in trade and other payables	**(450,006)**	(213,658)
Increase in amounts due to related parties	**81,524**	2,636
Increase in refundable deposit payable	**111,375**	—
Decrease in contract liabilities	**(63,537)**	(165,913)
Cash generated from operations	**961,920**	102,391
Income tax paid	**(19,395)**	(32,403)
NET CASH FROM OPERATING ACTIVITIES	**942,525**	69,988

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
INVESTING ACTIVITIES		
Interest received	24,155	19,310
Interest received on execution of a judgment	—	44,679
Assets-related government subsidy received	8,919	—
Repayment from an associate	—	940
Proceeds from disposal of interest in associates	5,560	20,840
Purchase of property, plant and equipment	(360,786)	(1,000,546)
Refundable deposit returned to constructors	(14,026)	(12,074)
Refundable deposit received from constructors	9,765	8,277
Payments for right-of-use assets	(1,274)	(111,855)
Deposit paid for acquisition of property, plant and equipment and right-of-use assets	(1,854)	(2,125)
Placement of time deposits	(213,923)	—
Placement of restricted bank balances	(1,861,084)	(1,430,418)
Withdrawal from restricted bank balances	1,667,414	1,545,461
Loans to other companies	(10,000)	(52,500)
Repayment of loans from other companies	10,000	42,500
Proceeds from disposal of property, plant and equipment	3,640	4,293
Proceeds from disposal of right-of-use assets	2,655	—
Investment in an associate	(1,930)	—
Dividend received from a joint venture	9,800	24,500
NET CASH USED IN INVESTING ACTIVITIES	(722,969)	(898,718)
FINANCING ACTIVITIES		
Interest paid	(161,118)	(203,721)
Cash received from other borrowing	66,500	50,000
Cash received from sale and leaseback transaction	300,000	200,000
Bank borrowings raised	1,943,112	2,007,833
Repayment of bank borrowings	(2,578,163)	(1,257,162)
Repayment of other borrowing	(26,500)	(80,000)
Repayment of lease liabilities	(2,284)	(1,821)
Repayment of sale and leaseback payable	(133,950)	(9,000)
Acquisition of non-controlling interests	—	(20,000)
Issue of new shares by a subsidiary to non-controlling interests	—	260,887
Transaction costs attributable to issue of shares by a subsidiary to non-controlling interests	(8,961)	(23,119)
Dividends paid	—	(54,244)
Dividends paid to non-controlling shareholders of subsidiaries	(32,082)	(37,000)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(633,446)	832,653
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(413,890)	3,923
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	917,869	913,992
Effect of foreign exchange rate changes	5,581	(46)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY		
Bank balances and cash	509,560	917,869

1. GENERAL INFORMATION

Henan Jinma Energy Company Limited (the "Company") was established in the PRC on 13 February 2003 as a limited liability company under the Company Law of the PRC.

The principal activities of the Company and its subsidiaries (Note 19) (the "Group") are mainly engaged in the production and sales of coke, coking by-products and derivative chemical products, coal gas, liquefied natural gas ("LNG"), hydrogen, trading of coke, coal, refined oil and hydrogen and provision of other services including but not limited to provision of steam, water, catering and fire prevention and management services ("Other Services").

The address of the registered office and the principal place of business of the Company is West First Ring Road South, Jiyuan, Henan Province, the PRC. The Company established a place of business in Hong Kong at Unit 2801, 28/F, 88 Hing Fat Street, Causeway Bay, Hong Kong. It was registered as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Cap. 622) on 11 April 2017.

The Company was owned by Henan Hongkong (Jiyuan) Coking Group Co., Ltd., Maanshan Iron & Steel Company Limited 馬鞍山鋼鐵股份有限公司 ("Maanshan Steel") and Jiangxi PXSteel Industrial Co., Ltd.* 江西萍鋼實業股份有限公司 ("Jiangxi PXSteel") when established in 2003. With a series of equity transfer arrangements, the Company has been jointly owned by Jinma Energy (Hong Kong) Limited* 金馬能源(香港)有限公司 ("Jinma HK"), Maanshan Steel, Jiangxi PXSteel and Jiyuan Jinma Xingye Investment Co., Ltd.* 濟源市金馬興業投資有限公司 since August 2011. On 3 August 2016, the Company was converted into a joint stock company with 400,000,000 shares at a par value of RMB1.00 in issue. Pursuant to a prospectus issued by the Company dated 26 September 2017 in relation to its global offering of the Company's shares, the Company issued 133,334,000 H shares and were listed on the Stock Exchange on 10 October 2017. In addition, 2,087,000 new H shares of the Company were issued upon exercise of over-allotment option and were listed on the Stock Exchange on 31 October 2017. On 20 December 2023, Jinyuan Hchem, the subsidiary of the Company, issued 238,910,000 H shares and was listed on the Stock Exchange.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

* *For identification purpose only*

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(continued)*

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

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

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity, as well as the realisation of assets and the settlement of liabilities in the ordinary course of business. The management of the Group continues to closely monitor the liquidity position of the Group to ensure that adequate liquidity levels are sustained.

As at 31 December 2024, the Group had net current liabilities of approximately RMB3,015,480,000 and had outstanding capital commitments amounting to RMB18,215,000 (Note 40). In addition, the Group has incurred losses for the year ended 31 December 2024. The liquidity of the Group is contingent upon its ability to sustain adequate operating cash inflows and secure sufficient financing to fulfill its financial obligations as and when they fall due.

The directors have evaluated the Group's future liquidity prospectus, performance forecast and available financing options when assessing the Group's ability to operate as a going concern. The following plans and measures are formulated to manage the Group's liquidity risk and improve the Group's financial position:

- The Group has obtained undrawn banking facilities amounted to RMB984,237,000 (Note 45) as at 31 December 2024, which remain available for utilisation of any additional bank borrowings without any restrictions;

- The Group could optimise its debt structure in view of its long-term relationship with the financial institutions. The Group has considered that the likelihood of not being able to refinance or renew certain of the existing unsecured bank borrowings, with carrying amount of RMB1,343,800,000 as at 31 December 2024, and maturing within the coming twelve months from the end of the reporting period, is low; and

- The Group has considered the net cash flows generated from its operating activities in the coming twelve months from the end of the reporting period are expected to exceed those of the current year. This expectation is based on the projected increase in the profit margins of its primary products, taking into account the actual improvements in performance and market prices for relevant future contracts entered into subsequent to the end of the reporting period.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises and staff apartments that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Lease liabilities (continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in an index in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 Revenue from Contracts with Customers to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9 Financial Instruments.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and structures, machinery and equipment and office equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Intangible assets *(continued)*

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill *(continued)*

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and bills receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Bills receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for bills receivables at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these bills receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these bills receivables. When these bills receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from a shareholder/related parties, restricted bank balances, time deposits, bank balances and bills receivables at FVTOCI) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, and factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and amounts due from a shareholder/related parties in trade nature ("Trade-related Receivables").

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a bill receivable has not increased significantly since initial recognition if the bill receivable is determined to have low credit risk at the reporting date. A bill receivable is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a bill receivable to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for Trade-related Receivables, which are not credit-impaired are assessed on a collective basis, whereas debtors which is considered credit-impaired are assessed on individual basis, taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtor.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in bills receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of Trade-related Receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For bills receivables classified as at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these bills receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a bill receivable at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

All financial liabilities including borrowings, trade and other payables, amounts due to related parties, sale and leaseback payable and refundable deposit payable are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration

The Group engages in trading of coal and coke and its role involving in these trading sales contracts are varied. The Group identifies its role of each contract by analysing the nature of underlying promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group concluded that it acts as the principal for such transactions as it controls specified products before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods, retains inventory risk and has discretion in establishing the price. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts. When Group did not obtain the control over products before passing on to customers taking into consideration of the same indicators as above, the Group acts as an agent in this type of trading and recognises revenue in the net amount of consideration that it retains after paying the other party the consideration received in exchange for the goods provided by that party.

During the year ended 31 December 2024, the Group recognised revenue, acting as a principal, amounted to RMB268,339,000 (2023: RMB328,877,000) and revenue, acting as an agent, amounted to RMB1,117,000 (2023: RMB3,461,000) respectively relating to trading of coal and coke.

Key sources of estimation uncertainty

The followings are the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimated costs of completion and costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period.

During the year ended 31 December 2024, inventory allowance of RMB14,576,000 (2023: RMB14,028,000) were derecognised upon realisation of sales and an additional allowance of RMB24,841,000 (2023: RMB14,576,000) was recognised based on estimated net realisable value.

As at 31 December 2024, the carrying amount of inventories is RMB525,940,000 (2023: RMB818,964,000) (net of allowance for inventories of RMB24,841,000 (2023: RMB14,576,000)).

Provision of ECL for Trade-related Receivables

Lifetime ECL for Trade-related Receivables which are not credit-impaired are assessed on a collective basis based on the Group's internal credit ratings, whereas debtors which considered credit-impaired are assessed on individual basis, taking into consideration past due information and relevant credit information such as forward looking macroeconomic information. The internal credit ratings assigned and the loss rate determined is based on the creditors' historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL for Trade-related Receivables are disclosed in Note 45.

Fair value measurement of bills receivables at FVTOCI

As at 31 December 2024, the Group's bills receivables at FVTOCI amounting to RMB316,852,000 (2023: RMB1,135,340,000) are measured at fair values with fair values being determined based on observable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques which is reflective of the current market conditions and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Details of fair value measurement of financial instruments are set out in Note 45.

Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of the year. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves several assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years. Details of deferred tax assets are set out in Note 22.

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2024						
Segments*	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service							
Sales of goods							
Coke	7,198,339	—	—	—	861,304#	—	8,059,643
Ammonium sulphater	—	26,009	—	—	—	—	26,009
Hydrogenated benzene-based chemicals	—	234,247	2,377,194	—	—	—	2,611,441
Coal tar based chemicals	—	366,927	707,863	—	—	—	1,074,790
Coal gas	—	—	—	831,007	—	—	831,007
LNG	—	—	—	292,367	65,764	—	358,131
Refined oil	—	—	—	—	100,600	—	100,600
Hydrogen	—	—	—	5,676	24,250	—	29,926
Others	—	28,390	—	82,140	4,601	8,337	123,468
	7,198,339	655,573	3,085,057	1,211,190	1,056,519	8,337	13,215,015
Providing services							
Trading agency	—	—	—	—	6,498##	—	6,498
Energy supply	—	—	—	411,714	—	73,669	485,383
Others	—	—	—	—	—	48,076	48,076
	—	—	—	411,714	6,498	121,745	539,957
Total	7,198,339	655,573	3,085,057	1,622,904	1,063,017	130,082	13,754,972

Included in trading of coke and coal are intragroup sales amounting to RMB592,965,000, which are recorded at gross amount for which the Group acts as principal. The Group recognised revenue from contracts with external customers, acting as a principal, amounted to RMB268,339,000, relating to trading of coal and coke.

RMB5,381,000 out of total, are intragroup trading agency services. The Group recognised revenue from contracts with external customers, acting as an agent, amounted to RMB1,117,000, relating to trading of coal and coke.

* Each of segments are defined in segment information as follows.

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Disaggregation of revenue from contracts with customers *(continued)*

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 December 2024		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	7,198,339	(7,348)	7,190,991
Coking by-products	655,573	(602,632)	52,941
Refined chemicals	3,085,057	(34,610)	3,050,447
Energy products	1,622,904	(765,363)	857,541
Trading	1,063,017	(662,848)	400,169
Other Services	130,082	(83,638)	46,444
Revenue from contracts with customers	13,754,972	(2,156,439)	11,598,533

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Disaggregation of revenue from contracts with customers *(continued)*

	For the year ended 31 December 2023						
Segments*	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service							
Sales of goods							
Coke	8,359,161	—	—	—	675,868#	—	9,035,029
Ammonium sulphater	—	29,100	—	—	—	—	29,100
Hydrogenated benzene-based chemicals	—	210,881	1,502,282	—	—	—	1,713,163
Coal tar based chemicals	—	420,164	776,239	—	—	—	1,196,403
Coal gas	—	—	—	885,955	—	—	885,955
LNG	—	—	—	308,868	78,630	—	387,498
Coal	—	—	—	—	1,168,412#	—	1,168,412
Refined oil	—	—	—	—	157,767	—	157,767
Hydrogen	—	—	—	—	1,003	—	1,003
Others	—	25,153	—	91,210	16,778	6,541	139,682
	8,359,161	685,298	2,278,521	1,286,033	2,098,458	6,541	14,714,012
Providing services							
Trading agency	—	—	—	—	4,975##	—	4,975
Energy supply	—	—	—	391,633	—	70,425	462,058
Others	—	—	—	—	—	51,016	51,016
	—	—	—	391,633	4,975	121,441	518,049
Total	8,359,161	685,298	2,278,521	1,677,666	2,103,433	127,982	15,232,061

Included in trading of coke and coal are intragroup sales amounting to RMB1,515,403,000, which are recorded at gross amount for which the Group acts as principal. The Group recognised revenue from contracts with external customers, acting as a principal, amounted to RMB328,877,000, relating to trading of coal and coke.

RMB1,514,000 out of total, are intragroup trading agency services. The Group recognised revenue from contracts with external customers, acting as an agent, amounted to RMB3,461,000, relating to trading of coal and coke.

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Disaggregation of revenue from contracts with customers *(continued)*

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 December 2023		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	8,359,161	(7,748)	8,351,413
Coking by-products	685,298	(633,222)	52,076
Refined chemicals	2,278,521	(34,821)	2,243,700
Energy products	1,677,666	(810,442)	867,224
Trading	2,103,433	(1,578,003)	525,430
Other Services	127,982	(95,522)	32,460
Revenue from contracts with customers	15,232,061	(3,159,758)	12,072,303

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, hydrogen, trading of coke, coal, refined oil and hydrogen and provision of Other Services, for which revenue is recognised at point in time.

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

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the Group's revenue and profit for the year. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group's operating segments under IFRS 8 Operating Segments are (i) sales of coke ("Coke"), (ii) sale of coking by-products, mainly ammonium sulphater ("Coking by-products"), (iii) sales of refined chemicals, mainly hydrogenated benzene-based chemicals and coal tar based chemicals ("Refined chemicals"), (iv) sales of energy products, mainly coal gas, LNG, electricity and hydrogen ("Energy products"), (v) trading of coke, coal, refined oil and hydrogen ("Trading"), and (vi) provision of Other Services.

Segment revenues and results

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

For the year ended 31 December 2024

	Sales of goods						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
SEGMENT REVENUE							
External sales	7,190,991	52,941	3,050,447	857,541	400,169	46,444	11,598,533
Inter-segment sales	7,348	602,632	34,610	765,363	662,848	83,638	2,156,439
	7,198,339	655,573	3,085,057	1,622,904	1,063,017	130,082	13,754,972
Segment profit (loss)	102,489	17,383	(123,987)	111,434	15,774	28,015	151,108
Other income							65,516
Other gains and losses							(26,050)
Selling and distribution expenses							(411,137)
Administrative expenses							(177,136)
Finance costs							(143,963)
Share of result of a joint venture							3,219
Share of results of associates							626
Unallocated expenses							(996)
Loss before tax							(538,813)

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment revenues and results *(continued)*

For the year ended 31 December 2023

	Sales of goods						
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
SEGMENT REVENUE							
External sales	8,351,413	52,076	2,243,700	867,224	525,430	32,460	12,072,303
Inter-segment sales	7,748	633,222	34,821	810,442	1,578,003	95,522	3,159,758
	8,359,161	685,298	2,278,521	1,677,666	2,103,433	127,982	15,232,061
Segment profit (loss)	464,420	11,954	(75,976)	9,024	28,864	13,484	451,770
Other income							103,237
Other gains and losses							(14,042)
Impairment losses, under ECL model, net of reversal							858
Selling and distribution expenses							(293,018)
Administrative expenses							(178,405)
Finance costs							(125,369)
Share of result of a joint venture							15,788
Share of results of associates							(8,474)
Unallocated expenses							(3,303)
Loss before tax							(50,958)

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

Inter-segment sales are charged at prevailing market rates.

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

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Other segment information

	Sales of goods							
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2024								
Amounts included in measure of segment results:								
Depreciation and amortisation	239,697	16,459	91,002	82,928	7,139	8,479	16,277	461,981

	Sales of goods							
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2023								
Amounts included in measure of segment results:								
Depreciation and amortisation	195,734	3,366	68,828	59,893	6,302	29,181	25,880	389,184

Entity-wide disclosures

Geographical information

During the years ended 31 December 2024 and 2023, 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 31 December 2024 and 2023.

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Entity-wide disclosures *(continued)*

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group for the years is as below:

	Year ended	
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Maanshan Steel (Notes i and ii)	**1,210,425**	N/A
Jiangxi PXSteel and its subsidiaries (Notes i and iii)	**N/A**	1,774,131
Customer A (Note iv)	**N/A**	1,209,471

Notes:

(i) Revenue from sale of coke.

(ii) The revenue from Maanshan Steel in 2023 was less than 10% of total revenue of the Group.

(iii) The revenue from Jiangxi PXSteel in 2024 is less than 10% of total revenue of the Group.

(iv) Revenue from sale of coke and supply of energy. The revenue from customer A in 2024 is less than 10% of total revenue of the Group.

6. OTHER INCOME

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Interest income on bank deposits	**24,859**	17,614
Interest income on loans to other companies	**10,080**	1,696
Interest income on bills receivables at FVTOCI	**10,353**	28,909
Release of assets-related government subsidies (Note 38)	**2,318**	2,204
Government grants	**16,350**	5,530
Interest received on execution of a judgment (Note)	**–**	44,679
Others	**1,556**	2,605
	65,516	103,237

Note: The interest recognised during the year ended 31 December 2023 was the accrued interest received from Hongtong Yilong Co., Ltd., according to a legal claim demanding for their repayment of the loan and accrued interest.

7. OTHER GAINS AND LOSSES

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Net loss arising on bills receivables at FVTOCI	(27,141)	(42,054)
Gain on disposal of right-of-use assets	351	—
Gain on disposal of interest in an associate	—	26,400
Gain on disposal of property, plant and equipment	255	286
Foreign exchange gain (loss), net	5,477	(748)
Gain on disposal of scrap steel	3,701	1,610
Others	(8,693)	464
	(26,050)	(14,042)

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Impairment losses (reversed) recognised on:		
– advance to an associate	—	(940)
– other receivables	—	82
	—	(858)

Details of impairment assessment are set out in Note 45.

9. FINANCE COSTS

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Interest expense on:		
– bank borrowings	**154,423**	198,225
– sale and leaseback payable	**22,165**	3,041
– perpetual loan	**1,600**	1,600
– other borrowings	**8,600**	4,940
– lease liabilities	**298**	243
	187,086	208,049
Less: amounts capitalised	**(43,123)**	(82,680)
	143,963	125,369
Capitalisation rate – per annum	**4.72%**	5.66%

10. LOSS BEFORE TAX

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Loss before tax has been arrived at after charging:		
Staff costs		
Directors', chief executive's and supervisors' remuneration (Note 14)	2,078	2,250
Other staff costs	229,821	228,163
Other staffs' benefit	45,989	44,785
Total staff costs	277,888	275,198
Capitalised in inventories	(203,675)	(196,518)
Capitalised in property, plant and equipment	—	(3,607)
	74,213	75,073
Depreciation of property, plant and equipment	428,758	353,963
Capitalised in inventories	(411,719)	(339,861)
	17,039	14,102
Depreciation of right-of-use assets	13,374	11,001
Capitalised in construction in progress	(1,035)	(1,118)
	12,339	9,883
Amortisation of intangible assets (included in cost of sales)	20,884	25,338
Auditor's remuneration (audit services)	2,400	2,490
Listing expense of a subsidiary	—	1,415
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB24,841,000 (2023: RMB14,576,000))	11,406,581	11,620,533

11. INCOME TAX CREDIT

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
PRC Enterprise Income Tax ("**EIT**")		
– current tax	16,479	50,405
– under (over) provision in prior years	2,407	(14,657)
Deferred tax (Note 22)	(79,976)	(80,643)
	(61,090)	(44,895)

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

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Loss before tax	(538,813)	(50,958)
Tax credit at the applicable income tax rate of 25% (2023: 25%)	(134,703)	(12,740)
Tax effect of expenses not deductible for tax purposes	4,383	848
Tax effect of tax concessions	(79)	(77)
Tax effect of share of results of associates and a joint venture	(961)	(1,828)
Tax effect of tax losses not recognised	78,000	91
Under(over)provision in prior years	2,407	(14,657)
Tax effect of income not taxable for tax purpose (Note)	(9,933)	(9,832)
Utilisation of tax losses previously not recognised	(74)	(36)
Tax effect of deductible temporary differences previously not recognised	—	(6,600)
Others	(130)	(64)
Income tax credit	(61,090)	(44,895)

Note: Pursuant to the relevant tax rules and regulation in the PRC, 10% revenue from Comprehensive Utilisation of Resources ("資源綜合利用") is exempted from EIT. During the year ended 31 December 2024, the Group had tax deduction under the scheme of RMB9,933,000 (2023: RMB9,832,000).

12. OTHER COMPREHENSIVE INCOME

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Other comprehensive (expense) income includes:		
Items that may be reclassified subsequently to profit or loss:		
Fair value change arising from bills receivables at FVTOCI	(89,202)	(135,741)
Reclassification to profit or loss during the year upon derecognition of bills receivables at FVTOCI	97,469	135,756
	8,267	15

Income tax effect relating to other comprehensive income

	Year ended 31/12/2024			Year ended 31/12/2023		
	Before-tax amount RMB'000	Tax charge RMB'000	Net-of-income tax amount RMB'000	Before-tax amount RMB'000	Tax credit RMB'000	Net-of-income tax amount RMB'000
Item that may be reclassified subsequently to profit or loss:						
Fair value gain on bills receivables at FVTOCI	11,023	(2,756)	8,267	20	(5)	15

13. DIVIDENDS

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Interim – Nil (2023: 2023 Interim – RMB0.05) per share	—	26,771
2023 Final – Nil (2023: 2022 Final – RMB0.20) per share	—	26,771
	—	53,542

Subsequent to the end of the reporting period, no final dividend in respect of the year ended 31 December 2024 (2023: nil) has been proposed by the directors of the Company.

The dividends declared by subsidiaries of the Company to the non-controlling shareholders amounted to RMB31,978,000 (2023: RMB37,000,000) during the year ended 31 December 2024.

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Directors', Chief Executive's and Supervisors' emoluments

Details of the emoluments paid to the individuals who were appointed as the directors, chief executive and supervisors are as follows:

	Fees	Salaries, allowance and benefits in kind	Performance related bonuses	Retirement benefit	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2024					
Executive directors:					
Mr. Yiu Chiu Fai	—	—	—	—	—
Mr. Wang Mingzhong	—	623	—	—	623
Mr. Li Tianxi	—	353	—	40	393
Non-executive directors:					
Mr. Xu Baochun	—	—	—	—	—
Ms. Ye Ting	—	—	—	—	—
Mr. Wang Kaibao	—	—	—	—	—
Independent non-executive directors:					
Mr. Wu Tak Lung	259	—	—	—	259
Mr. Meng Zhihe	120	—	—	—	120
Mr. Cao Hongbin	120	—	—	—	120
Supervisors:					
Mr. Wong Tsz Leung	—	—	—	—	—
Mr. Fan Xiaozhu	—	90	—	17	107
Mr. Wu Jiacun	—	—	—	—	—
Mr. Zhou Tao David	74	—	—	—	74
Ms. Tian Fangyuan	80	—	—	—	80
Ms. Hao Yali	—	278	—	24	302
	653	1,344	—	81	2,078

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

Directors', Chief Executive's and Supervisors' emoluments *(continued)*

	Fees	Salaries, allowance and benefits in kind	Performance related bonuses	Retirement benefit	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2023					
Executive directors:					
Mr. Yiu Chiu Fai	—	—	—	—	—
Mr. Wang Mingzhong	—	627	—	23	650
Mr. Li Tianxi	—	468	—	40	508
Non-executive directors:					
Mr. Xu Baochun	—	—	—	—	—
Ms. Ye Ting	—	—	—	—	—
Mr. Wang Kaibao	—	—	—	—	—
Independent non-executive directors:					
Mr. Wu Tak Lung	272	—	—	—	272
Mr. Meng Zhihe	120	—	—	—	120
Mr. Cao Hongbin	120	—	—	—	120
Supervisors:					
Mr. Wong Tsz Leung	—	—	—	—	—
Mr. Fan Xiaozhu	—	135	—	24	159
Mr. Wu Jiacun	—	—	—	—	—
Mr. Zhou Tao David	72	—	—	—	72
Ms. Tian Fangyuan	80	—	—	—	80
Ms. Hao Yali	—	245	—	24	269
	664	1,475	—	111	2,250

Certain directors and supervisors who did not receive emoluments during the reporting periods, also held positions in the corporate shareholders of the Company and their subsidiaries ("**Shareholder's Entities**") and the emoluments were borne by the respective Shareholder's Entities for the services rendered for the Shareholder's Entities. In the opinion of the directors of the Company, it is not practicable to allocate their remunerations to the Group.

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

Directors', Chief Executive's and Supervisors' emoluments *(continued)*

Mr. Yiu Chiu Fai and Mr. Wang Mingzhong are the chief executive and the general manager of the Company, respectively. Their emoluments disclosed above include those for services in connection with the management of affairs of the Group rendered by them as the chief executive and general manager.

The emoluments of executive directors shown above were mainly for their services in connection with the management of the affairs of the Company and the Group whereas those paid to non-executive directors and independent non-executive directors were for their services as directors of the Company.

The performance related bonuses were determined by the management of the Group by reference to the performance and market trend as relevant.

Five individuals with the highest emoluments

Of the five individuals with the highest emoluments in the Group, one (2023: two) was the director of the Company for the year ended 31 December 2024, whose emoluments are included in the disclosures above. The emoluments of the remaining individuals are as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Salaries, allowance and benefits in kind	**3,020**	2,464
Performance related bonuses	**—**	—
Retirement benefit	**147**	201
	3,167	2,665

The number of the highest paid employees who are not the directors nor supervisors of the Company whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
Nil to Hong Kong Dollar ("**HK$**") 1,000,000	**3**	2
HK$1,000,001 to HK$1,500,000	**1**	1

No emoluments were paid by the Group to the directors or supervisors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office during both years. None of the directors or supervisors waived any emoluments during both years.

15. (LOSS) EARNINGS PER SHARE

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

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
(Loss) profit for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	(345,890)	22,324
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic (loss) earnings per share	535,421	535,421

No diluted earnings per share is presented as there was no dilutive potential ordinary share in issue for the years ended 31 December 2024 and 2023.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
At 1 January 2023	1,691,916	3,535,434	23,419	78,750	1,828,205	7,157,724
Additions	45,298	38,875	1,583	942	1,748,231	1,834,929
Transfer	725,611	1,032,615	—	—	(1,758,226)	—
Disposals	(85)	(6,180)	(1,683)	(33)	—	(7,981)
At 31 December 2023	2,462,740	4,600,744	23,319	79,659	1,818,210	8,984,672
Additions	8,007	30,417	1,761	4,710	320,773	365,668
Transfer	102,092	491,128	—	21,064	(614,284)	—
Disposals	(151)	(9,150)	(4,658)	(64)	—	(14,023)
At 31 December 2024	**2,572,688**	**5,113,139**	**20,422**	**105,369**	**1,524,699**	**9,336,317**
Depreciation						
At 1 January 2023	364,808	736,558	14,749	43,076	—	1,159,191
Provided for the year	98,962	247,506	2,848	4,647	—	353,963
Eliminated on disposals	(17)	(2,695)	(1,231)	(31)	—	(3,974)
At 31 December 2023	463,753	981,369	16,366	47,692	—	1,509,180
Provided for the year	118,179	303,004	2,332	5,243	—	428,758
Eliminated on disposals	(57)	(6,521)	(3,998)	(62)	—	(10,638)
At 31 December 2024	**581,875**	**1,277,852**	**14,700**	**52,873**	**—**	**1,927,300**
Carrying values						
At 31 December 2024	**1,990,813**	**3,835,287**	**5,722**	**52,496**	**1,524,699**	**7,409,017**
At 31 December 2023	1,998,987	3,619,375	6,953	31,967	1,818,210	7,475,492

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Buildings and structures	5%-19%
Machinery and equipment	5%-20%
Motor vehicles	6%-19%
Office equipment	6%-19%

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Impairment assessment

As at 31 December 2024, considering the continued loss of a subsidiary, Xinyang Steel Jingang Energy Co., Ltd.* ("**Xinyang Jingang**") 信陽鋼鐵金港能源有限公司, the management of the Group concluded there was indication for impairment and conducted impairment assessment on Xinyang Jingang's plant and equipment, right-of-use assets and intangible assets with finite useful lives ("**Tested Assets**") with carrying amounts of RMB3,332,822,000, RMB88,071,000 and RMB269,999,000 respectively.

The recoverable amounts of the Tested Assets have been determined based on their value in use as a CGU. That calculation uses cash flow projections based on forecasts approved by the management of Xinyang Jingang covering the following 20 years, comprising of a 5-year-period financial budgets and an extrapolation of cash flows covering the remaining useful life of the CGU of 15 years, with a pre-tax discount rate of 14.5% as at 31 December 2024. The cash flows beyond the 5-year period are extrapolated using 1.5% growth rate. The annual growth rate used is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Another key assumption for the value in use calculated is the forecasted gross margin, which is determined based on past performance and management expectations for the market development of the CGU.

Based on the result of the assessment, the carrying amount of the relevant assets does not exceed the recoverable amount based on value in use and no impairment has been recognised.

* *For identification purpose only*

17. RIGHT-OF-USE ASSETS

	Leasehold lands	Office premises	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	324,526	1,936	326,462
Additions	112,183	1,504	113,687
Depreciation charged during the year	(9,516)	(1,485)	(11,001)
As at 31 December 2023	427,193	1,955	429,148
Additions	1,274	2,631	3,905
Depreciation charged during the year	(11,387)	(1,987)	(13,374)
Disposal	(2,304)	—	(2,304)
As at 31 December 2024	**414,776**	**2,599**	**417,375**

17. RIGHT-OF-USE ASSETS *(continued)*

The above items of right-of-use-assets are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Leasehold lands	2%-20%
Office premises	40%-50%

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Expense relating to short-term leases (Note)	**1,041**	1,028
Total cash outflow for leases	**4,897**	114,947

Note: The short-term leases are mainly apartments rented for staff, office premises and machinery. The Group has elected the recognition exemption on short-term leases and recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term leases expenses disclosed above.

For both years, the Group leases offices and machinery for its operations. Lease contracts are entered into for fixed term of 2 years to 2.7 years (2023: 2 years to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has obtained the land use right certificates for all leasehold lands except for five (2023: five) leasehold lands with carrying amount of RMB2,304,000 (2023: RMB2,524,000) in which the Group obtains the right of use under long-term lease contracts.

Variable lease payment

In April 2010, the Company entered into a 30-year land lease contract for the expansion of "Zenan Reservoir" to improve the Company's water supply for production of coke. The lease payment is adjusted every 5 years according to the National Grain Purchase Price ("國家糧食收購價格"), and the annual lease payment for each Mu ("畝") of the land is calculated by the purchase price of 550 kilogram of wheat. After the adjustment in 2020, the lease payment is RMB244,000 per year. It is expected the next payment adjustment will be in the year of 2025.

Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. INTANGIBLE ASSETS

	Franchise right	Operating license	Coke capacity	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At 1 January 2023, 31 December 2023 and 2024	93,502	29,018	441,510	564,030
Amortisation				
At 1 January 2023	89,049	4,513	21,006	114,568
Charge for the year	4,453	1,451	19,434	25,338
At 31 December 2023	93,502	5,964	40,440	139,906
Charge for the year	—	1,451	19,433	20,884
At 31 December 2024	**93,502**	**7,415**	**59,873**	**160,790**
Carrying values				
At 31 December 2024	—	**21,603**	**381,637**	**403,240**
At 31 December 2023	—	23,054	401,070	424,124

The total useful life of the franchise right on sales of coal gas is 6.3 years and that of the operating license of refined oil is 20 years, while that of the coke capacity is 15 or 30 years. Except for the franchise right which had reached its useful life and fully amortised in 2023, the above intangible assets have finite useful lives, amortised on a straight-line basis over the following remaining periods:

	31/12/2024	31/12/2023
	years	years
Operating license of refined oil	**14.3**	15.3
Coke capacity	**11.5-27**	12.5-28

19. PARTICULARS OF SUBSIDIARIES

Details of the Company's principal subsidiaries at the end of the reporting periods are set out below.

Name of subsidiary*	Place of establishment and operations	Class of shares held	Equity interest attributable to the Group		Paid up/ registered capital	Principal activities
			2024	2023		
Directly held:						
Jinyuan Hchem (Note)	PRC	Ordinary shares	75%	75%	RMB955,640,000	Manufacturing and sales of environmental benzene based chemicals
Shanghai Jinma	PRC	Ordinary shares	100%	100%	RMB50,000,000	Trading of coke, coal and coal mining equipment
河南博海化工有限公司 (Henan Bohigh Chemical Co., Ltd.)	PRC	Ordinary shares	100%	100%	United States dollar 7,700,000	Manufacturing and sale of coal tar based chemicals
深圳市金馬能源有限公司 (Shenzhen Jinma Energy Co., Ltd.) ("**Shenzhen Jinma**")	PRC	Ordinary shares	51%	51%	RMB1,347,000,000	Project investment, and investment management
河南金馬環保科技有限公司 (Henan Jinma Environmental Protection Technology Co., Ltd.)	PRC	Ordinary shares	60%	60%	Nil/RMB10,000,000	Research and development of environmental protection technology
Xinyang Jingang	PRC	Ordinary shares	70%	70%	RMB1,000,000,000	Production and sale of coke, electricity and heat energy
河南省金洲化工科技有限公司 (Henan Jinzhou Chemical Technology Co., Ltd.)	PRC	Ordinary shares	100%	100%	RMB78,000,000/ RMB100,000,000	Production and sale of chemical products

19. PARTICULARS OF SUBSIDIARIES *(continued)*

Details of the Company's principal subsidiaries at the end of the reporting periods are set out below. (continued)

Name of subsidiary*	Place of establishment and operations	Class of shares held	Equity interest attributable to the Group		Paid up/ registered capital	Principal activities
			2024	2023		
Indirectly held:						
濟源市金寧能源實業有限公司 (Jiyuan Jinning Energy Co., Ltd.) ("**Jinning Energy**") (Note)	PRC	Ordinary shares	**38.25%**	38.25%	RMB10,000,000	Distribution and sale of coal gas
Jinrui Energy (Note)	PRC	Ordinary shares	**60.75%**	60.75%	RMB100,000,000	Manufacturing and sale of LNG
河南金瑞燃氣有限公司 (Henan Jinrui Gas Co., Ltd.) (Note)	PRC	Ordinary shares	**60.75%**	60.75%	RMB25,500,000	Sales and retail of LNG, refined oil and hydrogen
濟源市歐亞加油站有限公司 (Jiyuan Ouya Gas Station Co., Ltd.) (Note)	PRC	Ordinary shares	**60.75%**	60.75%	RMB500,000	Sales and retail of refined oil
河南金馬氫能有限公司 (Henan Jinma Qingneng Co., Ltd.) ("**Jinma Qingneng**") (Note)	PRC	Ordinary shares	**75%**	75%	RMB15,000,000/ RMB200,000,000	Provision of multimodal transportation, warehouse and distribution services for coal products
河南金馬中東能源有限公司 (Henan Jinma Zhongdong Energy Co., Ltd.) ("**Jinma Zhongdong**")	PRC	Ordinary shares	**51%**	51%	RMB1,347,000,000	Manufacturing and sale of coke

* English name for identification only

Note: Jinning Energy, Jinrui Energy and its subsidiaries (including Henan Jinrui Gas Co., Ltd. and Jiyuan Ouya Gas Station Co., Ltd.) became the non-wholly-owned subsidiaries of Jinyuan Hchem, while Jinma Qingneng became the wholly-owned subsidiary of Jinyuan Hchem in August 2023. After listing on the Stock Exchange on 20 December 2023, Jinyuan Hchem became the non-wholly-owned subsidiary of the Company with 75% equity interest attributable to the Group, equity interest in Jinning Energy, Jinrui Energy and its subsidiaries and Jinma Qingneng attributable to the Group dropped accordingly.

19. PARTICULARS OF SUBSIDIARIES *(continued)*

All the subsidiaries of the Company are domestic limited liability companies, except for Jinyuan Hchem which is a joint stock company with limited liability and was listed on the Stock Exchange. None of the subsidiaries had any debt securities outstanding at 31 December 2024 and 2023 or at any time during both years.

The table below shows details of non-wholly-owned subsidiaries of the Company.

Name of subsidiary	Proportion ownership interest held by non-controlling interests At 31 December		Profit (loss) allocated to non-controlling interests At 31 December		Accumulated non-controlling interests Year ended 31 December	
	2024	2023	**2024**	2023	**2024**	2023
	%	%	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Jinyuan Hchem and its subsidiaries	**25**	25	**23,523**	26,455	**352,279**	360,568
Shenzhen Jinma and its subsidiary	**49**	49	**(60,568)**	(6,319)	**718,650**	776,503
Xinyang Jingang	**30**	30	**(94,788)**	(48,523)	**148,032**	242,710
			(131,833)	(28,387)	**1,218,961**	1,379,781

Summarised financial information in respect of each of the Company's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Jinyuan Hchem and its subsidiaries

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	**590,685**	551,767
Non-current assets	**1,083,433**	1,109,019
Current liabilities	**456,779**	382,573
Non-current liabilities	**124,691**	149,497
Net equity	**1,092,648**	1,128,716
Equity attributable to owners of the Company	**740,369**	768,148
Non-controlling interests of Jinyuan Hchem	**246,100**	254,903
Non-controlling interests of Jinyuan Hchem's subsidiaries	**106,179**	105,665

19. PARTICULARS OF SUBSIDIARIES *(continued)*

Jinyuan Hchem and its subsidiaries *(continued)*

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Revenue	**3,102,000**	2,330,228
Expenses (Note)	**3,090,638**	2,248,083
Profit for the year	**11,362**	82,145
(Loss) profit attributable to		
– the owners of the Company	**(12,161)**	55,690
– the non-controlling interests	**23,523**	26,455
Profit for the year	**11,362**	82,145
Other comprehensive income (expense) attributable to		
– the owners of the Company	**235**	201
– the non-controlling interests	**166**	(135)
Other comprehensive income for the year	**401**	66
Total comprehensive (expense) income attributable to		
– the owners of the Company	**(11,926)**	55,891
– the non-controlling interests	**23,689**	26,320
Total comprehensive income for the year	**11,763**	82,211
Dividends declared and paid to non-controlling interests	**31,978**	37,000
Net cash from operating activities	**96,855**	104,459
Net cash used in investing activities	**(268,856)**	(71,062)
Net cash from financing activities	**2,490**	204,947
Net cash (outflow) inflow	**(169,511)**	238,344

Note: The expenses mainly include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

19. PARTICULARS OF SUBSIDIARIES *(continued)*

Shenzhen Jinma and its subsidiary

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	588,501	1,716,890
Non-current assets	2,420,039	2,570,084
Current liabilities	1,416,100	2,133,664
Non-current liabilities	125,807	568,610
Net equity	1,466,633	1,584,700
Equity attributable to owners of the Company	747,983	808,197
Equity attributable to non-controlling interests	718,650	776,503

19. PARTICULARS OF SUBSIDIARIES *(continued)*

Shenzhen Jinma and its subsidiary *(continued)*

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	**5,066,428**	5,491,866
Expenses (Note)	**5,190,036**	5,504,761
Loss for the year	**(123,608)**	(12,895)
Loss attributable to		
– the owners of the Company	**(63,040)**	(6,576)
– the non-controlling interests	**(60,568)**	(6,319)
Loss for the year	**(123,608)**	(12,895)
Other comprehensive income (expense) attributable to		
– the owners of the Company	**2,826**	(837)
– the non-controlling interests	**2,715**	(804)
Other comprehensive income (expense) for the year	**5,541**	(1,641)
Total comprehensive expense attributable to		
– the owners of the Company	**(60,214)**	(7,413)
– the non-controlling interests	**(57,853)**	(7,123)
Total comprehensive expense for the year	**(118,067)**	(14,536)
Net cash from operating activities	**389,338**	42,958
Net cash from (used in) investing activities	**68,635**	(51,623)
Net cash (used in) from financing activities	**(642,616)**	115,326
Net cash (outflow) inflow	**(184,643)**	106,661

Note: The expenses mainly include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

19. PARTICULARS OF SUBSIDIARIES *(continued)*

Xinyang Jingang

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	**390,346**	333,002
Non-current assets	**3,755,948**	3,670,158
Current liabilities	**3,218,846**	2,420,729
Non-current liabilities	**434,013**	773,399
Net equity	**493,435**	809,032
Equity attributable to owners of the Company	**345,403**	566,322
Equity attributable to non-controlling interests	**148,032**	242,710

19. PARTICULARS OF SUBSIDIARIES *(continued)*

Xinyang Jingang *(continued)*

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	**1,515,241**	1,716,406
Expense (Note)	**1,831,203**	1,878,149
Loss for the year	**(315,962)**	(161,743)
Loss attributable to		
– the owners of the Company	**(221,174)**	(113,220)
– the non-controlling interests	**(94,788)**	(48,523)
Loss for the year	**(315,962)**	(161,743)
Other comprehensive income (expense) attributable to		
– the owners of the Company	**255**	(219)
– the non-controlling interests	**110**	(93)
Other comprehensive income (expense) for the year	**365**	(312)
Total comprehensive expense attributable to		
– the owners of the Company	**(220,919)**	(113,439)
– the non-controlling interests	**(94,678)**	(48,616)
Total comprehensive expense for the year	**(315,597)**	(162,055)
Net cash from operating activities	**112,617**	35,502
Net cash used in investing activities	**(134,812)**	(236,437)
Net cash from financing activities	**123,466**	144,337
Net cash inflow (outflow)	**101,271**	(56,598)

Note: The expenses mainly include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

20. INTEREST IN A JOINT VENTURE

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Cost of unlisted investment in a joint venture	49,000	49,000
Share of post-acquisition results, net of dividends received	18,791	25,372
	67,791	74,372

Details of the Group's joint venture at the end of the reporting period are set out below:

Name of joint venture*	Place of registration and operations	Fully paid registered capital	Proportion of ownership interest/voting rights attributable to the Group		Principal activities
			2024	2023	
Henan Jinjiang Refinery Co., Ltd. ("**Jinjiang Refinery**") 河南金江煉化有限責任公司	PRC	RMB100,000,000	49%	49%	Manufacture and sale of hydrogen

* English name for identification only

20. INTEREST IN A JOINT VENTURE *(continued)*

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards.

The joint venture is accounted for using the equity method in the consolidated financial statements.

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	**87,840**	93,689
Non-current assets	**66,606**	79,878
Current liabilities	**6,249**	11,697
Non-current liabilities	**9,848**	10,090
The above amounts of assets and liabilities include the followings:		
Cash and cash equivalents	**62,601**	61,034

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	**165,649**	229,172
Profit and total comprehensive income for the year	**6,570**	32,220
Dividends received from Jinjiang Refinery during the year	**9,800**	24,500
The above profit for the year includes the following:		
Depreciation	**16,778**	16,706
Interest income	**893**	493
Interest expense	**190**	—
Income tax expense (Note)	**141**	3,101

Note: Pursuant to the relevant tax rules and regulation in the PRC, 10% revenue from Comprehensive Utilisation of Resources is exempted from tax.

20. INTEREST IN A JOINT VENTURE *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in consolidated financial statements:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Net assets	**138,349**	151,780
Proportion of the Group's ownership interest in the joint venture	**49%**	49%
Carrying amount of the Group's interest in the joint venture	**67,791**	74,372

21. INTERESTS IN ASSOCIATES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Cost of unlisted investment in associates	**102,900**	98,000
Share of post-acquisition results, net of dividends received	**(5,879)**	(6,505)
	97,021	91,495

Details of the Group's associates at the end of the reporting period are set out below:

Name of associate	**Place of registration and operations**	**Paid up/ registered capital**	**Proportion of ownership interest/voting rights attributable to the Group**		**Principal activities**
			2024	2023	
Xiamen Jinma ITG Co., Ltd.* ("**Xiamen Jinma**") 廈門金馬國貿有限公司	PRC	RMB200,000,000/ RMB200,000,000	**49%**	49%	Domestic trading
Jiyuan City Investment Jincheng Heat Energy Co., Ltd* ("**Jincheng Heat**")濟源市城投金程熱能有限公司(Note)	PRC	RMB3,930,000/ RMB10,000,000	**49%**	N/A	Supply of heat energy

* English name for identification only

Note: The associate was jointly initiated and established by Jinma Zhongdong and another shareholder in August 2024. Jincheng Heat had not launched its business as at 31 December 2024. The subscribed capital of Jinma Zhongdong towards Jincheng Heat amounted to RMB4,900,000, accounting for 49% of the registered capital of Jincheng Heat. Jinma Zhongdong has paid part of the subscribed capital amounted to RMB1,930,000 in 2024, and the residual capital payable amounted to RMB2,970,000 is planned to be paid in 2025.

21. INTERESTS IN ASSOCIATES *(continued)*

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

The associates are accounted for using the equity method in the consolidated financial statements.

Xiamen Jinma

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Current assets	**195,706**	232,995
Non-current assets	**5,483**	5,935
Current liabilities	**13,187**	52,206
Non-current liabilities	**—**	—

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Revenue	**167,332**	678,178
Profit (loss) and total comprehensive income (expense) for the year	**1,278**	(17,294)

Reconciliation of the above summarised financial information of the carrying amount of the interest in Xiamen Jinma recognised in the consolidated financial statements:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Net assets	**188,002**	186,724
Proportion of the Group's ownership interest in the associate	**49%**	49%
Carrying amounts of the Group's interest in the associate	**92,121**	91,495

22. DEFERRED TAX ASSETS/LIABILITIES

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

	Allowance for inventories	ECL provision	Accelerated tax depreciation and temporary difference on deductible expenses	Fair value change of bills receivables at FVTOCI	Unrealised profits	Fair value adjustments upon acquisition of business	Deferred revenue	Tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	3,507	329	(98,691)	3,537	73,817	(5,680)	5,161	6,187	(11,833)
Credit (charge) to profit or loss	137	(290)	(87,106)	(1,018)	4,092	1,362	(551)	164,017	80,643
Charge to the other comprehensive income	—	—	—	(5)	—	—	—	—	(5)
At 31 December 2023	3,644	39	(185,797)	2,514	77,909	(4,318)	4,610	170,204	68,805
Credit (charge) to profit or loss	2,566	—	(35,016)	596	4,677	250	1,650	105,253	79,976
Charge to the other comprehensive income	—	—	—	(2,756)	—	—	—	—	(2,756)
At 31 December 2024	**6,210**	**39**	**(220,813)**	**354**	**82,586**	**(4,068)**	**6,260**	**275,457**	**146,025**

For the purpose of presentation in the 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:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Deferred tax assets	**173,994**	140,744
Deferred tax liabilities	**(27,969)**	(71,939)
	146,025	68,805

As at 31 December 2024, the Group had unused tax losses of RMB1,414,330,000 (2023: RMB681,612,000) available to offset against future profits. Deferred tax asset of RMB275,457,000 (2023: RMB170,204,000) has been recognised in respect of tax losses of RMB1,101,829,000 (2023: RMB680,816,000). All tax losses will expire within 5 years (2023: 5 years) from the year of origination. No deferred tax asset has been recognised in respect of the rest losses due to the unpredictability of future profit streams.

At 31 December 2024 and 2023, the Group had no other material unrecognised deductible temporary differences.

23. INVENTORIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Raw materials	371,455	661,310
Finished goods	154,485	157,654
	525,940	818,964

24. TRADE AND OTHER RECEIVABLES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade receivables – contract with customers	173,543	165,380
Other receivables	2,784	2,121
Less: Allowance for ECL	(155)	(155)
	2,629	1,966
Prepayments to suppliers	97,558	221,398
Prepaid other taxes and charges	78,477	88,971
Refundable deposits to suppliers	713	744
Receivable from disposal of interest in an associate	—	5,560
Loan receivable (Note)	10,000	10,000
	362,920	494,019

Note: During the year ended 31 December 2023, the Group entered into a loan agreement with a third party to lend RMB10,000,000 for 1 year at an interest rate of 13% per annum. During the year ended 31 December 2024, the Group fully recovered the balance with interests accrued as the lending period terminated and subsequently entered into a new loan agreement to lend RMB10,000,000 to the borrower for another 1 year at the same interest rate. The Group holds the 100% equity interest of the borrower as collateral over the balance.

24. TRADE AND OTHER RECEIVABLES *(continued)*

As at 1 January 2023, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB171,443,000.

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	**173,000**	165,357
91 – 180 days	—	23
181 – 365 days	**543**	—
	173,543	165,380

The normal credit term to the customers is ranged between 30 to 60 days. As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB543,000 (31 December 2023: nil) which has been past due over 90 days or more and is not considered as in default.

The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 45.

25. AMOUNT DUE FROM A SHAREHOLDER

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade nature		
Maanshan Steel	**31,456**	18,423

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

The balance at 1 January 2023 amounted to RMB70,490,000.

The normal credit term is 30 to 60 days. The amount due from a shareholder in trade nature is aged within 90 days based on invoice date, none of the balance is past due as at 31 December 2024 and 2023.

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

Details of impairment assessment of amount due from a shareholder are set out in Note 45.

26. AMOUNTS DUE FROM RELATED PARTIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade nature		
Jiangxi PXSteel's subsidiaries (Note i)	**40**	18,553
Jiyuan Fangsheng Chemicals Co., Ltd.* (**"Fangsheng Chemicals"**) 濟源市方升化學有限公司 (Note ii)	**90**	290
	130	18,843

* English name for identification only

Notes:

(i) The balance is receivables from contracts with customers.

(ii) The entity is controlled by a shareholder of the Company. The balance is prepayment for purchase of materials including sodium hydroxide and hydrochloric acid.

The amounts due from related parties at 1 January 2023 amounted to RMB78,389,000, which were due from Jiangxi PXSteel's subsidiaries, Xiamen Jinma and Fangsheng Chemicals.

The amounts in trade nature are from contract with customers. 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.

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	**40**	18,553

The normal credit term to the customers is ranged between 30 to 60 days. None of the balance is past due as at 31 December 2024 and 2023.

The Group does not hold any collateral over these balances.

Details of impairment assessment of amounts due from related parties are set out in Note 45.

27. BILLS RECEIVABLES AT FVTOCI

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Bills receivables	316,852	1,135,340

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 31 December 2024 and 2023, 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.

Details of impairment assessment are set out in Note 45.

28. RESTRICTED BANK BALANCES/TIME DEPOSITS/BANK BALANCES AND CASH

The Group's restricted bank balances were pledged to banks for issuing bills.

Time deposits are bank deposits with terms ranging from 6 months to 1 year.

Restricted bank balances, time deposits and bank balances carry interest at prevailing market interest rates ranging from 0.01% to 1.80% (2023: from 0.01% to 3.35%) per annum as at 31 December 2024.

29. BORROWINGS

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Bank borrowings	3,258,740	3,893,791
Other borrowings (Note)	90,000	50,000
	3,348,740	3,943,791
Secured	1,374,077	2,059,771
Unsecured	1,974,663	1,884,020
	3,348,740	3,943,791
Fixed-rate borrowings	1,604,137	1,916,948
Floating-rate borrowings	1,744,603	2,026,843
	3,348,740	3,943,791

Note: Other borrowings comprise of borrowings of RMB40,000,000 and RMB50,000,000 from two third parties (2023: RMB50,000,000 from a third party) for a period of 6 months and 12 months with no collaterals, carrying an interest rate of 5.30% and 11.45% (2023: 12%) per annum, respectively. During the year ended 31 December 2024, the Group entered into a supplementary agreement with the respective lender to extend the period of both of the borrowings for another 6 months.

	Bank borrowings		Other borrowings		Total borrowings	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount repayable: (based on scheduled payment terms)						
Within one year	2,578,118	2,388,420	90,000	50,000	2,668,118	2,438,420
More than one year, but not more than two years	432,909	978,700	—	—	432,909	978,700
More than two years, but not more than five years	247,713	526,671	—	—	247,713	526,671
	3,258,740	3,893,791	90,000	50,000	3,348,740	3,943,791
Less: Amount due for settlement within 12 months shown under current liabilities	(2,578,118)	(2,388,420)	(90,000)	(50,000)	(2,668,118)	(2,438,420)
Amount due for settlement after 12 months shown under non-current liabilities	680,622	1,505,371	—	—	680,622	1,505,371

29. BORROWINGS *(continued)*

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

	31/12/2024	31/12/2023
Effective interest rate per annum:		
– Fixed-rate borrowings	**3.35%-5.70%**	3.85%-5.70%
– Floating-rate borrowings	**2.80%-5.05%**	2.60%-5.60%

30. TRADE AND OTHER PAYABLES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade payables	**386,195**	709,060
Bills payables	**718,222**	907,324
	1,104,417	1,616,384
Salaries and wages payables	**23,154**	14,807
Other tax payables	**58,744**	27,032
Consideration payable for purchase of property, plant and equipment	**1,423,391**	1,411,856
Accruals	**9,717**	7,584
Interest payable	**14,868**	9,350
Consideration payable for acquisition of business	**3,222**	3,222
Refundable deposit from constructors	**7,992**	12,253
Refundable deposit from a service provider (Note 36)	**14,625**	—
Share issue costs payable	**—**	7,443
Other payables	**14,176**	9,032
	1,569,889	1,502,579
	2,674,306	3,118,963

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

30. TRADE AND OTHER PAYABLES *(continued)*

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	535,970	1,169,340
91 – 180 days	378,895	422,764
181 – 365 days	166,008	14,372
Over 1 year	23,544	9,908
	1,104,417	1,616,384

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

31. AMOUNTS DUE TO RELATED PARTIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Trade nature		
Xiamen Jinma	83,826	1,368
Jinjiang Refinery	296	1,063
Fangsheng Chemicals	38	205
	84,160	2,636
Non-trade nature		
Jincheng Heat (Note)	2,970	—

Note: The balance due to Jincheng Heat was the residual subscribed capital payable, which was disclosed in Note 21.

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

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within 90 days	84,160	2,636

32. CONTRACT LIABILITIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Sales of goods	53,689	117,226

As at 1 January 2023, contract liabilities amounted to RMB283,139,000.

Contract liabilities are all expected to be settled within the Group's normal operating cycle, and are classified as current based on the Group's earliest obligation to transfer goods to the customers. Revenue of RMB117,226,000 (2023: RMB283,139,000) recognised in the current year with performance obligation satisfied includes whole contract liability balance at the beginning of the year.

33. LEASE LIABILITIES

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within one year	2,107	1,229
Within a period of more than one year but not more than two years	469	870
Within a period of more than two years but not more than five years	637	652
Within a period of more than five years	1,374	1,489
	4,587	4,240
Less: Amount due for settlement within 12 months shown under current liabilities	(2,107)	(1,229)
Amount due for settlement after 12 months shown under non-current liabilities	2,480	3,011

The weighted average incremental borrowing rates applied to lease liabilities range from 3.99% to 5.96% (2023: from 4.00% to 5.96%) per annum.

34. RETIREMENT BENEFIT PLANS

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.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans recognised as employee benefit charged to profit or loss and capitalised as production costs or construction in progress as incurred for the year ended 31 December 2024 under such arrangement are RMB23,471,000 (2023: RMB23,207,000).

As at 31 December 2024, no contributions (2023: Nil) due in respect of the year ended 31 December 2024 had not been paid over to the plans.

35. SHARE CAPITAL

	Number of shares		Share capital	
	2024	2023	**2024**	2023
	'000	'000	**RMB'000**	RMB'000
Issued and fully paid				
Ordinary shares of RMB1 each				
At beginning and end of year	**535,421**	535,421	**535,421**	535,421

36. REFUNDABLE DEPOSIT PAYABLE

During the year ended 31 December 2024, the Group entered into a contract with a service provider for operation and maintenance services on certain property, plant and equipment of the Group for a contract term of 10 years. In accordance with relevant contract terms, the Group received an interest-free deposit of RMB160,000,000 from the service provider and should refund the deposit on a monthly basis during the contract term. At 31 December 2024, there is outstanding deposit of RMB126,000,000, comprising of amounts of RMB14,625,000 to be refunded within 1 year and amounts of RMB111,375,000 to be refunded beyond 1 year.

37. SALE AND LEASEBACK PAYABLE

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Within one year	156,438	96,371
Within a period of more than one year but not more than two years	119,020	67,893
Within a period of more than two years but not more than five years	102,042	26,736
	377,500	191,000
Less: Amount due for settlement within 12 months shown under current liabilities	(156,438)	(96,371)
Amount due for settlement after 12 months shown under non-current liabilities	221,062	94,629

During the year ended 31 December 2024, the Group sold and leased back some coking facilities. The Group continues to recognise the assets and accounts for the transfer proceeds as borrowings, because the transfer does not satisfy the requirements as a sale. The effective borrowing rate applied to sale and leaseback payable is from 4.96% to 6.18% (2023: 6.18%) per annum.

38. DEFERRED REVENUE

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Assets-related government subsidies	25,041	18,440

During the year ended 31 December 2024, the Group received RMB8,919,000 (2023: Nil) in relation to incentives for certain plants and equipment acquired by the Group. The amounts received in prior years were recorded as deferred revenue and released to profit or loss on a systematic basis over the useful lives of the relevant assets. During the year ended 31 December 2024, subsidy income of approximately RMB2,318,000 (2023: RMB2,204,000) was released to profit or loss.

39. PERPETUAL LOAN

The Group received RMB15,630,000 from Wanghu Village Committee during the year of 2022. Interest of RMB1,600,000 should be paid to the borrower annually. This receipt was recognised as a perpetual loan based on the contract that the Group is only required to repay interest annually when the interest was past due. The perpetual loan was recognised at fair value with an effective interest rate of 10.24%.

40. CAPITAL COMMITMENTS

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the Group's consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	18,215	133,390

41. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks and other financing institutions as securities against general facilities, including bank borrowings, sale and leaseback payable and bills payables granted to the Group:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Property, plant and equipment	2,167,047	327,620
Right-of-use assets	252,506	261,181
Restricted bank balances	666,362	472,692
Bills receivables at FVTOCI	81,674	335,560
	3,167,589	1,397,053

42. TRANSFER OF FINANCIAL ASSETS

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

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Endorsed bills for settlement of payables	**1,667,344**	2,828,952
Discounted bills for raising cash	**1,087,806**	1,250,544
Outstanding endorsed and discounted bills receivables	**2,755,150**	4,079,496

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

43. RELATED PARTIES' TRANSACTIONS

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 consolidated financial statements, the Group entered into the following transactions with its related parties during the year:

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Sales of products and services to:		
Jiangxi PXSteel's subsidiaries	**627,840**	1,774,131
Maanshan Steel	**1,210,425**	547,998
Jinjiang Refinery	**91,157**	115,024
Xiamen Jinma	**181**	16,664
Fangsheng Chemicals and its subsidiary	**11,375**	38
Purchase of raw materials and services from:		
Xiamen Jinma	**287,668**	89,534
Fangsheng Chemicals	**9,699**	11,685
Jinjiang Refinery	**21,125**	9,589

43. RELATED PARTIES' TRANSACTIONS *(continued)*

(a) Transactions with related parties *(continued)*

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Sale of right-of-use assets to Jinjiang Refinery:	820	—
Lease contracts with Jinjiang Refinery:		
Lease liabilities (Note)	454	78
Interest expensed on lease liabilities	26	11

Note: During the year ended 31 December 2022, the Group entered into a lease agreement with Jinjiang Refinery for the use of offices for 2 years. During the year ended 31 December 2024, the Group entered into a new lease agreement for use of the offices for 2.7 years upon expiry of the precedent one. The Group recognised lease liabilities and right-of-use assets of RMB589,000 and RMB589,000, respectively, upon commencement of the new lease agreement.

(b) Compensation of key management personnel

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Salaries and allowance	6,828	5,469
Retirement benefit	506	465
	7,334	5,934

Key management represents the directors of the Company disclosed in Note 14 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.

44. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (which includes perpetual loan, borrowings, lease liabilities, sale and leaseback payable, net of cash and cash equivalents) and equity attributable to owners of the Company (comprising share capital and reserves).

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issue of new shares, new debts or the redemption of existing debts.

45. FINANCIAL INSTRUMENTS

Categories of financial instruments

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Financial assets		
Bills receivables at FVTOCI	**316,852**	1,135,340
Financial assets at amortised cost		
– Bank balances and cash	**509,560**	917,869
– Restricted bank balances	**666,362**	472,692
– Time deposits	**215,843**	—
– Trade and other receivables*	**186,885**	183,650
– Amount due from a shareholder	**31,456**	18,423
– Amounts due from related parties**	**40**	18,553

* Excluded prepayments to suppliers and prepaid other taxes and charges.

** Excluded prepayments for purchase of materials.

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Financial liabilities		
Amortised cost		
– Borrowings	**3,348,740**	3,943,791
– Trade and other payables*	**2,736,500**	3,275,298
– Refundable deposit payable	**111,375**	—
– Amounts due to related parties	**87,130**	2,636
– Perpetual loan	**15,630**	15,630
– Sale and leaseback payable	**377,500**	191,000

* Excluded salaries and wages payables, other tax payables, and included payables for purchase of property, plant and equipment in non-current liabilities.

45. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies

The Group's major financial instruments include, trade and other receivables, amounts due from a shareholder/related parties, bills receivables at FVTOCI, restricted bank balances, time deposits, bank balances and cash, trade and other payables, amounts due to related parties, sale and leaseback payable, refundable deposit payable, perpetual loan and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to certain interest-bearing restricted bank balances, time deposits, bills receivables at FVTOCI, perpetual loan, sale and leaseback payable, fixed-rate borrowings and lease liabilities, all bear fixed interest rates. The Group is also exposed to cash flow interest rate risk in relation to certain cash equivalents and borrowings at floating interest rates. The Group currently does not have an interest rate hedging policy. There are no concentration on the Group's interest rate risks. However, the management will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to cash flow interest rate for the floating-rate (depends on Loan Prime Rate) borrowings, assuming that the floating-rate borrowings outstanding at the end of the reporting period was outstanding for the whole relevant period. If the interest rate on the floating-rate borrowings had been 50 basis points higher/lower, and all other variables were held constant, the Group's loss after tax would increase/decrease by approximately RMB6,542,000 (2023: RMB7,601,000) for the year ended 31 December 2024. This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings as at 31 December 2024 and 2023.

No sensitivity analysis on cash equivalents is presented as the directors of the Company consider that the exposure of cash flow interest rate risk arising from cash equivalents is minimal.

In the directors' opinion, the sensitivity analysis above is unrepresentative for the interest rate risk as the exposure at the end of reporting period does not reflect the exposure during the year.

45. FINANCIAL INSTRUMENTS *(continued)*

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, which are mainly cash equivalents, at the end of the reporting period are as follows:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Assets		
Bank balances and cash – HK$	**10,086**	254,037

Sensitivity analysis

The following table details the Group's sensitivity to 5% appreciation of HK$ against RMB which represents the management's assessment of the possible change in foreign exchange rate. The sensitivity analysis of the Group includes the outstanding foreign currencies denominated monetary items and adjusts for 5% appreciation of foreign exchange rates at the end of the reporting period.

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	RMB'000
Decrease in post-tax loss	**378**	9,526

There would be an equal and opposite impact on the above post-tax results, should HK$ be weakened against RMB in the above sensitivity analysis.

In the directors' opinion, the sensitivity analysis above is unrepresentative for the foreign currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

45. FINANCIAL INSTRUMENTS *(continued)*

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. The Group does not hold any collateral, except for equity interest of a borrower held as collateral over a loan receivable amounted to RMB10,000,000, or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade-related Receivables arising from contracts with customers

The Group mainly conducts transactions with customers with good quality and long-term relationship. When accepting new customers, the Group requests advanced payment before the goods delivered. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard and considering the long-term relationships with its customers and the financial position of these customers, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2024, the Group has concentration of credit risk resulting from the Group's the five largest customers contributed to the Group's revenue during the year. The percentage of Trade-related Receivables attributable to these five largest customers amounted to 74% (2023: 47%).

As at 31 December 2024, the Group also has concentration of credit risk in respect of the five largest outstanding balances, i.e. approximately 84% (2023: 68%) of total Trade-related Receivables outstanding balances.

The Group had concentration of credit risk by geographical location as Trade-related Receivables, bills receivables at FVTOCI, restricted bank balances, time deposits, and bank balances comprise various debtors which are all located in the PRC as at 31 December 2024 and 2023.

All Trade-related Receivables are assessed collectively following lifetime ECL (not credit-impaired) based on shared credit risk characteristics by reference to the Group's internal credit ratings. No impairment is recognised or reversed during the year (2023: reversal of Nil). Details of the quantitative disclosures are set out below.

Other receivables, refundable deposits, receivable from disposal of interest in an associate and loans receivable ("Other Loans and Receivables")

For Other Loans and Receivables, the Group makes individual assessment on recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information that is available without undue cost or effort. No impairment (2023: RMB82,000) is recognised during the year.

45. FINANCIAL INSTRUMENTS *(continued)*

Credit risk and impairment assessment *(continued)*

Bank balances and cash, time deposits and restricted bank balances

The Group's credit risk on cash equivalents, time deposits and restricted bank balances is low and there is no significant concentration of credit risk because all bank deposits are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies. ECL on cash equivalents, time deposits and restricted bank balances was insignificant in the profit or loss during the years ended 31 December 2024 and 2023.

Bills receivables at FVTOCI

The Group only accepts bills receivables with low credit risk. The Group's bills receivables at FVTOCI are bank acceptance bills and therefore are considered to be low credit risk financial instruments. During the years ended 31 December 2024 and 2023, ECL on bills receivables at FVTOCI was insignificant in the profit or loss.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade-related Receivables	Other Loans and Receivables
Low risk	The counterparty has a low risk of default and does not have any past-due amount	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

45. FINANCIAL INSTRUMENTS *(continued)*

Credit risk and impairment assessment *(continued)*

Bills receivables at FVTOCI *(continued)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount 31/12/2024	31/12/2023
				RMB'000	RMB'000
Bills receivables at FVTOCI					
Bills receivables	AAA – A	N/A	12m ECL	316,852	1,135,340
Financial assets at amortised cost					
Trade-related Receivables	N/A	Low risk	Lifetime ECL (not credit-impaired)	204,496	202,356
		Watch list	Lifetime ECL (not credit-impaired)	543	—
				205,039	202,356
Bank balances, time deposits and restricted bank balances	AAA – AA+	N/A	12m ECL	1,391,766	1,390,561
Other Loans and Receivables	Note	Low risk	12m ECL	13,342	17,870
		Watch list	Lifetime ECL (not credit-impaired)	155	555
				13,497	18,425

Note: For Other Loans and Receivables, the external credit ratings are not available for each individual to be assessed.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to sales of goods. The following table provides information about the exposure to credit risk for not credit-impaired Trade-related Receivables which are assessed based on a collective basis under lifetime ECL model. There is no credit-impaired debtors as at 31 December 2024 (2023: Nil).

45. FINANCIAL INSTRUMENTS *(continued)*

Credit risk and impairment assessment *(continued)*

Gross carrying amount

	31/12/2024			31/12/2023		
Internal credit rating	**Average loss rate**	**Trade-related Receivables**	**ECL (not credit-impaired)**	Average loss rate	Trade-related Receivables	ECL (not credit-impaired)
		RMB'000	**RMB'000**		RMB'000	RMB'000
Low risk	**0.20%**	**204,496**	**—***	0.14%	202,356	—*
Watch list	**1.40%**	**543**	**—***	N/A	—	—
		205,039	**—**		202,356	—

* The amount of ECL loss is immaterial for the years ended 31 December 2024 and 2023.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table shows the movement in lifetime ECL that has been recognised on Trade-related Receivables under the simplified approach.

	Lifetime ECL (credit-impaired)	**Total**
	RMB'000	**RMB'000**
As at 1 January 2023	301	301
– Write off	(301)	(301)
At 31 December 2023 and 2024	—	—

45. FINANCIAL INSTRUMENTS *(continued)*

Credit risk and impairment assessment *(continued)*

Gross carrying amount ***(continued)***

The following table shows the movement in lifetime ECL that has been recognised on Other Loans and Receivables under the simplified approach.

	Lifetime ECL (not credit-impaired)	Total
	RMB'000	RMB'000
At 1 January 2023	73	73
– Impairment losses recognised	82	82
At 31 December 2023 and 2024	155	155

Liquidity risk

Despite uncertainties mentioned in Note 3.1, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months. The directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and medium term financial liabilities.

The Group relies on bank borrowings and sales and leaseback payables as significant sources of liquidity. As at 31 December 2024, the Group had unutilised bank facilities of approximately RMB984,237,000 (2023: RMB820,058,000).

The following tables detail the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

45. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk *(continued)*

Liquidity tables

		As at 31 December 2024					
	Interest rate	Carrying amounts	On demand or within 6 months	6 months to 1 year	1 year to 5 years	>5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	2.80%-5.70%	3,258,740	1,579,418	1,074,189	706,356	—	3,359,963
Other borrowings	5.30%-11.45%	90,000	93,085	—	—	—	93,085
Lease liabilities	3.99%-5.96%	4,587	782	1,397	1,275	2,260	5,714
Trade and other payables	N/A	2,736,500	2,585,658	6,750	144,092	—	2,736,500
Amounts due to related parties	N/A	87,130	87,130	—	—	—	87,130
Refundable deposit payable	N/A	111,375	—	—	67,500	43,875	111,375
Perpetual loan	10.24%	15,630	—	1,600	6,400	15,630	23,630
Sale and leaseback payable	4.96%-6.18%	377,500	79,199	82,131	245,426	—	406,756
		6,681,462	4,425,272	1,166,067	1,171,049	61,765	6,824,153

		As at 31 December 2023					
	Interest rate	Carrying amounts	On demand or within 6 months	6 months to 1 year	1 year to 5 years	>5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	2.60%-5.70%	3,893,791	1,780,377	714,538	1,554,961	—	4,049,876
Other borrowing	12.00%	50,000	51,833	—	—	—	51,833
Lease liabilities	4.00%-5.96%	4,240	858	406	1,719	2,510	5,493
Trade and other payables	N/A	3,275,298	3,077,124	—	198,174	—	3,275,298
Amounts due to related parties	N/A	2,636	2,636	—	—	—	2,636
Perpetual loan	10.24%	15,630	—	1,600	6,400	15,630	23,630
Sale and leaseback payable	6.18%	191,000	56,284	43,953	105,120	—	205,357
		7,432,595	4,969,112	760,497	1,866,374	18,140	7,614,123

45. FINANCIAL INSTRUMENTS *(continued)*

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

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

Financial assets	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	31/12/2024	31/12/2023		
Bills receivables at FVTOCI	**Assets-RMB316,852,000**	Assets-RMB1,135,340,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.

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

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

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings	Other borrowing	Dividends payable	Perpetual loan	Sale and leaseback payable	Lease liabilities	Share issue costs payables	Interest payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	3,143,120	80,000	—	15,630	—	4,557	—	5,022	3,248,329
Financing cash flows (Note)	750,671	(30,000)	(91,244)	(1,600)	191,000	(2,064)	(23,119)	(201,878)	591,766
Dividend declared	—	—	90,542	—	—	—	—	—	90,542
Exchange adjustments	—	—	702	—	—	—	—	—	702
Share issue cost incurred	—	—	—	—	—	—	30,562	—	30,562
New leases entered	—	—	—	—	—	1,504	—	—	1,504
Finance costs recognised	—	—	—	1,600	—	243	—	206,206	208,049
At 31 December 2023	3,893,791	50,000	—	15,630	191,000	4,240	7,443	9,350	4,171,454
Financing cash flows (Note)	(635,051)	40,000	(32,082)	(1,600)	166,050	(2,582)	(8,961)	(159,220)	(633,446)
Dividend declared	—	—	31,978	—	—	—	—	—	31,978
Exchange adjustments	—	—	104	—	—	—	—	—	104
Share issue cost incurred	—	—	—	—	—	—	1,518	—	1,518
New leases entered	—	—	—	—	—	2,631	—	—	2,631
Finance costs recognised	—	—	—	1,600	20,450	298	—	164,738	187,086
At 31 December 2024	**3,258,740**	**90,000**	**—**	**15,630**	**377,500**	**4,587**	**—**	**14,868**	**3,761,325**

Note: The cash flows represent new bank borrowings raised, the repayment of bank borrowings, interest paid, repayments of lease liabilities, dividends paid, perpetual loan paid, sale and leaseback payable received and repaid, and other borrowings received and repaid in the consolidated statement of cash flows.

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	31/12/2024	31/12/2023
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,191,599	1,217,945
Right-of-use assets	43,987	50,998
Investments in subsidiaries	1,986,522	1,986,522
Interests in associates	98,000	98,000
Deposit for acquisition of property, plant and equipment	1,520	3,217
	3,321,628	3,356,682
CURRENT ASSETS		
Inventories	101,679	222,759
Trade and other receivables	46,488	89,515
Amount due from a shareholder	17,837	10
Amounts due from subsidiaries	845,217	607,204
Amounts due from related parties	125	18,553
Bills receivables at FVTOCI	147,907	275,566
Restricted bank balances	535,627	236,008
Bank balances and cash	207,340	347,180
	1,902,220	1,796,795

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

	31/12/2024	31/12/2023
	RMB'000	RMB'000
CURRENT LIABILITIES		
Borrowings	507,240	457,620
Trade and other payables	898,054	907,788
Amount due to a related party	—	205
Amount due to a subsidiary	13,242	—
Sale and leaseback payable	156,438	96,371
Contract liabilities	807	8,691
Lease liabilities	6,562	6,265
Tax payable	—	1,801
	1,582,343	1,478,741
NET CURRENT ASSETS	319,877	318,054
TOTAL ASSETS LESS CURRENT LIABILITIES	3,641,505	3,674,736
CAPITAL AND RESERVES		
Share capital	535,421	535,421
Reserves	2,717,079	2,721,773
TOTAL EQUITY	3,252,500	3,257,194
NON-CURRENT LIABILITIES		
Borrowings	140,740	271,800
Sale and leaseback payable	221,062	94,629
Payables for purchase of property, plant and equipment	—	8,160
Lease liabilities	2,161	7,810
Deferred revenue	5,271	6,269
Deferred tax liabilities	19,771	28,874
	389,005	417,542
	3,641,505	3,674,736

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Movement in the Company's reserves:

	Special reserve	Capital reserve	Statutory surplus reserve fund	Retained profits	FVTOCI reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,942	386,496	267,710	1,944,099	(4,225)	2,596,022
Profit for the year	—	—	—	177,515	—	177,515
Other comprehensive income for the year	—	—	—	—	1,778	1,778
Total comprehensive income for the year	—	—	—	177,515	1,778	179,293
Dividends paid	—	—	—	(53,542)	—	(53,542)
Transfer	(1,211)	—	—	1,211	—	—
At 31 December 2023 and 1 January 2024	**731**	**386,496**	**267,710**	**2,069,283**	**(2,447)**	**2,721,773**
Loss for the year	—	—	—	**(6,298)**	—	**(6,298)**
Other comprehensive income for the year	—	—	—	—	**1,604**	**1,604**
Total comprehensive (expense) income for the year	—	—	—	**(6,298)**	**1,604**	**(4,694)**
Transfer	**(518)**	—	—	**518**	—	—
At 31 December 2024	**213**	**386,496**	**267,710**	**2,063,503**	**(843)**	**2,717,079**

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

West First Ring Road South
Jiyuan
Henan Province
PRC

Principal place of business in Hong Kong

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88 Hing Fat Street
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Contact information

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Company website

www.hnjmny.com

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. Xu Baochun (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)
Mr. Wu Jiacun
Mr. Zhou Tao David
Ms. Tian Fangyuan
Ms. Hao Yali
Mr. Fan Xiaozhu

Audit Committee

Mr. Wu Tak Lung (Chairman)
Mr. Xu Baochun
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. Xu Baochun (Chairman)
Mr. Li Tianxi
Mr. Cao Hongbin

Company secretary

Mr. Wong Hok Leung

Authorized representatives

Mr. Yiu Chiu Fai
Mr. Wong Hok Leung

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Admiralty
Hong Kong

Legal advisers

PRC Law

Brightstone lawyers
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Pudong New District
Shanghai
PRC

Hong Kong Law

Reed Smith Richards Butler LLP
17/F One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

H share registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal bankers

Agricultural Bank of China Limited Jiyuan Branch
No. 5 Central Road, Xin Garden
Jiyuan, Henan Province
PRC

Industrial and Commercial Bank of China Limited Jiyuan Branch
No. 131 Xuanhua East Street
Jiyuan, Henan Province
PRC

Bank of China Limited Jiyuan Branch
No. 98 Central Road, Xin Garden
Jiyuan, Henan Province
PRC

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Zijingshan Road Operations Department
1F, Pufa Square
No. 299 Jinshui Road, Jinshui District
Zhengzhou, Henan Province
PRC

China Zheshang Bank Co., Ltd. Zhengzhou Branch
No. 8 Longhu Financial Island, Jinshui District
Zhengzhou, Henan Province
PRC

HengFeng Bank Co., Ltd. Zhengzhou Branch
Block B, Oriental Peak Centre
No. 6 Caigao Street, Jinshui District
Zhengzhou, Henan Province
PRC

China Citic Bank Zhengzhou Branch
No. 1 Shangwu Inner Ring Road
Zhengdong New Area
Zhengzhou, Henan Province
PRC

China Guangfa Bank Zhengzhou Shangdu Road Sub-branch
No. 31 Shangdu Road
Zhengzhou, Henan Province
PRC

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

China Everbright Bank Co., Ltd. Zhengzhou Branch
No. 22 Zhonghuan Lu, Longhu Financial Island,
Jinshui District
Zhengzhou, 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

Huaxia Bank Co., Ltd. Zhengzhou Branch
No. 29, Business Outer Ring Road,
Zhengdong New District,
Zhengzhou City, Henan Province

China Merchants Bank, Zhengzhou Zhenghongcheng Sub-branch
No. 127, Huayuan Road, Jingshui District,
Zhengzhou City, Henan Province,
China

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 annual report, Taiwan, the Macau Special Administrative Region of the PRC and the Hong Kong Special Administrative Region of the PRC
"Code"	Appendix C1 (formerly known as Corporate Governance Code as set out in 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" or "our 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
"Latest Practicable Date"	23 April 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
"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
"Shareholder(s)"	shareholder(s) of the Company
"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" $\dfrac{\text{Profit attributable to owners of the Company}}{\text{Weighted average number of shares in issue during the year}}$

"current ratio" $\dfrac{\text{Total current assets}}{\text{Total current liabilities}}$

"dividend payout ratio" $\dfrac{\text{Dividend}}{\text{Profit attributable to owners of our Company}}$

"gearing ratio" $\dfrac{\text{Total interest-bearing bank borrowings}}{\text{Total equity}}$

"return on assets" $\dfrac{\text{Profit and total comprehensive income}}{\text{Average total assets}}$

"return on equity" $\dfrac{\text{Profit attributable to owners of our Company}}{\text{Average equity attributable to owners of our Company}}$

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)

"Fangsheng Chemicals" 濟源市方升化學有限公司 (Jiyuan Fangsheng Chemicals Co., Ltd.*)

"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.*))

"Jiangxi PXSteel Group" Jiangxi PXSteel and its subsidiaries

"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 Qingneng"	河南金馬氫能有限公司 (Henan Jinma Qingneng 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 Hchem"	河南金源氫化化工股份有限公司 (Henan Jinyuan Hydrogenated Chemicals Co., Ltd.) (formerly known as 濟源市金源化工有限公司 (Jiyuan Jinyuan Chemicals Co., Ltd* ("Jinyuan Chemicals"))
"Jinzhou Chemical"	河南省金洲化工科技有限公司 (Henan Jinzhou Chemical Technology 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)
"Maanshan Steel Group"	Maanshan Steel and its subsidiaries
"Shaanxi Jinma"	陝西金馬能源有限公司 (Shaanxi Jinma Energy Sources Co., Ltd.)
"Shanghai Hyfun"	上海氫楓能源技術有限公司 (Shanghai Hyfun 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 Industrial Group Co., Ltd.*)
"Shenzhen Jinma"	深圳市金馬能源有限公司 (Shenzhen Jinma Energy Co., Ltd*)
"Xiamen Jinma"	廈門金馬國貿有限公司 (Xiamen Jinma ITG Co., Ltd.*)
"Xinyang Co"	安鋼集團信陽鋼鐵有限責任公司 (Angang Group Xinyang Steel Co., Ltd.*)
"Xinyang Jingang"	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.)
"Yurui Chemical"	河南宇銳化工科技有限公司 (Henan Yurui Chemical Technology Company Limited*)
"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, 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