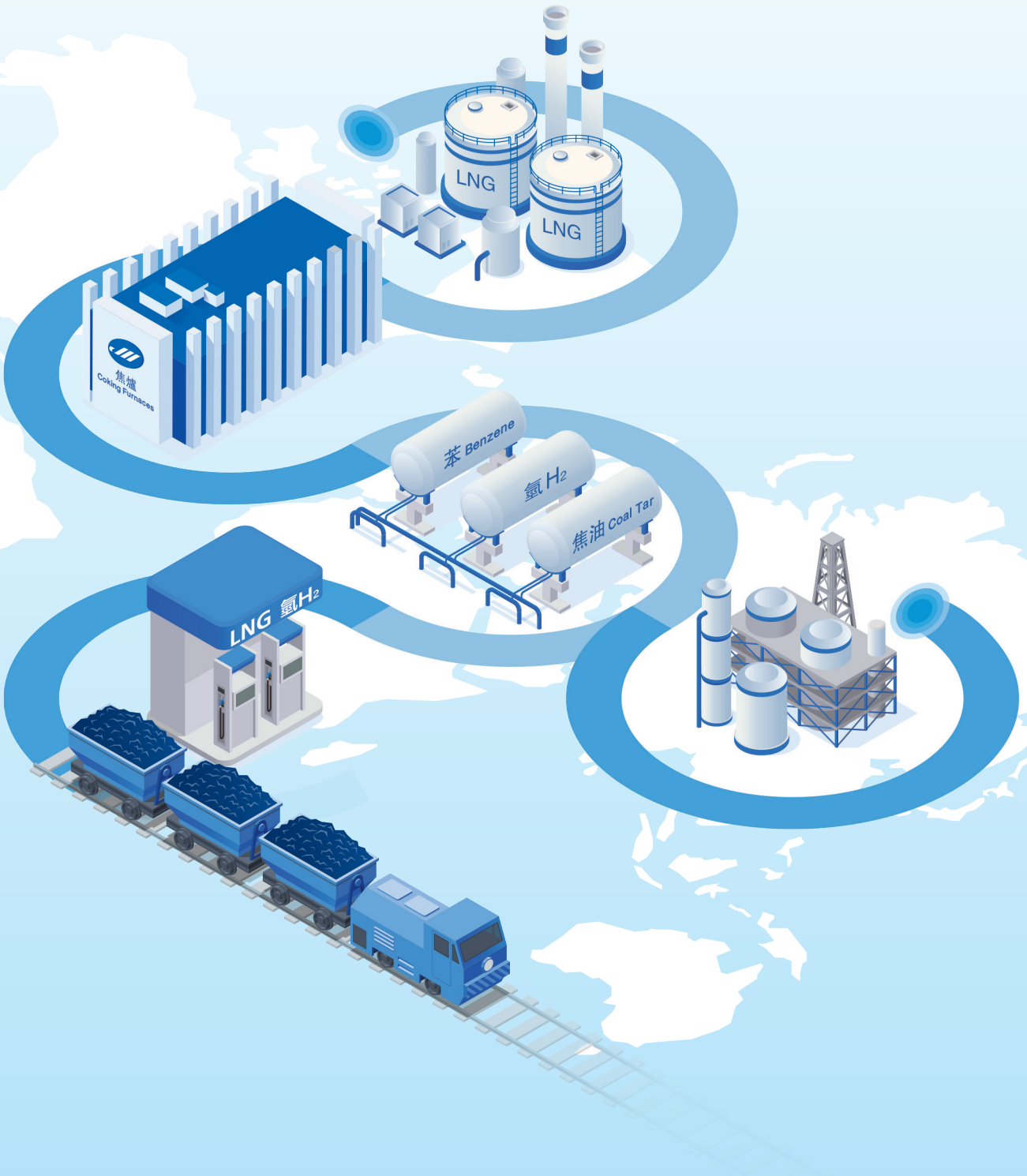




河南金馬能源股份有限公司
HENAN JINMA ENERGY COMPANY LIMITED

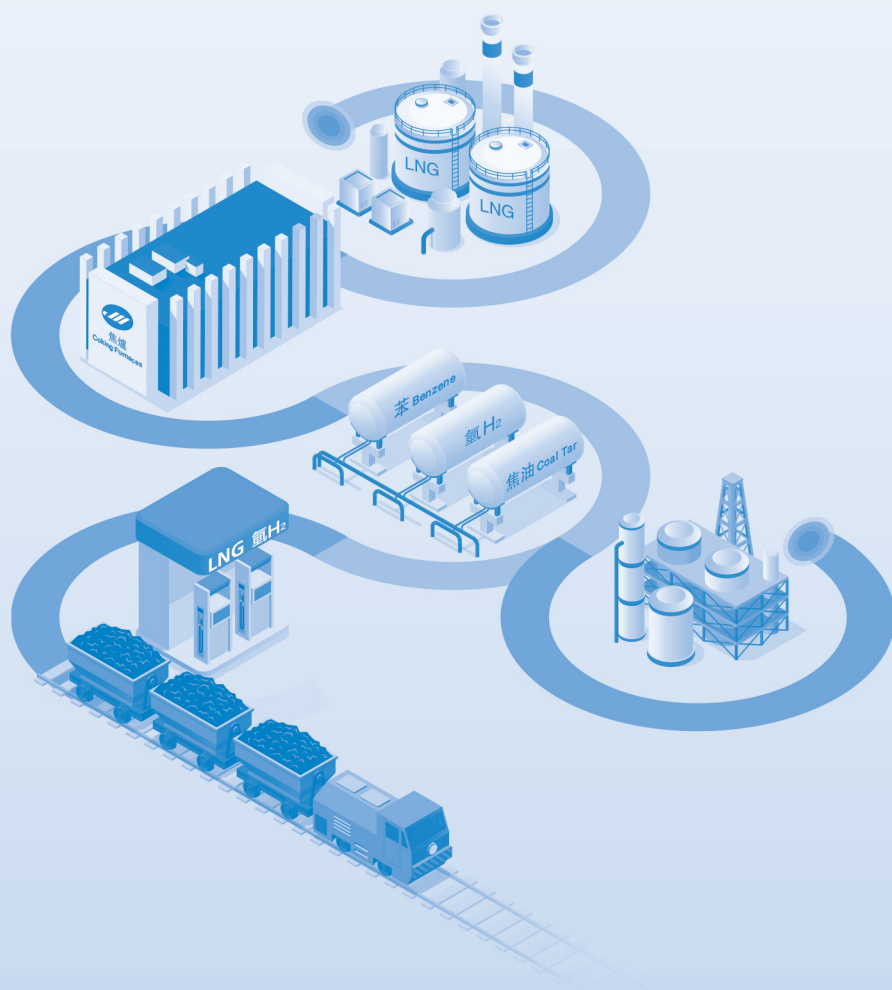
(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 6885

2025 ANNUAL REPORT

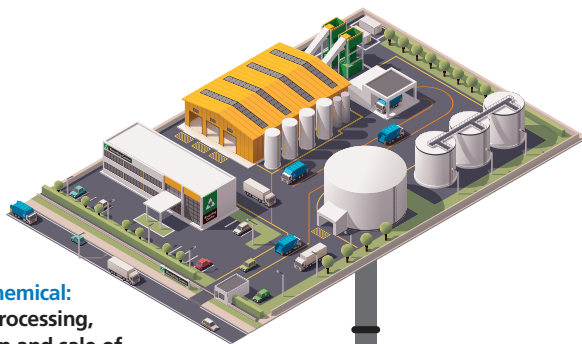


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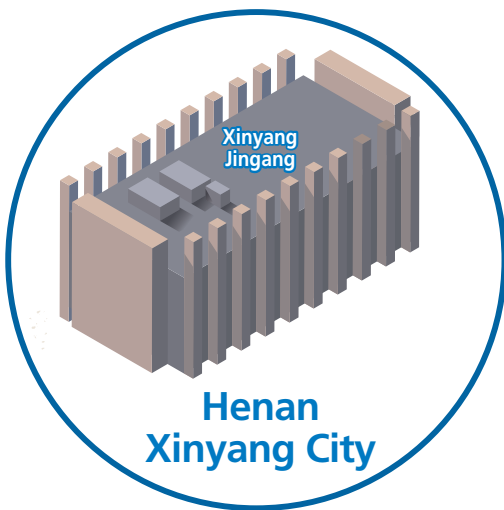
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Chemical Industry Park, Industry Centralization Area Huling, Jiyuan City, Henan Province

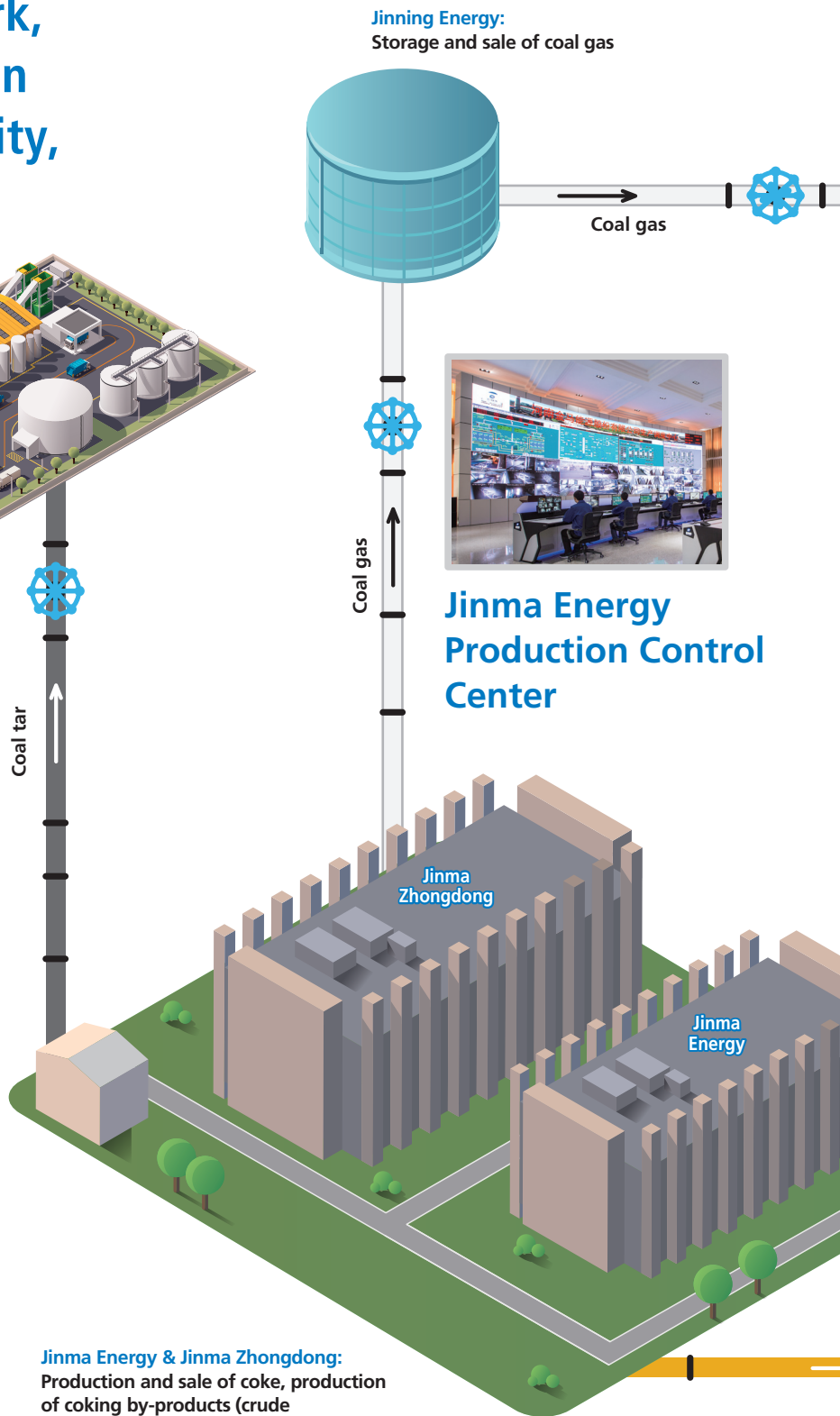


Bohigh Chemical:
Coal tar processing,
production and sale of
coal tar based chemicals



**Henan
Xinyang City**

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

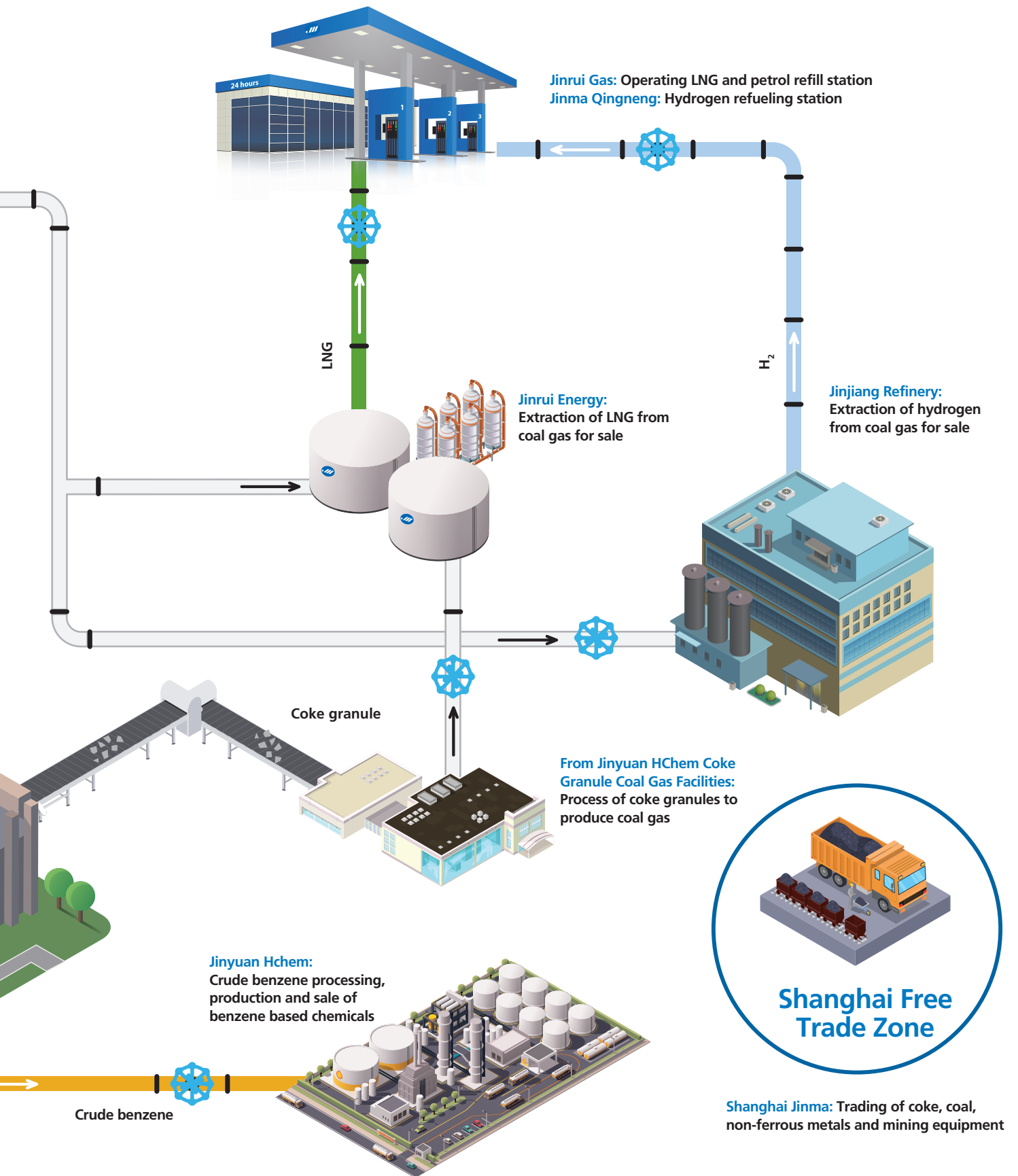


Jinning Energy:
Storage and sale of coal gas



**Jinma Energy
Production Control
Center**

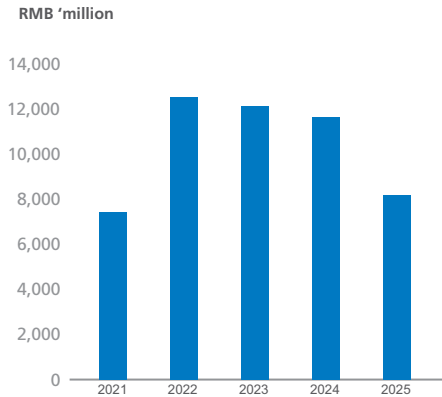
Jinma Energy & Jinma Zhongdong:
Production and sale of coke, production
of coking by-products (crude
benzene, coal tar and coal gas) for
further processing and sale by Group
Companies



FIVE YEAR FINANCIAL HIGHLIGHTS

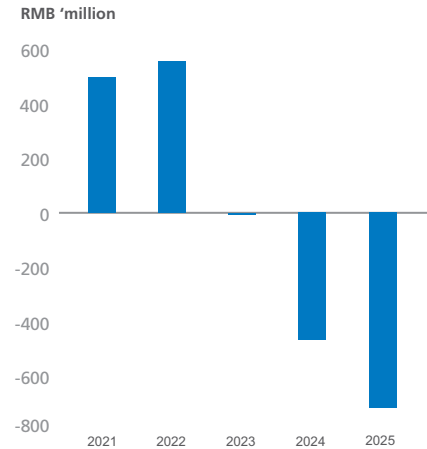
Revenue

For the year ended 31 December



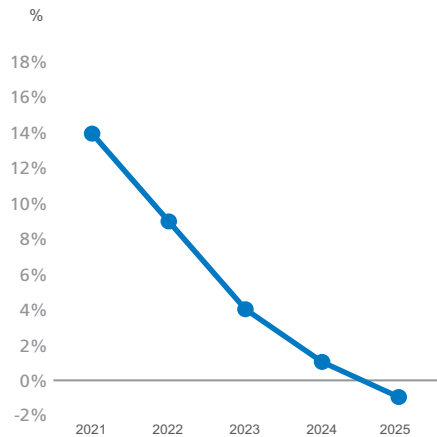
Profit for the year

For the year ended 31 December



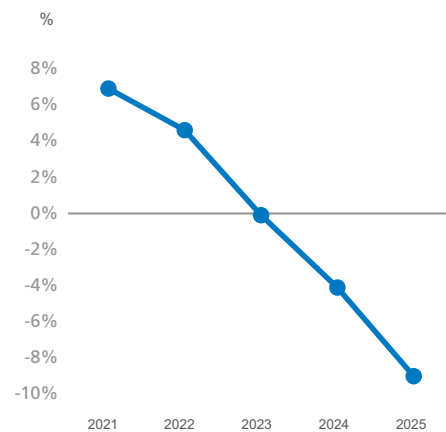
Gross profit margin

For the year ended 31 December



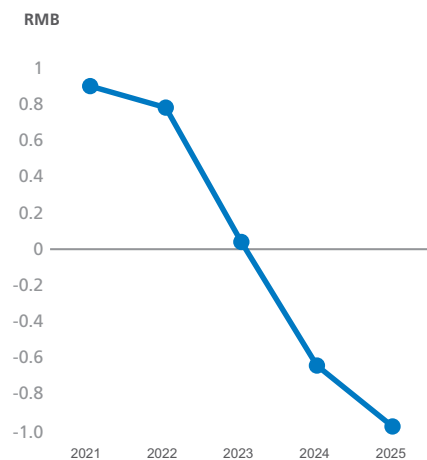
Net profit margin

For the year ended 31 December



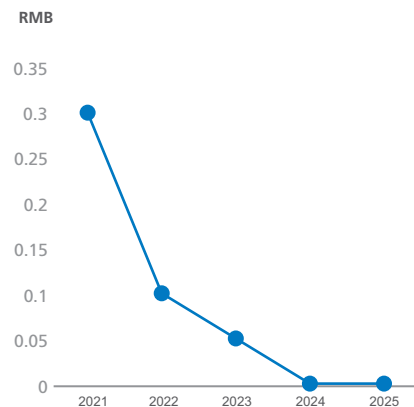
Basic earnings per share

For the year ended 31 December



Dividend per share

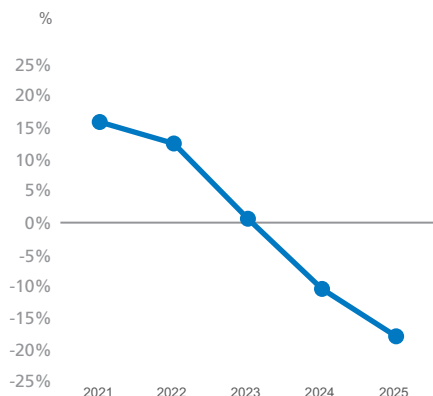
For the year ended 31 December



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.

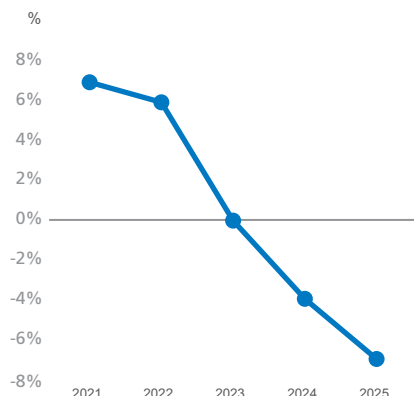
Return on equity

For the year ended 31 December



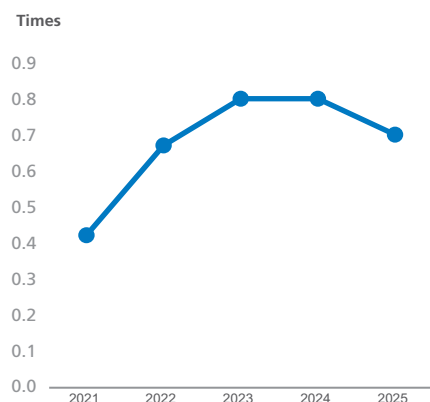
Return on assets

For the year ended 31 December



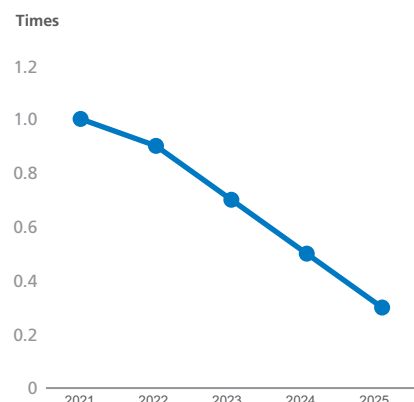
Gearing ratio

For the year ended 31 December



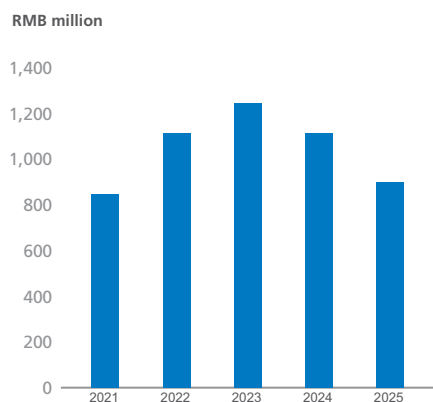
Current ratio

For the year ended 31 December



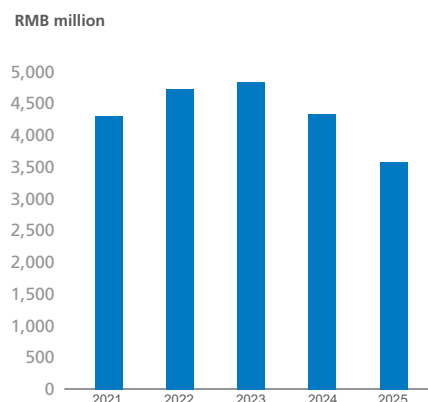
Total assets

As at 31 December



Total equity

As at 31 December



I am pleased to present to you the annual results of the Group for the year ended 31 December 2025 (the “Year”), the ninth year since the Company’s listing.

In 2025, China’s coke industry underwent profound adjustments amid a complex macroeconomic environment. While national coke production reached a record high of over 500 million tonnes, the sector faced a convergence of headwinds: contracting steel demand, weakening cost support, and intensifying overcapacity. These factors drove price levels significantly lower, keeping industry-wide profitability at depressed levels even as the sector’s transition toward higher-quality development continued to deepen.

In 2025, the average selling prices of the Group’s core products – coke, refined chemicals, and natural gas – declined in line with the economic situation by approximately 23.0%, 22.0%, and 7.3%, respectively, compared to 2024. Nevertheless, the average purchase price of coal, the primary raw material for production, decreased by around 27.0%, boosting the Group’s gross profit margin by 4.1%. Unfortunately, the sales costs substantially increased by approximately RMB507.9 million due to asset impairment losses of a subsidiary, causing the Group’s gross profit margin to drop to negative 0.8% in 2025. The subsidiary is currently undergoing a three-month protective suspension to conduct an in-depth review of its operational and financial issues, with the aim of formulating a restructuring plan within three months to protect the interests of shareholders and all stakeholders.

Looking ahead to 2026, the Chinese economy will be at a critical stage of shifting from old growth drivers to new ones. Its growth potential will moderate while growth quality improves. The deep adjustment in the real estate market remains the biggest domestic drag; the ongoing resolution of local government debt may constrain the space for infrastructure investment in the short term. For the coke market, price volatility may narrow, and price levels may edge up slightly in tandem with cost factors, yet the loose supply-demand balance is unlikely to change fundamentally. The industry as a whole will continue to face pressures of low profits and fierce competition. Accelerating the green and low-carbon transition and expanding into high value-added businesses will remain crucial for the industry to break through its dilemma.

To address these challenges, the Group’s management will continue to actively implement loss-reduction measures, standardize capital and financing management, and fully promote the profit-oriented operation philosophy and the PDCA+ and diligent management philosophy, striving toward the goal of turning losses into profits. For environmental protection investment, the Group will actively advance ultra-low emission renovation projects and strive to become an A-level enterprise in environmental performance, so as to mitigate the impact of environmental production restrictions, increase output and expand operational benefits.

In light of the Company’s operational performance, the Board has resolved not to declare a final dividend for the year ended 31 December 2025.

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

30 April 2026

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") 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 2025, the Group's revenue was mainly generated from the following major business segments:

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

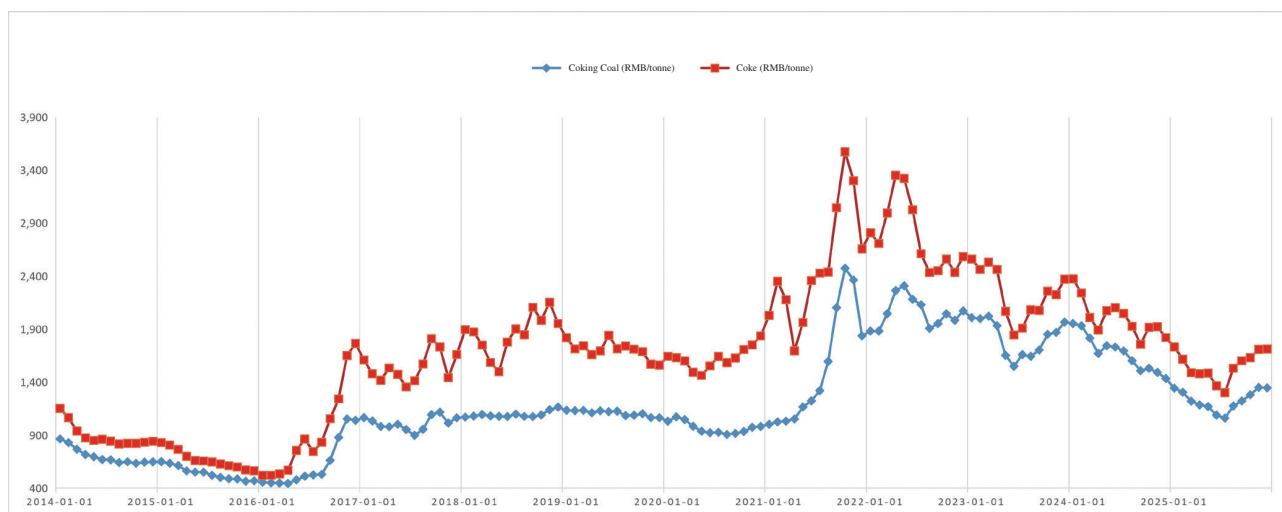
The following table sets forth the average selling price (net of VAT) of each of the Group's principal products during 2025 and 2024 according to the Group's internal records.

	Year ended 31 December	
	2025	2024
	Average selling price ⁽¹⁾	Average selling price ⁽¹⁾
	RMB/tonne (except coal gas in RMB/m ³)	RMB/tonne (except coal gas in RMB/m ³)
Coke	1,550.38	2,012.50
Coke	1,633.36	2,134.30
Coke breeze	841.47	967.27
Refined Chemicals		
Benzene based chemicals	5,299.86	6,791.54
Pure benzene	5,540.68	7,270.64
Toluene	4,381.61	6,395.48
Coal tar based chemicals	3,435.10	4,086.59
Coal asphalt	3,505.36	4,162.09
Anthracene oil	3,138.50	3,748.28
Industrial naphthalene	4,277.05	5,044.71
Energy Products		
Coal gas	0.83	0.83
LNG	3,890.58	4,197.43

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

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 2025 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 2025 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 2025, the Group's production for coke was approximately 3.3 million tonnes, and the processing volume for coal tar and crude benzene was approximately 236.6 thousand tonnes and 378.5 thousand tonnes respectively. While the production of LNG was approximately 64.3 thousand 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 2025 and 2024 were approximately RMB2,665.0 million and RMB3,348.7 million, respectively. The Group's finance costs for the years ended 31 December 2025 and 2024 were approximately RMB154.3 million and RMB144.0 million, respectively, accounting for approximately 1.9% and 1.2% 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 2025

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Revenue	8,123,404	11,598,533
Cost of sales	(8,191,818)	(11,448,421)
– Cost of goods and services	(7,683,904)	(11,448,421)
– Impairment losses on non-current assets	(507,914)	–
Gross (loss) profit	(68,414)	150,112
Other income	32,099	65,516
Other gains and losses	(8,958)	(26,050)
Selling and distribution expenses	(307,022)	(411,137)
Administrative expenses	(173,969)	(177,136)
Finance costs	(154,301)	(143,963)
Share of result of a joint venture	1,010	3,219
Share of results of associates	736	626
Loss before tax	(678,819)	(538,813)
Income tax (expense) credit	(53,688)	61,090
Loss for the year	(732,507)	(477,723)
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	558	8,267
Total comprehensive expense for the year	(731,949)	(469,456)
Loss for the year attributable to:		
– Owners of the Company	(527,391)	(345,890)
– Non-controlling interests	(205,116)	(131,833)
	(732,507)	(477,723)
Total comprehensive expense for the year attributable to:		
– Owners of the Company	(526,849)	(340,614)
– Non-controlling interests	(205,100)	(128,842)
	(731,949)	(469,456)
Loss per share (RMB)	(0.99)	(0.65)

Consolidated Financial Information

- **Revenue and gross profit margin**

In 2025, the average selling prices of the Group's major products (coke, refined chemicals and natural gas) all declined in line with economic conditions, falling by approximately 23.0%, 22.0%, and 7.3%, respectively as compared with 2024. However, as the average purchase price of coal, the Group's primary raw material, decreased by approximately 27.0%, this resulted in an increase of 4.1% in the Group's gross margin. Moreover, cost of sale has a substantial increase of approximately RMB507.9 million due to an Asset impairment of a subsidiary, leading to the Group's 2025 gross margin decreased to negative 0.8%. For details, please refer to the section headed "Business Segment Result" in this chapter.

- **Other Income**

Other income decreased from approximately RMB65.5 million in 2024 to approximately RMB32.1 million in 2025, mainly due to the interest income from banks and other sources decreased by RMB13.5 million, and government subsidies decreased by RMB9.4 million.

- **Other Gains and Losses**

Other gains and losses decreased from a net loss of approximately RMB26.1 million in 2024 to a net loss of approximately RMB9.0 million in 2025. The decrease was mainly attributable to a reduction of RMB15.0 million in the loss of fair value changes on notes for the year.

- **Selling and Distribution Expenses**

Selling and distribution expenses decreased from approximately RMB411.1 million in 2024 to approximately RMB307.0 million in 2025. The decrease was primarily due to the Group's sales revenue decreased by approximately 30.0% as compared with 2024. Specifically, coke production fell by 8% as the result of the Group suspended operations during certain production periods to comply with environmental regulations. The reduction in coke production also led to a decrease in by-product gas, which ultimately resulted in lower production and sales of natural gas.

- **Administrative Expenses**

Administrative expenses remained stable with a slight decrease of approximately 1.8% or RMB3.1 million from approximately RMB177.1 million in 2024.

- **Finance Costs**

Finance costs increased by approximately RMB10.3 million or approximately 7.2% from approximately RMB144.0 million in 2024 to approximately RMB154.3 million in 2025. This increase was mainly due to the proceeds of the interest expense on executions of litigation judgments from Xinyang Jingang, the increase was partially offset by a decrease in interest on bank loans.

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

Share of result of a joint venture decreased by approximately RMB2.2 million from a profit of approximately RMB3.2 million in 2024 to approximately RMB1.0 million in 2025. The decrease was mainly attributable to the decrease in unit sales price of hydrogen of the joint venture (Jinjiang Refining).

- **Share of Results of Associates**

The associated company, Xiamen Jinma, recorded a profit in 2025, the Group thus shared a profit of approximately RMB0.7 million (2024: approximately RMB0.6 million).

- **Loss before Tax**

As a result of the foregoing, the Group's loss before tax increased by approximately 26.0% or RMB140.0 million from approximately RMB538.8 million in 2024 to a loss of approximately RMB678.8 million in 2025, excluding the Asset impairment loss of approximately RMB507.9 million, the Group's loss before tax would have been RMB170.9 million.

- **Income Tax (Expense) Credit**

The income tax credit of approximately RMB61.1 million in 2024 turned to income tax expense of approximately RMB53.7 million in 2025 mainly due to a write-down of deferred tax assets in recognition of an uncertainty in future profits in utilizing the deferred tax assets.

- **Other Comprehensive Income**

The comprehensive income from the changes in fair value of the bills receivables through other comprehensive income at the end of 2025 was approximately RMB0.6 million, and it achieved a gain of approximately RMB8.3 million in 2024.

- **Total Comprehensive Loss for the Year**

As a result of the foregoing, the Group's total comprehensive loss significantly increased by approximately RMB262.4 million from approximately RMB469.5 million in 2024 to approximately RMB731.9 million in 2025, while the comprehensive loss for the year attributable to the owners of the Company was approximately RMB526.8 million, and after excluding the share of Xinyang Jingang's Asset impairment loss of approximately RMB355.5 million, its comprehensive loss would only be approximately RMB171.3 million, showing an improvement of RMB169.3 million when compared with the year of 2024.

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	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	%	%	%	%
Coke	4,292,561	7,190,991	(261,806)	102,489	(6.1)	1.4	52.8	62.0
Refined Chemicals	2,783,776	3,050,447	(54,346)	(123,987)	(2.0)	(4.1)	34.3	26.3
Energy Products	604,076	857,541	219,425	111,434	36.3	13.0	7.4	7.4
Trading	205,165	400,169	6,900	15,774	3.4	3.9	2.5	3.5

The Group's coke sales volume (tonnes) in 2025 decreased by approximately 8.0% as compared to 2024, mainly due to (i) the Group suspended production during certain periods in response to environmental protection requirements; (ii) starting in March 2025, the subsidiary Xinyang Jingang changed its business model from in-house coke production to processing (for details, please refer to the section of "Development of Xinyang Jingang" in the chapter of "Major Developments"). Meanwhile, as the average selling price of coke decreased by approximately 23.0% as compared with 2024, the segment revenue for 2025 decreased by approximately 40.3%; and as the average purchase price of coal, which is the major raw material for the production of coke, decreased by approximately 27% in 2025 as compared with 2024, thus the gross margin of the coke segment has achieved an increase of 4.3%. However, as the Cost of sale has recorded a substantial increase of approximately RMB507.9 million due to an Asset impairment as described below, the gross margin finally decreased to negative 6.1%, and the coke segment's results decreased by approximately RMB364.3 million to negative RMB261.8 million.

Asset impairment: As of 31 December 2025, in light of the ongoing losses of the subsidiary Xinyang Steel Jingang Energy Co., Ltd. ("Xinyang Jingang"), the Group's management determined that there were indications of impairment and therefore conducted an impairment test on Xinyang Jingang's property, plant, and equipment, right-of-use assets, and intangible assets with finite useful lives (hereinafter referred to as the "assets under test"). Following the test, it was concluded that an impairment of approximately RMB507.9 million is required for the assets under test. For further details, please refer to the Independent Auditor's Report and Note 15 to the Consolidated Financial Statements, as well as the section of "Development of Xinyang Jingang" in the chapter of "Major Developments".

Sales volume (tonnes) of benzene-based chemicals, a key product in the derivatives segment, increased by approximately 5.6% in 2025; however, the average selling price declined by approximately 22.0% as compared with 2024. Consequently, segment revenue in 2025 decreased by approximately 8.7%. Segment performance improved significantly, primarily due to a substantial reduction in the consumption tax levied on one of the products in 2025 as compared with approximately RMB41.0 million in 2024, and the average price of one of the primary raw materials (crude benzene) decreased by approximately 2.0% more than the average product price, contributing to the improvement in segment performance. The segment gross margin also improved from -4.1% in 2024 to -2.0%. In 2025, under pressure from competition from similar derivative chemical products derived from petroleum by-products, this segment was still unable to turn losses into profits.

For the energy products segment, its main products are liquefied natural gas (LNG) and coal gas. Compared to 2024, both production and sales volumes for these two products declined. This was primarily due to a reduction in coke production of Jinma Energy in response to environmental regulations, which led to a decrease in the supply of coke oven gas (a byproduct of coke production) used as raw material in its operations. Consequently, revenue from the energy products segment in 2025 decreased by approximately 29.6% to approximately RMB604.1 million. During 2025, the average selling price of LNG decreased by approximately 7.3% as compared with 2024, while coal gas prices remained stable. However, due to a decline of approximately 27.0% in the price of coal – the raw material for coke production (including by-product coke oven gas), the segment revenue increased significantly by RMB108.0 million or approximately 96.9%, and the segment gross margin rose from 13.0% in 2024 to 36.3%.

The trading segment's revenue in 2025 decreased by approximately RMB195.0 million or approximately 48.7% as compared with 2024. This decrease was mainly due to the decrease in the volume of coke trading business when coke prices fell; however, the gross margin is expected to remain within the 3.9% range seen in 2024, with a slight downward adjustment of 0.5% to approximately 3.4%.

FINANCIAL POSITION

Financial Resources

In 2025, 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 2025.

The Group's finance department prepares cash flow projections, which are reviewed regularly by the Group's senior management. Specific considerations in determining the Group's appropriate cash position include the Group's forecast working capital, 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	
	2025	2024
	RMB'000	RMB'000
Net cash from operating activities	359,368	942,525
Net cash from (used in) investing activities	248,866	(722,969)
Net cash used in financing activities	(868,012)	(633,446)
Net decrease in cash and cash equivalents	(259,778)	(413,890)
Cash and cash equivalents at the beginning of the year	509,560	917,869
Effect of foreign exchange rate changes	(228)	5,581
Cash and cash equivalents at the end of the year, represented by bank balances and cash	249,554	509,560

- **Cash Flow from Operating Activities**

The Group's net cash from operating activities of approximately RMB359.4 million for 2025 was primarily attributable to (i) decrease in inventories of approximately RMB240.4 million; (ii) decrease in bills receivables at FVTOCI of approximately RMB141.9 million; (iii) increase in contract liabilities of approximately RMB46.5 million; and (iv) decrease in amounts due from shareholders of approximately RMB31.5 million. Yet the net cash inflow from operating activities are partially offset by (i) decrease in trade and other payables of approximately RMB464.1 million; (ii) increase in amounts due from related parties of approximately RMB29.5 million; (iii) decrease in amounts due to related parties of approximately RMB15.3 million; and (iv) decrease in refundable deposit payable of approximately RMB14.6 million.

- **Cash Flow from Investing Activities**

The Group's net cash from investing activities of approximately RMB248.9 million for 2025 was primarily due to (i) withdrawal of restricted bank balances of approximately RMB1,088.5 million; (ii) withdrawal of time deposits of RMB213.9 million in the bank; (iii) assets-related government subsidy received of approximately RMB30.6 million; and (iv) interest received of approximately RMB16.2 million, partially offset by (i) placement of restricted bank balances of approximately RMB559.0 million; (ii) purchase of property, plant and equipment of approximately RMB345.0 million; and (iii) placement of time deposits of approximately RMB213.9 million.

- **Cash Flow used in Financing Activities**

The Group's net cash used in financing activities of approximately RMB868.0 million in 2025 was primarily due to (i) interest paid of approximately RMB137.7 million; (ii) net decrease in bank and other borrowings of approximately RMB688.8 million; (iii) repayment of sale and leaseback payable of approximately RMB164.6 million; (iv) repayment of other borrowing of approximately RMB70.0 million; and (v) payment of dividends of approximately RMB22.9 million, partially offset by (i) cash received from other borrowing of approximately RMB115.0 million; (ii) cash received from a shareholder of approximately RMB53.0 million; and (iii) cash received from sale and leaseback transaction of approximately RMB50.0 million.

Liabilities

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

	As at 31 December		
	2025	2024	Increase/ (decrease)
	RMB'000	RMB'000	RMB'000
Bank borrowings	2,569,957	3,258,740	(688,783)
Other borrowing	95,000	90,000	5,000
Secured	556,227	1,374,077	(817,850)
Unsecured	2,108,730	1,974,663	134,067
	2,664,957	3,348,740	(683,783)
Fixed-rate borrowings	1,127,402	1,604,137	(476,735)
Floating-rate borrowings	1,537,555	1,744,603	(207,048)
	2,664,957	3,348,740	(683,783)
Carrying amount repayable (based on scheduled payment terms)			
Within one year	2,264,791	2,668,118	(403,327)
More than one year, but not more than two years	266,426	432,909	(166,483)
More than two years, but not more than five years	133,740	247,713	(113,973)
	2,664,957	3,348,740	(683,783)
Less: Amount due for settlement within			
12 months shown under current liabilities	(2,264,791)	(2,668,118)	403,327
Amount due for settlement after 12 months shown under non-current liabilities	400,166	680,622	(280,456)

The Group's bank borrowings in 2025 and 2024 were all borrowings denominated in Renminbi. As at 31 December 2025, RMB556.2 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 41 to the Consolidated Financial Statements in this report. As at 31 December 2024, RMB3,167.6 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 2025 and 2024, 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	
	2025	2024
Effective interest rate per annum:		
– Fixed-rate borrowings	3.10%-5.40%	3.35%-5.70%
– Floating-rate borrowings	2.90%-5.60%	2.80%-5.05%

As at 31 December 2025, the Group had obtained banking facilities in an aggregate amount of approximately RMB13,923.70 million (2024: RMB13,923.70 million), of which total amount of approximately RMB238.3 million (2024: RMB984.2 million) is still available for use. As at 31 December 2025, the Group had total outstanding bank borrowings of approximately RMB2,570.0 million (2024: RMB3,258.7 million). The Group intends to refinance the Group's bank borrowings or repay the Group's bank borrowings as and when they fall due with the Group's internally generated funds (refinancing has been achieved for bank borrowings of RMB1,461.2 million falling due in 2025 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 2025 and up to the date of this report. As at 31 December 2025, save as disclosed in this "Financial Position" section and apart from normal trade payables, intra-group liabilities and amounts due to connected parties and related parties, the Group did not have any outstanding mortgages, charges or pledges, debentures or other debt securities, term loans, loan capital, other borrowings or other similar indebtedness (including bank loans and overdrafts, hire purchase commitments, acceptance liabilities or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that, for the year ended 31 December 2025, the Group was not subject to any material covenant on any of the Group's outstanding debt and, during 2025, other than in respect of a bank loan of approximately RMB100 million due by Xinyang Jingang on 29 March 2026, which is currently in the process of repayment reschedule discussions, 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 (excluding Xinyang Jingang. For details, please refer to the section of "Development of Xinyang Jingang" in the chapter of "Major Developments") 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	
	2025	2024
Gearing ratio	0.7x	0.8x
Return on equity	-18.5%	-10.5%
Return on assets	-7.2%	-4.0%

Gearing Ratio

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

The Group's gearing ratio in 2025 maintained at 0.7x of 2024.

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 2025 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 2025 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	
	2025	2024
	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	14,875	18,215

The Group's capital commitments for the year ended 31 December 2025 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 2025, the Group had no other material contractual commitments.

OFF-BALANCE SHEET ARRANGEMENTS

The Group did not have any material off-balance sheet arrangements as at 31 December 2025. Specifically, the Group has not entered into any derivative contracts that are indexed to the Group's shares and classified as shareholders' equity, or that are not reflected in the Group's 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 CONTINUING INVOLVEMENT ASSETS)

The Group (i) endorsed certain bills receivable for the settlement of trade and other payables; and (ii) discounted certain bills receivable 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 receivable, 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 receivable are issued and guaranteed by reputable PRC banks. As a result, the relevant assets and liabilities were derecognized on the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivable at the end of the Reporting Period are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Endorsed bills for settlement of payables	1,276,849	1,667,344
Discounted bills for raising cash	527,338	1,087,806
Outstanding endorsed and discounted bills receivables	1,804,187	2,755,150

Save as disclosed above and as of 31 December 2025, 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 (excluding Xinyang Jingang. For details, please refer to the section of "Development of Xinyang Jingang" in the chapter of "Major Developments"). The Directors confirmed that there have not been any material changes in the contingent liabilities of the Group since 31 December 2025 up to the date of this report.

SUBSEQUENT IMPORTANT EVENTS AND OTHER COMMITMENTS

Save as described above and 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 2025, the Group has not entered into any foreign exchange or interest rate hedging contract or forward purchase or sale contract for commodities.

Other than the Hong Kong dollar ("HK\$") proceeds of listing (HK\$0.8 million and HK\$10.1 million as at 31 December 2025 and 2024 respectively) pending remittance back to China, the Group has no exposure to significant exchange risks as all its operations are within China where there are no foreign currencies transactions, assets or liabilities.

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 2025, the Group had fixed-rate borrowings in the amount of approximately RMB1,127.4 million (2024: RMB1,604.1 million). The Group currently does not have an interest rate hedging policy, but the Group's management will consider hedging significant interest rate risk should the need arise.

CREDIT RISK

In the event that the Group's counterparties fail to perform their obligations, the Group's exposure to credit risk in relation to each class of recognized financial assets as at 31 December 2025 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 consolidated financial statement.

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

The Group has concentration of credit risk in trade receivables and amounts due from Shareholders and trading amounts due from related parties, with over 76% and 84% of exposure concentrated in five largest outstanding balances for the years ended 31 December 2025 and 2024, 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 2025							
Interest rate	Carrying amounts	On demand	6 months to 1 year	1 year	> 5 years	Total	
		or within 6 months		to 5 years			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Bank borrowings	2.90%-5.60%	2,569,957	1,321,203	891,983	417,538	-	2,630,724
Other borrowings	5.00%-13.80%	95,000	95,000	-	-	-	95,000
Lease liabilities	3.73%-5.96%	4,044	912	126	1,823	2,121	4,982
Trade and other payables	N/A	2,075,571	2,040,028	35,543	-	-	2,075,571
Amounts due to related parties	N/A	110,407	110,407	-	-	-	110,407
Amount due to a shareholder	N/A	57,311	57,311	-	-	-	57,311
Refundable deposit payable	N/A	57,999	-	-	40,002	17,997	57,999
Perpetual loan	10.24%	15,630	-	1,600	6,400	15,630	23,630
Sale and leaseback payable	4.74%-9.15%	278,231	78,708	78,245	137,463	-	294,416
		<u>5,264,150</u>	<u>3,703,569</u>	<u>1,007,497</u>	<u>603,226</u>	<u>35,748</u>	<u>5,350,040</u>

As at 31 December 2024							
Interest rate	Carrying amount	On demand	6 months to 1 year	1 year	> 5 years	Total	
		or within 6 months		to 5 years			
	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
		<u>6,681,462</u>	<u>4,425,272</u>	<u>1,166,067</u>	<u>1,171,049</u>	<u>61,765</u>	<u>6,824,153</u>

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had distributable reserves (i.e. retained profits) of RMB1,566.1 million (2024: RMB2,063.5 million). For the year ended 31 December 2025, 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 2025.

MAJOR DEVELOPMENTS

In 2025, China's economic growth slowed amid the global economic slowdown and domestic structural adjustments. The downstream steel industry was affected by environmental production restrictions and weakening demand, recorded a slight decline in output, thus, the coke market remained under pressure, with a narrow price spread of coal coke. In response to these challenges, the Group actively implemented loss-reduction measures across its operations, production and cost management, which mainly including:

- Standardizing treasury and financing management: Adhering to the principle of balancing income and expenditure and determining expenditure based on income, the Group centrally managed and coordinated cash inflows and outflows to mitigate funding risks, took positive cash flow as a prerequisite for production and operations, and imposed institutional discipline on working capital allocation, so as to maintain a sound financial position and effectively ensure operational continuity. In addition, the Group maintained active communication with banks and other financial institutions to secure stable credit support for funding security.
- Fully implementing the operating philosophy of profit and loss accountability and advancing cost reduction throughout the entire process and across all factors: The Group promoted the transformation of its subsidiaries from production-oriented entities to operation-oriented entities, implemented refined cost control measures to reduce raw material procurement and coal blending costs, strictly controlled inventory levels at its subsidiaries, and firmly adhered to a low-inventory strategy. By avoiding market speculation and effectively lowering raw coal inventory, the Group has reduced capital occupation and enhanced asset liquidity.
- Deepening the comprehensive budgeting and operational analysis system under the management philosophy of PDCA + conscientious execution: Through in-depth analysis of financial data, the Group was able to make accurate forecasts and timely adjustments in respect of production and sales volume, costs, cash flow and capital occupation, so as to ensure the achievement of its operating targets.

These measures began to deliver results in the second half of 2025, and the Group has, in essence, embarked on the path toward turning losses into profits.

In terms of production facilities, the major investments including:

Coal Tar Processing Capacity Expansion and Technical Upgrade Project

The coal tar processing capacity expansion and upgrading project, which expanded processing capacity from 180,000 tonnes to 360,000 tonnes, commenced construction in October 2023 and began operation in May 2025. 102 thousand tonnes of coal tar were processed under the project, and cumulative investment in the project amounted to RMB64.3 million.

Ultra-low Emission Retrofit

The ultra-low emission retrofit covers three key areas throughout the production process, namely organized emissions, unorganized emissions and clean transportation. Upon completion of the relevant assessment, an enterprise may apply for A-grade classification under the performance grading system for heavy pollution weather. Enterprises rated A-grade may, during heavy pollution warning periods such as autumn and winter, be exempted from production restriction measures imposed by the environmental authorities and instead implement self-directed emission reduction measures.

In 2025, Jinma Energy and Jinma Zhongdong actively advanced the ultra-low emission retrofit and the establishment of A-grade environmental protection enterprises, with a view to mitigating the impact of environmental production restrictions, increasing output and enhancing profitability. At present, on-site retrofitting has been completed, and assessment and monitoring have been carried out. In 2026, the Group will continue to advance this work and strive to complete all tasks by December 2026, thereby ensuring completion of the ultra-low emission retrofit and continuing to promote green and efficient development. Jinma Energy has made cumulative investment of approximately RMB110.0 million and is expected to invest a further approximately RMB10.0 million in 2026, while Jinma Zhongdong has made cumulative investment of approximately RMB120.0 million and is expected to invest a further RMB15.0 million in 2026.

In the hydrogen energy industry chain business:

At the beginning of 2025, the Company was operating five hydrogen station.

Jiyuan South Second Ring Hydrogen Station recorded annual hydrogen sales of 603 tonnes (corresponding period: 390 tonnes), serving approximately 30,000 vehicles, mainly raw coal transport heavy trucks and light trucks for cold-chain cargo transportation.

Zhengzhou Chemical Road Hydrogen Station recorded annual hydrogen sales of 375 tonnes (corresponding period: 201 tonnes), mainly serving approximately 18,000 hydrogen fuel cell dump trucks, tractors, concrete mixers, cold-chain logistics vehicles and sanitation vehicles.

Gongyi Heluo Hydrogen Station recorded annual hydrogen sales of 203 tonnes (corresponding period: 201 tonnes), serving approximately 10,000 vehicles, mainly coal transport tractors, freight tractors in the express delivery industry, and heavy trucks transporting sand and gravel aggregates for the construction industry.

Jiyuan Huling Hydrogen Station recorded annual hydrogen sales of 255 tonnes, serving approximately 13,000 vehicles, mainly raw coal transport heavy trucks and light trucks for cold-chain cargo transportation.

Dengfeng Guojiawa Hydrogen Station recorded annual hydrogen sales of 100 tonnes, serving approximately 5,000 vehicles, mainly coal transport tractors for power companies.

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

Xinyang Jingang Development

Xinyang Jingang was established on 29 October 2020 with a registered capital of RMB1,000 million, and is held as to 70% by the Company and 30% by Xinyang Steel. The joint venture is investing in a coking energy-saving technical transformation project (the “Project”) with a total investment of approximately RMB4,300 million. Upon completion and commencement of operations, the Project is expected to produce approximately 1.6 million tonnes of coke, generate approximately 1,400 to 1,600 million kWh of electricity, and produce approximately 50,000 tonnes of sulphuric acid annually. The Project is being constructed in two phases, with Phase 1 commencing operation in November 2022 and Phase 2 is ready for commissioning baking in September 2023.

Since its establishment, Xinyang Jingang has experienced sustained losses due to a combination of factors: high construction costs (construction during the COVID-19 pandemic), huge capital investment requirements, market adjustment in the coke sector, and the delay in implementing a synergistic project planned by Xinyang Steel to utilise electricity generated from Phases 1 and 2. As a result, Phase 1 has been unable to operate at full capacity, Phase 2 has been completed but remains idle, and production costs remain high leading to sustained losses suffered by Xinyang Jingang, details of which for the years 2023 to 2025 are as follows:

Net Loss	RMB million
2023:	161.7
2024:	316.0
2025:	228.4 (excluding asset impairment)

Given the said losses, Xinyang Jingang’s working capital position is tight, and its ability to operate as a going concern relies entirely on financial support from the Company. As of 31 December 2025, the total debt of the Group companies against Xinyang Jingang amounted to approximately RMB1,670 million, in addition to its joint borrower liability for Xinyang Jingang’s bank loans of approximately RMB320 million. As of 31 December 2025, Xinyang Jingang was involved in debt-related litigation with equipment suppliers, contractors, and raw material suppliers, with the total amount in litigation amounting to approximately RMB904 million. Among these, the amounts payable and remained unpaid by Xinyang Jingang under adjudicated lawsuits amounted to approximately RMB649 million in total. Xinyang Jingang’s lawyers are currently in the course of reviewing the judgments and considering making appeals. In addition, settled lawsuits involved amounts payable and remained unpaid by Xinyang Jingang is in the amount of approximately RMB205 million.

In preparing the financial report for the fiscal year 2025, Xinyang Jingang’s management conducted a second assessment of the property, plant and equipment and intangible assets. The valuation was performed on a going concern basis using the discounted cash flow (DCF) method. In this assessment, the management no longer assumed the synergistic project planned by Xinyang Steel to utilise electricity generated from Phases 1 and 2 will be implemented in 2027. Accordingly, electricity generated from Phase 2 will be sold through the State grid, resulting in a decline in electricity sales revenue. At the same time, conservative adjustment was made to the gross profit assumption for the coke business. These two changes in assumptions mainly led to the assessed value of assets of Xinyang Jingang falling below their carrying amount, resulting in an asset impairment loss approximately of RMB508 million.

In light of the current environmental regulations and government requirements, Xinyang Jingang needs to increase its investment in safety and environmentally friendly production. Faced with these operational and financial pressures, Xinyang Jingang has decided to implement a protective suspension of production for a period of three months in the April of 2026 and has established a professional team to conduct an in-depth study of Xinyang Jingang’s operational and financial issues. It is expected that a business restructuring plan will be proposed within the three-month period aiming to protect the interests of the shareholders and other stakeholders. The Company will report on this business plan in due course.

Valuation

Details of the abovementioned valuation are as follows:

As at 31 December 2025, in considering the continued loss of Xinyang Jingang, the management of the Group concluded there were indications for impairment and conducted impairment assessments on Xinyang Jingang's property, plant and equipment, right-of-use assets and intangible assets with finite useful lives ("**Xinyang Jingang's Tested Assets**" or "**Long-term Assets**").

The Income Approach, adopting DCF method, was used in assessing the recoverable amount of the Xinyang Jingang's Tested Assets based on their value in use. Based on the results of the assessments, management of the Group determined that the recoverable amount of Xinyang Jingang's Tested Assets (RMB3,120.8 million) is lower than their carrying amount (RMB3,628.7 million), thus an impairment loss of RMB507.9 million is recognised.

Income Approach is the selected valuation method. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows.

The other two generally accepted approach, namely market approach and cost approach are considered inappropriate for valuing the long-term assets. Firstly, the market approach requires market transactions of comparable assets as an indication of value. However, comparable current market transactions have not been identified. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the operation of the long-term assets over the forecasted valuation period (2026 – 2044) as does by the Income Approach.

Details of Inputs, Basis and Assumptions:

- Cashflow forecast prepared by Xinyang Jingang management. This forecast covered the 19 years period from 2026 to 2044, comprising a 5-year-period financial budgets and an extrapolation of cash flows covering the remaining useful life of the long-term assets in use on the valuation date of 31 December 2025.
- 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.
- Gross margin is based on past performances and management expectations for the market development of the long-term assets.
- Discount Rate: Pre-tax Discount rate of 14.3%.
- The production facilities and system are sufficient to meet the forecasted business growth and maintain a competitive edge to achieve the forecasted revenue for the valuation period from 2026 to 2044.
- Electricity generated in the coking process of phase 1 are sold to the joint venture partner, and those generated from phase 2 are sold to the State Grid.
- In the 2nd quarter of 2026, there will be a short-term protective production suspension of production of 3 months. During which a professional team will conduct an in-depth review of Xinyang Jingang's operational and financial issues, with the objective that a business restructuring plan could be proposed. After the 3-month period, production is forecasted to resume and phase 2 will start production from beginning of 2027.
- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Xinyang Jingang.

Compared with the similar valuation conducted in March 2025 for the long-term assets in use as at 31 December 2024 that did not result in an impairment loss, the significant assumption change is the sale of electricity generated from phase 2 coking facility that started operation in the beginning of 2027. In the current valuation prepared in March 2026, the electricity so generated is sold to the State Grid instead of to the joint-venture partner of Xinyang Jingang as management no longer assumed the synergistic project planned by the partner to utilise electricity generated from phase 2 will be implemented in 2027.

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had a total of 2,644 employees (2024: 2,761), including 8 senior management (2024: 10), 107 middle management (2024: 106) and 2,529 ordinary employees (2024: 2,645). For the year ended 31 December 2025, the staff cost of the Group amounted to approximately RMB264.1 million as compared to approximately RMB277.9 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	
	2025	2024
Nil to Hong Kong Dollar ("HK\$") 1,000,000	8	10
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 employees 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 organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries. Under these plans, no forfeited contributions can be used by the employers to reduce the existing level of contributions.

The Hong Kong based employees of the Group participate in the Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and the employers' existing level of contributions can be reduced by contributions forfeited by the employers on behalf of those employees who leave the scheme prior to vesting fully in the contributions. During the years ended 31 December 2024 and 31 December 2025, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2024 and 31 December 2025, respectively.

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 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, due to (i) the newly amended Company Law of the People's Republic of China; (ii) the China Securities Regulatory Commission has promulgated relevant guidelines, including the Guidelines on the Articles of Association of Listed Companies and other rules, and the repeal of the Notice of Mandatory Provisions for Articles of Association of Companies to be Listed Overseas; (iii) certain amendments made by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to the Listing Rules; (iv) and other corresponding internal changes taking into account the actual circumstances of the Company, the Company revised the Articles. For details of the amendments to the Articles and the relevant resolutions of the extraordinary general meeting, please refer to the announcements dated 15 August 2025 and 3 September 2025, the circular dated 18 August 2025 and the announcement on poll results of the extraordinary general meeting dated 5 September 2025 of the Company published on the websites of 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 announcements 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.
- During the period from 13 March 2025 to 27 April 2025, the Group purchased coal from the Xinyang Co Group. Such transactions were not disclosed in a timely manner in accordance with the reporting and announcement requirements under Chapter 14A of the Listing Rules. For further details, please refer to the section headed "Directors' Report" in this report.
- The Company is currently conducting an investigation into certain matters that may involve non-compliance with the Listing Rules.

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).

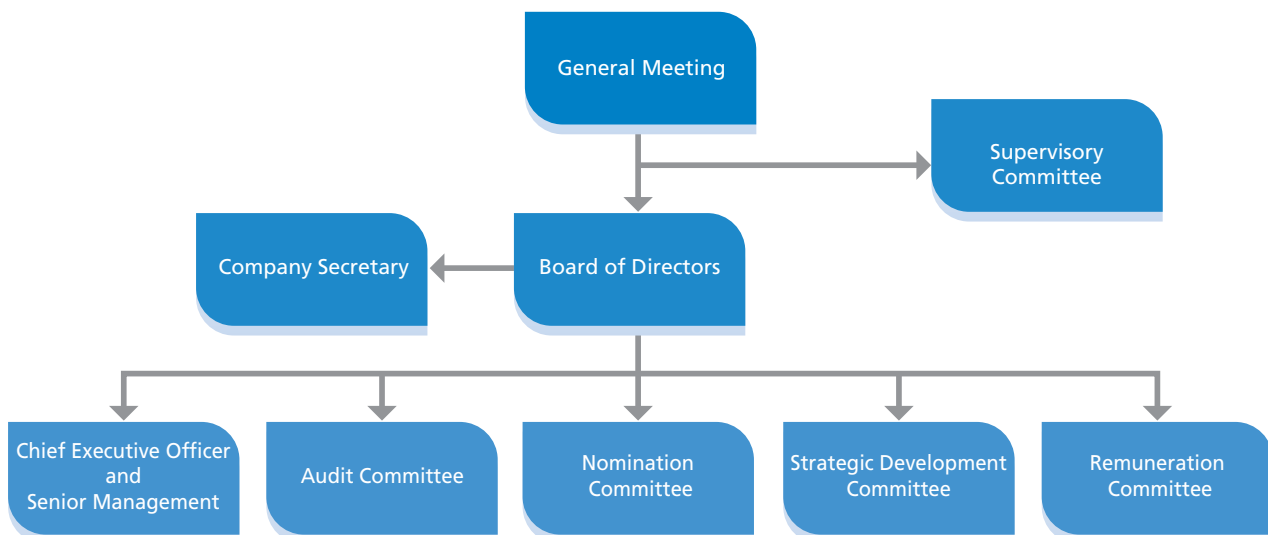
To prevent similar non-compliance in the future, the Company has strengthened its internal control as follows:

- 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 has been upgraded to enable online joint approval of the head of the finance department before any shipment instruction can further proceed in the system in 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, and the second bi-annual training for the second half of year 2025 was conducted on 24 October 2025. The Company has arranged the first bi-annual training for the year 2026 held on 15 April 2026.

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 2025, 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 2025 on page 33 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.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules and the company secretary has also issued to all Directors and Supervisors 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 fourth session of the Board of Directors were appointed at the annual general meeting held on 16 June 2025 for a term of three years until the conclusion of the annual general meeting for the year ended 31 December 2027. The fourth session of the Board of Directors consists of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors. The members of the fourth session of the Board of Directors are listed as follows:

Executive Directors

Mr. Yiu Chiu Fai (Chairman) (*retired on 16 June 2025*)

Mr. Wang Mingzhong (Chief Executive Officer) (*retired on 16 June 2025*)

Mr. Li Tianxi (Executive Deputy General Manager) (*retired on 16 June 2025*)

Mr. Liu Liangyu (Chairman of the Board) (*appointed on 16 June 2025 and resigned on 25 July 2025*)

Mr. Xu Huaping (*appointed on 16 June 2025*)

Mr. Wang Lijie (*appointed on 16 June 2025*)

Non-executive Directors

Mr. Yiu Chiu Fai (Chairman of the Board) (*appointed on 5 September 2025 as Director, appointed on 17 September 2025 as Chairman*)

Mr. Xu Baochun (Deputy Chairman of the Board) (*retired on 16 June 2025*)

Mr. Wang Kaibao (*retired on 16 June 2025*)

Mr. Xu Fenglei (Deputy Chairman of the Board) (*appointed on 16 June 2025*)

Ms. Wan Tingting (*appointed on 16 June 2025*)

Ms. Ye Ting

Independent Non-executive Directors

Mr. Cao Hongbin (retired on 16 June 2025)
 Mr. Meng Zhihe (retired on 16 June 2025)
 Mr. Wu Tak Lung (retired on 16 June 2025)
 Mr. Su Jiangang (appointed on 16 June 2025)
 Mr. Zhang Xicheng (appointed on 16 June 2025)
 Mr. Man Kwok Leung (appointed on 16 June 2025)

The Board held 10 physical meetings and passed 29 resolutions during the year ended 31 December, 2025. The attendance of each Director of the Company at board meetings and general meeting held in 2025 is as follows:

Directors	Attendance at Board Meetings	Attendance at General Meeting
Executive Directors		
Mr. Liu Liangyu ^(Note 1)	1/10	0/2
Mr. Wang Mingzhong ^(Note 3)	3/10	1/2
Mr. Li Tianxi ^(Note 3)	3/10	1/2
Mr. Xu Huaping ^(Note 4)	7/10	1/2
Mr. Wang Lijie ^(Note 4)	7/10	1/2
Non-executive Directors		
Mr. Yiu Chiu Fai (Chairman) ^(Note 2)	9/10	1/2
Mr. Xu Baochun (Deputy Chairman) ^(Note 3)	1/10	0/2
Mr. Wang Kaibao ^(Note 3)	2/10	0/2
Mr. Xu Fenglei ^(Note 4)	7/10	1/2
Ms. Wan Tingting ^(Note 4)	7/10	1/2
Ms. Ye Ting	9/10	2/2
Independent Non-executive Directors		
Mr. Wu Tak Lung ^(Note 3)	3/10	1/2
Mr. Meng Zhihe ^(Note 3)	3/10	1/2
Mr. Cao Hongbin ^(Note 3)	3/10	1/2
Mr. Su Jiangang ^(Note 4)	7/10	1/2
Mr. Zhang Xicheng ^(Note 4)	7/10	0/2
Mr. Man Kwok Leung ^(Note 4)	7/10	1/2

Note 1: Mr. Liu Liangyu was appointed as an executive Director of the Company on 16 June 2025 and resigned on 25 July 2025. Hence, he only attended one of the meetings of the fourth session of the Board.

Note 2: Mr. Yiu Chiu Fai retired as an executive Director of the Company on 16 June 2025 and was appointed as a non-executive Director of the Company on 5 September 2025. Hence, he did not attend two of the meetings of the fourth session of the Board and the general meeting held before his appointment.

Note 3: Mr. Wang Mingzhong, Mr. Li Tianxi, Mr. Xu Baochun, Mr. Wang Kaibao, Mr. Wu Tak Lung, Mr. Meng Zhihe and Mr. Cao Hongbin retired on 16 June 2025. Hence, they did not attend any meetings of the fourth session of the Board and the general meeting held after their retirement.

Note 4: Mr. Xu Huaping, Mr. Wang Lijie, Mr. Xu Fenglei, Ms. Wan Tingting, Mr. Su Jiangang, Mr. Zhang Xicheng and Mr. Man Kwok Leung were appointed as Directors for the fourth session of the Board on 16 June 2025. Hence, they did not attend any meetings of the third session of the Board and the general meeting held before their appointment.

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 91 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. Du Yifeng.

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 94 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 four non-executive Directors, namely Mr. Yiu Chiu Fai, Mr. Xu Fenglei, Ms. Wan Tingting, and Ms. Ye Ting, for terms commencing from 16 June 2025 and until the conclusion of the annual general meeting for the year ended 31 December 2027.

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. Man Kwok Leung, 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 commenced from 16 June 2025 and will expire upon the conclusion of the annual general meeting for the year ended 31 December 2027.

Mr. Liu Liangyu, Mr. Xu Huaping, Mr. Wang Lijie, Mr. Xu Fenglei, Ms. Wan Tingting, Mr. Su Jiangang, Mr. Zhang Xicheng and Mr. Man Kwok Leung have obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 12 May 2025, while Mr. Yiu Chiu Fai has obtained the legal advice referred to in Rule 3.09D of the Listings Rules on 6 August 2025, and they have all confirmed that they understood their obligations as Directors of the Company.

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 2025.

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 2025 is as follows:

- approved the working report of the Board and annual results announcement for 2024 of the Company;
- reviewed the auditor's report and annual report for 2024 of the Company;
- approved the interim report and interim results announcement for 2025 of the Company;
- considered the final dividend for 2024 and the interim dividend for 2025;
- 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 2025, 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 2025, all Directors have complied with the code provisions on continuing professional development under the Code for training:

Directors	Topic			
	Rules on Connected Transactions	Directors' Training for Companies Listed on the Main Board of The Stock Exchange of Hong Kong Limited	Regulatory Requirements Ch. 14, 14A and the Model Code of the Listing Rules	Continuing Obligations of Hong Kong Listed Companies (Online training)
Executive Directors				
Mr. Liu Liangyu ^(Note 1)		√		
Mr. Wang Mingzhong ^(Note 2)	√			
Mr. Li Tianxi ^(Note 2)	√			
Mr. Xu Huapin ^(Note 3)		√	√	√
Mr. Wang Lijie ^(Note 3)		√	√	√
Non-executive Directors				
Mr. Yiu Chiu Fai (Chairman)	√		√	√
Mr. Xu Fenglei (Deputy Chairman) ^(Note 3)		√	√	√
Mr. Xu Baochun ^(Note 2)	√	√		
Mr. Wang Kaibao ^(Note 2)	√	√		
Ms. Wan Tingting ^(Note 3)		√	√	√
Ms. Ye Ting	√	√	√	√
Independent Non-executive Directors				
Mr. Wu Tak Lung ^(Note 2)	√			
Mr. Meng Zhihe ^(Note 2)	√			
Mr. Cao Hongbin ^(Note 2)	√			
Mr. Zhang Xicheng ^(Note 3)		√	√	√
Mr. Su Jiangang ^(Note 3)		√	√	√
Mr. Man Kwok Leung ^(Note 3)		√	√	√

Note 1: Mr. Liu Liangyu was appointed as an executive Director of the Company on 16 June 2025 and resigned on 25 July 2025. Hence, he only attended one directors' training.

Note 2: Mr. Wang Mingzhong, Mr. Li Tianxi, Mr. Xu Baochun, Mr. Wang Kaibao, Mr. Wu Tak Lung, Mr. Meng Zhihe and Mr. Cao Hongbin retired on 16 June 2025. Hence, they did not attend the directors' trainings held after their retirement.

Note 3: Mr. Xu Huaping, Mr. Wang Lijie, Mr. Xu Fenglei, Ms. Wan Tingting, Mr. Su Jiangang, Mr. Zhang Xicheng and Mr. Man Kwok Leung were appointed as Directors for the fourth session of the Board on 16 June 2025. Hence, they did not attend the directors' trainings held before their appointment.

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 three meetings during the year ended 31 December 2025. A list of the members and the attendance of each of its members at its meetings during 2025 are as follows:

Directors	Attendance at Audit Committee's meetings
Mr. Wu Tak Lung (Independent non-executive Director) <i>(retired on 16 June 2025)</i>	2/3
Mr. Xu Baochun (Non-executive Director) <i>(retired on 16 June 2025)</i>	0/3
Mr. Meng Zhihe (Independent non-executive Director) <i>(retired on 16 June 2025)</i>	2/3
Mr. Man Kwok Leung (Chairman) (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	1/3
Mr. Su Jiangan (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	1/3
Mr. Zhang Xicheng (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	1/3

Note: The composition of the Audit Committee changed during the year, and the attendance rate shown is calculated based on the meetings held during their respective tenures.

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 2024 and the unaudited condensed consolidated interim financial statements for 2025 of the Company;
- reviewed the interim report for 2025 of the Company;
- reviewed the report on the 2025 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 2025.

The auditor of the Company has audited the 2025 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 two meetings during the year ended 31 December 2025. A list of the members and the attendance of each of its members at its meeting during 2025 are as follows:

Directors	Attendance at Remuneration Committee's meeting
Mr. Cao Hongbin (Independent non-executive Director) <i>(retired on 16 June 2025)</i>	2/2
Mr. Wang Mingzhong (Executive Director) <i>(retired on 16 June 2025)</i>	2/2
Mr. Wu Tak Lung (Independent non-executive Director) <i>(retired on 16 June 2025)</i>	2/2
Mr. Zhang Xicheng (Chairman) (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	0/2
Mr. Su Jiangan (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	0/2
Mr. Xu Huaping (Executive Director) <i>(appointed on 16 June 2025)</i>	0/2

Note: Mr. Zhang Xicheng, Mr. Xu Huaping and Mr. Su Jiangan were appointed as members of the Remuneration Committee on 16 June 2025. The last Remuneration Committee meeting for 2025 was held prior to their appointment. Hence, their attendance rate was not calculated.

During the above meetings held in 2025, 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 two meetings during the year ended 31 December 2025. A list of the members and the attendance of each of its members at its meetings during 2025 are as follows:

Directors	Attendance at Nomination Committee's meeting
Mr. Yiu Chiu Fai (Chairman) (Executive Director) <i>(retired on 16 June 2025 and appointed on 29 December 2025)</i>	2/2
Mr. Meng Zhihe (Independent non-executive Director) <i>(retired on 16 June 2025)</i>	2/2
Mr. Cao Hongbin (Independent non-executive Director) <i>(retired on 16 June 2025)</i>	2/2
Mr. Liu Liangyu (Executive Director) <i>(appointed on 16 June 2025 and resigned on 25 July 2025)</i>	0/2
Ms. Wan Tingting (Non-executive Director) <i>(appointed on 16 June 2025)</i>	0/2
Mr. Su Jiangang (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	0/2
Mr. Zhang Xicheng (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	0/2
Mr. Man Kwok Leung (Independent non-executive Director) <i>(appointed on 16 June 2025)</i>	0/2

Note: Ms. Wan Tingting, Mr. Su Jiangang, Mr. Zhang Xicheng and Mr. Man Kwok Leung were appointed as members of the Nomination Committee on 16 June 2025. The last Nomination Committee meeting of 2025 was held prior to their appointment. Hence, their attendance rate was not calculated.

A summary of main work performed by the Nomination Committee in 2025 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 70. 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 and Ms. Wan Tingting served as non-executive directors of the Company since 2019 and 2025 respectively, 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 the future. 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 (Non-executive Director) *(retired on 16 June 2025)*

Mr. Liu Liangyu (Executive Director) *(appointed on 16 June 2025, resigned on 25 July 2025)*

Mr. Li Tianxi (Executive Director) *(retired on 16 June 2025)*

Mr. Cao Hongbin (Independent non-executive Director) *(retired on 16 June 2025)*

Mr. Xu Fenglei (Chairman) *(appointed on 16 June 2025)*

Mr. Yiu Chiu Fai (Non-executive Director) *(appointed on 29 December 2025)*

Mr. Wang Lijie (Executive Director) *(appointed on 16 June 2025)*

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 2025, the remuneration of Deloitte and its related parties for audit service was approximately RMB1.8 million, for other audit services were approximately RMB1.2 million and for non-audit services were approximately RMB0.3 million. Non-audit services provided to the Group represented 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 2025 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 129 to 130 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.

Mr. Wong attended relevant professional training for no less than 15 hours in 2025.

Major Changes in the information of Directors and Supervisors

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

Supervisors	Details of Change
Ms. Tian Fangyuan	From 31 July 2025, Ms. Tian has served as a director of Yuguang (Australia) Pty Ltd.
Ms. Hao Yali	From January 2025, Ms. Hao has been appointed as the Chairperson of the Trade Union 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 84 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 who individually or in aggregate hold more than one percent of shares may put forward proposal in writing to the convener ten days before the general 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@hnmny.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 above mentioned 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 46 to 98 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

In January 2026, due to the certain possible breaches of Listing Rules and internal control measures as discovered in the regular compliances review exercise in 2025, the Company has engaged an independent internal control consultant (the “**2026 IC Consultant**”) to review the design and operation of the internal control systems and measures of the Group. The report of the 2026 IC Consultant (the “**2026 IC Report**”) was submitted in March 2026. The management of the Company is planning to adopt the recommendations set out in the 2026 IC Report and to formulate an implementation timetable for consideration by the Audit Committee and approval by the Board. The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit, financial reporting functions, as well as ESG performance and reporting, and concluded that they are adequate. The Audit Committee also considered that the Company’s processes for financial reporting and Listing Rules compliance were adequate.

Report Description

This is the Group's Environmental, Social and Governance report for the period from 1 January, 2025 to 31 December, 2025 (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 28 to 45).

This report was 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:

Materiality: The Group identified its key stakeholders and the ESG issues that concern them, and made targeted disclosures in this report in accordance with the level of materiality of these issues.

Quantitative: The statistical criteria, methods, assumptions, calculation tools and sources of conversion factors for key performance indicators are explained in different sections of the report.

Consistency: The statistical methods adopted herein 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 inappropriate influence on readers' decisions or judgements that may arise from selective disclosure, omission or improper presentation.

Languages and Formats:

The report is published in both Chinese and English versions in electronic form. The electronic version is available on 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 solemnly commits to strictly complying with the relevant requirements of 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 is fully responsible for the approval, promotion, and implementation oversight of the Company's ESG strategies and assumes overall responsibility for the Company's ESG strategies and reporting. The Board continuously optimised the ESG governance structure and management framework, systematically identified, assessed, prioritised and managed material ESG issues, and strived to improve the Company's overall ESG performance. It regularly reviewed the progress of ESG work against set objectives and key performance indicators to ensure ESG strategies were deeply integrated into the Company's overall business development. This report discloses in detail the Group's ESG practices and performance in 2025 and was reviewed and approved by the Board prior to publication. The Board and all Directors of the Company warrant that the content of this report is true, accurate, and complete, with no false records, misrepresentations, or material omissions, and assume individual and joint legal responsibility accordingly. During the Reporting Period, the Board conducted in-depth discussions and made decisions on the Company's ESG-related matters to ensure that the Company's operations were highly consistent with its commitment to sustainable development.

1. Responsibility Management

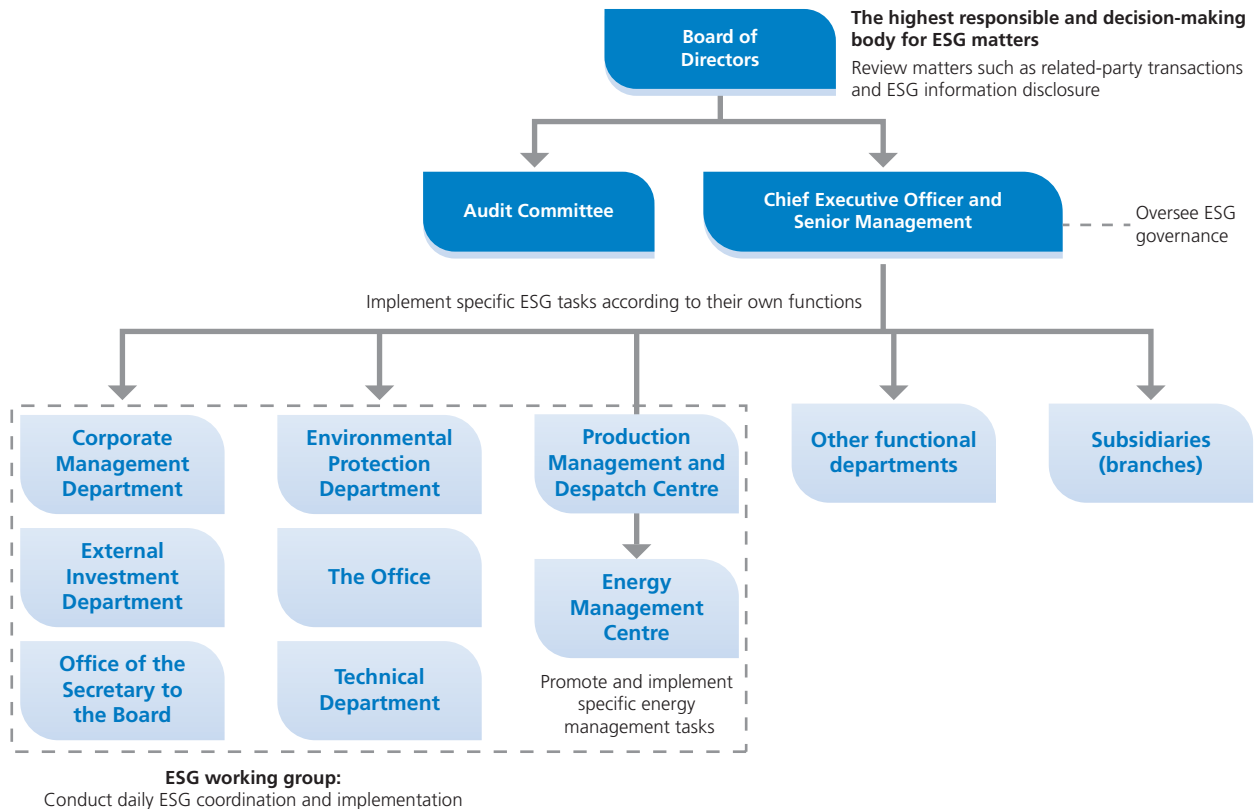
During the Reporting Period, the Group positioned itself as a responsible corporate citizen, solidly advanced its responsibility management initiatives, and strived to play a leading role in sustainable development and social value creation. By continuously optimizing its ESG management system, deepening communication and exchange with stakeholders, and effectively addressing their core concerns, the Group strengthened compliant operations, and promoted the comprehensive integration of the concept of sustainability into daily operations and strategic practices.

1.1 ESG Management System

ESG governance

The Group established an ESG management system with the Board of Directors at its core, the Audit Committee, 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Monitoring ESG-related risk management and internal control systems.
ESG working group	<ul style="list-style-type: none"> • Comprising 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, a collaborative mechanism was formed. • 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)	<ul style="list-style-type: none"> • 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 attached great importance to the diversity and professional composition of the Board, and formulated and continuously implemented the Board Diversity Policy. The Nomination Committee annually reviewed and set quantifiable diversity targets and put forward optimization suggestions to the Board. In nominating director candidates, it fully evaluated candidates from multiple dimensions including gender, age, educational background, cultural literacy, professional experience, skills and length of service. At present, the Group has achieved its gender diversity target. The Board shows sound diversity in age structure, education, professional background and industry experience. The policy has achieved remarkable results. Going forward, the Group will continue to assess the feasibility of targets, identify potential challenges and influencing factors, and continuously optimise the Board composition to enhance governance efficiency.

1.2 ESG Concept and Strategy

The Group deeply implemented the ESG governance concept, strictly aligned with national standards, closely followed the overall strategic deployment, and adhered to Party-building leadership. With industry benchmarking, innovation-driven and value enhancement as core guidance, it comprehensively promoted safe, coordinated and integrated development, accelerated the in-depth application of intelligent technologies across the entire chain, and committed to achieving clean and efficient utilisation of the whole coal industry chain, continuously providing high-quality energy products and services.

While fully implementing the relevant national laws and regulations on environmental protection, the Group combined the latest requirements of the Environmental, Social and Governance Reporting Guide 《環境、社會及管治報告守則》 issued by the Stock Exchange, national policy orientations, materiality issue assessment results, and its own operational characteristics, established a green, low-carbon and highly-efficient development path, and formulated and disclosed its environmental objectives for 2021-2025, with a focus on key areas such as carbon emission reduction, pollution prevention and control, and energy efficiency improvement. In addition, in view of the environmental risk characteristics of each production link, the Group systematically carried out risk identification and hidden danger investigation in accordance with the risk management system, strengthened control responsibilities, and effectively achieved coordinated progress in work safety and environmental protection.

Communication with Stakeholders

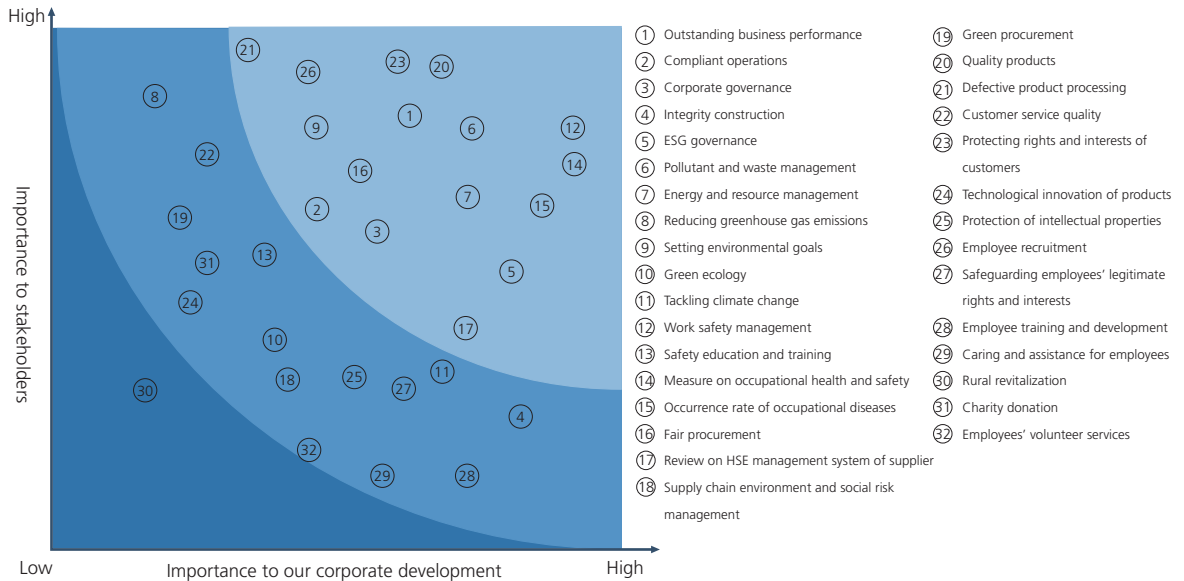
The Group established a diversified and regular stakeholder communication mechanism to promptly convey information and efficiently respond to demands of various stakeholders. It conducted demand surveys through regular questionnaires and other means to deeply understand stakeholders' concerns, and used the survey results as a key reference for formulating information disclosure strategies. Meanwhile, combined with material issue assessment, the Group scientifically determined the core disclosure content of this report to enhance the relevance and transparency of communication.

Stakeholders	Communication Channels	Issues of Concern
Investors/Shareholders	<ul style="list-style-type: none"> Regular reports and information disclosure Shareholders' meetings Investors' surveys Roadshow on business results Teleconference 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Daily communications Information bulletin Public-private-partnerships Government review 	<ul style="list-style-type: none"> Complying with laws and regulations Protection of intellectual properties Work safety Tackling climate change Pollutant and waste management Energy and resource management
Customers	<ul style="list-style-type: none"> Daily services and communications Portal websites Customer service hotline Customer satisfaction survey 	<ul style="list-style-type: none"> Stable product quality Defective product processing Response guarantee for services and feedbacks

Stakeholders	Communication Channels	Issues of Concern
Supply Chain	<ul style="list-style-type: none"> • Business negotiations • Win-win by cooperation • Seeking development together 	<ul style="list-style-type: none"> • Good cooperation • Smooth communication channels • Fair procurement • Careful implementation of cooperation agreements
Business Partners	<ul style="list-style-type: none"> • Project cooperation • Daily business communication • Establishment of industrial leagues • Online service platform 	<ul style="list-style-type: none"> • Growing together • Sharing customer base with business partners • Operating in compliance with laws
Experts	<ul style="list-style-type: none"> • Green and low-carbon development • Industrial transformation and upgrading • Quality products 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Regular meetings • Employee training • Portal websites • Opinion collection • Daily communication and exchange 	<ul style="list-style-type: none"> • Employee recruitment • Safeguarding employees' legitimate rights and interests • Caring and assistance for employees • Promoting career development and skills upgrading • Occupational health and safety
Community	<ul style="list-style-type: none"> • Volunteer services • Charity events 	<ul style="list-style-type: none"> • Community public service • Charitable education • Rural revitalization

Identification of Material Issues 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 mainstream ESG initiatives and standards and taking into account the key issues in the industry and the Group’s own business characteristics, the Group systematically identified and screened ESG issues highly relevant to the Group through multi-channel stakeholder communication with professional support.



Matrix of Material Issues

1.3 Compliance Management

The Group consistently placed compliance management in an important position and stringently complies with laws and regulations, including the Civil Code of the PRC 《中華人民共和國民法典》, the Criminal Law of the PRC 《中華人民共和國刑法》, the Anti-Unfair Competition Law of the PRC 《中華人民共和國反不正當競爭法》, and the Anti-Money Laundering Law of the PRC 《中華人民共和國反洗錢法》. Through a series of solid measures, it continuously strengthened the anti-corruption mechanism and the development of an integrity culture, comprehensively enhanced the level of compliance governance, and actively fostered an organizational atmosphere of honesty, law-abiding and integrity, providing a solid guarantee for the Group’s high-quality and sustainable development.

During the Reporting Period, the Group’s anti-corruption work achieved remarkable results, and the Group or its employees were not involved in any litigation or penalty related to corruption or bribery.

Improve the integrity system

Strictly comply with domestic and foreign anti-corruption laws and regulations, formulate and implement internal regulations such as the Administrative Rules on Anti-Corruption and Whistle-blowing Mechanisms, and continuously improve the system framework encompassing anti-embezzlement, anti-corruption, and self-discipline in integrity, thereby advancing anti-corruption and integrity efforts towards legalization and standardization.

Strengthen integrity supervision and inspection	Set up a disciplinary inspection committee as a permanent agency for anti-corruption work, issue documents such as the Notice on Enhancing the Construction of Corruption-free Conducts, improve the supervision mechanism, and strictly implement oversight responsibilities to ensure the effective implementation of integrity regulations.
Keep diverse whistle-blowing channels open	Publicize whistle-blowing mailboxes, dedicated email addresses, and hotlines known to all employees and encourage them to report anonymously or by real name in accordance with the law. Supportively implement systems 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. Prioritise confidentiality, rewards, and the protection of rights and interests, and establish a standardized and efficient mechanism for whistleblower response and incentives.
Deepening integrity audit and supervision	Coordinate internal and external audits in accordance with the Project Audit and Management Rules, with a focus on strengthening full-process supervision over its major construction and investment projects. Strictly implement the Post-employment Audit Policy to comprehensively review the economic responsibilities and potential risks of the resigned employees during their entire tenure, thereby facilitating the smooth work handover and accountability tracking.
Strictly implement the work-style building of leading cadres	Continuously consolidate the integrity responsibility of management personnel at all levels, strictly prohibit leading cadres and their relatives from participating in or interfering with any business of the Company, strictly eliminate the illegal acceptance of gifts, cash, or other improper benefits, and require all senior executives to sign a commitment to regulations on integrity and self-discipline, thereby establishing a strong line of defence against corruption through institutional constraints.
Promote tiered and categorized anti-corruption education	Systematically carry out integrity training for all employees. For senior employees, focus on anti-corruption laws and regulations, ethical performance of duties, and disciplinary and legal red lines, while for ordinary employees, place emphasis on cultivating integrity awareness, code of conduct, and interpretation of corporate policies, thereby effectively enhancing employees' ideological and operational consciousness in resisting corruption and preventing misconduct.

2025 Anti-Corruption Training Data

Anti-Corruption Training Indicators	Unit	2025
Training frequency and duration		
Number of anti-corruption training sessions	Times	4
Total duration of anti-corruption training	Hours	4
Number of participants in anti-corruption training by sub-level		
Number of directors participating in anti-corruption training	Participation times	18
Number of the management participating in anti-corruption training	Participation times	32
Number of employees participating in anti-corruption training	Participation times	1,049

2. Strengthen Environmental Control

The Group adhered to the green and low-carbon development path, actively responded to the national “dual carbon” strategy, and anchored its development goal as a “high-efficiency clean energy chemical enterprise”. It systematically improved its environmental management system and relied on sound environmental protection systems and continuous technological innovation to coordinately promote energy conservation and consumption reduction, pollution prevention and control, and efficient resource utilisation, to achieve synergistic progress between corporate development and ecological protection.

The Group continuously improved its environmental management system by building a multi-level management structure with the Environmental Management Committee acting as the leadership core, the Environmental Protection Department coordinating daily operations, the Technology Department providing professional support, and each workshop being assigned a full-time environmental officer, clarifying responsibilities at all levels and stimulating the enthusiasm of all employees to engage in environmental protection through assessment and incentive mechanisms. The Group continuously optimised its institutional foundation by formulating and implementing such internal rules as the Environmental Protection Management Rules, the Regulations on Environmental Test Management, the Procedure for Identification, Evaluation and Update of Environmental Factors and the Procedure for Record Management. In management practice, the Group dynamically identified environmental factors arising from operational activities, equipment changes, or changes in environmental conditions. Following the priority sequence of “elimination – reduction – control”, it formulated precise and efficient control measures for significant environmental factors. In addition, the Group carried out regular publicity and education through various forms such as environment-related seminars, company publications and notice boards to deeply integrate green concepts into employees’ daily work and life, comprehensively enhance all employees’ environmental awareness, and ensure the efficient and continuous operation of the environmental management system.

During the Reporting Period, the Group did not experience any significant environmental lawsuits or administrative penalties. The Group completed the recertification audit for its ISO 14001:2015 Environmental Management System certificate, and the environmental management system certification certificates for its subsidiaries, including Bohai Chemical, Jinma Zhongdong, Jinyuan Hydrogenated Chemicals, and Jinrui Energy, remained valid.

Environmental Management System Certification Certificate



2.1 Strict Emission Control

The Group strictly complied with the relevant regulations and emission requirements, including the Environmental Protection Law of the PRC 《中華人民共和國環境保護法》, the Atmospheric Pollution Prevention and Control Law of the PRC 《大氣污染防治法》, the Water Pollution Prevention and Control Law of the PRC 《水污染防治法》, the Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes 《固體廢物污染環境防治法》, the GB 18599-2020 Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill 《GB 18599-2020 一般工業固體廢物貯存和填埋污染控制標準》, the Emission Standard of Pollutants for Coking Chemical Industry 《煉焦化學工業污染物排放標準》, the Measures for the Transfer of Hazardous Wastes 《危險廢物轉移管理辦法》, the Technical Guideline for Deriving Hazardous Waste Management Plans and Records 《危險廢物管理計劃和管理台賬制定技術導則》, the Emission Standard of Air Pollutants for Coking Chemical Industry DB41/1955-2020 《煉焦化學工業大氣污染物排放標準 DB41/1955-2020》 and the Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB41/1066-2020 《工業爐窯大氣污染物排放標準 DB41/1066 – 2020》, and effectively strengthened full-process control over various pollutants.

Adhering to the basic principle of “control increment and reduce inventory”, the Group systematically advanced efforts in reducing emissions of greenhouse gases and discharge of wastewater, waste gas, solid waste and harmful substances through technological innovation and an improved management system. With the core approach of “reduce, reuse and recycle”, the Group continuously improved resource circular utilisation, steadily achieved its development goals of efficient production, clean products, and environmental friendliness, and unswervingly pursued a path of high-quality, sustainable development.

Emission Management Targets: 2021-2025

Waste Gas	Implemented ultra-low emission standards: <ul style="list-style-type: none"> • Particulates < 10mg/m³ • Sulfur dioxide emissions from coke dry quenching < 45g/m³ • Sulfur dioxide emissions from coal loading < 70mg/m³ • Sulfur dioxide emissions from coke oven stacks < 20g/m³ • Nitrogen oxides < 80mg/m³
Wastewater	All wastewater was recycled to achieve zero discharge.
Solid wastes	Solid waste that could be comprehensively utilized was 100% utilized to achieve zero discharge; Solid waste that could not be comprehensively utilized was entirely entrusted to qualified companies for transportation and disposal to ensure no leakage or discharge.

In 2025, the Group achieved the aforementioned targets.

Emission Management Measures

To standardize emission management, the Company improved and implemented such regulations as the Management Regulations on the Emission of Waste Gas and Dust, the Wastewater Discharge Management Procedure, the Sewage Discharge Management System, the Regulations on Noise Emission Management, and the Management Regulations for Solid Waste, along with a responsibility system for environmental pollution prevention and control covering all stages including generation, collection, storage, transportation, utilisation, and disposal. The Group strictly implemented emission management requirements to control the generation and environmental harm of waste gas, wastewater, solid waste, and noise.

During the Reporting Period, there were no abandonment or leakage incidents of any hazardous or non-hazardous waste.

Waste Gas Management	Production	<ul style="list-style-type: none"> Implement a sound waste gas treatment system, covering 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 implement precision operation and maintenance management to ensure the stable and efficient operation and regular maintenance of facilities and comprehensively meet ultra-low emission standards. Install dust removal facilities at dust-generating points within production units. This year, seven new dust collectors, including B101 and B102, were constructed to reduce particulate emissions during the production processes.
	Online Monitoring	<ul style="list-style-type: none"> Build a monitoring system and an environmental monitoring platform, and apply equipment such as online monitoring base stations to realize the real-time collection and networked sharing of monitoring data and ensure the timeliness and accuracy of information. Conduct comparisons of online monitoring equipment four times a year and form monitoring reports based on the comparison results.
Wastewater Management	Domestic Wastewater	<ul style="list-style-type: none"> Construct a domestic wastewater treatment station to conduct professional purification of domestic wastewater, and recycle all the treated domestic wastewater for use in the Company's circulating water systems, including the phenolic and cyanic wastewater treatment station, advanced wastewater treatment station, and integrated wastewater treatment station, to achieve internal recycling and "zero emission" of domestic wastewater.
	Production Wastewater	<ul style="list-style-type: none"> Establish a phenolic and cyanic wastewater treatment station, advanced treatment facilities, and an integrated wastewater treatment station to purify all the production wastewater through multiple stages, so as to ensure that the water quality meets the reuse standards and realize no discharge of production wastewater, full recycling of production wastewater, and "zero discharge" of wastewater.
	Ancillary Treatment Facilities	<ul style="list-style-type: none"> Systematically deploy a domestic wastewater treatment station, a phenolic and cyanic wastewater treatment station, an integrated wastewater treatment station, an initial rainwater collection pool, and a water recycling system covering the whole Company, to collect and treat all domestic wastewater, production wastewater and initial rainwater and reuse 100% of them.
	Regular Monitoring	<ul style="list-style-type: none"> Formulate soil and groundwater monitoring plans annually, conduct four online comparisons of online monitoring equipment and issue monitoring reports to effectively prevent and control potential pollution risks.

Solid Waste Management	Hazardous Waste	<ul style="list-style-type: none"> • Achieve 100% comprehensive utilisation of hazardous wastes that can be utilised, such as tar residue, biochemical sludge, sludge of gas-making water circulation system and waste mineral oil, of which the first three categories are recycled for coal blending and coking, while waste mineral oil is reused for lubricating equipment. • Hand over hazardous wastes that have no utilisation value to qualified third-party units for legal and compliant disposal after obtaining the filing approval from the municipal ecological environment bureau and the environmental protection department at the entrusting party's location. • Establish a complete and traceable ledger for the entire process of hazardous waste, from generation to final utilisation or disposal, to ensure data accuracy and facilitate supervision and statistical analysis.
	Non-Hazardous Waste	<ul style="list-style-type: none"> • Manage by category non-hazardous industrial solid waste such as dust from dust collectors, coke oven flue gas desulphurisation residues and gas slag according to their physical and chemical properties. Specifically, use all dust from dust collectors for coal blending and coking; use coke pellet gas slag mainly for paving, back-filling and temporary storage in the slag reservoir; and entrust desulphurisation residues to qualified units for temporary storage and disposal. • Set detailed ledgers for the entire chain of non-hazardous solid waste from generation and storage to utilisation or disposal, to realize that the entire process is traceable, manageable, and controllable. • Achieve 100% internal comprehensive utilisation of non-hazardous wastes that can be utilized; entrust all non-hazardous wastes that cannot be utilized internally to qualified units for transportation and standardized disposal.
Noise Management	Management Method	<ul style="list-style-type: none"> • Take comprehensive measures such as installing noise reduction devices, constructing soundproof factory buildings, optimizing equipment layout, and greening the factory area (e.g., planting trees and shrubs), to effectively control noise sources and ensure the continuous compliance of noise emissions with relevant standard requirements.

2023-2025 Emissions Data

Type of Emissions	Unit	2025	2024	2023
Total emissions volume of SO ₂	Ton	358.02	276.26	215.11
Intensity of SO ₂ emissions	Kg/RMB10,000	0.44	0.24	0.18
Total emission volume of NO _x	Ton	507.31	448.96	413.51
Intensity of NO _x emissions	Kg/RMB10,000	0.62	0.39	0.34
Total emission volume of particulates	Ton	92.15	72.76	65.77
Intensity of particulate emissions	Kg/RMB10,000	0.11	0.06	0.05
Total emission volume of greenhouse gases	tCO ₂ e	1,661,551.24	1,399,784.76	1,578,757.36
Total emission volume of direct greenhouse gases (Scope 1)	tCO ₂ e	1,584,166.70	1,348,336.25	1,503,267.12
Total emission volume of indirect greenhouse gases (Scope 2)	tCO ₂ e	77,384.55	51,448.51	75,490.24
Intensity of greenhouse gas emissions	tCO ₂ e/RMB10,000	2.05	1.21	1.31
Total discharge volume of sewage	Ton	0	0.00	0.00
Intensity of sewage discharge	ton/RMB10,000	0	0.00	0.00
Production volume of hazardous wastes	Ton	8,808.03	7,561.89	4,248.19
Intensity of hazardous waste production	ton/RMB10,000	0.01	0.01	0.004
Hazardous waste handling rate	%	100	100.00	100.00
Production volume of non-hazardous wastes	Ton	17,653.14	16,372.10	3,558.69
Intensity of non-hazardous waste production	ton/RMB10,000	0.02	0.01	0.003
Non-hazardous waste handling rate	%	100	100.00	100.00

Notes:

- Emission data of SO₂, NO_x and particulates in waste gas are calculated according to the Group's online monitoring system and self-monitoring statistics;
- The emission volume of greenhouse gases is calculated based on the Greenhouse Gas Accounting System Corporate Accounting and Reporting Standards 《溫室氣體核算體系——企業核算與報告標準》 issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as specified in the Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework《香港交易所環境、社會及管治框架下氣候信息披露的實施指引》. The emission volume of greenhouse gases is calculated based on multiplying activity data by their corresponding latest applicable emission factors. Activity data is derived from energy monitoring systems and statistical inventories (details of energy consumption data are set out in Section 2.2 Energy and Resource Conservation), while emission factors are sourced from, the Sixth Assessment Report 2023 《第六次評估報告 2023》 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) 《中國獨立焦化企業溫室氣體排放核算方法與報告指南(試行)》, and the Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors 《關於發佈2023年電力二氧化碳排放因子的公告》 issued by China's Ministry of Ecology and Environment. During the reporting period, the only update to the greenhouse gas calculation methodology was the adoption of the latest published electricity-related carbon dioxide emission factor.
- The production volume of hazardous wastes is calculated according to the statistical ledger of the production system of the Group;
- 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;
- Intensity data are calculated by dividing emission/discharge/production volume by revenue;
- The source of emissions data comes from the production-oriented subsidiaries of the Group.
- The quantification and accounting of Scope 3 emissions rely heavily on activity data from upstream and downstream value chain partners, as well as emission factor databases applicable to each specific category. During this Reporting Period, Scope 3-related data could not be comprehensively or systematically obtained without incurring unnecessary costs or efforts. The data available under current conditions contain significant gaps, rendering the reliability of any quantitative results insufficient and their reference value limited. Accordingly, the Group has not yet disclosed quantitative data for its Scope 3 emissions. The Group is continuously advancing the development of its value chain data collection system, progressively improving the identification and management of key Scope 3 emission categories. As data availability and accounting capabilities improve, the Group plans to gradually expand the scope of its Scope 3 emission accounting and make corresponding disclosures in future reporting periods.

Case

“Three-in-One” intelligent environmental management and control platform

To actively respond to the national ultra-low emission policy requirements for the coking industry, the Company implemented an ultra-low emission transformation project. By innovatively integrating advanced technologies such as IoT, big data, and intelligent sensing, it successfully built an industry-leading “Three-in-One” integrated environmental management and control platform for ultra-low emissions, covering “organized emissions + fugitive emissions + clean transportation”. The platform integrates high-efficiency treatment facilities, a comprehensive monitoring network, and an intelligent surveillance system, enabling real-time perception, precise traceability, dynamic early warning, and closed-loop management of emission sources. This project not only fully complies with ultra-low emission regulatory standards, helping the Company successfully pass acceptance inspections, but also serves as a core tool for internal environmental management – supporting daily decision-making, optimizing operational dispatch, and enhancing compliance levels. Concurrently, it acts as a crucial window for showcasing green transformation achievements externally, demonstrating the Company’s technical capabilities and responsibility commitment to environmental governance, and setting a new benchmark for green and low-carbon development in the coking industry.

2.2 Attaching Importance to Resource Utilisation

The Group strictly implemented laws and regulations such as the Energy Saving Law of the People’s Republic of China 《中華人民共和國節約能源法》 and 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 formulated supporting internal regulations, including the Company’s Energy Performance Management System and the Company’s Energy Supervision Management System. Adhering to the resource management philosophy of “energy conservation and emission reduction, environmental protection and sustainable development” and practising the resource utilisation principles of “compliance with regulations, green production, improvement in energy efficiency, full participation, lean management and continuous improvement”, the Group effectively fulfilled environmental responsibilities and promote efficient energy utilisation and circular regeneration.

Centring on the mission of “building a green and low-carbon energy and chemical enterprise”, the Group systematically promoted the construction of an energy management system, deeply integrated green concepts into production and daily office work, drove high-quality development through low-carbon transformation, and actively contributed Jinma’s practice to the industry’s green upgrading and circular economy development.

Resource Management Targets: 2021-2025

Energy consumption	Process energy consumption per unit product of coke $\leq 110\text{kgce/t}$
Water consumption	Fresh water consumption per unit product of coke $\leq 1.2\text{m}^3/\text{t}$, and steam consumption per ton of coke $\leq 0.36\text{t}$

2025 Resource Management Target Achievement

Energy consumption	Process energy consumption per unit product of coke was 108.5kgce/t
Water consumption	Fresh water consumption per unit product of coke was $1.19\text{m}^3/\text{t}$, and steam consumption per ton of coke was 0.3t

Note: As Jinma Zhongdong did not commence 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 objective based on the Company’s actual situation.

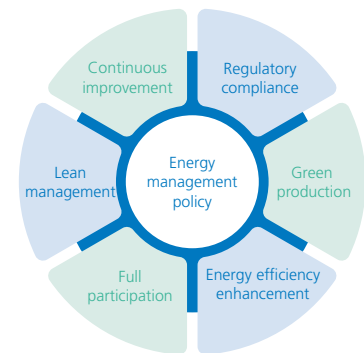
Energy Management

The Group continuously promoted the construction of its energy management system. In accordance with the Energy Management Systems Requirements and Guidance for Use and applicable national laws and regulations, the Group systematically analysed changes in the internal and external environment, and compiled and implemented the Energy Management System Manual in close integration with its own business characteristics and strategic development direction. On this basis, the Group established a clear energy management policy and comprehensively revised 40 relevant management systems focusing on the whole life cycle from energy input to product output, effectively improving the standardization, efficiency and sustainability of energy management, reducing energy consumption and improving energy efficiency.

In terms of energy management structure, the Group established a three-tier energy management mechanism covering the Company, workshops (departments), and teams, and set up 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, to coordinate and supervise all energy management tasks. Meanwhile, the Group established an energy management and control centre and developed and applied the Manufacturing Execution System (MES). By the end of the Reporting Period, it had basically realized real-time online monitoring and dynamic management of various energy consumption data.

Energy management policy

- Comply with energy management-related laws, regulations, and other requirements;
- Actively promote cleaner 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 utilisation;
- Insist on the people-oriented principle, full participation and fulfil social responsibility;
- Apply lean thinking to optimise resource allocation, achieving optimal input-output efficiency;
- Rationally utilize energy, establish and continuously improve energy management system.



Key Steps in Energy Management

Risk Assessment Management

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.

Implementation of Energy Targets

All departments and branches (subsidiaries) shall formulate and implement energy management schemes to achieve the Group's environmental goal of energy and water consumption.

Regular Energy Review

Based on the measurement data, analyze the energy 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 for its ISO 50001:2018 Energy Management System certificate and continued to maintain publicly disclosed information as a national-level green factory in accordance with regulations, and the energy management system certification certificates for its subsidiaries, including Bohai Chemical, Jinma Zhongdong, Jinyuan Hydrogenated Chemicals, and Jinrui Energy, remained valid.

Energy Management System Certification Certificate



Case Building a photovoltaic power station to empower green energy transformation

The Group built a distributed photovoltaic power station with an installed capacity of 1.24KWP on the idle rooftop of its factory, utilizing the “self-generation and self-consumption, with excess electricity fed into the grid” operation model. During the Reporting Period, the cumulative power generation reached 1,193,100kWh.

**Case** Constructing an energy storage power station to accelerate clean energy application

The Group constructed an energy storage power station with a Phase I capacity of 34.4 MWh and a Phase II capacity of 20.64 MWh on idle land within the factory area. Currently, Phase I has been powered up and connected to the grid, and Phase II has been completed and put into operation, with the system running stably. The project leverages the peak-valley electricity price difference in Henan to effectively shift peak loads through “peak shaving and valley filling”, thereby reducing electricity costs while improving energy utilisation efficiency and increasing overall economic benefits. During the Reporting Period, Phase I and Phase II collectively generated comprehensive benefits of RMB8.66 million, of which the Company actually gained RMB1.3 million in revenue.



Water Resource Management

In line with the 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 strengthen the management of water resources by developing and continuously improving the internal systems, including the Company’s Non-Production Water Management System and the Domestic Water Management Regulations. Key water resource management measures include the following aspects:

- Strengthen the collection and statistical analysis of water use data, and establish a comprehensive water use ledger while ensuring that all metering devices are fully equipped and in good working order at all water-using stages and achieving precise metering and dynamic monitoring of water consumption;
- Build advanced water treatment systems to promote tiered utilisation and efficient reuse of water resources, thereby significantly reducing reliance on fresh water;
- Conduct regular maintenance and servicing of reclaimed water and wastewater treatment equipment to ensure the long-term stable and efficient operation of facilities;
- Implement the centralized and standardized collection and disposal of swill from restaurants to prevent water pollution or secondary resource waste caused by improper discharge;
- Increase the frequency of daily water supply pipeline inspections, and promptly identify and optimise irrational pipeline layouts to enhance the overall balance and operational efficiency of the water system;
- Continuously enhance employees’ awareness of and participation in water conservation through diverse publicity methods, such as water-saving initiatives, thematic training, and notice boards.

For water source security, the Group primarily relies on municipal tap water supply, supplemented by surface runoff water resources, to form a stable and diversified water abstraction system, thereby providing reliable water support for its production and operations.

Energy Saving and Consumption Reduction Measures

The Group vigorously advances its energy saving and consumption reduction efforts by implementing an integrated energy-saving model driven by “technology empowerment and refined management”. It continuously improves its institutional framework and optimises management measures, leveraging technological innovation to enhance energy efficiency. It deeply embedded the philosophy of carbon reduction and consumption reduction into all aspects of production and operations, effectively optimizing cost structures, and improving energy utilisation efficiency, thereby fully supporting the enterprise’s green, low-carbon, and high-quality coordinated development.

Green production

- Fully operate the energy management system and implement the energy management policy; based on the full process of production, systematically conduct energy-saving monitoring, energy auditing, energy efficiency benchmarking, internal audit assessments, technological modifications, and performance evaluations, to ensure the achievement of established energy consumption targets;
- Build an intelligent factory production despatch management centre to perform unified despatch of production resources such as water, electricity, gas, steam, wind and sewage of each subsidiary, so as to optimise resource allocation, reducing material loss, and improve overall energy efficiency;
- Deepen clean production practices, systematically phase out high-energy-consuming outdated equipment, prioritise the use of highly-efficient and energy-saving products, and reduce process and equipment energy consumption at the source;
- Conduct energy-saving modifications on motors and water pumps with energy-saving potential. During the Reporting Period, a total of 43 units were modified, achieving an average electricity saving rate of 25%-30%, which translates to monthly electricity cost savings of approximately RMB170,000;
- Improve the allocation of the public and auxiliary measuring instruments to achieve precise metering and control of energy media such as water, electricity, and gas;
- Invest in and construct advanced water treatment facilities to promote tiered utilisation and circular reuse of water resources, thereby reducing freshwater abstraction;
- Increase R&D investment in energy-saving and emission-reduction technologies, and actively promote renewable energy application projects such as distributed photovoltaics and energy storage, thereby accelerating the process of green energy substitution.

Green office

- Formulate and implement regulations such as the Office Supplies Management Regulations and the Regulations on the Use Management of Computers and Air Conditioning, standardizing the use of office consumables and electrical equipment;
- Comprehensively promote office automation, with a 100% computer equipage rate for management posts. Rely on OA and NC systems to achieve paperless operations across all processes, including administrative approval, document circulation, signing and reporting processing, financial reimbursement, notice publication, and conference management, covering all employees of the Group, thereby significantly enhancing collaboration efficiency, shortening approval cycles, and effectively reducing integrated costs such as paper, equipment, business travel, and human resources;
- Fully adopt LED energy-saving lighting fixtures in public areas and offices, strictly enforce air conditioning temperature control standards, and post electricity-saving reminder signs at lighting switches, fostering a green office atmosphere;
- Implement electricity and water-saving measures in employee dormitories to prevent dripping and leakage, continuous lighting, and excessive water flow, scientifically set on/off times for streetlights, thereby continuously strengthening all employees' conservation awareness and sense of responsibility for resource use.

Green commuting

- Enforce vehicle fuel consumption quota standards and strictly prohibit long-term speeding or idling, thereby improving fuel utilisation efficiency;
- Strengthen centralized vehicle management, coordinate travel needs in advance, and reasonably consolidate trips, thereby improving the utilisation efficiency of scheduled buses and official vehicles;
- Install automatic car wash equipment in vehicle shift areas, thereby achieving water savings for daily cleaning;
- Vigorously advocate green commuting and effectively reduce the number of private car trips through normal scheduled bus services.

Case Henan Bohai Chemical implemented a multi-pronged approach to deeply tap into energy-saving potential

Given the deepening national efforts in energy conservation and emission reduction and the increasing intensity of air pollution control, Henan Bohai Chemical Co., Ltd., a subsidiary of the Group, actively implements national, provincial, and municipal environmental policy requirements. It places energy management in a prominent position, effectively curbing the growth of energy consumption and achieving a continuous decrease in annual comprehensive energy consumption through a multi-pronged approach, including strengthening on-site energy management, implementing energy-saving technological transformations, and conducting energy-saving promotions and behavioural guidance. Key energy-saving measures include the following:

- In the production of coal tar and industrial naphthalene, replace the previously utilized demineralized water with on-site collected condensate water, thereby resulting in a monthly reduction of approximately 800 tons of demineralized water consumption;
- Put modified asphalt and tar heat exchangers into operation to improve tar heat exchange efficiency, thereby reducing coal gas consumption by 50,000 – 60,000 cubic meters per month;
- Implement an upgrade and transformation of the water treatment system, effectively enhancing wastewater treatment capacity while simultaneously reducing unit treatment costs;
- Complete the modification of desulfurization and denitrification combustion equipment, introduce ultra-low temperature catalysts, and eliminate the flue gas reheating step, thereby significantly reducing operating energy consumption and costs, and enhancing overall benefits;
- Carry out low-carbon combustion technology upgrades for existing old kilns to optimise combustion efficiency, thereby further reducing coal gas consumption.

Case Industrial circulating water system residual pressure power generation project of Jinma Zhongdong

Henan Jinma Zhongdong Energy Co., Ltd., a subsidiary of the Group, innovatively implemented energy-conservation modifications to its cooling drum circulating water system. By installing a hydraulic turbine residual pressure generator set at the branch pipe on top of the cooling tower, the system fully utilizes the excess pressure energy of the return water from the high-level heat exchanger, efficiently converting the pressure energy that was originally lost through valve throttling into electrical energy.

The electricity generated by this project is directly used to drive cooling tower fans and low-voltage electrical equipment in the factory areas, thereby achieving on-site consumption and zero transmission loss. The project adopts an Energy Performance Contracting (EPC) model, with an installed capacity of 82.4kW and an estimated annual power generation of 659,200kWh. This not only effectively improves energy utilisation efficiency but also promotes the enterprise's green and low-carbon transformation with a "zero investment, high return" approach, thereby creating a demonstration model for waste energy recovery and utilisation in the coking industry.

2023-2025 Resource Usage Data

Type of resources	Unit	2025	2024	2023
Diesel	Ton	609.39	748.02	755.11
Gasoline	Ton	10.37	115.58	41.53
Net purchase of electricity	MWh	-334,167.63	-284,119.28	-200,034.95
Net purchase of thermal power	GJ	-472,614.63	-196,843.96	-446,453.18
Total volume of integrated energy consumption	Ton of standard coal	1,651,569.72	1,490,274.14	1,331,963.35
Intensity of integrated energy consumption	Ton of standard coal/ RMB10,000	2.0	1.3	1.10
Total volume of freshwater consumption	Million ton	4.39	5.42	4.85
Intensity of freshwater consumption	Ton/RMB10,000	5.41	4.67	4.02
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 Tackling Climate Change

The Group consistently placed climate change response at a strategic level, fully recognizing its profound impact as a global challenge on economic and social development. During the Reporting Period, focusing on the four core dimensions of governance, strategy, risk management, and indicators and targets, the Group thoroughly implemented the concept of green and low-carbon development, actively integrated into global climate action, earnestly fulfilled corporate responsibilities, and contributed to the advancement of climate governance.

Governance

The Group consistently abided by environmental laws and regulations, continuously improved its environmental management system, and strengthened greenhouse gas emission control. The Group organically incorporated climate-related risk management and monitoring into its ESG management system, established a three-tiered climate governance structure that encompasses the governance level, senior management and executive teams and continuously enhanced climate governance skills and capabilities at each level. The Board of Directors, as the governance layer, serves as the leading core of the climate governance system and regularly assesses the risks and opportunities arising from climate change and incorporates climate considerations into major strategic decisions; the Audit Committee, Chief Executive Officer, and the Senior Management, as the management layer, are responsible for overseeing the implementation of relevant work, coordinating cross-departmental collaboration and resource allocation in a timely manner, and ensuring the effective operation of the climate change management system; the ESG working group, various functional departments, and subsidiaries (branches), as the execution layer, specifically implement climate governance initiatives. Meanwhile, management provides the Board with updates on the status of the Group's climate risk and opportunity management through regular ESG reporting. Various functional departments and subsidiaries actively cooperate with the Group's annual climate-related information disclosure and reporting. The Group has formed a management structure with clear responsibilities and efficient operations, laying a solid foundation for systematically advancing climate change response efforts.

Strategy

The Group actively aligned with the national strategic deployment for carbon peaking and carbon neutrality, paid close attention to the environmental impact of greenhouse gas emissions during production and operation process, and effectively promoted the synergistic reduction of greenhouse gases and pollutants through measures such as optimizing energy structure and implementing energy-saving technological transformations. Meanwhile, in response to the impacts of extreme weather events triggered by climate change, the Group closely monitored relevant developments, systematically strengthened its prevention capabilities against seasonal disasters such as floods, blizzards/freezing rain, and high temperatures, improved its emergency preparedness system, and enhanced its emergency response capabilities to ensure rapid and efficient handling in the event of sudden natural disasters. Furthermore, through multi-dimensional measures such as improving climate risk management and control mechanisms, adjusting and optimizing business layouts, and accelerating green technological innovation, the Group actively tackled transition and physical risks, laying a solid foundation for achieving the goal of "carbon peaking and carbon neutrality", and fully supporting green, low-carbon transformation and high-quality sustainable development.

Climate Risks and Opportunities

Climate-related risks	Type of risks	Impact Period	Scope of Impact	Potential impacts	Response to risks
Transitional risks	Policy and regulatory risk	Medium-term (4-10 years)	Operations	The market is gradually paying more attention to the risks posed by climate change, and relevant national policies are more stringent on GHG limits	Increase 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 byproduct gas, and actively transform to develop clean energy
	Market risk	Medium-term (4-10 years)	Operations and value chain	Consumers' preference changes and consumers tend to choose low-carbon products	Promote the integrated development of coking chemical industry and hydrogen energy to provide clean products and services
	Technical risk	Long-term (over 10 years)	Operations	The R&D and application 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	Short-term (1-3 years)	Operations and value chain	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 compliant information and strengthen communication and exchange with stakeholders continuously
Physical risks	Acute risk	Short-term (1-3 years)	Operations	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, the 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 work safety
	Chronic risk	Long-term (over 10 years)	Operations	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

The Company faced transition pressures under the “dual carbon” goals, while also embracing opportunities for green and low-carbon development. On the one hand, national policies promoting ultra-low emission upgrades and energy efficiency improvements in the steel and coking industries provided support for the Company’s energy-saving technological upgrades, the recovery and utilization of waste heat and gas, and the expansion of clean energy (such as LNG). This could impact its operations and value chain over the medium term (4-10 years). On the other hand, the expansion of the carbon trading market and the development of green finance instruments helped the Company reduce financing costs through avenues such as carbon asset management and green bonds. This could impact its operations over the short term (1-3 years). In response, the Company is advancing intelligent manufacturing, optimizing its energy structure, strengthening carbon emissions monitoring, and exploring new low-carbon business areas such as hydrogen energy and high-end carbon-based materials, with a view to enhancing climate resilience and capturing opportunities arising from the green transition.

Regarding climate-related financial impacts (current and expected), scenario analysis and climate resilience assessment, as well as the asset amounts and capital deployment involved in climate-related risks and opportunities, the Group has not yet produced relevant quantitative results based on the principles of financial impact exemption, capability exemption and reasonable data exemption. Financial-related disclosures rely on a robust climate financial accounting system, cross-scenario modelling capabilities and an asset-level risk exposure assessment framework. At the current stage, the Group does not yet have the conditions to obtain the relevant complete data or carry out systematic quantitative assessments without incurring unnecessary costs or efforts, and the reliability and reference value of any quantitative results would be significantly limited. In the future, the Group will gradually establish an independent tracking and accounting mechanism for climate-related financial impacts, improve the asset classification framework and the capital expenditure classification tracking system, and gradually conduct standardised scenario analysis by introducing scenario parameters consistent with international climate agreements.

The Group currently does not formally apply an internal carbon pricing mechanism in its decision-making processes such as investment decisions, transfer pricing or scenario analysis. We will continue to monitor policy developments in the carbon market and industry practices, and will assess the feasibility of introducing an internal carbon pricing mechanism when conditions are mature.

Climate Indicators and Targets: 2021-2025

Taking into account the national “dual carbon” goals, the long-term temperature control targets under the Paris Agreement, and its own stage of development, the Company set a target of achieving a year-on-year reduction in carbon emission intensity. The Company formulated implementation pathways aligned with its business characteristics, regularly tracked progress against its targets, and analyzed changes in key indicators. Through energy saving and consumption reduction, optimization of production processes, practice of green office operations, and other measures, the Company continuously reduced carbon emission intensity and actively supported the achievement of national strategic goal of carbon peaking and carbon neutrality.

In 2025, the Group achieved the aforementioned targets.

With respect to value chain emissions, the Company will progressively enhance the identification and management of key Scope 3 emission categories, thereby laying the foundation for setting more targeted value chain emission reduction goals in the future.

2.4 Protection of Environment and Natural Resources

The Group always upholds a strong sense of environmental responsibility, strictly complied with the Environmental Protection Law of the PRC 《中華人民共和國環境保護法》 and relevant industry standards, throughout the entire process of project site selection, construction, and operation, systematically assessed ecological impacts, proactively adopted a series of mitigation and control measures to minimize disturbance to the environment and natural resources, effectively promoted green and low-carbon development, and actively contributed to ecological civilization construction and sustainable development goals. Key environmental protection measures include the following:

- For site selection for new, rebuilding or expansion projects, strictly avoid ecologically sensitive areas and important water source protection zones, minimize the occupation of natural resources such as agricultural and forest land, and fully implement soil pollution prevention and control measures;
- For all projects, strictly implement the environmental impact assessment rules and the “Three Simultaneity” environmental protection requirements, prepare environmental impact assessment reports in accordance with the law and implement them after obtaining the approval from relevant authorities;
- For construction sites, fully implement the “Six 100%” dust control requirements: 100% enclosure of construction sites, 100% coverage of exposed soil, 100% coverage of building materials, 100% wet operations, 100% washing of vehicles entering and exiting, and all muck transportation vehicles fully enclosed. Be equipped with fume collection devices for welding operations to reduce smoke and dust emissions. During heavy pollution weather warnings, resolutely implement emergency response directives;
- For factory areas, comprehensively implement anti-seepage projects, deploy groundwater monitoring wells according to specifications, and systematically promote groundwater and soil pollution prevention and control, as well as environmental risk prevention efforts;
- Build a domestic wastewater treatment station, a phenolic and cyanic wastewater treatment station, an integrated wastewater treatment station, an initial rainwater collection pool, and a water recycling system covering the whole factory, thereby ensuring 100% collection, treatment, and reuse of domestic sewage, production wastewater, and initial rainwater, and effectively preventing external discharge from polluting soil and water bodies;
- Conduct regular self-monitoring, including specialized testing of soil and groundwater, thereby ensuring environmental quality remains continuously under control;
- Dynamically track changes in environmentally sensitive points around industrial parks, thereby promptly revising and improving environmental risk emergency plans, and enhancing the ability to respond to sudden environmental incidents;
- Control dust and soil erosion through methods such as greening, coverage, spray and dust suppression, and scientific construction, and carry out earth excavation and backfilling operations in strict accordance with national and local standards, thereby effectively implementing soil and water conservation measures.
- Implement the Regulations on Greening Management to clarify greening rate goals of no less than 50% for the front factory area and no less than 30% for the production area, thereby systematically advancing factory area greening planning, construction, and daily maintenance, and continuously improving the ecological environment of the factory.

Additionally, the Company actively conducts environmental training and awareness programs, and organizes heads of production workshops and environmental officers to participate in environmental regulation studies and emergency drills for sudden environmental incidents, thereby systematically enhancing the environmental awareness and emergency response capabilities of frontline personnel. It also widely disseminates environmental knowledge among all employees, reinforcing the concept of green responsibility. Moreover, it prominently displays environmental slogans and signs in conspicuous locations such as factory corridors, building exteriors, lawns, and areas with vegetation, thereby creating a strong ecological culture atmosphere, guiding employees to consciously adopt green and low-carbon work and lifestyle habits, and advancing the integration of environmental concept into daily behaviour.

Case**Environmental management practices for proposed projects**

To minimize the impact of construction activities on the surrounding environment, the Company establishes a green construction management system covering the entire lifecycle and all elements from the project initiation phase. This effectively achieves source control, stringent process management, and closed-loop governance of environmental risks during the construction period, laying a solid foundation for creating green benchmark projects.

- Strictly control contractor access by prioritizing construction units with excellent environmental performance, clearly defining environmental protection goals in contracts, along with specific measures for water, air, noise, ecological protection, and soil and water conservation, and incorporating environmental performance as a core standard for project acceptance;
- Require contractors to appoint dedicated environmental management personnel and prepare a detailed Construction Environmental Management Plan, and submit the plan along with the construction schedule to the owner's environmental department and local ecological environment authorities for approval. Work cannot commence without approval;
- Strengthen personnel capacity building by providing training on environmental regulations, awareness, and practical operations to all operating personnel before construction, thereby ensuring environmental requirements are deeply understood and internalized;
- Deeply integrate environmental supervision into the project supervision system, adopt the combination of regular inspections and dynamic tracking of key areas to conduct full-process oversight over the implementation of various measures proposed in the Environmental Impact Assessment (EIA) report, and immediately urge the rectification for any issues identified through supervision directives;
- Promote the standardization of environmental management, with the construction unit taking the lead in developing the Environmental Management Manual and supporting procedural documents and establishing comprehensive management ledgers to ensure environmental requirements are embedded in every stage, from preliminary preparations to construction implementation.

3. Care for Employees

We firmly believe that talent is the most core asset and the fundamental driving force for sustainable development of the Company. Adhering to the talent philosophy of “respecting people, relying on people, developing people, and satisfying people”, the Group treated employees as business partners, committed to creating a fair, inclusive, and supportive working environment, and actively built harmonious, stable, and win-win labour relations. Through a comprehensive career development path, a diversified training system, and a competitive incentive mechanism, the Group continuously empowered employee growth, and promotes person-job matching and value realization.

3.1 Equal Employment

The Group strictly complied with national laws and regulations such as the Labour Law of the PRC 《中華人民共和國勞動法》, the Labour Contract Law of the PRC 《勞動合同法》, and the Provisions on the Prohibition of Using Child Labour 《禁止使用童工規定》, formulated and implemented the Human Resource Management System, the Employee Recruitment Management Regulations, and the Employee Resignation Management Regulations to standardize the human resource management process covering the entire lifecycle from recruitment, onboarding, and in-service management to resignation. It supportively established an effective supervision and review mechanism and set a multi-channel feedback mechanism to promptly respond to employee concerns.

In talent selection, adhering to the principle of equal employment, the Group implemented an open, fair, and merit-based recruitment and promotion mechanism. All positions were filled based solely on actual needs and candidate capabilities. The Group efficiently carried out talent acquisition through multi-channels such as integrating mainstream recruitment platforms, collaborating with local human resources and social security departments and operating the Company’s official recruitment account. At the same time, the Group highly valued employee diversity, strictly implemented relevant policies and measures for diversity and anti-discrimination and firmly opposed any form of discrimination based on gender, age, ethnicity, religious belief, social origin, or disability status, thereby ensuring every employee enjoys equal development opportunities.

Regarding employment compliance, the Group strictly prohibited the use of child labour and forced labour. The Group’s Human Resources Department conducted rigorous identity and background checks for every candidate before onboarding to eliminate compliance risks at the source. In case of any violations of labour laws found, the Group would immediately trigger an investigation and take serious disciplinary action. If necessary, the Group would optimise relevant management mechanisms. During the Reporting Period, the Group did not have any litigation or penalty related to child labour, forced labour, or major labour law violations.

2025 Employment Data

Indicator name	Unit	Number in 2025	Unit	Proportion in 2025
Total employees	Persons	2,644	%	/
By Gender				
Male employees	Persons	2,133	%	80.67
Female employees	Persons	511	%	19.33
By Employment Type				
Full-time employees (contract)	Persons	2,644	%	100
Part-time employees (labour dispatch, temporary workers)	Persons	0	%	0
By Age				
Under 30 years old	Persons	523	%	19.78
31-40 years old	Persons	1,081	%	40.89
41-50 years old	Persons	824	%	31.16
Above 51 years old	Persons	216	%	8.17
By Organizational Level				
Ordinary employees	Persons	2,529	%	95.65
Middle employees	Persons	107	%	4.05
Senior employees	Persons	8	%	0.30
By Region				
Within Henan Province	Persons	2,607	%	98.60
Outside Henan Province	Persons	37	%	1.40
Minority Employees				
Number of minorities	Persons	24	%	0.91

2025 Employee Turnover Indicators

Indicator name	Unit	2025
Annual Turnover Rate of Employees		
Annual turnover rate of full-time employees	%	6.84
By Gender		
Turnover rate of full-time male employees	%	6.08
Turnover rate of full-time female employees	%	9.88
By Age		
Turnover rate of employees under 30 years old	%	12.54
Turnover rate of employees who are 31-40 years old	%	7.13
Turnover rate of employees who are 41-50 years old	%	3.17
Turnover rate of employees over 51 years old	%	4.00
By Region		
Turnover rate of employees within Henan Province	%	6.84
Turnover rate of employees outside Henan Province	%	0

3.2 Employees' Rights and Interests

The Group strictly complied with laws and regulations such as the Labour Law, the Labour Contract Law and the Trade Union Law, improved mechanisms for remuneration and benefits, career development, and labour protection, and effectively safeguarded the legitimate rights and interests of employees. Through initiatives such as democratic communication, skills training, and safety management, the Group created a respectful, fair, and safe working environment, thereby promoting a virtuous cycle of employee growth and corporate development, and achieved co-construction, sharing, and win-win cooperation.

- Remuneration and benefits**
- Establish a scientific and reasonable working hours and remuneration system by offering competitive remuneration to employees (subject to timely adjustment according to local wage levels) and implementing differentiated incentives based on their performance and contributions;
 - Establish position-based wages and provide special allowances such as high-temperature subsidies, heatstroke prevention and cooling fees, and female employee hygiene allowances, thereby effectively raising employees' overall income level;
 - Formulate specialized position allowance schemes for employees holding professional technical titles and vocational qualifications;
 - Legally pay the full amount of the five social insurance schemes (pension, medical, unemployment, work injury, and maternity) for all employees, and include those employees who have completed their probation period in the housing provident fund protection system;
 - Organize occupational health examinations for all on-duty employees annually, thereby strengthening the prevention of health risks.

Assessment and promotion

- Establish an open and fair performance appraisal system by conducting appraisals based on work performance, project achievements, etc., thereby ensuring that evaluations during an employee's tenure are objective, fair, and traceable;
- Establish three major career development paths – technical, skilled, and management in line with job characteristics, respectively undertaking the functions of technical research and development, production optimization, and management coordination, with each path having clear qualification requirements and promotion standards, thereby providing employees with diverse, transparent, and predictable growth directions;
- Prioritise internal competition in case of vacant management positions, and encourage employees to achieve career advancement through fair competition.

Attendance and vacation

- Establish a standardized and transparent attendance management system to safeguard work order and employees' rights and interests, thereby creating a fair and orderly workplace environment;
- Build a comprehensive vocation management system by formulating regulations for various types of leave such as marriage leave, bereavement leave, maternity leave, and sick leave, and optimizing implementation details based on actual conditions to genuinely protect employees' right to leave.

Strengthened democratic communication

- Regularly convene employee representative meetings in accordance with the law to review significant matters affecting employees' vital interests, thereby ensuring an attendance rate of no less than 95% for employee representatives;
- Sign special agreements on key issues such as labour contracts and occupational health and safety through a trade union-led collective negotiation mechanism, thereby achieving full coverage for all employees;
- Establish a labour dispute mediation committee, composed of employee representatives, enterprise representatives, and trade union representatives, in accordance with the law to facilitate channels for feedback, protect the legitimate rights and interests of workers, and promote harmonious labour relations;
- Establish an information disclosure mechanism to promptly release important information such as remuneration adjustments and benefit policies through platforms like the Company's Intranet and notice boards, thereby ensuring employees' right to know;
- Implement a democratic evaluation system, where employees are organized annually to conduct anonymous satisfaction surveys of management, and the evaluation results serve as an important basis for cadre performance appraisal and management improvement.

3.3 Growth and Development

The Group regarded cultivating high-level, interdisciplinary talents as a core strategic focus, and systematically optimised mechanisms for talent attraction, development, utilisation, and retention. By building a tiered and categorized training system, expanding diversified career development paths, and promoting cross-departmental and cross-disciplinary talent exchanges, the Group significantly enhanced employees' professional capabilities and comprehensive qualities, laying a solid talent foundation for the Company's high-quality development.

- Improve the employee training system**
 - Establish a training system covering new employee onboarding, safety and environmental management, enhancement of management capabilities, implementation of energy and HSE management systems, professional technical and vocational skills, qualification assessment and auditing, and other content;
 - Continuously expand training content, innovate teaching methods, and integrate learning into all stages of employees' career development, which covers professional skill enhancement, leadership development, personal growth, and team collaboration, providing diversified learning resources and practical training platforms.
- Optimise the talent development mechanism**
 - Strengthen the training mechanism for outstanding talents, and formulate the Outstanding Talent Selection and Cultivation Management Plan to promote talent cultivation through internal training, external training, and post rotation, so as to further improve the management level and business capabilities of existing middle and senior management personnel and technical backbones;
 - Implement a special training program for expert talents, focusing on building a professional management team for mechanical-electrical-instrumentation integration; establish a master craftsman studio, and improve the professional qualification certification and dynamic evaluation mechanism for key positions such as Chief Engineer, Technician and Laboratory Analyst.
- Establish an assessment and evaluation mechanism**
 - Build a scientific and effective performance assessment and evaluation mechanism, with training effectiveness incorporated as a key indicator in the talent pool evaluation, so as to promote the formation of a dynamic talent management mechanism and accurately identify and select outstanding talents;
 - Conduct a comprehensive performance assessment annually for middle and senior managers annually, with the assessment results serving as a core basis for the appointment, adjustment, and incentives of cadres.

Enhance talent exchange and development

- Establish and improve the talent mobility and exchange mechanism by systematically promoting job rotation for training, and implementing exceptional appointments for outstanding performers through planned and multi-position cultivation;
- Create diversified career development paths and build a position value assessment system centred on innovation capabilities and actual contributions.

Build a first-class talent team

- Collaborate efforts in business management, professional technology, and skilled operations to build a talent team with suitable numbers, optimised structure, and outstanding capabilities;
- Focus on cultivating young reserve cadres with strong political literacy, solid professional foundations, and outstanding practical abilities, tailor systematic, tiered growth plans, and solidify the foundation of the Company's talent echelon.

2023-2025 Employee Training Data

Indicator	Unit	2025	2024	2023
Total number of employee training	Times	964	2,305	420
Total number of employees	Persons	34,033	71,108	55,860
Total expenditure on training	RMB 10,000	82.84	280.53	105.31
Percentage of employees trained (Percentage of employees trained = (Number of employees trained/Number of employees) * 100%)	%	100	100	100
Percentage of male employees trained	%	100	100	100
Percentage of female employees trained	%	100	100	100
Percentage of ordinary employees trained	%	100	100	100
Percentage of middle employees trained	%	100	100	100
Percentage of senior employees trained	%	100	100	100
Average hours of training for employees	Hours	28	82	76
Average hours of training for male employees	Hours	29	82	72
Average hours of training for female employees	Hours	26	82	72
Average hours of training for ordinary employees	Hours	28	82	72
Average hours of training for middle employees	Hours	29	172	192
Average hours of training for senior employees	Hours	32	70	56



Intermediate professional title application training



New apprenticeship fitter advanced training class of Jinma Zhongdong

Case Jinma Hydrogen Energy drove comprehensive improvement in operational efficiency through systematic training

Henan Jinma Hydrogen Energy Co., Ltd., a subsidiary of the Group, closely aligned with its training system and annual plan, conducted a total of 26 training sessions throughout the year, achieving an 80% coverage rate for skill enhancement in key positions. This has led to the preliminary formation of a well-structured echelon of technical and skilled personnel. Key achievements include the following:

- In the production of coal tar and industrial naphthalene, replace the previously utilized demineralized water with on-site collected condensate water, thereby resulting in a monthly reduction of approximately 800 tons of demineralized water consumption;
- Through systematic equipment maintenance training, increase the mean time between failures (MTBF) for critical equipment such as compressors and hydrogenators by 18%, and make the execution rate for preventive maintenance up to 100%.
- Following the implementation of standardized service process training, make the customer satisfaction surge from 84 to 92 points and the on-site dispute rate decrease by 28%, thereby effectively underpinning the achievement of safe, efficient, and high-quality operational goals.



3.4 Humanistic Care

The Group always adhered to a people-oriented philosophy and integrated humanistic care into all aspects of the Company's management to continuously enhance employees' sense of happiness and belonging. By establishing and improving assistance mechanisms and formulating and refining policies such as the Administrative Measures for the Mutual Aid Funds and the Measures for the Implementation of Scholarships, the Group effectively provided support to employees and their families. During the Reporting Period, the Group issued scholarships totalling RMB353,000 to 117 children of employees to encourage academic progress. Additionally, during important festivals such as the Spring Festival, the Company's leaders visited ordinary employees and their families to offer greetings and convey the warmth of the organization.

Furthermore, the Group paid attention to the construction of employees' spiritual and cultural lives, and regularly organized diverse and rich cultural and sports activities to effectively relieve work pressure and enhance team cohesion. Through a series of compassionate and impactful initiatives, the Group continuously created a caring, harmonious, and positive work atmosphere, thereby helping employees achieve the organic integration of career growth and a happy life.



Holding dragon boat races to celebrate the Dragon Boat Festival



Delivering Summer heat relief



"Ankang Cup" CPR skills competition



Visiting expatriate cadres



"May Day" Staff Walking Activity

4. Focus on Safety and Health

The Group always regarded safety as the foundation of the Company's survival and development, firmly established the core philosophy that "safety is the lifeline" and placed work safety as the top priority in business management. It strictly implemented and enforced laws, regulations, and relevant standards such as 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 《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》, continuously improved the safety management system, solidified safety responsibilities at all levels, and strengthened risk identification and hidden hazard management, thereby comprehensively enhancing intrinsic safety levels.

During the Reporting Period, the Group completed the recertification audit for its ISO 45001:2018 Occupational Health and Safety Management System certificate, and the occupational health and safety management system certification certificates for its subsidiaries, including Bohai Chemical, Jinma Zhongdong, Jinyuan Hydrogenated Chemicals, and Jinrui Energy, remained valid.

Occupational Health and Safety Management System Certification Certificate



4.1 Safety Operation Management

The Group always adheres to the working policy of "safety first, prevention-oriented and comprehensive management". Based on the standardization of work safety and the establishment of a responsibility system, it comprehensively promoted the dual prevention mechanism of stratified risk control and potential hazard investigation and remediation. During the Reporting Period, the Group focused on the implementation of primary responsibilities, prepared and issued the Implementation Plan for Key Safety Management Work in 2025, and concurrently promoted relevant documents concerning the "Three Basics" and "Three Disciplines", thereby ensuring the precise implementation of superior directives.

During the Reporting Period, the Group invested a total of RMB23.0627 million in work safety and experienced no major work safety accidents.

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

- Minor injury rate \leq 1‰, with no serious injuries and work-related fatalities;
- No major equipment operation accidents;
- No in-factory 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:

Consolidate the safety organizational foundation

- Continuously optimise the safety management organizational structure and compile a position list according to the work requirements of “comprehensive coverage, no gaps in responsibilities, and no omissions in personnel”;
- Specifically formulate a work safety action plan for key responsible persons, clarifying critical tasks such as conducting safety lectures and leading inspection teams;
- As of the end of the Reporting Period, the Group had 199 registered safety engineers, providing solid professional assurance for the efficient operation of the safety management system.

Improve the safety management system

- Revise regulations such as the Internal Safety Supervision and Inspection System and the Management System for Chemical Safety Data Sheet and Label, providing strong support for daily operations;
- Continuously optimise basic management mechanisms such as team shift handovers and routine inspections, strengthening on-site risk control and building the first line of defence for work safety.

Deepen the investigation and management of potential hazards

- Fully implement a mechanism for full coverage and complete management of risks and potential hazards, revise the Internal Safety Supervision and Inspection Management System, establish a special inspection team led by the general manager, conduct major potential hazard inspections at least once a month, and implement a supporting reward and assessment system for potential hazard reporting;
- Promptly implement the municipal bureau’s deployment for “dynamic zero-clearing” of major potential hazards, and formulate the Assessment Method for Dynamic Zero-Clearing of Major Potential Hazards, detailing the judgement criteria into job inspection checklists to promote self-inspection by all employees against these checklists; simultaneously improve documentation systems such as self-inspection manuals, rectification plans, and investigation records. Throughout the year, 44 major potential hazards were identified, with a rectification rate of 100%;
- Conduct over 60 various types of safety inspections in strict accordance with the annual plan, including comprehensive, seasonal, holiday, and leader-led inspections, identifying 1,582 general issues with a rectification rate of 86%;
- Carry out monthly special inspections for professional lines including equipment, technology, electrical, and instrumentation, cumulatively identifying 699 items with an overall rectification rate of 90.7%.

- Control special operation risks**
- In strict accordance with the requirements of the Safety Regulations for Special Operations in Hazardous Chemical Enterprises and the Implementation Plan for Special Operation Rectification, and relying on an intelligent control platform, deeply integrate special operation permits, risk measure reviews, and real-time personnel positioning to achieve full-process closed-loop management from application and approval to execution and supervision, with a focus on strengthening precise control over high-risk operations such as hot work and blind plate pumping and plugging, thereby effectively ensuring the safety of inspection and maintenance operations.
- Strengthen daily safety management**
- Make each unit conduct monthly mutual safety inspections and the Group compile the issues and rectification progress and issue OA notifications, identifying a total of 459 issues and assessing 62 non-compliant behaviours in accordance with regulations throughout the year.
 - Continuously promote safety management to penetrate and deepen to the grassroots level through weekly supervision, regular meeting notifications, and a performance linkage mechanism;
 - Strictly control the access of relevant parties, rigorously implement pre-entry safety training, technical briefings, and risk communication, and strengthen supervision throughout the entire operation process, thereby ensuring that external units' operations are safely controlled.

In 2025, with the collaborative efforts of all safety management personnel, the application of intelligent safety supervision tools continued to deepen, significantly enhancing the Group's overall safety control capabilities. The work safety situation remained stable and improved, and all annual work safety targets were successfully met with high quality. The Group successfully achieved the goal of no in-factory traffic accidents and no incidence of occupational diseases, and fully implemented the annual emergency drill plan, with training covering 2 new employees and 284 outsourced construction personnel participations, and all trainees achieved a 100% pass rate in assessments. The rectification rate for major accidents and potential hazards reached 100%, and special operations were fully controlled for safety throughout the process, with no accidents.

2023-2025 Work-related Injury Data

Indicator	Unit	2025	2024	2023
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	8	50	40

4.2 Safety Education and Training

The Group always placed employee safety education and training in a prominent position, regarding it as a crucial measure to protect employees' lives and health and support the Company's sustainable development. Through systematic design and diverse formats, it continuously strengthened the safety awareness and practical skills of all employees. The Group built a comprehensive, multi-dimensional "online + offline" training system. During the Reporting Period, the Group held a total of 1,565 safety education and training sessions, covering over 20,000 employee participations. The Group also coordinated and organized management personnel from various units to participate in multiple safety training sessions held by provincial, municipal, and industry associations, including dynamic zero-clearance coordination meetings for major potential hazards, public work safety lectures, specialized risk prevention and control training, and safety conferences for the hazardous chemicals industry. This effectively enhanced the safety performance capabilities of the management team.

Regarding the construction of a safety legal framework, the Group formulated the Dissemination Plan on Regulations and Standards, precisely extracting 22 core articles from the Work Safety Law that are closely related to the Company's operations, and organized safety management personnel at all levels to thoroughly study the criteria for administrative penalties. The Group also thoroughly explained such key documents as chemical process safety, coking standards, and identification criteria for potential hazards, promoting the advancement of safety management towards standardization and regularization. Regarding the accident warning education, the Group thoroughly learned from accident lessons, systematically reviewed typical cases such as the Kunming Xundian "12•12" asphyxiation accident, the Jiangsu Taizhou "3•11" Huili Bio explosion accident, and the Henan Zhoukou "3•20" Hongqi Bio fire accident. Adhering to the principle of "learning from cases and promoting governance with cases", the Group identified weaknesses in ideological understanding, system design, and work style, promoted the transformation of typical accident cases into highly practical safety education resources and, based on these, conducted specialized warning education, performed potential hazard investigations, improved job operating procedures, optimised safety management systems, and set targeted warning signs.

Case

"Work Safety Month" series of themed activities

During the "Work Safety Month" in 2025, Jinma Group closely adhered to theme of "Everyone Talks about Safety, Everyone Knows How to Respond to Emergencies", systematically planned and coordinated a variety of activities covering multiple dimensions such as publicity and guidance, education and training, potential hazard investigation, emergency drills, and family engagement. This fully fostered a strong safety culture and effectively enhanced the safety awareness and practical skills of all employees.

- Strengthening publicity and guidance: The Group produced over 10 safety banners and continuously displayed slogans on the Company's large screens and in the dispatch centre. Each unit updated its "Work Safety Month" themed bulletin boards weekly, creating a visible and tangible safe environment.
- Deepening learning and training: The Group conducted 64 learning and exchange sessions based on typical accident case study presentations, with over 1,400 participants. The Group also launched the "Risk Prevention and Safety Assurance" column in the Jinma Energy Newspaper and organized safety examinations for all employees, achieving a pass rate of 91.67%.
- Focusing on practical training: The Group organized extensive job skill training, technical competitions, and positive pressure air respirator wearing contests, promoting learning through competition and action through learning. This comprehensively enhanced employees' job competency and emergency response capabilities. The Group also held a lecture competition on "Potential Hazard Identification and Inspection Quality", followed by the optimization of courseware and its dissemination through workshops.
- Promoting collaborative management of potential hazards: The Group launched the competition of "Identify Potential Hazards Around You", with a total of 2,261 potential hazards investigated and 2,102 rectified.
- Expanding co-management and co-education: The Group invited 56 employee family members to join work teams, participating in co-building safety through visiting employee workplaces. The Group also maintained pre-shift safety oaths, transforming safety management from institutional constraints into a collective consciousness.
- Consolidating emergency foundations: The Group organized a specialized practical drill for liquid oxygen leakage and 25 grassroots-level emergency drills, and conducted tabletop exercises to clarify responsibilities, thereby achieving multiple effects including "testing emergency plans, training response teams, and conducting public safety education and publicity".



Fire safety knowledge training



Safety training by Jinrui Energy

Case

Fire emergency drill by Jinma Hydrogen Energy



4.3 Occupational Health Management

The Group strictly complied with laws and regulations including the Work Safety Law of the PRC, the Labour Law of the PRC, the Law of the PRC on the Prevention and Control of Occupational Diseases, 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》, the Group establishes a sound occupational health and safety production management system of “taking charge by enterprise, management by professionals, and supervision by employees”, systematically advancing occupational health management. By improving the occupational health management mechanism, strengthening the monitoring of occupational hazard factors, implementing dynamic supervision of key positions, routinely conducting occupational health training, and strictly managing the provision and use of protective equipment, the Group comprehensively built an occupational health protection system covering work-related injury insurance, health examinations, and person-job fit, and incorporated occupational health management for relevant parties into unified standards, thereby systematically enhancing the level of occupational health governance.

During the Reporting Period, the Group had no occupational disease cases, and the occupational disease physical examination coverage rate was 100%.

Improve the occupational health management mechanism

The Group formulated the 2025 Occupational Disease Hazard Prevention and Control Plan and Implementation Scheme, and established a prevention and control leading group headed by the General Manager to coordinate and supervise the implementation of various occupational health management tasks, including:

- Reviewing and approving annual plans, ensuring financial investment, revising and improving occupational disease prevention and control regulations and operating procedures, and enhancing the job responsibility system while supervising the implementation of protective measures;
- Organizing occupational health training, conducting pre-employment, in-service, post-employment, and annual comprehensive health examinations for all employees, and formulating standards for the allocation of occupational disease hazard protective equipment and distributing them on time;
- Promoting daily monitoring, regular testing, and declaration updates of occupational hazard factors, and urging rectification for positions where occupational hazard factors exceed standards;
- Taking the lead in implementing the “three simultaneities” for occupational disease protection facilities in new, renovated, and expanded projects.

Strengthen the monitoring of occupational hazard factors

The Group conducts routine monitoring of occupational hazard factors in workplaces monthly as planned and generates monitoring reports; and organizes a comprehensive monitoring covering the entire factory area annually. For positions where monitoring results fail to meet standards, the Group implements rectification measures in strict accordance with professional advice, thereby ensuring that all occupational hazard prevention and control measures continuously comply with the requirements of national relevant standards.

Implement the supervision of key positions

The Group designates positions with occupational hazard factors exceeding standards as key supervision targets, implements dynamic hierarchical control, and incorporates relevant inspection and assessment requirements into the work safety responsibility system. The Group standardly places warning signs and hazard notification cards in prominent locations at key positions, and establishes a system for regular inspection and maintenance of protective facilities to ensure their effective operation. The Group also conducts special protective training for employees in positions exceeding standards to ensure they fully understand the hazard characteristics, health risks, and protection methods specific to their positions.

Conduct occupational health training

Relying on channels such as “Work Safety Month”, team safety activities, the Jinma Learning Platform, and DingTalk Classrooms, the Group thoroughly publicizes and implements regulations including the Law of the PRC on the Prevention and Control of Occupational Diseases, and the Workplace Occupational Health Supervision and Management Regulations, promoting occupational health knowledge into workshops and teams, and enhancing employees’ self-protection awareness and capabilities. The Group organized one special training session each quarter, totalling 43 sessions throughout the year and covering over 2,000 participants. Simultaneously, training records and video materials were properly archived to ensure the effective implementation of publicity and education.

Strengthen the management of occupational protective equipment

In strict accordance with the Labour Protective Equipment Management System, the Group procures qualified occupational health protective equipment that meets national standards and distributing it promptly according to the allocation plan for each position. Concurrently, the Group strengthens usage supervision of such equipment. For employees who do not wear, wear improperly, or intentionally damage protective equipment, the Group takes measures such as criticism and education, performance assessment, or suspension for training to effectively ensure that all employees use labour protective equipment in a standardized and correct manner.

Establish occupational health guarantees

The Group establishes and dynamically updates occupational health and personal health surveillance records, and strictly implements pre-employment, in-service, post-employment, and pre-transfer medical examinations for employees, achieving 100% coverage for personnel exposed to occupational disease hazards. For those found to have occupational contraindications, the Human Resources Department is promptly informed in writing to ensure job-person matching.

Meanwhile, the Group pays work-related injury insurance in full for all employees in accordance with the law, effectively ensuring that workers are legally entitled to work-related injury insurance benefits, thereby building a legal and institutional barrier for occupational health rights.

Standardize the management of related parties

The Group fully incorporates the occupational health management of external construction personnel into a unified supervision system. Through a dual approach of contract clauses and on-site management, it solidifies the primary responsibility of construction units in occupational health training, provision of protective products, and health surveillance. It strictly implements full-process supervision of occupational disease prevention facilities for new, rebuilt, and expanded projects based on the “Three Simultaneities” principle, and regards the implementation status as a core indicator for contractor access assessment and performance evaluation, thereby ensuring that occupational health requirements are integrated throughout the entire project construction cycle.

5. Uphold responsible operations

The Group continued to practice responsible operations, adhered to the quality concept of “creating value for users with high-quality products” and the innovation-driven development strategy, actively promoted industrial transformation and upgrading, and strived to move towards a new stage of green, low-carbon, and high-quality development. It continuously optimised its supply chain management system, and focused on building a transparent, compliant, and sustainable responsible supply chain, thereby promoting collaborative win-win outcomes with upstream and downstream partners.

5.1 Quality Products Management

The Group always placed product and service quality at its core, strictly abided by the Product Quality Law of the PRC 《中華人民共和國產品質量法》 and relevant standard requirements, and systematically established and continuously improved a quality management system covering the entire chain. It implemented full-process refined control across all stages from coal blending, coking, and chemical production to the deep processing of coal tar and crude benzene, ensuring that major products such as coke, coal tar, and crude benzene fully comply with national and industry standards such as the Coke for Metallurgy (GB/T 1996-2017), Coal Tar (YB/T 5075-2010) and Crude Benzene (YB/T 5022-2016). The Group adhered to a customer-centric approach and established diversified feedback channels to quickly responding to various needs and issues, continuously improve service quality and customer satisfaction, and effectively safeguard customers’ rights and interests.

During the Reporting Period, the Group improved quality and enhanced efficiency through multiple measures, including strengthening full-process quality control, optimizing customer service procedures, and perfecting after-sales response mechanisms, thereby achieving a product return rate of 0%, customer satisfaction of 100%, and zero customer complaints throughout the year. At the same time, the Group attached great importance to protection of consumers’ rights and interests by strictly implementing data security and privacy management regulations, with no incidents of privacy infringement or information leakage involving consumers.

Comprehensive Quality Management System

Quality control is a crucial cornerstone of the Group’s core competitiveness. The Group established a scientific and standardized quality management system, integrating stringent quality control throughout every process from raw material incoming inspection to finished product delivery, creating a closed-loop quality assurance system that covers the entire chain and whole process. During the Reporting Period, the quality management systems of subsidiaries including Bohai Chemical, Jinma Zhongdong, Jinyuan Hydrogenated Chemicals, and Jinrui Energy continued to operate effectively, and these subsidiaries held ISO 9001:2015 Certification certificates.

Robust quality management system

Formulate comprehensive quality control regulations, including the Quality Management Regulations, the Quality Control Point Management Measures, the Product Monitoring and Measurement, and the Quality Control Standards for Washing Clean Coal and Reward and Punishment Measures, and form the Quality Management Manual, 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

Strictly implement raw material inbound inspection procedures, and adopt professional analytical and testing equipment and standardized testing methods to conduct comprehensive and precise physicochemical performance evaluations of raw materials. By establishing scientific acceptance standards and a traceability mechanism, strictly control quality risks at the source, thereby ensuring the stability and suitability of raw materials and laying a solid foundation for the efficient and stable operation of subsequent processes.

Production Process Quality Control

Formulate the Production and Operation Outline annually and implement internal control procedures for the production process; establish a rigorous process control system across all stages, including coal blending, coking, chemical production, and deep processing of coal tar and crude benzene; scientifically set up key quality control points and dynamically monitored and analysed core process parameters to promptly optimise and adjust production conditions, thereby ensuring stable and controlled operations throughout the entire process and reliable product quality.

Finished product quality management

Develop detailed inspection standards and operating procedures for different products, ensuring that all types of products strictly meet relevant quality requirements and achieving specialized and differentiated quality control; build a full-process quality traceability system capable of accurately identifying responsible links from raw materials to finished products, providing strong support for the analysis, improvement, and accountability of quality issues.

Defective product management	Strictly implement the Defective Products Management Rules, scientifically classify identified non-conforming products and take appropriate disposal measures. In case of any quality anomaly, the relevant responsible departments must organize a systematic analysis, pinpoint the root cause of the problem, and formulate and implement effective corrective and preventive action plans, genuinely promoting closed-loop problem resolution and continuously improving the long-term quality management mechanism.
Advertising and labelling management	Strictly comply with the Advertising Law of the PRC 《中華人民共和國廣告法》, establish a compliance review mechanism for advertising and labelling content, and ensure compliance with applicable regulations prior to publication. In the event of customer complaints, regulatory inquiries, or administrative penalties arising from advertising or labelling issues, take corrective measures such as removal, rectification, or recall.
Product after-sales service	Establish a comprehensive customer service system, actively conduct after-sales service and customer follow-up activities, maintain close communication with customers through various channels such as face-to-face meetings and phone calls, and promptly offer customer needs and opinions to production and other relevant departments, continuously improving service quality. In case of any customer complaint, investigate the cause of the complaint and propose a resolution, and then truthfully fill out and retain relevant documents such as the Customer Complaint Form, the Customer Complaint Handling Scheme, the Customer Feedback Form, the Customer Opinion Analysis Report, the Work Rectification Plan and establish a product recall mechanism. Upon identifying any safety or compliance risks in products, immediately initiate procedures for assessment, notification, recall, and disposal, and report to the relevant regulatory authorities.
Customer satisfaction survey	Regularly survey customer satisfaction, promptly address customer feedback, and accept customer supervision to timely improve and enhance product and service quality.
Customer privacy protection	In accordance with laws and regulations such as the Data Security Law of the PRC 《中華人民共和國數據安全法》, establish and improve customer information confidentiality systems and strengthen the protection of customer information and data; staff professional business personnel for customer liaison and communication, ensuring the security of customer information and correspondence; protect the Company's information and network security via technical encryption through methods such as real-time monitoring, peripheral device management, App control, and terminal security systems, and strengthen internal management.

5.2 Encouraging Innovative Development

Against the backdrop of accelerated industrial transformation and upgrading, technological innovation has become the core engine for enterprises to overcome bottlenecks and achieve high-quality sustainable development. The Group was anchored to the development goal of becoming an “innovative modern energy and chemical enterprise”. It deeply integrated innovation into its strategic system, continuously improved innovation management mechanisms, accelerated the breakthrough in key technologies and the commercialization of results, and promoted efficient synergy between the innovation chain and the industrial chain, providing strong support for enhancing the Company’s competitiveness and serving the national dual-carbon goals.

Scientific and technological innovation management

The Group implemented the Innovation Project Management Measures, systematically clarifying the objective-orientation, organizational system, operating procedures, and incentive mechanisms for innovation work from a regulatory perspective, thereby establishing management norms covering the entire lifecycle of innovation. To promote the efficient integration and collaborative implementation of innovation resources, the Group established an innovation project promotion team led by the Deputy Chief Engineer, with joint participation from the Technical Department, the Enterprise Management Department, the Finance Department, the Human Resources Department, and all production workshops, thereby coordinating the implementation of projects and the commercialization of results.

Based on a sound system and organizational guarantees, the Group formed a closed-loop management mechanism covering stages such as project application, review and approval, process tracking, and completion acceptance, effectively supporting the efficient transformation and promotion of innovation projects from concept to application.

Diversification of project applications	Encourage diverse sources for innovative project applications based on the Company’s strategic orientation, actual production needs, and employees’ innovative suggestions.
Systematization of project review and approval	Conduct comprehensive argumentation across dimensions such as innovation level, economic potential, technical content, and safety and environmental impact, ensuring that selected projects possess both strategic alignment and practical implementation value.
Dynamic process management	Through regularly holding project review meetings, coordinate resources in time, overcome technical bottlenecks, and dynamically track execution progress, providing full-process support for key projects.
Result-oriented final acceptance	Combining professional evaluation, on-site verification, and benefit calculation, comprehensively evaluate the technical level, application effectiveness, and promotion value of innovation achievements, ensuring that results are truly implemented and effective.

Scientific and technological innovation achievements

The Group deeply understood the important role of scientific and technological innovation in its high-quality development. Relying on technological breakthroughs and collaborative cooperation, it coordinated the dual improvement of economic and ecological benefits, actively led the green and low-carbon transformation of the energy industry, and created a benchmark for sustainable development with demonstrative significance.

Drive the innovation and upgrading of the industrial chain

- Focusing on the resource advantages of phenyl aromatics, strive to extend, supplement, and strengthen the industrial chain, build “chain-leading” enterprises, construct a collaboratively developing industrial system and promote the formation of a high value-added fine chemical industrial chain from hydrogenated benzene to cyclohexanol, adipic acid, and biodegradable plastics.
- Promote the expansion and upgrading of coal tar deep processing capacity, with an annual processing capacity reaching hundreds of thousands of tons; further extend the industrial chain, focusing on the layout of high-end carbon-based new materials such as needle coke, high-power graphite electrodes, and carbon fibre, thereby accelerating advancement towards the high-end of new materials.

Improve resource utilisation efficiency through technical upgrades

- Continuously improve the coal blending ratio under the premise of appropriately increasing the standard temperature of the coke oven and based on coke quality indicators, resulting in an average reduction of RMB13.9/ton in the cost of coal charged into the furnace and a saving of RMB16.65 million in coal costs annually.
- Convert the defoaming process of the biochemical system to use activated coke produced water, saving fire water, and reducing the treatment volume of the active coke system, deep treatment system, and evaporation and crystallization system, with a total of saving of RMB2.43 million per year.

Develop hydrogen energy to enhance new energy utilisation

- Actively develop industrial parks to expand hydrogen supply and achieve an annual hydrogen production scale of billions of cubic meters, with a purpose of building a hydrogen supply base in Henan Province.
- Promote hydrogen heavy-duty trucks and build supporting hydrogen refuelling stations; take key scenarios as the starting point, and collaboratively advance the demonstration application of fuel cell vehicles and hydrogen power generation, thereby integrating the entire hydrogen energy equipment industry chain.

Collaborate with partners to highlight innovation leadership

- Cooperate with Sinosteel Anshan Research Institute of Thermo-Energy Co., Ltd. on a research project for optimised coal blending based on coke quality requirements. Through research on the coal properties and coking characteristics of single-type coal, scientifically evaluate the performance of raw coal and establish an applicability classification system for coking coal, realized the cost-performance ranking of coking coal sources, and guided their procurement and application in coal blending for coking.

Case Tar sludge drying technical upgrade project

Tar sludge is a typical hazardous solid waste generated during the coking production process and is listed in the National Hazardous Waste List. It primarily contains toxic and harmful substances such as polycyclic aromatic hydrocarbons (PAHs), benzenes, phenols, and naphthalenes, and is characterised by its corrosiveness, adhesiveness, and volatility. Improper disposal of tar sludge not only pollutes the air and endangers employee health but may also seep into the soil and groundwater, posing severe environmental risks. Therefore, its harmless and resource-oriented treatment has always been a key focus and challenge in environmental management for the coking industry.



To address this challenge, the Group implemented a tar sludge drying technical upgrade project. The project adopted a process route of “primary crushing – heating and stirring – secondary crushing – centrifugal separation,” where tar sludge was efficiently separated into tar and pulverized coal using a self-discharging centrifuge. The tar was transported to a mechanical clarification tank for sale as a qualified tar product or for deep processing, while the pulverized coal was returned to the coal yard and reused in coking coal blending, achieving internal recycling of solid waste.

The project simultaneously introduced remote monitoring and automated operating systems, significantly reducing manual intervention and substantially lowering operational intensity and exposure risks. Following the upgrade, leakage, volatilization, and potential safety hazards associated with wet tar sludge during collection, transfer, and treatment were completely eliminated, thereby enhancing intrinsic safety levels at the source. This project not only effectively fulfilled the Company’s environmental responsibilities but also transformed hazardous waste into usable resources, providing a replicable and scalable practical model for the coking industry’s green and low-carbon transformation.

Integration of informatization and industrialization

The Group actively responded to national informatization industry policies, and closely aligned with its development strategy. It vigorously promoted the deep integration of informatization and industrialization, and strived to build a “Smart Jinma”. By establishing a data-driven management closed loop, the Group fostered deep data application and continuous management optimization, effectively supporting the Company’s transformation and upgrading, and the implementation of strategies. During the Reporting Period, the Group systematically advanced the integration of industrialization and informatization. Through “hardware upgrades + software connectivity”, it established an intelligent management system covering energy, production, safety, and environmental protection, providing a solid technical foundation for addressing climate risks, reducing carbon emissions, and improving resource efficiency, and powerfully driving the high-quality and sustainable development of the Company.

In terms of industrialization initiatives, the Group completed data integration for key links such as tar sludge drying and dust removal systems, achieving collaborative control between DCS and MES systems. It added 56 new instrument measurement points, enabling real-time visual monitoring and closed-loop precise control of oxygen flow. It implemented energy-saving renovations for 11 high-energy-consuming motors, leading to a 369.23 kWh reduction in electricity consumption. It promoted the expansion of energy storage power stations with an additional capacity of 20.64 MW, expected to save RMB400,000 in electricity costs per month. Furthermore, it completed explosion-proof modifications, circuit upgrades, and centralized control, significantly enhancing the reliability of the electrical system.

In terms of IT development, the Group expanded its hyper-converged server capacity to efficiently support core business platforms such as hydrogen energy, natural gas, and safety. It optimised NCC and OA systems, adjusting over 200 permissions and restructuring more than 170 approval workflows, thereby effectively enhancing governance efficiency. It also optimised multi-scenario processes and functionalities for the MES system, integrating production, equipment, and environmental data chains to enable team performance comparison, spare part management linked with NCC inventory, and real-time environmental data monitoring. It updated equipment management inspection functions, introducing QR code/NFC inspection mechanisms to mandate photographic evidence for critical items. It added hazardous source monitoring points to the Jinma Safety Platform, and deployed mobile surveillance spheres to strengthen on-site supervision. It integrated over 400 key data points with the unified environmental platform, enabling hourly average statistics for environmental emission reports, large screen projection, and multi-system docking, with a focus on building an ultra-low emission environmental platform.

Intellectual property and privacy protection

The Group strictly abided by the Patent Law of the PRC 《中華人民共和國專利法》 and relevant intellectual property regulations in its locations, established and implemented systematic and standardized intellectual property management processes. The Group continuously optimised its management mechanisms, and strengthened full-process compliance control, effectively enhancing its comprehensive capabilities in creation, utilisation, protection, and management. It conducted regular confidentiality training for technical personnel to build a strong defence line for intellectual property security and safeguard the integrity and safety of the Company's innovative achievements. In external cooperation, the Group strictly adhered to contractual agreements in accordance with laws and regulations such as the Civil Code of the PRC 《中華人民共和國民法典》, genuinely protecting the commercial secrets and information security of both parties. During the process of scientific and technological achievement transformation, the Group strictly implemented the Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements 《中華人民共和國促進科技成果轉化法》, and fully implemented technical secret protection measures, thereby ensuring the effective realization of innovation value.

During the Reporting Period, the Group was granted authorization for 5 utility model patents and 1 invention patent.

2025 Technology Innovation Data

Indicator	Unit	2025
Annual R&D investment	RMB 10,000	3,316.76
Total R&D staff	Persons	16
Number of patent applications	Cases	10
Number of patents granted	Cases	6

5.3 Supply Chain Responsibility Management

The Group attached great importance to supply chain management and was committed to building a sustainable supply system based on shared responsibility and mutual benefit. The Group exercised strict control over supplier access, continuously optimised procurement standards, and promoted the informatization of procurement processes. It improved the supplier evaluation mechanism by incorporating ESG factors such as work safety, occupational health, environmental protection, and carbon emissions into the assessment system. The Group adhered to fair, impartial, and open procurement principles, and established a transparent procurement platform, effectively preventing commercial bribery and corruption risks. Furthermore, the Group continuously improved its management system applicable to all suppliers, implemented tiered and classified management, clarified duty performance requirements, and continuously enhanced suppliers' sense of responsibility and compliance capabilities through regular training and communication, thereby promoting the overall supply chain's development towards high quality and responsibility.

Improve the supplier management system

Formulate documents such as the Material Procurement Management Rules, the Raw Material Coal Procurement Management Rules, the Supplier Evaluation Management Rules, the Qualified Supplier Credit Evaluation System, and the Supplier Management Procedures, clarifying procurement processes, quality requirements, and responsibility boundaries, thereby providing support for ensuring supply chain stability, enhancing cost-effectiveness, and strengthening risk response capabilities.

Implement the tiered and classified supplier management

Classify raw and auxiliary materials into three categories: critical, important, and general, based on the Company's production needs; differentiate suppliers into qualified suppliers, temporary suppliers, and unqualified suppliers according to the impact of products procured from them on the Company's product production and product quality, implementing the differentiated management strategies.

Establish a normal on-site inspection mechanism

Assign business personnel to conduct dynamic visits to suppliers as part of their daily work, focusing on supervising the quality of incoming coal and the execution of transportation during the coal shipment process to ensure the supply process is controllable and traceable.

Implement the monthly bi-frequency assessment and settlement

Strictly adhere to the quality and penalty standards stipulated in contracts, conduct quantitative assessment on incoming coal from suppliers twice a month, and implement the treatment of non-compliant batches subject to deductions or returns, thereby strengthening performance enforcement.

Conduct social and environmental responsibility risk assessments

Set up a multi-departmental supplier evaluation team to conduct comprehensive and dynamic reviews of suppliers, with a key focus on their compliance performance in environmental protection, occupational health, and work safety, as well as the potential environmental and safety risks posed by their products, ensuring suppliers consistently meet responsible procurement requirements.

Prioritise the procurement of energy-saving and environmentally friendly equipment and materials

Clearly define a green procurement orientation in new construction, expansion, and technical renovation projects, prioritizing the selection of highly efficient, energy-saving, and low-emission equipment and raw materials; and ensure the effective implementation of this policy through regular audits and performance tracking.

Strengthen training for suppliers and outsourced units

For outsourced construction units and on-site service personnel, the Group’s Safety Department organizes unified safety induction training, followed by secondary, job-specific training conducted by local workshops, ensuring they are familiar with the Company’s safety standards and master correct operating procedures.

Facilitate supplier supervision and reporting channels

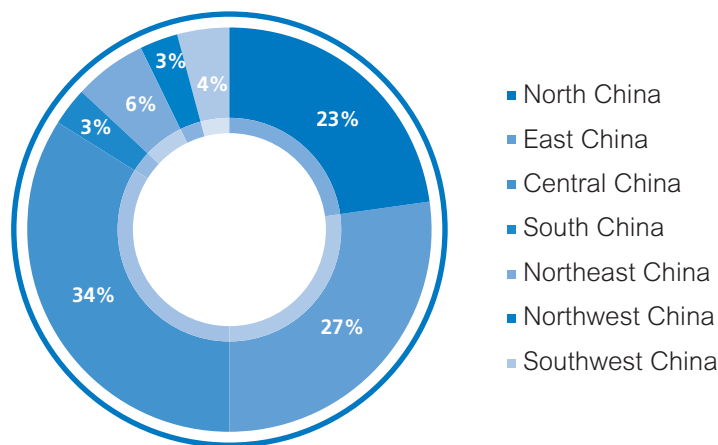
Attach great importance to supplier feedback and integrity compliance issues, establish a reporting channel directly to the Group’s Secretary of the Party Committee, and encourage real-name or anonymous reporting of non-compliant behaviour or improper demands, thereby strengthening the defence line for transparent procurement.

Implement supply chain risk management measures

Station dedicated business personnel at key suppliers on a long-term basis to keep abreast of their operating conditions, production capacity dynamics and performance capabilities in real time. Within the supply system, ensure that each category of critical materials has at least three alternative suppliers, effectively diversifying supply risks, enhancing supply chain resilience, and guaranteeing the safe and stable production and operation of the Company.

2025 Supplier Data

Indicator	Unit	2025
Total Number of Suppliers	Supplier	151
North China	Supplier	34
East China	Supplier	41
Central China	Supplier	52
South China	Supplier	5
Northeast China	Supplier	9
Northwest China	Supplier	4
Southwest China	Supplier	6
Number of Suppliers Audited Annually	Supplier	140
Annual supplier assessment rate	%	93
Percentage of supply chain ESG audits	%	100



Proportion of Suppliers by Region

6. Community Public Service

The Group has always regarded social responsibility as an inherent mission of corporate development, deeply practised the cultural philosophy of “being loyal internally, being honest externally, and being responsible toward the society”, and adhered to the commitment of “creating value and giving back to society”. It actively engaged in public welfare initiatives and took proactive actions in areas including education support, cultural development and charitable assistance. In 2025, its total external donations reached RMB553,000. It was honoured with the title of “Advanced Unit for Charitable Fund Donations” in 2024.

6.1 Public Welfare

The Group has long been committed to charitable education initiatives, and primarily supported outstanding students from disadvantaged backgrounds, thereby effectively alleviating their financial burden and helping them successfully complete their studies and achieve their life dreams. During the Reporting Period, the Group awarded scholarships totalling RMB353,000 to 117 children of employees, further enhancing its public welfare practices in educational incentives and care for employees, and demonstrating corporate responsibility through practical measures.

Additionally, to promote a social atmosphere of respecting teachers and valuing education, and to support the high-quality development of local education, the Group donated RMB200,000 to the Jiyuan No. 1 Middle School Outstanding Teacher Award Fund in 2025.

6.2 Volunteer Activities

The Group vigorously promoted the spirit of volunteerism, and actively fostered a public welfare culture where “everyone participates and everyone contributes”. The Group regularly organized diverse and distinctive volunteer activities, encouraging employees to utilize their professional expertise and leisure time to engage in various volunteer services. This not only deepened the interaction and integration between the Company and local communities but also effectively enhanced employees’ sense of belonging, teamwork awareness, and social responsibility, thereby fostering synergy between corporate cultural development and social value creation.



Jiyuan No. 1 Middle School Outstanding Teacher Award Fund Donation Ceremony



Jinyuan HChem’s emergency response team members participated in the Heavy Rain Warning and Prevention Standby Activity of Jiyuan City

Case Jinma Zhongdong partnered with the Municipal Central Blood Station to organize voluntary blood donation drive

From 16 to 17 July 2025, Henan Jinma Zhongdong Energy Co., Ltd., a subsidiary of the Group, partnered with the Municipal Central Blood Station to organize its annual voluntary blood donation drive. A total of 47 employees actively responded and successfully donated blood, cumulatively donating 17,800 millilitres of blood. This event not only demonstrated the strong sense of social responsibility among employees but also highlighted the Company's commitment to valuing life and giving back to society.

Jinma Zhongdong led the organization of voluntary blood donation drives for four consecutive years, with a cumulative participation of 297 person-times and a total blood donation of approximately 115,000 millilitres, equivalent to saving the lives of hundreds of patients. By continuously promoting the normalization and institutionalization of public welfare initiatives, Jinma Zhongdong integrated social responsibility into its corporate culture, conveying care and responsibility through practical actions and establishing a positive image as a responsible enterprise.



Case Jinning Energy launched gas safety awareness campaign in communities

On the morning of 15 April 2025, Jiyuan Jinning Energy Industry Co., Ltd., a subsidiary of the Group, actively responded to the publicity campaign for the Henan Province Gas Management Regulations organized by the Urban Management Section of the Demonstration Zone Housing and Urban-Rural Development Bureau, and launched gas safety knowledge popularization activities in various communities. At the site, a strong atmosphere was created by hanging promotional banners and setting up safety display boards, and professionals explained practical issues of public concern face-to-face to residents, such as general knowledge of safe gas use and emergency handling methods for leaks, ensuring it was easy to understand and grasp the promotional content. Staff members also answered various questions from users regarding daily gas use on-site, and distributed 200 copies of safety promotional materials and over 100 promotional items such as eco-friendly bags and aprons.

This campaign received widespread praise from community residents, effectively enhancing public safety awareness, and demonstrating the Company's commitment to safeguarding public gas usage safety.



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 2025.

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 27). The Group's environmental policies and performance are provided in the section headed "Environmental, Social and Governance Report" of this annual report (pages 46 to 98). 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 7 to 27), "Corporate Governance Report" (pages 28 to 45), "Environmental, Social and Governance Report" (pages 46 to 98) and this section (pages 99 to 115) 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 7 to 27). 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 2021 to 2025) are set out as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (restated)	RMB'000
Revenue	8,123,404	11,598,533	12,072,303	12,448,644	7,398,260
Cost of sales	(8,191,818)	(11,448,421)	(11,623,836)	(11,307,824)	(6,383,003)
Gross profit	(68,414)	150,112	448,467	1,140,820	1,015,257
Other income	32,099	65,516	103,237	51,121	43,673
Other gains and losses	(8,958)	(26,050)	(14,042)	(25,658)	(93,209)
Impairment losses under expected credit loss model, net of reversal	–	–	858	48,821	(2,907)
Selling and distribution expenses	(307,022)	(411,137)	(293,018)	(251,033)	(104,398)
Administrative expenses	(173,969)	(177,136)	(178,405)	(173,081)	(140,288)
Finance costs	(154,301)	(143,963)	(125,369)	(94,182)	(48,285)
Share of result of a joint venture	1,010	3,219	15,788	28,482	3,334
Share of results of associates	736	626	(8,474)	1,969	–
(Loss) Profit before tax	(678,819)	(538,813)	(50,958)	727,259	673,177
Income tax (expense) credit	(53,688)	61,090	44,895	(156,475)	(172,497)
(Loss) Profit for the year from continuing operations	(732,507)	(477,723)	(6,063)	570,784	500,680
Profit for the year from discontinued operations	–	–	–	–	7,067
Other comprehensive income (expenses):					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Fair value gain (loss) on bills receivables at FVTOCI, net of income tax	558	8,267	15	(36)	(2,291)
Total comprehensive (expense) income for the year	(731,949)	(469,456)	(6,048)	570,748	505,456
Total comprehensive (expense) income for the year attributable to:					
– Owners of the Company	(526,849)	(340,614)	23,372	422,423	485,911
– Non-controlling interests	(205,100)	(128,842)	(29,420)	148,325	19,545
	(731,949)	(469,456)	(6,048)	570,748	505,456
(Loss) earnings per share (RMB)					
From continuing and discontinued operations					
– Basic	(0.99)	(0.65)	0.04	0.79	0.91
From continuing operations					
– Basic	(0.99)	(0.65)	0.04	0.79	0.91

Selected Historical Consolidated Assets and Liabilities Data

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(restated)	
Non-current assets	7,619,504	8,581,014	8,649,368	7,124,154	5,186,072
Current assets	1,452,401	2,634,730	3,885,610	4,106,928	3,339,269
Current liabilities	4,827,572	5,650,210	5,787,569	4,533,238	3,326,323
Net current (liabilities) assets	(3,375,171)	(3,015,480)	(1,901,959)	(426,310)	12,946
Total assets less current liabilities	4,244,333	5,565,534	6,747,409	6,697,844	5,199,018
Equity attributable to owners of the Company	2,591,453	3,118,302	3,460,434	3,513,981	3,225,413
Total equity	3,582,464	4,337,263	4,840,215	4,726,480	4,304,287
Non-current liabilities	661,869	1,228,271	1,907,194	1,971,364	894,731
	4,244,333	5,565,534	6,747,409	6,697,844	5,199,018

Payment of Dividends

On 25 March 2026, based on the operating results, the Board has resolved not to declare any final dividends for the year ended 31 December 2025. 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 2025, the total revenue from the top five customers of the Group and the revenue from the largest customer of the Group accounted for 41.71% and 20.11% (2024: 39.53% and 10.37%), 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 2025, 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 30.98% and 13.20% (2024: 28.54% and 7.33%), 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 18, Note 20 and Note 19 to the consolidated financial statements in this report.

Save as disclosed in this annual report, there were 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 2025, distributable reserves (i.e. retained profits) of the Company amounted to RMB1,566.1 million (2024: RMB2,063.5 million).

Donations

During 2025, the Group made a total of approximately RMB0.2 million (2024: approximately RMB0.55 million) of charitable donations, details of which are provided in the section headed "Environmental, Social and Governance Report" of this annual report (pages 46 to 98).

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 2025, 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*) (*retired on 16 June 2025*)
Mr. Liu Liangyu (劉良玉) (*Chairman*) (*appointed on 16 June 2025 and resigned on 25 July 2025*)
Mr. Wang Mingzhong (王明忠) (*Chief Executive Officer*) (*retired on 16 June 2025*)
Mr. Li Tianxi (李天喜) (*Executive Deputy General Manager*) (*retired on 16 June 2025*)
Mr. Xu Huaping (徐華平) (*appointed on 16 June 2025*)
Mr. Wang Lijie (王利杰) (*appointed on 16 June 2025*)

Non-executive Directors:

Mr. Yiu Chiu Fai (饒朝暉) (*Chairman*) (*appointed as an executive Director on 16 June 2025 and as a non-executive Director on 5 September 2025*)
Mr. Xu Baochun (徐葆春) (*Deputy Chairman*) (*retired on 16 June 2025*)
Mr. Wang Kaibao (汪開保) (*retired on 16 June 2025*)
Mr. Xu Fenglei (徐風雷) (*Deputy Chairman*) (*appointed on 16 June 2025*)
Ms. Wan Tingting (萬婷婷) (*appointed on 16 June 2025*)
Ms. Ye Ting (葉婷)

Independent Non-executive Directors:

Mr. Wu Tak Lung (吳德龍) (*retired on 16 June 2025*)
Mr. Meng Zhihe (孟至和) (*retired on 16 June 2025*)
Mr. Cao Hongbin (曹紅彬) (*retired on 16 June 2025*)
Mr. Su Jiangang (蘇鑾鋼) (*appointed on 16 June 2025*)
Mr. Zhang Xicheng (張希誠) (*appointed on 16 June 2025*)
Mr. Man Kwok Leung (文國樑) (*appointed on 16 June 2025*)

Supervisors:

Mr. Wong Tsz Leung (黃梓良) (*Chairman of the Supervisory Committee*) (*retired on 16 June 2025*)
Mr. Wu Jiacun (吳家村) (*retired on 16 June 2025*)
Ms. Lyu Hong (呂紅) (*Chairman of the Supervisory Committee*) (*appointed on 16 June 2025*)
Ms. Zhu Ziyao (朱子瑤) (*appointed on 16 June 2025*)
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 119 to 125).

Interests of Directors, Supervisors and Chief Executive in Securities

As at 31 December 2025, the interests and short positions (if any) of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the 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:

<u>Name</u>	<u>Nature of interest</u>	<u>Class of securities</u>	<u>Number of shares held^(Note 1)</u>	<u>Approximate percentage of shareholding in the total share capital of the Company^(Note 2)</u>
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%
Mr. Wang Lijie	Interest in controlled corporation ^(Note 4)	H shares	42,900,000 (L)	8.01%

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 (a non-executive Director) is the legal and beneficial owner of the entire issued share capital of Golden Star. Golden Star, in turn, holds 100% 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 in the Company by virtue of the SFO.
4. Mr. Wang Lijie 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.

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors nor the chief executive had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

Interests of Directors and Supervisors in Transactions, Arrangements or Contracts

During 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 2025 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 2025 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 2025, 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 2025 and remain so as at the date of this annual report.

Continuing Connected Transactions

For the year ended 31 December 2025, the Group conducted the following continuing connected transactions in respect of its business, details of which are disclosed as follows:

Name of Connected Person	Relationship with the Group	Nature of Transaction	Annual Cap for 2025 RMB'000	Actual Transaction Amount for 2025 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	2,420,000	1,907,136
Zenith Steel	Holder of approximately 22.27% of the equity interest in Shenzhen Jinma (a subsidiary of the Company)	Sale of coke	4,200,000	516,884
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 (魏德朝), 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 Purchase of logistics services	780,000 975,000 17,500	0 11,307 0
Xinyang Co	Holder of 30.00% of the equity interest in Xinyang Jingang (a subsidiary of the Company)	Sale of coke and heat Sale of coke and electricity and sulfuric acid ^(Note) Purchase of coal ^(Note)	5,375,000 1,822,500 1,600,000	181,172 744,473 944,257

Note: These sale and purchase transactions were presented on a net basis in accordance with the substance of the business, resulting in revenue recognised on providing services of RMB 139,057,000 in the consolidated financial statements.

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 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.

On 23 May 2025, the Company and Maanshan Steel entered into the 2025 Maanshan Steel Framework Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027, pursuant to which the Group will continue to sell coke to the Maanshan Steel Group during the three years from 1 January 2025 to 31 December 2027. The proposed annual caps for each of the year ended 31 December 2025, the year ended 31 December 2026 and the year ended 31 December 2027, are RMB2,420 million, RMB2,453 million and RMB2,475 million, respectively.

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 2025 Maanshan Steel Framework Agreement. With respect to the sales amount, the 2025 annual cap for such continuing connected transactions was RMB2,420.0 million, and the actual annual transaction amount for the year ended 31 December 2025 was approximately RMB1,907.1 million.

For further details of the renewal of the Maanshan Steel Framework Agreement, please refer to the announcements of the Company dated 8 November 2022 and 23 May 2025.

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 Sales 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 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 contemplated 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 2025 annual cap for such continuing connected transactions was RMB4,200.0 million, and the actual annual transaction amount for the year ended 31 December 2025 was approximately RMB516.9 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 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 2025 annual cap for such continuing connected transactions was RMB780.0 million, and there was no actual annual transaction amount for the year ended 31 December 2025.

- **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 2025 annual cap for such continuing connected transactions was RMB975.0 million, and the actual annual transaction amount for the year ended 31 December 2025 was approximately RMB11.3 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 2025 annual cap for such continuing connected transactions was RMB17.5 million, and there was no actual annual transaction amount for the year ended 31 December 2025.

Sales of Coke and Heat, Coke and Electricity and Sulfuric Acid to Xinyang Co Group and Purchase of Coal from Xinyang Co Group

- **Sale 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 Xinyang 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 2025 was approximately RMB181.2 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.

- **Sale of Coke and electricity and sulfuric acid to Xinyang Co Group and Purchase of Coal from Xinyang Co Group**

On 28 April 2025, the Company entered into a framework agreement (the “**2025 Framework Agreement**”) with Xinyang Co, pursuant to which the Group agreed to purchase coal from Xinyang Co Group, process the coal and produce coke (as well as electricity and sulfuric acid as by-products) (collectively, the “**Products**”) in accordance with the product specifications specifically set by the Xinyang Co Group, and sell Products to Xinyang Co Group from 28 April 2025 to 31 December 2025.

The Xinyang Co Group shall send orders to the Group setting out the quantity and specifications of the required Products (the “**Orders**”). If the Group decides to accept the Orders, the Group shall produce the Products in accordance with the product specifications specifically set by the Xinyang Co Group, and the Xinyang Co Group could offer guidance in the processing and production of the Products, and the Group would sell the Products to the Xinyang Co Group according to the Orders. The final price of coal and the Products shall be set based on market trends, information published by specialised online platforms, including the relevant prices, market inventory level and other information, after arm’s length negotiations by both parties. The transaction amounts shall be paid on a monthly basis, in accordance with the relevant usual commercial practices.

The caps for transactions contemplated under the 2025 Framework Agreement for the period from 28 April 2025 to 31 December 2025 are:

- For the purchase of coal by the Group from the Xinyang Co Group: RMB1,600.0 million, and the actual amount of the transactions for the period from 28 April 2025 to 31 December 2025 was approximately RMB944.3 million. During the period from 13 March 2025 to 27 April 2025, the Group purchased coal from the Xinyang Co Group, with the actual transaction amount being approximately RMB94.3 million. Such transactions were not disclosed in a timely manner in accordance with the reporting and announcement requirements under Chapter 14A of the Listing Rules. In relation to this, the Company is enhancing its internal control measures.
- For the sale of Products to the Xinyang Co Group by the Group: RMB1,822.5 million, and the actual amount of the transactions for the period from 28 April 2025 to 31 December 2025 was approximately RMB744.5 million.

The Directors (including the independent non-executive Directors) were of the view that the new arrangement is expected to enable the Xinyang Co to have better control over the specifications of the quality of the Products produced and supplied by the Company, in particular coke which is a major raw material for Xinyang Co Group’s operations, to ensure that such Products could fully cater the needs of Xinyang Co in its production process, and consider that it will be beneficial to continue cooperating with the Xinyang Co Group, and consider that the transactions contemplated under the 2025 Framework Agreement will develop closer ties between the parties, which will in turn result in the generation of a stable source of income for the Group.

For further details of the 2025 Framework Agreement, please refer to the announcements of the Company dated 28 April 2025 and 14 May 2025.

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 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 with independent third parties by 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 the disclosure regarding the transactions with Xinyang Co Group as mentioned.

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:

- Nothing has come to their attention 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, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the Group's pricing policy.
- Nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- With respect to the aggregate amount of each the above continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed have exceeded the relevant annual caps as set by the Company.

The price and the terms of the above transactions have been determined in accordance with the pricing policies set out in the relevant announcements. 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 2025, so far as is known to the Directors, the following parties (other than a Director, Supervisor or Chief Executive Officer) were directly or indirectly interested or deemed to be interested in 5% or more of 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%
Ms. Zheng Jing	Interest of spouse ^(Note 10)	H shares	42,900,000 (L)	8.01%

Notes:

- The letter "L" denotes the entity/person's long position in such Shares.
- The percentage is based on the total number of 535,421,000 Shares in issue of which all are H shares.
- 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.
- 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.
- 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.
- 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 48.2% 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. In addition, Liaoning Fangda Group Industrial Co., Ltd. ("Fangda Group") is directly and indirectly interested in approximately 61.83% of Jiangxi PXSteel. As such, 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. 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 2025.

Sufficiency of Public Float

Based on the information that is available to the Group and to the best knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules since 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 2025, 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 2025, the Group employed about 2,644 employees, with an average turnover of less than 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 2025 are provided in Note 13 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 2024 and 2025, there were no such forfeited contributions. There were no forfeited contributions available for reducing future contributions as at 31 December 2024 and 2025.

Auditor

The consolidated financial statements for the year ended 31 December 2025 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
30 April 2026

In 2025, in strict compliance with the relevant requirements of the Company Law, Securities Law, the Articles and Rules of Procedures for Supervisory Committee Meetings, in response to being accountable for all shareholders' interests, all members of the Supervisory Committee of the Company fulfilled the duties with diligence and integrity, and exercised the supervisory functions independently in accordance with the law. All members of the Supervisory Committee effectively exercised supervision over the Company's production and business operations, financial condition, and the establishment and implementation of internal control system, as well as the performance of duties by directors and senior management, which effectively safeguarded the legal rights and interests of the Company and shareholders. The following is a report on the main activities of Supervisory Committee for the year 2025:

I. BASIC ASSESSMENT ON THE OPERATION, MANAGEMENT BEHAVIOUR AND RESULTS OF THE COMPANY IN 2025

In 2025, in strict compliance with the requirements of the Company Law, the Articles, Rules of Procedures for Supervisory Committee Meetings and relevant laws and regulations, the Supervisory Committee effectively safeguarded the overall interests of the Company and the rights and interests of the majority of small and medium shareholders, diligently and conscientiously fulfilled supervisory duties in accordance with laws and regulations, and conducted comprehensive supervision over the Company's annual operations and management, financial operations, internal controls, as well as the performance of duties by directors and senior management. The Supervisory Committee is of the view that the members of the Company's Board of Directors faithfully fulfilled their duties and performed them in accordance with established procedures, and fully implemented the resolutions of the general meeting, diligently advanced all aspects of operational management, without any act detrimental to the interests of the Company and shareholders. The Company has established a relatively complete and effective internal control system, which has been effectively implemented. The senior management of the Company was diligent and responsible, and operated in accordance with established procedures, with no violation in day-to-day operations.

II. THE MEETINGS OF THE SUPERVISORY COMMITTEE

During the Reporting Period, the Supervisory Committee of the Company convened six meetings. The notice, convening, and voting procedures for the meeting were in compliance with the relevant provisions of the Company Law and the Articles. The specific details are as follows:

On 28 March 2025, the fifth meeting of the Third Session of the Supervisory Committee was held. The meeting had considered and approved the following proposal: 2024 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 2024; 2024 Annual Performance Report of Henan Jinma Energy Company Limited; Proposal on the Distribution of Final Cash Dividends for 2024.

On 28 April 2025, the sixth meeting of the Third Session of the Supervisory Committee was held. The meeting had considered and approved the following proposal: 2024 Annual Report of Henan Jinma Energy Company Limited.

On 29 April 2025, the seventh meeting of the Third Session of the Supervisory Committee was held. The meeting had considered and approved the following proposal: Proposal on the Nomination of Candidates for the Fourth Supervisory Committee of the Company.

On 16 June 2025, the first meeting of the Fourth Session of the Supervisory Committee was held. The meeting had considered and approved the following proposal: Proposal on the Election of the Chairperson for the Fourth Supervisory Committee of the Company.

On 28 August 2025, the second meeting of the Fourth Session of the Supervisory Committee was held. The meeting had considered and approved the following proposal: 2025 Interim Results Announcement of Henan Jinma Energy Company Limited; Proposal on the Distribution of Interim Dividends for 2025.

On 24 September 2025, the third meeting of the Fourth Session of the Supervisory Committee was held. The meeting had considered and approved the following proposal: 2025 Interim Report of Henan Jinma Energy Company Limited.

III. SUPERVISION OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2025:

(I) Operating the Company according to law

During the Reporting Period, the members of the Supervisory Committee 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 has established a relatively sound internal control system that is effectively implemented. In the performance of their duties, the Company's directors and senior management have acted with loyalty and diligence, with no violations of laws, regulations, or the Articles, nor any behavior detrimental to the interests of the Company and shareholders.

(II) Financial conditions of the Company

During the Reporting Period, the Supervisory Committee conducted a thorough review of the Company's financial condition and financial management system for the year 2025. After reviewing the financial report, the Supervisory Committee considered that the Company's 2025 financial report truthfully, accurately, and completely reflected its financial position and operation results, demonstrating sound financial management practices and robust internal control system. The accounting firm issued a standard unqualified audit report, and the audit conclusion is objective and fair.

(III) Related party transactions

During the Reporting Period, the Supervisory Committee supervised and reviewed the implementation of the related party transactions of the Company. The Supervisory Committee was of the view that all related party transactions conducted by the Company adhered to the principles of fairness, impartiality, and transparency with fair price, and the decision-making procedures were in compliance with relevant laws, regulations and the Articles. These related party transactions were conducive to the normal conduct of the Company's production and business operations, and there was no behavior detrimental to the interests of the Company and non-related shareholders.

(IV) Internal control assessment of the Company

During the Reporting Period, the Company established a relatively comprehensive internal control system in accordance with relevant laws and regulations, which has been effectively implemented and capable of meeting the Company's management requirements and development needs. The internal control evaluation report truthfully and objectively reflected the development and operation of the Company's internal control system.

IV. SUPERVISORY COMMITTEE'S OUTLOOK OF WORK IN 2026

In 2026, the Supervisory Committee will continue to strictly adhere to laws, regulations, and the provisions of the Articles. Acting in the best interests of all shareholders, the Supervisory Committee will further strengthen its supervision and earnestly fulfill its duties. The main work plan is as follows:

1. Strengthen financial supervision: Closely monitor the Company's major investment projects and financial risk management to ensure the authenticity and accuracy of financial information.
2. Strengthen risk management and internal controls: Enhance supervision and inspection of the implementation of the Company's internal control system, with a focus on compliance in key positions and critical business processes, to mitigate operational risks.
3. Enhance professional competence: Strengthen Supervisors' understanding of new laws and regulations, particularly environmental policies in the coking industry and new capital market regulations, to improve their professional expertise and level of supervision.
4. Protect the rights and interests of shareholders: Focus on the fairness of related party transactions, the risks associated with external guarantees, and the implementation of profit distribution, thereby effectively safeguarding the legitimate rights and interests of all shareholders, particularly minority shareholders.

In 2026, the Supervisory Committee will maintain close communication with the Board of Directors and management to support the Company's lawful and compliant operations and jointly promote the sustained, healthy, and stable development of Henan Jinma Energy Company Limited.

DIRECTORS

The Board currently consists of nine Directors, of whom two are executive Directors, four 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 2025, 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. Xu Huaping (徐華平), age 62, was appointed as an executive director of the Board of the Company in June 2025. He currently serves as the legal representative and executive director of Shandong Hengkun Coal and Coking Co., Ltd.* (山東恒坤煤焦有限公司), and a director of Beijing Tangang New Energy Co., Ltd.* (北京灘港新能源有限公司). Mr. Xu served as the chairman and general manager of Weifang Hengya Fuel Co., Ltd.* (濰坊恒亞燃料有限公司) from December 1998 to August 2018, and established Shandong Coal Trading Network* (山東煤炭交易網) in May 2007.

Mr. Xu is the honorary president of Weifang Coal Clean Utilization Association* (濰坊市煤炭清潔利用協會), and served as a deputy to the Xuecheng District People's Congress of Zaozhuang City for four consecutive terms. He graduated from Shandong Administration Institute (山東行政學院) in 1998, majoring in Economic Management, and completed postgraduate studies in Industrial and Commercial Administration at Renmin University of China. From May 2012 to April 2013, Mr. Xu attended the "International Economic Management Program for CEOs" at the Yangtze Delta Region Institute of Tsinghua University, and participated in an executive program at the University of Hawaii, USA. He also holds the Certified China Professional Manager qualification.

Mr. Wang Lijie (王利杰), age 38, was appointed as an executive director of the Board of the Company in June 2025. Mr. Wang was appointed as a director of Henan Jinyuan Hydrogenated Chemicals Co., Ltd. ("Jinyuan HChem", a subsidiary of the Company and a company listed in Hong Kong (stock code: 2502)) on 28 July 2023, and was redesignated as a non-executive director on 16 August 2023. He is responsible for participating in formulating the corporate and operational strategies of the Jinyuan HChem Group, and overseeing the overall business operations and management of the Jinyuan HChem Group. Mr. Wang is also a non-executive director and a member of the Strategy Committee of Jinyuan HChem.

Mr. Wang has nearly 10 years of experience in corporate management. From January 2012 to October 2013, he served as deputy general manager of Yugang Coking, primarily responsible for procurement. From November 2013 to October 2019, he served as general manager of Shanghai Jinma Energy Co., Ltd. (a member of the Group), responsible for overall operations and management. Since February 2015, he has served as the chairman of Jinma Xingye, responsible for overall operations and management. Since May 2019, he has served as general manager of Shenzhen Jinma Energy Co., Ltd., a member of the Group, responsible for overall operations and management. Since March 2022, he has served as a director of Xiamen Jinma International Trading Co., Ltd., an associate of the Group, and is responsible for business operations.

Mr. Wang completed the New Business Leadership Development Program at Peking University, China, in September 2016.

Non-executive Directors

Mr. Yiu Chiu Fai (饒朝暉), aged 57, was appointed as an executive Director of the Company and the chairman of the Board and the Nomination Committee in July 2016. Mr. Yiu retired as an executive Director of the Company on 16 June 2025, and was appointed as a non-executive Director with effect from 5 September 2025, as the chairman of the Board with effect from 17 September 2025, and as the chairman of the Nomination Committee with effect from 29 December 2025. 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, chairman of the board and a member of the remuneration and appraisal committee of Jinyuan HChem (a subsidiary of the Company and a company listed in Hong Kong, stock code: 2502).

Prior to joining our Group, Mr. Yiu was a department manager of Xiamen Commercial Foreign Trade Corporation from 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 Asia Energy Logistics Group 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. Xu Fenglei (徐風雷), age 56, has served as a non-executive Director, vice chairman of the Board, and chairman of the Strategic Development Committee of the Company since June 2025. Mr. Xu currently serves as Deputy Director of the Safety and Environmental Protection Department and Deputy Director of the Carbon Neutrality Office of Magang (Group) Holding Co., Ltd. ("Magang Group", together with its subsidiaries, collectively referred to as "Magang Group Masteel"). Mr. Xu is also a non-executive director, vice chairman of the board, chairman of the strategy committee, and a member of the audit committee of Jinyuan HChem (a subsidiary of the Company and a company listed in Hong Kong, stock code: 2502).

Mr. Xu joined Maanshan Iron & Steel Company Limited in August 1994. He has held various positions at Maanshan Iron & Steel Company Limited, the Engineering Management Department of Magang Group, Anhui Magang Chemical Energy Technology Co., Ltd., and the Technical Transformation Department of Magang Group Masteel, including Deputy Director of the Tar Workshop of Maanshan Iron & Steel Company Limited, Director of the Recovery Workshop, Director of the Second Gas Purification Workshop, Plant Manager of the Refined Benzene Plant of Maanshan Iron & Steel Company Limited, Plant Manager of the Third Gas Purification Plant, Director of the Technical Transformation Office of Magang Coal and Coking Company, Leader of the Benzene Hydrogenation Project Team, Deputy Manager of the Engineering Management Department of Magang Group, Deputy General Manager, General Manager and Chairman of Anhui Magang Chemical Energy Technology Co., Ltd. (安徽馬鋼化工能源科技有限公司), Chairman of Shanxi Fuma Carbon Material Technology Co., Ltd. (山西福馬炭材料科技有限公司), Deputy Head of the Technical Transformation Department of Magang Group Masteel, and Deputy Head of the Energy and Environmental Protection Department, Deputy Head of the Safety Production Management Department, and Deputy Head of the Technical Transformation Department of Magang Group.

Mr. Xu holds the professional qualification of Senior Engineer. He obtained a Bachelor of Engineering degree in Coal Chemical Engineering from the Department of Chemical Engineering, East China University of Metallurgy (華東冶金學院).

Ms. Ye Ting (葉婷), aged 39, 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.

Ms. Wan Tingting (萬婷婷), aged 38, was appointed as a non-executive Director of the Company in June 2025. She joined the Legal Affairs Department of Maanshan Steel Group as a legal counsel in 2015. Ms. Wan currently serves as Senior Manager of the Compliance Management Office (Tendering Office) of the Legal Affairs Department of Maanshan Steel Group. She holds a master's degree and possesses the professional qualifications of Third-grade State-owned Enterprise Legal Counsel and Corporate Lawyer.

Independent non-executive Directors

Mr. Su Jiangan (蘇鑒綱), aged 70, was appointed as an independent non-executive director of the Company in June 2025. He joined Maanshan Iron and Steel Company (the predecessor of Maanshan Iron & Steel Co., Ltd.) in 1976, and served as the Secretary to the Board of Maanshan Iron & Steel Co., Ltd. in September 1993. From November 1995 to June 2015, he held various positions including Deputy Chief Economist, Chief Economist, Director, Deputy General Manager, General Manager and Chairman of Ma'anshan Iron & Steel Co., Ltd.; and General Manager, Director and Vice Chairman of Magang (Group) Holding Co., Ltd.. Mr. Su retired in June 2015.

Mr. Su holds the qualification of Economist.

Mr. Zhang Xicheng (張希誠), aged 63, was appointed as an independent non-executive director and the chairman of Remuneration Committee of the Company in June 2025.

Prior to joining the Group, Mr. Zhang held various positions at Feicheng Mining Bureau*(肥城礦務局) from July 1987 to May 2011, including Deputy General Manager and Chief Engineer of the Group, and Commander-in-Chief of the Southwest Shandong Mining Area Construction Command*(魯西南礦區建設指揮部) from July 2006 to May 2011. Mr. Zhang joined Linyi Mining Group Co., Ltd.*(臨沂礦業集團有限責任公司) in May 2011, serving as a Director and General Manager, and served as Chairman from May 2013 to March 2016. He joined Shandong Energy Group Co., Ltd.*(山東能源集團有限公司) in March 2016, and held various positions, including Senior Advisor of Shandong Energy Group Co., Ltd. and external Director of Shandong Gold Group Co., Ltd.*(山東黃金集團) from March 2021 to December 2023. Mr. Zhang retired in December 2023 due to age.

Mr. Zhang studied in the Department of Coalfield Geology at Shandong Mining Institute*(山東礦業學院) from September 1983 to July 1987, and obtained a bachelor's degree in engineering. He also obtained a doctorate degree in Mining Engineering from Shandong University of Science and Technology*(山東科技大學) in 2013, and a master's degree in Business Administration from Tianjin University in 2013. He is a Senior Engineer in Geology.

Mr. Man Kwok Leung (文國樑), aged 50, was appointed as an independent non-executive director the chairman of the Audit Committee of the Company in June 2025. He was appointed as an independent non-executive director of Green Energy Group Limited*(綠色能源科技集團有限公司) (a company listed in Hong Kong, stock code: 979) with effect from 13 July 2023. He has over 20 years of experience in financial and compliance management, covering Hong Kong-listed companies, large state-owned enterprises and multinational corporations.

Mr. Man worked at PricewaterhouseCoopers (formerly Arthur Andersen prior to the merger) from 1997 to 2003. From 2003 to 2004, he served as the Chief Financial Officer and Company Secretary of Universal Technology Holdings Limited*(環球實業科技控股有限公司) (a company listed in Hong Kong, stock code: 1026). From 2004 to 2018, he served as the Chief Financial Officer and Head of Investor Relations of China Foods Limited*(中國食品有限公司) (a company listed in Hong Kong, stock code: 506). From 2018 to 2019, he was appointed as Vice President — Finance and Business Development and Company Secretary of O-Net Technologies (Group) Limited*(昂納科技(集團)有限公司), a technology company. From 2020 to 2021, he served as Chief Financial Officer of Linpo Holdings Limited*(聯寶控股有限公司), a distributor of electronic components in Greater China. Since 2021, he has been serving as a Director of Resynergy Consultancy Limited*(睿盟顧問有限公司), a Hong Kong-based professional consultancy firm specializing in providing compliance advisory services to Hong Kong-listed companies and other regulated entities.

Mr. Man is a member of the Hong Kong Institute of Certified Public Accountants, The Hong Kong Chartered Governance Institute and the Chartered Governance Institute, and a fellow of the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong. In addition, he holds the qualification of Certified Public Accountant (Practising) registered with the Accounting and Financial Reporting Council, and is a certified Financial Risk Manager accredited by the Global Association of Risk Professionals.

Mr. Man obtained a bachelor's degree in Business Administration from The Chinese University of Hong Kong in 1997.

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 2027, 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.

Ms. Lyu Hong (呂紅), aged 51, joined the Group in June 2025 when she was appointed as an external Supervisor of the Company.

Ms. Lyu joined Changwei Area Zhuliudian Coking Plant (the predecessor of Shandong Wei Jiao Holding Group Co., Ltd.) in April 1991. From December 1996 to December 2004, she served as Section Chief of the Comprehensive Section of the Supply and Marketing Branch of Weifang Zhenxing Coking Co., Ltd.*(濰坊振興焦化有限公司供銷分公司). From December 2004 to December 2011, she held the positions of Deputy Director and then Director of the General Office of Shandong Wei Jiao Group Co., Ltd. Since December 2011, she has held various positions including Deputy General Manager and Director of Shandong Wei Jiao Group Co., Ltd.*(山東濰焦集團有限公司), Deputy General Manager and Director of Weifang Zhenxing Investment Co., Ltd., and Director of Beijing Weigang New Energy Co., Ltd.

Ms. Lyu has completed postgraduate courses at the School of Management, Shandong University, and an executive program at the China Europe International Business School (CEIBS).

Ms. Zhu Ziyao (朱子瑤), aged 31, joined the Group in June 2025 when she was appointed as an external Supervisor of the Company.

Ms. Zhu joined the Fabrication Branch of Masteel Steel Structure Company*(馬鋼鋼結構公司) as a technician in July 2016. She subsequently served in internal audit roles at the Discipline Committee (Supervision and Audit Department) of Magang (Group) Holding Co., Ltd., the Discipline Committee (Supervision and Audit Department) of Maanshan Iron & Steel Co., Ltd., and as a comprehensive audit specialist in the Audit Office of the Audit Department of Maanshan Iron & Steel Co., Ltd. Ms. Zhu currently serves as Deputy Manager (Presiding over work) of the Audit Office of the Discipline Inspection and Supervision Department (i.e., the Party Committee Inspection Office and Audit Department) of Maanshan Iron & Steel Co., Ltd.

Ms. Zhu holds the professional qualification of Engineer. She obtained a master's degree in Law from the Party School of Anhui Provincial Committee of C.P.C (中共安徽省委黨校).

Mr. Zhou Tao David (周韜), aged 55, 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 27 December 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 38, 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 serves as the financial manager of Yuguang (Australia) Pty Ltd. Since 1 March 2024, and has been appointed as a director of Yuguang (Australia) Pty Ltd. with effect from July 31, 2025.

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

Ms. Hao Yali (郝亞莉), aged 52, 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 in January 2025. 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 38. 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 119 to 121 of this section.

Mr. Guo Guangrong (郭光榮), aged 51, was appointed as the Chief Financial Officer and Deputy General Manager of the Company in January 2026. He is primarily responsible for the financial and accounting management and coordination of the Group, as well as executing the Group's financial strategic planning. He also oversees the work of the Finance Department, the settlement department and the budget department.

Prior to joining the Group, Mr. Guo worked at Maanshan Steel Group from September 2014 to June 2024, holding various positions including Senior Manager of the Cost Management Office of the Finance Department of the Shares Operation, Finance Manager, and Finance Officer in Charge.

Mr. Guo obtained a bachelor's degree in Accounting from the Department of Management Engineering, Qingdao Institute of Architecture and Engineering*(青島建築工程學院) in July 1997, and a master's degree in Accounting from the University of Science and Technology Beijing*(北京科技大學) in July 2008. He obtained the Senior Accountant certificate in December 2011.

Mr. Fan Jianguo (范建國), aged 59, joined the Group in March 2005 as the Group's deputy general manager. He was the general manager of Jinyuan Hchem (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 50, 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 the 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 Xiamen Jinma ITG Co., Ltd.* (廈門金馬國貿有限公司) since March 2022.

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 power 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 49, 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 the Board and is mainly responsible for providing support to the Board and coordinating the Group's administrative management. From September 2017 to August 2023, Mr. Wang served as a supervisor of Jinjiang Refinery, a joint venture of the Company. In April 2020, Mr. Wang also served as a director of Jinning Energy, a subsidiary of the Company. 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 industrial 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 131 to 218, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, 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"), as applicable to audits of the financial statements of public interest entities. We have also 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 2025, the Group recognised revenue, acting as a principal, amounted to RMB181,044,000 and revenue, acting as an agent, amounted to RMB1,553,000 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 (practising certificate number: P07906).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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For the year ended 31 December 2025

	NOTES	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	5	8,123,404	11,598,533
Cost of sales		(8,191,818)	(11,448,421)
– Cost of goods and services		(7,683,904)	(11,448,421)
– Impairment losses on non-current assets		(507,914)	–
Gross (loss) profit		(68,414)	150,112
Other income	6	32,099	65,516
Other gains and losses	7	(8,958)	(26,050)
Selling and distribution expenses		(307,022)	(411,137)
Administrative expenses		(173,969)	(177,136)
Finance costs	8	(154,301)	(143,963)
Share of result of a joint venture		1,010	3,219
Share of results of associates		736	626
Loss before tax	9	(678,819)	(538,813)
Income tax (expense) credit	10	(53,688)	61,090
Loss for the year		(732,507)	(477,723)
Other comprehensive income:	11		
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		558	8,267
Total comprehensive expense for the year		(731,949)	(469,456)
Loss for the year attributable to:			
– owners of the Company		(527,391)	(345,890)
– non-controlling interests		(205,116)	(131,833)
Loss for the year		(732,507)	(477,723)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		(526,849)	(340,614)
– Non-controlling interests		(205,100)	(128,842)
		(731,949)	(469,456)
Loss per share (RMB)			
– Basic	14	(0.99)	(0.65)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	NOTES	31/12/2025	31/12/2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	6,584,403	7,409,017
Right-of-use assets	16	405,956	417,375
Intangible assets	17	345,088	403,240
Goodwill		10,669	10,669
Interest in a joint venture	19	63,901	67,791
Interests in associates	20	97,757	97,021
Deferred tax assets	21	111,730	173,994
Deposits for acquisition of property, plant and equipment and right-of-use assets		–	1,907
		7,619,504	8,581,014
CURRENT ASSETS			
Inventories	22	280,810	525,940
Trade and other receivables	23	359,463	362,920
Tax recoverable		401	5,667
Amount due from a shareholder	24	–	31,456
Amounts due from related parties	25	29,628	130
Bills receivables at FVTOCI	26	180,616	316,852
Restricted bank balances	27	136,779	666,362
Time deposits	27	215,150	215,843
Bank balances and cash	27	249,554	509,560
		1,452,401	2,634,730
CURRENT LIABILITIES			
Borrowings	28	2,264,791	2,668,118
Trade and other payables	29	2,134,005	2,674,306
Amounts due to related parties	30	110,407	87,130
Amounts due to a shareholder	31	57,311	–
Sale and leaseback payable	37	152,125	156,438
Contract liabilities	32	100,216	53,689
Lease liabilities	33	1,014	2,107
Tax payable		7,703	8,422
		4,827,572	5,650,210
NET CURRENT LIABILITIES		(3,375,171)	(3,015,480)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,244,333	5,565,534

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

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	NOTES	<u>31/12/2025</u>	<u>31/12/2024</u>
		RMB'000	RMB'000
CAPITAL AND RESERVES			
Share capital	35	535,421	535,421
Reserves		<u>2,056,032</u>	<u>2,582,881</u>
Equity attributable to owners of the Company		<u>2,591,453</u>	3,118,302
Non-controlling interests		<u>991,011</u>	<u>1,218,961</u>
TOTAL EQUITY		<u>3,582,464</u>	<u>4,337,263</u>
NON-CURRENT LIABILITIES			
Borrowings	28	400,166	680,622
Payables for purchase of property, plant and equipment		–	144,092
Refundable deposit payable	36	57,999	111,375
Sale and leaseback payable	37	126,106	221,062
Lease liabilities	33	3,030	2,480
Deferred revenue	38	51,594	25,041
Deferred tax liabilities	21	7,344	27,969
Perpetual loan	39	<u>15,630</u>	<u>15,630</u>
		<u>661,869</u>	<u>1,228,271</u>
		<u>4,244,333</u>	<u>5,565,534</u>

The consolidated financial statements on pages 131 to 218 were approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

Xu Huaping
DIRECTOR

Wang Lijie
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note i)		(Note ii)		(Note iii)			
At 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 12)	-	-	-	-	-	-	-	(31,978)	(31,978)
Transfer	-	-	-	-	(4,314)	4,314	-	-	-
At 31 December 2024 and 1 January 2025	<u>535,421</u>	<u>600,333</u>	<u>(1,287)</u>	<u>267,710</u>	<u>1,675,395</u>	<u>40,730</u>	<u>3,118,302</u>	<u>1,218,961</u>	<u>4,337,263</u>
Loss for the year	-	-	-	-	(527,391)	-	(527,391)	(205,116)	(732,507)
Other comprehensive income for the year	-	-	542	-	-	-	542	16	558
Total comprehensive income (expense) for the year	-	-	542	-	(527,391)	-	(526,849)	(205,100)	(731,949)
Transaction costs attributable to issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-
Dividends recognised as distribution (Note 12)	-	-	-	-	-	-	-	(22,850)	(22,850)
Transfer	-	-	-	-	(9,716)	9,716	-	-	-
At 31 December 2025	<u>535,421</u>	<u>600,333</u>	<u>(745)</u>	<u>267,710</u>	<u>1,138,288</u>	<u>50,446</u>	<u>2,591,453</u>	<u>991,011</u>	<u>3,582,464</u>

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 2025

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Loss before tax	(678,819)	(538,813)
Adjustments for:		
Interest income on bank deposits	(11,391)	(24,859)
Interest income on loans to other companies	(4,118)	(10,080)
Interest income on bills receivables at FVTOCI	(4,870)	(10,353)
Gain on disposal of property, plant and equipment	(102)	(255)
Gain on disposal of right-of-use assets	–	(351)
Gain on early termination of a lease	(111)	–
Depreciation of property, plant and equipment	441,870	428,758
Depreciation of right-of-use assets	12,170	12,339
Amortisation of intangible assets	20,884	20,884
Allowance for inventories	4,746	24,841
Impairment losses on property, plant and equipment and intangible assets	507,914	–
Share of results of associates	(736)	(626)
Share of result of a joint venture	(1,010)	(3,219)
Finance costs	154,301	143,963
Release of assets-related government subsidies	(4,066)	(2,318)
Net foreign exchange loss (gain)	228	(5,477)
Operating cash flows before movements in working capital	436,890	34,434
Decrease in inventories	240,384	268,183
Decrease in bills receivables at FVTOCI	141,850	839,864
(Increase) decrease in trade and other receivables	(6,543)	134,403
Decrease (increase) in amount due from a shareholder	31,456	(13,033)
(Increase) decrease in amounts due from related parties	(29,498)	18,713
Decrease in trade and other payables	(464,104)	(450,006)
(Decrease) increase in amounts due to related parties	(15,281)	81,524
(Decrease) increase in refundable deposit payable	(14,625)	111,375
Increase (decrease) in contract liabilities	46,527	(63,537)
Cash generated from operations	367,056	961,920
Income tax paid	(7,688)	(19,395)
NET CASH FROM OPERATING ACTIVITIES	359,368	942,525

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Interest received	16,202	24,155
Assets-related government subsidy received	30,619	8,919
Proceeds from disposal of interest in associates	–	5,560
Purchase of property, plant and equipment	(345,009)	(360,786)
Refundable deposit returned to constructors	(1,438)	(14,026)
Refundable deposit received from constructors	4,328	9,765
Payments for right-of-use assets	(83)	(1,274)
Deposit paid for acquisition of property, plant and equipment and right-of-use assets	–	(1,854)
Placement of time deposits	(213,923)	(213,923)
Placement of restricted bank balances	(558,946)	(1,861,084)
Withdrawal from restricted bank balances	1,088,529	1,667,414
Withdraw from time deposits	213,923	–
Loans to other companies	–	(10,000)
Repayment of loans from other companies	10,000	10,000
Proceeds from disposal of property, plant and equipment	2,734	3,640
Proceeds from disposal of right-of-use assets	–	2,655
Investment in an associate	(2,970)	(1,930)
Dividend received from a joint venture	4,900	9,800
NET CASH FROM (USED IN) INVESTING ACTIVITIES	248,866	(722,969)
FINANCING ACTIVITIES		
Interest paid	(137,674)	(161,118)
Cash received from other borrowing	115,000	66,500
Cash received from a shareholder	53,000	–
Cash received from sale and leaseback transaction	50,000	300,000
Bank borrowings raised	2,293,347	1,943,112
Repayment of bank borrowings	(2,982,130)	(2,578,163)
Repayment of other borrowing	(70,000)	(26,500)
Repayment of lease liabilities	(2,115)	(2,284)
Repayment of sale and leaseback payable	(164,590)	(133,950)
Transaction costs attributable to issue of shares by a subsidiary to non-controlling interests	–	(8,961)
Dividends paid to non-controlling shareholders of subsidiaries	(22,850)	(32,082)
NET CASH USED IN FINANCING ACTIVITIES	(868,012)	(633,446)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(259,778)	(413,890)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	509,560	917,869
Effect of foreign exchange rate changes	(228)	5,581
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY		
Bank balances and cash	249,554	509,560

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 18) (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, consignment processing, 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.

Since its listing on the Stock Exchange in 2017, 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 Iron & Steel Company Limited (馬鞍山鋼鐵股份有限公司) (“**Maanshan Steel**”), Jiangxi PXSteel Industrial Co., Ltd.* (江西萍鋼實業股份有限公司) (“**Jiangxi PXSteel**”), Jiyuan Jinma Xingye Investment Co., Ltd.* (濟源市金馬興業投資有限公司) (“**Jinma Xingye**”) and public shareholders.

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 an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied following amendments to an IFRS Accounting Standard 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 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to the IFRS Accounting Standard 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 ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ²
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 IFRS 18	Annual Improvements to IFRS Accounting Standards – Volume 11 ² Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

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 2026.

³ 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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) 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 directors of the Company anticipate that the application of IFRS 18 will affect the structure and presentation of the consolidated statement of profit or loss and disclosures in future consolidated financial statements, but will have no material impact on the financial position and performance of the Group given it will not impact the recognition or measurement of items in the 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 as 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.

As at 31 December 2025, the Group recorded net current liabilities of approximately RMB3,375,171,000 and outstanding capital commitments of RMB14,875,000 (Note 40). In addition, the Group incurred a net loss of RMB732,507,000 for the year then ended. The liquidity of the Group is dependent on sustaining adequate operating cash inflows and securing sufficient financing to fulfill its financial obligations as and when they fall due.

In assessing the Group's ability to continue as a going concern, the directors have carefully considered the Group's future liquidity prospect, performance forecast and available financing options. Management has implemented, and will continue to implement, measure to alleviate liquidity pressures and improve cash flows, including, but not limited to, the following:

- The Group has undrawn banking facilities of RMB238,320,000 (Note 45) as at 31 December 2025, which remain available for use within twelve months from the end of the reporting period without restriction. The Group has also obtained additional banking facilities of RMB30,000,000 subsequent to the reporting period. All available facilities are expected to be drawn as borrowings within the twelve months from the end of the reporting period;
- Leveraging its long-term relationship with the financial institutions, the Group has initiated the process of refinancing or renewing certain existing unsecured bank borrowings, which had a carrying amount of RMB1,595,690,000 as at 31 December 2025, and due within twelve months from the end of the reporting period; and
- The Group has been actively negotiating with the equipment suppliers, contractors and raw material suppliers of its subsidiary, namely, Xinyang Steel Jingang Energy Co., Ltd.* ("**Xinyang Jingang**")信陽鋼鐵金港能源有限公司, to resolve the debt-related litigations with these counterparties. Management expects to agree on extended repayment schedules for related payables, which had a carrying amount of approximately RMB904,435,000 as at 31 December 2025 and are included in other borrowings (Note 28), trade payables (Note 29) and consideration payable for purchase of property, plant and equipment (Note 29).

Management has prepared a cash flow forecast for the twelve months following the end of the reporting period based on the Group's historical performance and management expectations. These expectations assume that net cash inflows generated from operating activities will exceed those of the current year. The assumptions are based on the projected increase in profit margins for the Group's primary products, taking into account actual improvements in operating performance and prevailing market prices of relevant future contracts entered into subsequent to the end of the reporting period. In addition, the cash flow forecast incorporates management's expectation that the Group will be able to successfully negotiate extended repayment schedules with counterparties in debt related litigations involving Xinyang Jingang. On this basis, the directors are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due. Accordingly, they consider it appropriate to prepare the consolidated financial statements on a going concern basis which presumes the continuity of normal business activity, 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 levels are maintained.

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 component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the 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.

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 amounts of the initial measurement of the lease liabilities;
- 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 (loss)/profit 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, including costs to be incurred in selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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

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 generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the 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. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these bills receivables had been measured at amortised cost. 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 past events and current conditions at the reporting date as well as the forecast of future economic 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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.

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 (continued)

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.

(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.

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)

(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.

(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.

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 (continued)

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.

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 are classified as either financial liabilities or as equity 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 Group 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, refundable deposit payable, amounts due to related parties, amounts due to a shareholder, perpetual loan and sale and leaseback payable are subsequently measured at amortised cost using the effective interest method.

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 liabilities and equity (continued)

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 2025, the Group recognised revenue, acting as a principal, amounted to RMB181,044,000 (2024: RMB268,339,000) and revenue, acting as an agent, amounted to RMB1,553,000 (2024: RMB1,117,000) respectively relating to trading of coal and coke.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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.

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 2025, inventory allowance of RMB24,841,000 (2024: RMB14,576,000) were derecognised upon realisation of sales and an additional allowance of RMB4,746,000 (2024: RMB24,841,000) was recognised based on estimated net realisable value.

As at 31 December 2025, the carrying amount of inventories is RMB280,810,000 (2024: RMB525,940,000 (net of allowance for inventories of RMB4,746,000 (2024: RMB24,841,000))).

Estimated impairment of property, plant and equipment, right-of-use assets and intangible asset

Property, plant and equipment, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of property, plant and equipment, right-of-use assets, and intangible assets subject to impairment assessment were RMB3,303,654,000, RMB141,435,000 and RMB222,730,000 (2024: RMB3,332,822,000, RMB88,071,000 and RMB269,999,000) respectively, after taking into account the impairment losses of RMB470,646,000, nil and RMB37,268,000 (2024: nil, nil and nil) in respect of property, plant and equipment, right-of-use assets and intangible assets that have been recognised respectively. Details of the impairment of right of use assets, property, plant and equipment, and intangible assets are disclosed in Note 15.

Fair value measurement of bills receivables at FVTOCI

As at 31 December 2025, the Group's bills receivables at FVTOCI amounting to RMB180,616,000 (2024: RMB316,852,000) 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

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 21.

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

Segments*	For the year ended 31 December 2025						
	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							
<i>Sales of goods</i>							
Coke	4,296,893	–	–	–	320,913 [#]	–	4,617,806
Ammonium sulphater	–	26,254	–	–	–	–	26,254
Hydrogenated benzene-based chemicals	–	158,560	1,956,165	–	–	–	2,114,725
Coal tar based chemicals	–	285,989	852,671	–	–	–	1,138,660
Coal gas	–	–	–	815,631	–	–	815,631
LNG	–	–	–	248,488	52,109	–	300,597
Refined oil	–	–	–	–	59,268	–	59,268
Hydrogen	–	–	–	6,120	45,086	–	51,206
Others	–	35,121	–	90,941	–	8,551	134,613
	<u>4,296,893</u>	<u>505,924</u>	<u>2,808,836</u>	<u>1,161,180</u>	<u>477,376</u>	<u>8,551</u>	<u>9,258,760</u>
<i>Providing services</i>							
Trading agency	–	–	–	–	3,572 ^{##}	–	3,572
Energy supply	–	–	–	223,902	–	65,188	289,090
Providing services	–	–	–	–	–	139,057	139,057
Others	–	–	–	–	–	49,422	49,422
	<u>–</u>	<u>–</u>	<u>–</u>	<u>223,902</u>	<u>3,572</u>	<u>253,667</u>	<u>481,141</u>
Total	<u>4,296,893</u>	<u>505,924</u>	<u>2,808,836</u>	<u>1,385,082</u>	<u>480,948</u>	<u>262,218</u>	<u>9,739,901</u>

[#] Included in trading of coke and coal are intragroup sales amounting to RMB139,869,000, 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 RMB181,044,000, relating to trading of coal and coke.

^{##} RMB2,019,000 out of total, are intragroup trading agency services. The Group recognised revenue from contracts with external customers, acting as an agent, amounted to RMB1,553,000 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 2025		
	Segment revenue	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000
Coke	4,296,893	(4,332)	4,292,561
Coking by-products	505,924	(445,718)	60,206
Refined chemicals	2,808,836	(25,060)	2,783,776
Energy products	1,385,082	(781,006)	604,076
Trading	480,948	(275,783)	205,165
Other Services	262,218	(84,598)	177,620
Revenue from contracts with customers	<u>9,739,901</u>	<u>(1,616,497)</u>	<u>8,123,404</u>

5. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue from contracts with customers (continued)

Segments*	For the year ended 31 December 2024						
	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							
<i>Sales of goods</i>							
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
	<u>7,198,339</u>	<u>655,573</u>	<u>3,085,057</u>	<u>1,211,190</u>	<u>1,056,519</u>	<u>8,337</u>	<u>13,215,015</u>
<i>Providing services</i>							
Trading agency	–	–	–	–	6,498 ^{##}	–	6,498
Energy supply	–	–	–	411,714	–	73,669	485,383
Others	–	–	–	–	–	48,076	48,076
	<u>–</u>	<u>–</u>	<u>–</u>	<u>411,714</u>	<u>6,498</u>	<u>121,745</u>	<u>539,957</u>
Total	<u>7,198,339</u>	<u>655,573</u>	<u>3,085,057</u>	<u>1,622,904</u>	<u>1,063,017</u>	<u>130,082</u>	<u>13,754,972</u>

[#] 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	<u>13,754,972</u>	<u>(2,156,439)</u>	<u>11,598,533</u>

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.

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

In general, for some customers with long-term relationships, the normal credit term is 30 to 60 days upon delivery. For other general customers, non-refundable prepayment from these customers is required in advance according to the contracts entered and recognised as 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 and oxygen ("Coking by-products"), (iii) sales of refined chemicals, mainly hydrogenated benzene-based chemicals and coal tar based chemicals ("Refined chemicals"), (iv) sales of energy products, mainly coal gas, LNG, 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 2025

	Sales of goods						Total
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
SEGMENT REVENUE							
External sales	4,292,561	60,206	2,783,776	604,076	205,165	177,620	8,123,404
Inter-segment sales	4,332	445,718	25,060	781,006	275,783	84,598	1,616,497
	<u>4,296,893</u>	<u>505,924</u>	<u>2,808,836</u>	<u>1,385,082</u>	<u>480,948</u>	<u>262,218</u>	<u>9,739,901</u>
Segment profit (loss)	<u>(261,806)</u>	<u>26,811</u>	<u>(54,346)</u>	<u>219,425</u>	<u>6,900</u>	<u>1,360</u>	<u>(61,656)</u>
Other income							32,099
Other gains and losses							(8,958)
Selling and distribution expenses							(307,022)
Administrative expenses							(173,969)
Finance costs							(154,301)
Share of result of a joint venture							1,010
Share of results of associates							736
Unallocated expenses							<u>(6,758)</u>
Loss before tax							<u>(678,819)</u>

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2024

	Sales of goods						Total
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
SEGMENT REVENUE							
External sales	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
	<u>7,198,339</u>	<u>655,573</u>	<u>3,085,057</u>	<u>1,622,904</u>	<u>1,063,017</u>	<u>130,082</u>	<u>13,754,972</u>
Segment profit (loss)	<u>102,489</u>	<u>17,383</u>	<u>(123,987)</u>	<u>111,434</u>	<u>15,774</u>	<u>28,015</u>	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							<u>(996)</u>
Loss before tax							<u>(538,813)</u>

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							Total
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Unallocated	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
For the year ended								
31 December 2025								
Amounts included in measure of segment results:								
Depreciation and amortisation	<u>186,284</u>	<u>18,101</u>	<u>86,706</u>	<u>53,546</u>	<u>7,740</u>	<u>108,073</u>	<u>14,474</u>	<u>474,924</u>

	Sales of goods							Total
	Coke	Coking by-products	Refined chemicals	Energy products	Trading	Other Services	Unallocated	
	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	<u>239,697</u>	<u>16,459</u>	<u>91,002</u>	<u>82,928</u>	<u>7,139</u>	<u>8,479</u>	<u>16,277</u>	<u>461,981</u>

Entity-wide disclosures

Geographical information

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

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	
	31/12/2025	31/12/2024
	RMB'000	RMB'000
Maanshan Steel (Note)	1,633,431	1,210,425

Note: Revenue from sale of coke.

6. OTHER INCOME

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Interest income on bank deposits	11,391	24,859
Interest income on loans to other companies	4,118	10,080
Interest income on bills receivables at FVTOCI	4,870	10,353
Release of assets-related government subsidies (Note 38)	4,066	2,318
Government grants	7,002	16,350
Others	652	1,556
	32,099	65,516

7. OTHER GAINS AND LOSSES

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Net loss arising on bills receivables at FVTOCI	(12,103)	(27,141)
Gain on disposal of right-of-use assets	–	351
Gain on early termination of a lease	111	–
Gain on disposal of property, plant and equipment	102	255
Foreign exchange (loss) gain, net	(228)	5,477
Gain on disposal of scrap steel	1,463	3,701
Others	1,697	(8,693)
	<u>(8,958)</u>	<u>(26,050)</u>

8. FINANCE COSTS

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Interest expense on:		
– bank borrowings	127,185	154,423
– sale and leaseback payable	15,321	22,165
– perpetual loan	1,600	1,600
– other borrowings	9,508	8,600
– amount due to a shareholder	4,311	–
– amount due to a related party	1,528	–
– lease liabilities	228	298
– execution of judgements	17,733	–
	<u>177,414</u>	187,086
Less: amounts capitalised	<u>(23,113)</u>	<u>(43,123)</u>
	<u>154,301</u>	<u>143,963</u>
Capitalisation rate – per annum	<u>4.96%</u>	<u>4.72%</u>

9. LOSS BEFORE TAX

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Loss before tax has been arrived at after charging:		
Staff costs		
Directors', chief executive's and supervisors' remuneration (Note 13)	2,720	2,078
Other staff costs	216,940	229,821
Other staffs' benefit	44,404	45,989
Total staff costs	264,064	277,888
Capitalised in inventories	(181,555)	(203,675)
	82,509	74,213
Depreciation of property, plant and equipment	441,870	428,758
Capitalised in inventories	(427,279)	(411,719)
	14,591	17,039
Depreciation of right-of-use assets	13,185	13,374
Capitalised in construction in progress	(1,015)	(1,035)
	12,170	12,339
Amortisation of intangible assets (included in cost of sales)	20,884	20,884
Impairment losses on property, plant and equipment and intangible assets included in cost of sales (Note 15)	507,914	–
Auditor's remuneration (audit services)	1,980	2,400
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB4,746,000 (2024: RMB24,841,000))	7,677,146	11,406,581

10. INCOME TAX (EXPENSE) CREDIT

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
PRC Enterprise Income Tax ("EIT")		
– current tax	11,906	16,479
– under provision in prior years	329	2,407
Deferred tax (Note 21)	41,453	(79,976)
	<u>53,688</u>	<u>(61,090)</u>

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 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Loss before tax	<u>(678,819)</u>	<u>(538,813)</u>
Tax credit at the applicable income tax rate of 25% (2024: 25%)	(169,705)	(134,703)
Tax effect of expenses not deductible for tax purposes	2,143	4,383
Tax effect of tax concessions	(68)	(79)
Tax effect of share of results of associates and a joint venture	(437)	(961)
Tax effect of tax losses and deductible temporary differences not recognised	175,118	78,000
Tax effect of reversal of tax losses previously recognised	57,314	–
Under provision in prior years	329	2,407
Tax effect of income not taxable for tax purpose (Note)	(10,883)	(9,933)
Utilisation of tax losses previously not recognised	–	(74)
Others	(123)	(130)
Income tax expense (credit)	<u>53,688</u>	<u>(61,090)</u>

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 2025, the Group had tax deduction under the scheme of RMB10,883,000 (2024: RMB9,933,000).

11. OTHER COMPREHENSIVE INCOME

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Other comprehensive (expense) income includes:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value change arising from bills receivables at FVTOCI	(43,175)	(89,202)
Reclassification to profit or loss during the year upon derecognition of bills receivables at FVTOCI	43,733	97,469
	<u>558</u>	<u>8,267</u>

Income tax effect relating to other comprehensive income

	Year ended 31/12/2025			Year ended 31/12/2024		
	Before-tax amount	Tax charge	Net-of- income tax amount	Before-tax amount	Tax credit	Net-of- income tax amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Fair value gain on bills receivables at FVTOCI	744	(186)	558	11,023	(2,756)	8,267

12. DIVIDENDS

Subsequent to the end of the reporting period, no final dividend in respect of the year ended 31 December 2025 (2024: 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 RMB22,850,000 (2024: RMB31,978,000) during the year ended 31 December 2025.

13. 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 2025					
Executive directors:					
Mr. Yiu Chiu Fai (from 1 January 2025 to 16 June 2025) (Note i)	–	–	–	–	–
Mr. Wang Mingzhong (Note ii)	–	421	–	–	421
Mr. Li Tianxi (Note ii)	–	229	–	20	249
Mr. Liu Liangyu (Note i)	–	–	–	–	–
Mr. Xu Huaping (Note ii)	–	–	–	–	–
Mr. Wang Lijie (Note ii)	–	628	–	109	737
Non-executive directors:					
Mr. Yiu Chiu Fai (from 5 September 2025 to 31 December 2025) (Note i)	–	–	–	–	–
Ms. Ye Ting	–	–	–	–	–
Mr. Xu Baochun (Note iii)	–	–	–	–	–
Mr. Wang Kaibao (Note iii)	–	–	–	–	–
Mr. Xu Fenglei (Note iii)	–	–	–	–	–
Ms. Wan Tingting (Note iii)	–	–	–	–	–
Independent non-executive directors:					
Mr. Wu Tak Lung (Note iv)	128	–	–	–	128
Mr. Meng Zhihe (Note iv)	55	–	–	–	55
Mr. Cao Hongbin (Note iv)	55	–	–	–	55
Mr. Su Jiengang (Note iv)	65	–	–	–	65
Mr. Zhang Xicheng (Note iv)	65	–	–	–	65
Mr. Man Kwok Leung (Note iv)	128	–	–	–	128
Supervisors:					
Mr. Wong Tsz Leung (Note v)	–	–	–	–	–
Mr. Fan Xiaozhu (Note v)	–	89	8	16	113
Mr. Wu Jiacun (Note v)	–	–	–	–	–
Mr. Zhou Tao David (Note v)	80	–	–	–	80
Ms. Tian Fangyuan (Note v)	80	–	–	–	80
Ms. Hao Yali (Note v)	–	462	50	32	544
Ms. Lv Hong (Note v)	–	–	–	–	–
Ms. Zhu Ziyao (Note v)	–	–	–	–	–
	656	1,829	58	177	2,720

13. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

Directors', Chief Executive's and Supervisors' emoluments (continued)

Notes:

- (i) During the year ended 31 December 2025, Mr. Yiu Chiu Fai was the executive director during the period from 1 January 2025 to 16 June 2025 and the non-executive director during the period from 5 September 2025 to 31 December 2025. Mr. Liu Liangyu was the executive director during the period from 16 June 2025 to 25 July 2025.
- (ii) Mr Wang Mingzhong and Mr. Li Tianxi tendered their resignations as executive directors on 16 June 2025 whereas Mr. Xu Huaping and Mr. Wang Lijie were appointed as executive directors on the same day.
- (iii) Mr. Xu Baochun and Mr. Wang Kaibao tendered their resignations as non-executive directors on 16 June 2025 whereas Mr. Xu Fenglei and Ms. Wan Tingting were appointed as non-executive directors on the same day.
- (iv) Mr. Wu Tak Lung, Mr. Meng Zhihe and Mr. Cao Hongbin tendered their resignations as independent non-executive directors on 16 June 2025 whereas Mr. Su Jiangang, Mr. Zhang Xicheng and Mr. Man Kwok Leung were appointed as independent non-executive directors on the same day.
- (v) Mr. Wong Tsz Leung and Mr. Wu Jiacun tendered their resignations as supervisors on 16 June 2025 whereas Ms. Lv Hong, Ms. Zhu Ziyao, Mr. Zhou Tao David and Ms. Tian Fangyuan were appointed as supervisors on the same day. Ms. Hao Yali and Mr. Fan Xiaozhu have been elected by the employees of the Company as employee representative supervisors on 16 June 2025.

13. 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 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
	<u>653</u>	<u>1,344</u>	<u>–</u>	<u>81</u>	<u>2,078</u>

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.

13. 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, during their tenure as executive directors, 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, two (2024: one) were the directors of the Company for the year ended 31 December 2025, whose emoluments are included in the disclosures above. The emoluments of the remaining individuals are as follows:

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Salaries, allowance and benefits in kind	2,691	3,020
Retirement benefit	158	147
	<u>2,849</u>	<u>3,167</u>

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	
	2025	2024
Nil to Hong Kong Dollar ("HK\$") 1,000,000	2	3
HK\$1,000,001 to HK\$1,500,000	Nil	1
HK\$1,500,001 to HK\$2,000,000	1	Nil
	<u>1</u>	<u>Nil</u>

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.

14. LOSS PER SHARE

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

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(527,391)</u>	<u>(345,890)</u>
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic loss per share	<u>535,421</u>	<u>535,421</u>

No diluted earnings per share is presented as there was no dilutive potential ordinary share in issue for the years ended 31 December 2025 and 2024.

15. 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 2024	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
Additions	18,245	31,165	2,711	460	37,953	90,534
Transfer	699	82,340	–	1,954	(84,993)	–
Disposals	–	(3,986)	(2,451)	(61)	–	(6,498)
At 31 December 2025	2,591,632	5,222,658	20,682	107,722	1,477,659	9,420,353
Depreciation and impairment						
At 1 January 2024	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
Provided for the year	119,038	314,747	2,027	6,058	–	441,870
Impairment loss recognised in profit or loss	121,672	122,490	178	619	225,687	470,646
Eliminated on disposals	–	(1,761)	(2,047)	(58)	–	(3,866)
At 31 December 2025	822,585	1,713,328	14,858	59,492	225,687	2,835,950
Carrying values						
At 31 December 2025	1,769,047	3,509,330	5,824	48,230	1,251,972	6,584,403
At 31 December 2024	1,990,813	3,835,287	5,722	52,496	1,524,699	7,409,017

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%

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment assessment

As at 31 December 2025, considering the continued loss of two subsidiaries, Xinyang Jingang and Jinyuan Hchem, the management of the Group concluded there were indications for impairment and conducted impairment assessments on Xinyang Jingang's property, plant and equipment, right-of-use assets and intangible assets with finite useful lives ("**Xinyang Jingang's Tested Assets**") with carrying amounts of RMB3,283,464,000, RMB85,234,000 and RMB259,998,000 respectively (2024: RMB3,332,822,000, RMB88,071,000 and RMB269,999,000 respectively), and Jinyuan Hchem's plant and equipment, and right-of-use assets with finite useful lives ("**Jinyuan Hchem's Tested Asset**") with carrying amounts of RMB490,836,000 and RMB56,201,000 respectively. The recoverable amounts of the Xinyang Jingang's Tested Assets and Jinyuan Hchem's Tested Asset have been determined based on their value in use as two separate CGUs.

For Xinyang Jingang's Tested Assets, the calculation uses cash flow projections based on forecasts approved by the management of Xinyang Jingang covering the following 19 years (2024: 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 14 years (2024: 15 years), with a pre-tax discount rate of 14.3% as at 31 December 2025 (2024: 14.5%). For Jinyuan Hchem's Tested Assets, the calculation uses cash flow projections based on forecasts approved by the management of Jinyuan Hchem 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 13.8% as at 31 December 2025. The cash flows beyond the 5-year period are extrapolated using 1.5% (2024: 1.5%) growth rate for both Xinyang Jingang and Jinyuan Hchem. 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. Other key assumptions for the value in use calculations were the forecasted gross margins, which are determined based on past performances and management expectations for the market development of the CGUs.

Based on the results of the assessments, the management of the Group determined that the recoverable amount of Xinyang Jingang's Tested Assets is lower than the carrying amount while the recoverable amount of Jinyuan Hchem's Tested Assets exceeds the carrying amount. As a result, no impairment has been recognised on Jinyuan Hchem's Tested Assets. The impairment amount of Xinyang Jingang's Tested Assets has been allocated to each category of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero.

Based on the value in use calculation and the allocation, impairment loss of RMB470,646,000, nil and RMB37,268,000 (2024: nil, nil and nil) has been recognised against the carrying amount of property, plant and equipment, right-of-use assets and intangible assets with finite useful lives respectively within the relevant functions to which these assets relate.

* For identification purpose only

16. RIGHT-OF-USE ASSETS

	Leasehold lands	Office premises	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2024	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
Additions	615	1,158	1,773
Lease modification	244	–	244
Depreciation charged during the year	(11,373)	(1,812)	(13,185)
Early termination	–	(251)	(251)
As at 31 December 2025	404,262	1,694	405,956

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	33%-50%

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Expense relating to short-term leases (Note)	221	1,041
Total cash outflow for leases	2,336	4,897

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 2025 and 2024, 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 3 years (2024: 2 years to 2.7 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 (2024: five) leasehold lands with carrying amount of RMB2,783,000 (2024: RMB2,304,000) in which the Group obtains the right of use under long-term lease contracts.

16. RIGHT-OF-USE ASSETS (continued)

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. Since the adjustment in 2020, the lease payment is RMB244,000 per year for the five years ended 31 December 2024. The lease payment is RMB257,000 per year after the adjustment in 2025. It is expected the next payment adjustment will be in the year of 2030.

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.

17. INTANGIBLE ASSETS

	Franchise right	Operating license	Coke capacity	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At 1 January 2024, 31 December 2024 and 2025	93,502	29,018	441,510	564,030
Amortisation and impairment				
At 1 January 2024	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
Charge for the year	–	1,451	19,433	20,884
Impairment loss recognised in profit or loss (Note 15)	–	–	37,268	37,268
At 31 December 2025	93,502	8,866	116,574	218,942
Carrying values				
At 31 December 2025	–	20,152	324,936	345,088
At 31 December 2024	–	21,603	381,637	403,240

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:

	31/12/2025	31/12/2024
	years	years
Operating license of refined oil	13.3	14.3
Coke capacity	10.5-26	11.5-27

18. 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
			2025	2024		
<i>Directly held:</i>						
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

18. 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
			2025	2024		
<i>Indirectly held:</i>						
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")	PRC	Ordinary shares	75%	75%	RMB19,000,000/ RMB200,000,000 (2024: 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

18. PARTICULARS OF SUBSIDIARIES (continued)

All the subsidiaries of the Company are domestic limited liability companies, except for Jinyuan Hchem which was listed on the Stock Exchange. None of the subsidiaries had any debt securities outstanding at 31 December 2025 and 2024 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		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	At 31 December		Year ended 31 December		At 31 December	
	2025	2024	2025	2024	2025	2024
	%	%	RMB'000	RMB'000	RMB'000	RMB'000
Jinyuan Hchem and its subsidiaries	25	25	8,134	23,523	337,573	352,279
Shenzhen Jinma and its subsidiary	49	49	7,636	(60,568)	726,292	718,650
Xinyang Jingang	30	30	(220,886)	(94,788)	(72,854)	148,032
			<u>(205,116)</u>	<u>(131,833)</u>	<u>991,011</u>	<u>1,218,961</u>

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

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Current assets	<u>482,759</u>	<u>590,685</u>
Non-current assets	<u>1,031,503</u>	<u>1,083,433</u>
Current liabilities	<u>376,006</u>	<u>456,779</u>
Non-current liabilities	<u>86,121</u>	<u>124,691</u>
Net equity	<u>1,052,135</u>	<u>1,092,648</u>
Equity attributable to owners of the Company	<u>714,562</u>	<u>740,369</u>
Non-controlling interests of Jinyuan Hchem	<u>237,497</u>	<u>246,100</u>
Non-controlling interests of Jinyuan Hchem's subsidiaries	<u>100,076</u>	<u>106,179</u>

18. PARTICULARS OF SUBSIDIARIES (continued)**Jinyuan Hchem and its subsidiaries (continued)**

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Revenue	<u>2,598,599</u>	<u>3,102,000</u>
Expenses (Note)	<u>2,616,304</u>	<u>3,090,638</u>
(Loss) profit for the year	<u>(17,705)</u>	<u>11,362</u>
(Loss) profit attributable to		
– the owners of the Company	<u>(25,839)</u>	(12,161)
– the non-controlling interests	<u>8,134</u>	<u>23,523</u>
(Loss) profit for the year	<u>(17,705)</u>	<u>11,362</u>
Other comprehensive income attributable to		
– the owners of the Company	<u>32</u>	235
– the non-controlling interests	<u>10</u>	<u>166</u>
Other comprehensive income for the year	<u>42</u>	<u>401</u>
Total comprehensive (expense) income attributable to		
– the owners of the Company	<u>(25,807)</u>	(11,926)
– the non-controlling interests	<u>8,144</u>	<u>23,689</u>
Total comprehensive (expense) income for the year	<u>(17,663)</u>	<u>11,763</u>
Dividends declared and paid to non-controlling interests	<u>22,850</u>	<u>31,978</u>
Net cash from operating activities	<u>124,004</u>	96,855
Net cash used in investing activities	<u>(32,490)</u>	(268,856)
Net cash (used in) from financing activities	<u>(85,810)</u>	<u>2,490</u>
Net cash inflow (outflow)	<u>5,704</u>	<u>(169,511)</u>

Note: The expenses mainly include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

18. PARTICULARS OF SUBSIDIARIES (continued)**Shenzhen Jinma and its subsidiary**

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Current assets	<u>547,040</u>	<u>588,501</u>
Non-current assets	<u>2,283,980</u>	<u>2,420,039</u>
Current liabilities	<u>1,313,346</u>	<u>1,416,100</u>
Non-current liabilities	<u>35,445</u>	<u>125,807</u>
Net equity	<u>1,482,229</u>	<u>1,466,633</u>
Equity attributable to owners of the Company	<u>755,937</u>	<u>747,983</u>
Equity attributable to non-controlling interests	<u>726,292</u>	<u>718,650</u>

18. PARTICULARS OF SUBSIDIARIES (continued)**Shenzhen Jinma and its subsidiary (continued)**

	Year ended <u>31/12/2025</u>	Year ended <u>31/12/2024</u>
	RMB'000	RMB'000
Revenue	<u>3,542,231</u>	<u>5,066,428</u>
Expenses (Note)	<u>3,526,646</u>	<u>5,190,036</u>
Profit (loss) for the year	<u>15,585</u>	<u>(123,608)</u>
Profit (loss) attributable to		
– the owners of the Company	<u>7,949</u>	(63,040)
– the non-controlling interests	<u>7,636</u>	<u>(60,568)</u>
Profit (loss) for the year	<u>15,585</u>	<u>(123,608)</u>
Other comprehensive income attributable to		
– the owners of the Company	<u>5</u>	2,826
– the non-controlling interests	<u>6</u>	<u>2,715</u>
Other comprehensive income for the year	<u>11</u>	<u>5,541</u>
Total comprehensive income (expense) attributable to		
– the owners of the Company	<u>7,954</u>	(60,214)
– the non-controlling interests	<u>7,642</u>	<u>(57,853)</u>
Total comprehensive income (expense) for the year	<u>15,596</u>	<u>(118,067)</u>
Net cash from operating activities	<u>242,031</u>	389,338
Net cash (used in) from investing activities	<u>(43,462)</u>	68,635
Net cash used in financing activities	<u>(201,161)</u>	<u>(642,616)</u>
Net cash outflow	<u>(2,592)</u>	<u>(184,643)</u>

Note: The expenses mainly include cost of sales, selling and distribution expenses, administrative expenses and finance costs.

18. PARTICULARS OF SUBSIDIARIES (continued)

Xinyang Jingang

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Current assets	<u>165,499</u>	<u>390,346</u>
Non-current assets	<u>3,120,782</u>	<u>3,755,948</u>
Current liabilities	<u>3,371,241</u>	<u>3,218,846</u>
Non-current liabilities	<u>157,893</u>	<u>434,013</u>
Net (deficits) equity	<u>(242,853)</u>	<u>493,435</u>
Equity attributable to owners of the Company	<u>(169,999)</u>	<u>345,403</u>
Equity attributable to non-controlling interests	<u>(72,854)</u>	<u>148,032</u>

18. PARTICULARS OF SUBSIDIARIES (continued)**Xinyang Jingang (continued)**

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Revenue	<u>375,903</u>	<u>1,515,241</u>
Expense (Note)	<u>1,112,191</u>	<u>1,831,203</u>
Loss for the year	<u>(736,288)</u>	<u>(315,962)</u>
Loss attributable to		
– the owners of the Company	<u>(515,402)</u>	(221,174)
– the non-controlling interests	<u>(220,886)</u>	(94,788)
Loss for the year	<u>(736,288)</u>	<u>(315,962)</u>
Other comprehensive income attributable to		
– the owners of the Company	–	255
– the non-controlling interests	–	110
Other comprehensive income for the year	<u>–</u>	<u>365</u>
Total comprehensive expense attributable to		
– the owners of the Company	<u>(515,402)</u>	(220,919)
– the non-controlling interests	<u>(220,886)</u>	(94,678)
Total comprehensive expense for the year	<u>(736,288)</u>	<u>(315,597)</u>
Net cash (used in) from operating activities	<u>(339,226)</u>	112,617
Net cash used in investing activities	<u>(93,288)</u>	(134,812)
Net cash from financing activities	<u>330,502</u>	123,466
Net cash (outflow) inflow	<u>(102,012)</u>	<u>101,271</u>

Note: The expenses mainly include cost of sales, selling and distribution expenses, administrative expenses, finance costs and impairment losses on property, plant and equipment and intangible assets.

19. INTEREST IN A JOINT VENTURE

	<u>31/12/2025</u>	<u>31/12/2024</u>
	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	<u>14,901</u>	<u>18,791</u>
	<u><u>63,901</u></u>	<u><u>67,791</u></u>

Details of the Group's joint venture at the end of the reporting period are set out below:

<u>Name of joint venture*</u>	<u>Place of registration and operations</u>	<u>Fully paid registered capital</u>	<u>Proportion of ownership interest/ voting rights attributable to the Group</u>		<u>Principal activities</u>
			<u>2025</u>	<u>2024</u>	
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

19. 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.

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Current assets	<u>98,187</u>	<u>87,840</u>
Non-current assets	<u>49,801</u>	<u>66,606</u>
Current liabilities	<u>7,972</u>	<u>6,249</u>
Non-current liabilities	<u>9,606</u>	<u>9,848</u>
The above amounts of assets and liabilities include the followings:		
Cash and cash equivalents	<u>16,076</u>	<u>62,601</u>
	<u>Year ended</u>	<u>Year ended</u>
	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Revenue	<u>155,775</u>	<u>165,649</u>
Profit and total comprehensive income for the year	<u>2,061</u>	<u>6,570</u>
Dividends received from Jinjiang Refinery during the year	<u>4,900</u>	<u>9,800</u>
The above profit for the year includes the following:		
Depreciation	<u>16,914</u>	<u>16,778</u>
Interest income	<u>1,965</u>	<u>893</u>
Interest expense	<u>3</u>	<u>190</u>
Income tax expense (Note)	<u>(117)</u>	<u>141</u>

Note: Pursuant to the relevant tax rules and regulation in the PRC, 10% revenue from Comprehensive Utilisation of Resources is exempted from tax.

19. 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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Net assets	130,410	138,349
Proportion of the Group's ownership interest in the joint venture	49%	49%
Carrying amount of the Group's interest in the joint venture	<u>63,901</u>	<u>67,791</u>

20. INTERESTS IN ASSOCIATES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Cost of unlisted investment in associates	102,900	102,900
Share of post-acquisition results, net of dividends received	<u>(5,143)</u>	<u>(5,879)</u>
	<u>97,757</u>	<u>97,021</u>

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
			<u>2025</u>	<u>2024</u>	
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	RMB10,000,000/ RMB10,000,000 (2024: RMB3,930,000/ RMB10,000,000)	49%	49%	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. 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 the subscribed capital amounted to RMB1,930,000 in 2024 and the residual capital amounted to RMB2,970,000 in 2025.

20. 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

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Current assets	<u>183,896</u>	<u>195,706</u>
Non-current assets	<u>5,226</u>	<u>5,483</u>
Current liabilities	<u>412</u>	<u>13,187</u>
Non-current liabilities	<u>-</u>	<u>-</u>
	Year ended	Year ended
	31/12/2025	31/12/2024
	RMB'000	RMB'000
Revenue	<u>1,222</u>	<u>167,332</u>
Profit and total comprehensive income for the year	<u>708</u>	<u>1,278</u>

Reconciliation of the above summarised financial information of the carrying amount of the interest in Xiamen Jinma recognised in the consolidated financial statements:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Net assets	<u>188,710</u>	<u>188,002</u>
Proportion of the Group's ownership interest in the associate	<u>49%</u>	<u>49%</u>
Carrying amounts of the Group's interest in the associate	<u>92,468</u>	<u>92,121</u>

21. 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 2024	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
(Charge) credit to profit or loss	(5,026)	(39)	62,568	71	5,142	335	6,639	(111,143)	(41,453)
Charge to the other comprehensive income	-	-	-	(186)	-	-	-	-	(186)
At 31 December 2025	<u>1,184</u>	<u>-</u>	<u>(158,245)</u>	<u>239</u>	<u>87,728</u>	<u>(3,733)</u>	<u>12,899</u>	<u>164,314</u>	<u>104,386</u>

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Deferred tax assets	111,730	173,994
Deferred tax liabilities	(7,344)	(27,969)
	<u>104,386</u>	<u>146,025</u>

As at 31 December 2025, the Group had unused tax losses of RMB1,899,285,000(2024: RMB1,414,130,000) available to offset against future profits. Deferred tax asset of RMB164,314,000(2024: RMB275,457,000) has been recognised in respect of tax losses of RMB657,257,000(2024: RMB1,101,829,000). All tax losses will expire within 5 years (2024: 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 2025 and 2024, the Group had no other material unrecognised deductible temporary differences.

22. INVENTORIES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Raw materials	188,425	371,455
Finished goods	92,385	154,485
	<u>280,810</u>	<u>525,940</u>

23. TRADE AND OTHER RECEIVABLES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Trade receivables – contract with customers	184,565	173,543
Other receivables	3,933	2,784
Less: Allowance for ECL	–	(155)
	<u>3,933</u>	<u>2,629</u>
Prepayments to suppliers	130,913	97,558
Prepaid other taxes and charges	38,765	78,477
Refundable deposits to suppliers	1,287	713
Loan receivable (Note)	–	10,000
	<u>359,463</u>	<u>362,920</u>

Note: During the year ended 31 December 2024, 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, holding the 100% equity interest of the borrower as collateral over the balance. During the year ended 31 December 2025, the Group fully recovered the balance with interests accrued as the lending period terminated.

23. TRADE AND OTHER RECEIVABLES (continued)

As at 1 January 2024, the carrying amount of trade receivables net of allowance for ECL from contracts with customers amounted to RMB165,380,000.

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Within 90 days	180,126	173,000
91 – 180 days	1,998	–
181 – 365 days	<u>2,441</u>	<u>543</u>
	<u>184,565</u>	<u>173,543</u>

The normal credit term to the customers is ranged between 30 to 60 days. As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,441,000 (31 December 2024: RMB543,000) which has been past due over 90 days or more and is not considered as in default.

The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 45.

24. AMOUNT DUE FROM A SHAREHOLDER

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Trade nature		
Maanshan Steel	<u>–</u>	<u>31,456</u>

The amounts in trade nature are receivables from contracts with customers. Maanshan Steel has transferred its transaction with the Group to its new established subsidiary since April 2025.

The balance at 1 January 2024 amounted to RMB18,423,000.

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 2025 and 2024.

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.

25. AMOUNTS DUE FROM RELATED PARTIES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Trade nature		
Jiangxi PXSteel's subsidiaries (Note i)	115	40
Jiyuan Fangsheng Chemicals Co., Ltd.* ("Fangsheng Chemicals")		
濟源市方升化學有限公司 and its subsidiary (Note ii)	3,832	90
Maanshan Steel's subsidiary (Note i and Note 24)	<u>25,681</u>	–
	<u>29,628</u>	<u>130</u>

* 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 as at 31 December 2024 is prepayment for purchase of materials including sodium hydroxide and hydrochloric acid, and the balance as at 31 December 2025 is from contracts with customers.

The amounts due from related parties at 1 January 2024 amounted to RMB18,843,000, which were due from Jiangxi PXSteel's subsidiaries 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.

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Within 90 days	27,381	40
91 – 180 days	1,076	–
181 – 365 days	<u>1,171</u>	–
	<u>29,628</u>	<u>40</u>

The normal credit term to the customers is ranged between 30 to 60 days. As at 31 December 2025, an aggregate carrying amount of RMB1,171,000 (31 December 2024: nil) included in the amounts in trade nature 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 amounts due from related parties are set out in Note 45.

26. BILLS RECEIVABLES AT FVTOCI

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Bills receivables	<u>180,616</u>	<u>316,852</u>

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 2025 and 2024, 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.

27. 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 1.50% (2024: from 0.01% to 1.80%) per annum as at 31 December 2025.

28. BORROWINGS

	<u>31/12/2025</u>	31/12/2024
	<u>RMB'000</u>	RMB'000
Bank borrowings	2,569,957	3,258,740
Other borrowings (Note)	95,000	90,000
	<u>2,664,957</u>	<u>3,348,740</u>
Secured	556,227	1,374,077
Unsecured	2,108,730	1,974,663
	<u>2,664,957</u>	<u>3,348,740</u>
Fixed-rate borrowings	1,127,402	1,604,137
Floating-rate borrowings	1,537,555	1,744,603
	<u>2,664,957</u>	<u>3,348,740</u>

Note: Other borrowings comprise of borrowings of RMB45,000,000 and RMB50,000,000 from two third parties (2024: RMB40,000,000 and RMB50,000,000 from two third parties) for a period of 6 months and 12 months, carrying an interest rate of 5.00% and 13.80% (2024: 5.30% and 11.45%) per annum, respectively. The borrowings were expired during the year ended 31 December 2025 and repayable on demand.

	<u>Bank borrowings</u>		<u>Other borrowings</u>		<u>Total borrowings</u>	
	<u>31/12/2025</u>	31/12/2024	<u>31/12/2025</u>	31/12/2024	<u>31/12/2025</u>	31/12/2024
	<u>RMB'000</u>	RMB'000	<u>RMB'000</u>	RMB'000	<u>RMB'000</u>	RMB'000
Carrying amount repayable: (based on scheduled payment terms)						
Within one year	2,169,791	2,578,118	95,000	90,000	2,264,791	2,668,118
More than one year, but not more than two years	266,426	432,909	-	-	266,426	432,909
More than two years, but not more than five years	133,740	247,713	-	-	133,740	247,713
	<u>2,569,957</u>	3,258,740	95,000	90,000	2,664,957	3,348,740
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(2,169,791)</u>	(2,578,118)	<u>(95,000)</u>	(90,000)	<u>(2,264,791)</u>	(2,668,118)
Amount due for settlement after 12 months shown under non-current liabilities	<u>400,166</u>	680,622	-	-	<u>400,166</u>	680,622

28. BORROWINGS (continued)

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
Effective interest rate per annum:		
– Fixed-rate borrowings	3.10%-5.40%	3.35%-5.70%
– Floating-rate borrowings	2.90%-5.60%	2.80%-5.05%

29. TRADE AND OTHER PAYABLES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Trade payables	441,184	386,195
Bills payables	232,000	718,222
	673,184	1,104,417
Salaries and wages payables	29,722	23,154
Other tax payables	28,712	58,744
Consideration payable for purchase of property, plant and equipment	1,286,973	1,423,391
Accruals	1,976	9,717
Interest payable	33,448	14,868
Consideration payable for acquisition of business	3,222	3,222
Refundable deposit from constructors	10,882	7,992
Refundable deposit from a service provider (Note 36)	53,376	14,625
Other payables	12,510	14,176
	1,460,821	1,569,889
	2,134,005	2,674,306

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

29. 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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Within 90 days	373,513	535,970
91 – 180 days	60,056	378,895
181 – 365 days	100,861	166,008
Over 1 year	138,754	23,544
	<u>673,184</u>	<u>1,104,417</u>

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.

30. AMOUNTS DUE TO RELATED PARTIES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Trade nature		
Xiamen Jinma	67,962	83,826
Jinjiang Refinery	917	296
Fangsheng Chemicals	–	38
	<u>68,879</u>	<u>84,160</u>
Non-trade nature		
Yugang Coking (Note i)	41,528	N/A
Jincheng Heat (Note ii)	–	2,970
	<u>41,528</u>	<u>2,970</u>

Notes:

- (i) Yugang Coking became a related party of the Group on 16 June 2025 as its ultimate controlling party was appointed as an executive director of the Company. The payable of RMB40,000,000 in non-trade nature was reclassified from other borrowings to amounts due to related parties on the same day. The amount is unsecured, carries an interest rate of from 5.00% to 7.20% per annum and repayable on demand.
- (ii) The balance due to Jincheng Heat was the residual subscribed capital payable, which was disclosed in Note 20.

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

30. AMOUNTS DUE TO RELATED PARTIES (continued)

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Within 90 days	917	84,160
181 – 365 days	60,279	–
Over 365 days	7,683	–
	<u>68,879</u>	<u>84,160</u>

31. AMOUNTS DUE TO A SHAREHOLDER

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Non-trade nature		
Jinma Xingye	<u>57,311</u>	<u>–</u>

The principal amount due to Jinma Xingye is RMB53,000,000, which is unsecured, carries an interest rate of 12% per annum and repayable on demand.

32. CONTRACT LIABILITIES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Sales of goods	<u>100,216</u>	<u>53,689</u>

As at 1 January 2024, contract liabilities amounted to RMB117,226,000.

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 RMB53,689,000 (2024: RMB117,226,000) recognised in the current year with performance obligation satisfied includes whole contract liability balance at the beginning of the year.

33. LEASE LIABILITIES

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Within one year	1,014	2,107
Within a period of more than one year but not more than two years	751	469
Within a period of more than two years but not more than five years	880	637
Within a period of more than five years	<u>1,399</u>	<u>1,374</u>
	4,044	4,587
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(1,014)</u>	<u>(2,107)</u>
	3,030	2,480
Amount due for settlement after 12 months shown under non-current liabilities	<u><u>3,030</u></u>	<u><u>2,480</u></u>

The weighted average incremental borrowing rates applied to lease liabilities range from 3.73% to 5.96% (2024: from 3.99% 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 2025 under such arrangement are RMB22,474,000 (2024: RMB23,471,000).

As at 31 December 2025, no contributions (2024: Nil) due in respect of the year ended 31 December 2025 had not been paid over to the plans.

35. SHARE CAPITAL

	Number of shares		Share capital	
	2025	2024	2025	2024
	'000	'000	RMB'000	RMB'000
Issued and fully paid				
Ordinary shares of RMB1 each				
At beginning and end of year	<u>535,421</u>	<u>535,421</u>	<u>535,421</u>	<u>535,421</u>

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 in 2024 and should refund the deposit on a monthly basis during the contract term. At 31 December 2025, there is outstanding deposit of RMB111,375,000 (2024: RMB126,000,000), comprising of amounts of RMB53,376,000 (2024: RMB14,625,000) to be refunded within 1 year and amounts of RMB57,999,000 (2024: RMB111,375,000) to be refunded beyond 1 year.

37. SALE AND LEASEBACK PAYABLE

	31/12/2025	31/12/2024
	RMB'000	RMB'000
Within one year	152,125	156,438
Within a period of more than one year but not more than two years	105,625	119,020
Within a period of more than two years but not more than five years	<u>20,481</u>	<u>102,042</u>
	278,231	377,500
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(152,125)</u>	<u>(156,438)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>126,106</u>	<u>221,062</u>

During the year ended 31 December 2025, 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 4.74% to 9.15% (2024: from 4.96% to 6.18%) per annum.

38. DEFERRED REVENUE

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Assets-related government subsidies	<u>51,594</u>	<u>25,041</u>

During the year ended 31 December 2025, the Group received RMB30,619,000(2024: RMB8,919,000) 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 2025, subsidy income of approximately RMB4,066,000 (2024: RMB2,318,000) 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

	<u>31/12/2025</u>	<u>31/12/2024</u>
	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	<u>14,875</u>	<u>18,215</u>

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Property, plant and equipment	3,026,392	2,167,047
Right-of-use assets	230,869	252,506
Restricted bank balances	88,206	666,362
Bills receivables at FVTOCI	<u>61,233</u>	<u>81,674</u>
	<u>3,406,700</u>	<u>3,167,589</u>

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Endorsed bills for settlement of payables	1,276,849	1,667,344
Discounted bills for raising cash	<u>527,338</u>	<u>1,087,806</u>
Outstanding endorsed and discounted bills receivables	<u>1,804,187</u>	<u>2,755,150</u>

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 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Sales of products and services to:		
Jiangxi PXSteel's subsidiaries	131,958	627,840
Maanshan Steel and its subsidiary	1,633,431	1,210,425
Jinjiang Refinery	93,119	91,157
Xiamen Jinma	–	181
Fangsheng Chemicals and its subsidiary	3,290	11,375
Yugang Coking	49	N/A
Jincheng Heat	1,413	–
Purchase of raw materials and services from:		
Xiamen Jinma	57,918	287,668
Fangsheng Chemicals	–	9,699
Jinjiang Refinery	21,719	21,125
	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Sale of right-of-use assets to Jinjiang Refinery:	–	820
Sale of property, plant and equipment to Yugang Coking (Note i):	7,134	–
Lease contracts with Jinjiang Refinery:		
Lease liabilities (Note ii)	232	454
Interest expensed on lease liabilities	18	26

Notes:

- (i) The carrying amount of property, plant and equipment sold to Yugang Coking was RMB6,170,000 at the date of disposal.
- (ii) 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 in 2024.

43. RELATED PARTIES' TRANSACTIONS (continued)**(b) Compensation of key management personnel**

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

	Year ended 31/12/2025	Year ended 31/12/2024
	RMB'000	RMB'000
Salaries and allowance	7,711	6,828
Performance related bonuses	58	–
Retirement benefit	422	506
	8,191	7,334

Key management represents the directors of the Company disclosed in Note 13 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, amounts due to a shareholder, amounts due to related parties) 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

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Financial assets		
Bills receivables at FVTOCI	180,616	316,852
Financial assets at amortised cost		
– Bank balances and cash	249,554	509,560
– Restricted bank balances	136,779	666,362
– Time deposits	215,150	215,843
– Trade and other receivables*	189,785	186,885
– Amount due from a shareholder	–	31,456
– Amounts due from related parties**	29,628	40

* Excluded prepayments to suppliers and prepaid other taxes and charges.

** Excluded prepayments for purchase of materials.

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Financial liabilities		
Amortised cost		
– Borrowings	2,664,957	3,348,740
– Trade and other payables*	2,075,571	2,736,500
– Refundable deposit payable	57,999	111,375
– Amounts due to related parties	110,407	87,130
– Amount due to a shareholder	57,311	–
– Perpetual loan	15,630	15,630
– Sale and leaseback payable	278,231	377,500

* 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 a shareholder/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 RMB5,766,000(2024: RMB6,542,000) for the year ended 31 December 2025. This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings as at 31 December 2025 and 2024.

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:

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
Assets		
Bank balances and cash – HK\$	<u>8,247</u>	<u>10,086</u>

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.

	<u>Year ended</u> <u>31/12/2025</u>	<u>Year ended</u> <u>31/12/2024</u>
	RMB'000	RMB'000
Decrease in post-tax loss	<u>309</u>	<u>378</u>

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 2025, 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 17% (2024: 74%).

As at 31 December 2025, the Group also has concentration of credit risk in respect of the five largest outstanding balances, i.e. approximately 76% (2024: 84%) 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 2025 and 2024.

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 (2024: Nil) is recognised or reversed during the year. 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 (2024: Nil) 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 2025 and 2024.

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 2025 and 2024, 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	
				31/12/2025	31/12/2024
				RMB'000	RMB'000
Bills receivables at FVTOCI					
Bills receivables	AAA – A	N/A	12m ECL	180,616	316,852
Financial assets at amortised cost					
Trade-related Receivables	N/A	Low risk	Lifetime ECL (not credit-impaired)	210,581	204,496
		Watch list	Lifetime ECL (not credit-impaired)	3,612	543
				<u>214,193</u>	<u>205,039</u>
Bank balances, time deposits and restricted bank balances	AAA – AA+	N/A	12m ECL	601,483	1,391,765
Other Loans and Receivables	Note	Low risk	12m ECL	5,220	13,342
		Watch list	Lifetime ECL (not credit-impaired)	–	155
				<u>5,220</u>	<u>13,497</u>

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 Group assessed 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 debtor as at 31 December 2025 (2024: Nil).

The amount of ECL loss is immaterial for the years ended 31 December 2025 and 2024. The lifetime ECL that has been recognised on Trade-related Receivables under the simplified approach amounted to nil during the years ended 31 December 2025 and 2024.

45. FINANCIAL INSTRUMENTS (continued)

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 2025, the Group had unutilised bank facilities of approximately RMB238,320,000 (2024: RMB984,237,000).

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.

Liquidity tables

As at 31 December 2025							
	Interest rate	Carrying amounts	On demand			Total	
			or within 6 months	6 months to 1 year	1 year to >5 years		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Bank borrowings	2.90%-5.60%	2,569,957	1,321,203	891,983	417,538	–	2,630,724
Other borrowings	5.00%-13.80%	95,000	95,000	–	–	–	95,000
Lease liabilities	3.73%-5.96%	4,044	912	126	1,823	2,121	4,982
Trade and other payables	N/A	2,075,571	2,040,028	35,543	–	–	2,075,571
Amounts due to related parties	N/A	110,407	110,407	–	–	–	110,407
Amount due to a shareholder	N/A	57,311	57,311	–	–	–	57,311
Refundable deposit payable	N/A	57,999	–	–	40,002	17,997	57,999
Perpetual loan	10.24%	15,630	–	1,600	6,400	15,630	23,630
Sale and leaseback payable	4.74%~9.15%	278,231	78,708	78,245	137,463	–	294,416
		<u>5,264,150</u>	<u>3,703,569</u>	<u>1,007,497</u>	<u>603,226</u>	<u>35,748</u>	<u>5,350,040</u>

45. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Liquidity tables (continued)

							As at 31 December 2024
	Interest rate	Carrying amounts	On demand				Total
			or within 6 months	6 months to 1 year	1 year to 5 years	>5 years	
		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
		<u>6,681,462</u>	<u>4,425,272</u>	<u>1,166,067</u>	<u>1,171,049</u>	<u>61,765</u>	<u>6,824,153</u>

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)
	31/12/2025	31/12/2024		
Bills receivables at FVTOCI	Assets- RMB180,616,000	Assets- RMB316,852,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.

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

The management considers that the carrying amounts of financial assets and financial liabilities at amortised cost recognised in the 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	Other	Dividends	Perpetual	Sale and	Lease	Share	Interest	Borrowing	Borrowing	Total
	borrowings	borrowings	payable	loan	leaseback	liabilities	issue costs	payables	from a	from a	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	shareholder	related	RMB'000
					payable		payables	payables	party	party	
At 1 January 2024	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
Financing cash flows (Note)	(688,783)	45,000	(22,850)	(1,600)	(114,590)	(2,343)	-	(135,846)	53,000	-	(868,012)
Dividend declared	-	-	22,850	-	-	-	-	-	-	-	22,850
Exchange adjustments	-	-	-	-	-	-	-	-	-	-	-
Early termination of lease	-	-	-	-	-	(362)	-	-	-	-	(362)
New leases entered	-	-	-	-	-	1,934	-	-	-	-	1,934
Finance costs recognised	-	-	-	1,600	15,321	228	-	154,426	4,311	1,528	177,414
Transfer to amounts due to related parties	-	(40,000)	-	-	-	-	-	-	-	40,000	-
At 31 December 2025	<u>2,569,957</u>	<u>95,000</u>	<u>-</u>	<u>15,630</u>	<u>278,231</u>	<u>4,044</u>	<u>-</u>	<u>33,448</u>	<u>57,311</u>	<u>41,528</u>	<u>3,095,149</u>

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

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,102,721	1,191,599
Right-of-use assets	44,669	43,987
Investments in subsidiaries	1,286,522	1,986,522
Interests in associates	97,958	98,000
Deposit for acquisition of property, plant and equipment	–	1,520
Deferred tax assets	145,355	–
	<u>2,677,225</u>	<u>3,321,628</u>
CURRENT ASSETS		
Inventories	55,798	101,679
Trade and other receivables	58,647	46,488
Tax recoverable	401	–
Amount due from a shareholder	–	17,837
Amounts due from subsidiaries	1,538,823	845,217
Amounts due from related parties	4,324	125
Bills receivables at FVTOCI	11,567	147,907
Restricted bank balances	88,206	535,627
Bank balances and cash	47,194	207,340
	<u>1,804,960</u>	<u>1,902,220</u>

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	<u>31/12/2025</u>	<u>31/12/2024</u>
	RMB'000	RMB'000
CURRENT LIABILITIES		
Borrowings	750,640	507,240
Trade and other payables	448,934	898,054
Amount due to a subsidiary	26,478	13,242
Sale and leaseback payable	129,193	156,438
Contract liabilities	7,082	807
Lease liabilities	6,495	6,562
	<u>1,368,822</u>	<u>1,582,343</u>
NET CURRENT ASSETS	<u>436,138</u>	<u>319,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,113,363</u>	<u>3,641,505</u>
CAPITAL AND RESERVES		
Share capital	535,421	535,421
Reserves	2,221,875	2,717,079
TOTAL EQUITY	<u>2,757,296</u>	<u>3,252,500</u>
NON-CURRENT LIABILITIES		
Borrowings	217,440	140,740
Sale and leaseback payable	102,675	221,062
Lease liabilities	2,254	2,161
Deferred revenue	33,698	5,271
Deferred tax liabilities	-	19,771
	<u>356,067</u>	<u>389,005</u>
	<u>3,113,363</u>	<u>3,641,505</u>

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 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 and 1 January 2025	213	386,496	267,710	2,063,503	(843)	2,717,079
Loss for the year	-	-	-	(495,983)	-	(495,983)
Other comprehensive income for the year	-	-	-	-	779	779
Total comprehensive (expense) income for the year	-	-	-	(495,983)	779	(495,204)
Transfer	1,455	-	-	(1,455)	-	-
At 31 December 2025	1,668	386,496	267,710	1,566,065	(64)	2,221,875

Company name

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

Share listing

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

Registered office and principal place of business in the PRC

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PRC

Principal place of business in Hong Kong

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Company website

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Board of Directors

Executive Directors

Mr. Yiu Chiu Fai (Chairman) (retired on 16 June 2025)
Mr. Wang Mingzhong (Chief Executive Officer)
(retired on 16 June 2025)
Mr. Li Tianxi (Executive Deputy General Manager)
(retired on 16 June 2025)
Mr. Liu Liangyu (Chairman)
(appointed on 16 June 2025, resigned on 25 July 2025)
Mr. Xu Huaping (appointed on 16 June 2025)
Mr. Wang Lijie (appointed on 16 June 2025)

Non-executive Directors

Mr. Xu Baochun (Deputy Chairman) (retired on 16 June 2025)
Mr. Wang Kaibao (retired on 16 June 2025)
Mr. Xu Fenglei (Deputy Chairman) (appointed on 16 June 2025)
Ms. Wan Tingting (appointed on 16 June 2025)
Ms. Ye Ting
Mr. Yiu Chiu Fai (Chairman) (appointed on 5 September 2025
as Director, appointed on 17 September 2025 as Chairman)

Independent Non-executive Directors

Mr. Wu Tak Lung (retired on 16 June 2025)
Mr. Meng Zhihe (retired on 16 June 2025)
Mr. Cao Hongbin (retired on 16 June 2025)
Mr. Su Jiangang (appointed on 16 June 2025)
Mr. Zhang Xicheng (appointed on 16 June 2025)
Mr. Man Kwok Leung (appointed on 16 June 2025)

Supervisors

Mr. Wong Tsz Leung (Chairman) (retired on 16 June 2025)
Mr. Wu Jiacun (retired on 16 June 2025)
Mr. Zhou Tao David
Ms. Tian Fangyuan
Ms. Lyu Hong (Chairman) (appointed on 16 June 2025)
Ms. Zhu Ziyao (appointed on 16 June 2025)
Ms. Hao Yali
Mr. Fan Xiaozhu

Audit Committee

Mr. Wu Tak Lung (Chairman) (retired on 16 June 2025)
 Mr. Xu Baochun (retired on 16 June 2025)
 Mr. Meng Zhihe (retired on 16 June 2025)
 Mr. Man Kwok Leung (Chairman) (appointed on 16 June 2025)
 Mr. Su Jiangang (appointed on 16 June 2025)
 Mr. Zhang Xicheng (appointed on 16 June 2025)

Remuneration Committee

Mr. Cao Hongbin (Chairman) (retired on 16 June 2025)
 Mr. Wu Tak Lung (retired on 16 June 2025)
 Mr. Wang Mingzhong (retired on 16 June 2025)
 Mr. Zhang Xicheng (Chairman) (appointed on 16 June 2025)
 Mr. Xu Huaping (appointed on 16 June 2025)
 Mr. Su Jiangang (appointed on 16 June 2025)

Nomination Committee

Mr. Yiu Chiu Fai (Chairman) (retired on 16 June 2025,
 appointed on 29 December 2025)
 Mr. Meng Zhihe (retired on 16 June 2025)
 Mr. Cao Hongbin (retired on 16 June 2025)
 Mr. Liu Liangyu (Chairman) (appointed on 16 June 2025,
 resigned on 25 July 2025)
 Mr. Yiu Chiu Fai (appointed on 29 December 2025)
 Ms. Wan Tingting (appointed on 16 June 2025)
 Mr. Su Jiangang (appointed on 16 June 2025)
 Mr. Zhang Xicheng (appointed on 16 June 2025)
 Mr. Man Kwok Leung (appointed on 16 June 2025)

Strategic Development Committee

Mr. Xu Baochun (Chairman) (retired on 16 June 2025)
 Mr. Li Tianxi (retired on 16 June 2025)
 Mr. Cao Hongbin (retired on 16 June 2025)
 Mr. Xu Fenglei (Chairman) (appointed on 16 June 2025)
 Mr. Liu Liangyu (appointed on 16 June 2025,
 resigned on 25 July 2025)
 Mr. Wang Lijie (appointed on 16 June 2025)

Company secretary

Mr. Wong Hok Leung

Authorized representatives

Mr. Yiu Chiu Fai (retired on 16 June 2025,
 appointed on 17 September 2025)
 Mr. Wong Hok Leung
 Mr. Liu Liangyu (appointed on 16 June 2025,
 resigned on 25 July 2025)
 Mr. Xu Fenglei (appointed on 25 July 2025,
 resigned on 17 September 2025)

Auditor

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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,
Jinshui District,
Zhengzhou City, Henan Province

China Merchants Bank, Zhengzhou Zhenghongcheng Sub-branch
No. 127, Huayuan Road, Jinshui 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”	Corporate Governance Code as set out in Appendix C1 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”	20 April 2026, 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 loss per share”	$\frac{\text{loss attributable to owners of the Company}}{\text{Weighted average number of shares in issue during the year}}$
“current ratio”	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$
“gearing ratio”	$\frac{\text{Total interest-bearing bank borrowings}}{\text{Total equity}}$
“return on assets”	$\frac{\text{Profit and total comprehensive income}}{\text{Average total assets}}$
“return on equity”	$\frac{\text{Profit attributable to owners of our Company}}{\text{Average equity attributable to owners of our Company}}$

ABBREVIATED NAMES OF COMPANIES

“Bohigh Chemical”	河南博海化工有限公司 (Henan Bohigh Chemical Co., Ltd.)
“China Baowu”	中國寶武鋼鐵集團有限公司 (China Baowu Steel Group Corporation Limited)
“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.*)
“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.*)



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