QINFA

中國秦發集團有限公司

CHINA QINFA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00866)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Revenue of the continuing operations in the first half of 2025 was RMB1,089 million, representing an increase of RMB596 million over the same period of 2024.

- For the first half of 2025, the net loss amounted to RMB162.7 million, of which profit from continuing operations amounted to RMB31.0 million and the loss from discontinued operations amounted to RMB193.7 million, compared to the net profit of RMB60.8 million over the same period of 2024, in which the loss from continuing operations amounted to RMB43.0 million, and the profit from discontinued operations amounted to RMB103.8 million.

- Profit of the continuing operations for the period attributable to equity holders of the Company was RMB24 million, representing an increase of RMB67 million over the same period of 2024.

- Basic earnings per share of the continuing operations for the period was RMB0.85 cents as compared to basic losses per share of continuing operations of RMB1.83 cents over the same period of 2024.

- EBITDA of the continuing operations in the first half of 2025 was RMB165 million, representing an increase of RMB136 million over the same period of 2024.

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025.

The board (the "**Board**") of directors (the "**Directors**") of China Qinfa Group Limited (the "**Company**") refers to the profit warning announcement of the Company dated 14 August 2025. The Board hereby announces the unaudited consolidated results and financial position of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 with comparative figures for the six months ended 30 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
			(Re-presented)
CONTINUING OPERATIONS			
Revenue	*5*	**1,089,414**	493,413
Cost of sales		**(852,258)**	(354,225)
Gross profit		**237,156**	139,188
Other income, gains and losses	*6*	**(65,668)**	(72,345)
Distribution expenses		**(3,074)**	(1,432)
Administrative expenses		**(91,488)**	(66,980)
Reversal of impairment losses/(impairment losses) on prepayments and other receivables, net		**309**	(354)
Other expenses		**(380)**	(3,272)
Operating profit/(loss)		**76,855**	(5,195)
Finance income		**7,480**	6,011
Finance costs		**(41,941)**	–
Net finance (costs)/income		**(34,461)**	6,011
Profit before taxation	*7*	**42,394**	816
Income tax expense	*8*	**(11,412)**	(43,839)

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
			(Re-presented)
Profit/(loss) for the period from the continuing operations		**30,982**	(43,023)
DISCONTINUED OPERATIONS			
(Loss)/profit for the period from the discontinued operations	*16*	**(193,734)**	103,830
(Loss)/profit for the period		**(162,752)**	60,807
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(30,993)**	16,898
Other comprehensive (loss)/income for the period, net of tax		**(30,993)**	16,898
Total comprehensive (loss)/income for the period		**(193,745)**	77,705
(Loss)/profit for the period attributable to equity shareholders of the Company:			
— from continuing operations		**24,245**	(43,023)
— from discontinued operations		**(150,321)**	86,045
		(126,076)	43,022
(Loss)/profit for the period attributable to non-controlling interests:			
— from continuing operations		**6,737**	–
— from discontinued operations		**(43,413)**	17,785
		(36,676)	17,785
		(162,752)	60,807

	Notes	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Re-presented)
Total comprehensive (loss)/income for the period attributable to equity shareholders of the Company:			
— from continuing operations		**(6,748)**	(26,125)
— from discontinued operations		**(150,321)**	86,045
		(157,069)	59,920
Total comprehensive (loss)/income for the period attributable to non-controlling interests:			
— from continuing operations		**6,737**	–
— from discontinued operations		**(43,413)**	17,785
		(36,676)	17,785
		(193,745)	77,705
Earnings per share attributable to the equity shareholders of the Company during the period	*10*		
From continuing and discontinued operations			
Basic (loss)/earnings per share		**RMB(5.08) cents**	RMB1.62 cents
Diluted (loss)/earnings per share		**RMB(5.08) cents**	RMB1.62 cents
From continuing operations			
Basic earnings/(loss) per share		**RMB0.85 cents**	RMB(1.83) cents
Diluted earnings/(loss) per share		**RMB0.85 cents**	RMB(1.83) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Coal mining rights	*10*	**1,003,074**	1,426,933
Property, plant and equipment	*11*	**2,549,561**	4,422,866
Right-of-use assets	*11*	**15,674**	21,091
Other deposits		**133,590**	129,045
Interest in an associate		**9,810**	9,810
Pledged and restricted deposits		**–**	544,000
		3,711,709	6,553,745
Current assets			
Inventories		**561,523**	435,422
Trade and bill receivables	*12*	**101,647**	74,196
Prepayments, deposits and other receivables		**289,078**	388,758
Pledged and restricted deposits		**692,227**	151,663
Cash and cash equivalents		**618,804**	1,025,545
Assets classified as held for sale	*16*	**3,525,856**	–
		5,789,135	2,075,584
Current liabilities			
Trade payables	*13*	**(71,406)**	(325,425)
Other payables and contract liabilities		**(656,418)**	(2,865,228)
Lease liabilities		**(13,194)**	(6,587)
Borrowings	*14*	**(598,580)**	(737,990)
Tax payable		**(14,933)**	(232,802)
Deferred income		**(2,500)**	(2,500)
Liabilities directly associated with assets classified as held for sale	*16*	**(3,612,242)**	–
		(4,969,273)	(4,170,532)
Net current assets/(liabilities)		**819,862**	(2,094,948)
Total assets less current liabilities		**4,531,571**	4,458,797

	Notes	At **30 June** **2025** ***RMB'000*** **(Unaudited)**	At 31 December 2024 *RMB'000* (Audited)
Non-current liabilities			
Accrued reclamation obligations		**(2,082)**	(104,625)
Other payables		**(793,295)**	–
Lease liabilities		**–**	(7,033)
Borrowings	*14*	**(472,401)**	(446,500)
Deferred taxation		**(400)**	(395,052)
Deferred income		**(18,092)**	(19,342)
		(1,286,270)	(972,552)
Net assets		**3,245,301**	3,486,245
Capital and reserves			
Share capital		**215,294**	215,202
Perpetual subordinated convertible securities		**156,931**	156,931
Equity		**1,393,993**	1,599,666
Total equity attributable to equity shareholders of the Company		**1,766,218**	1,971,799
Non-controlling interests		**1,479,083**	1,514,446
Total equity		**3,245,301**	3,486,245

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY BACKGROUND AND BASIS OF PREPARATION

1.1 General information

China Qinfa Group Limited (the "**Company**") was incorporated in the Cayman Islands on 4 March 2008 as an exempted company with limited liability under the Companies Law (2007 revision) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effective from 3 July 2009 (the "**Listing Date**"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands and the principal place of business of the Company is Unit Nos. 2201 to 2208, level 22, South Tower, Poly International Plaza, No. 1 Pazhou Avenue East, Haizhu District, Guangzhou City, the People's Republic of China (the "**PRC**").

The principal activities of the Company and its subsidiaries (together, the "**Group**") are coal mining, purchases and sales, filtering, storage and blending of coal in the PRC and Indonesia.

The Company's functional currency is the Hong Kong dollars ("**HKD**"). However, the presentation currency of the condensed consolidated financial statements is Renminbi ("**RMB**") in order to present the operating results and financial position of the Group based on the economic environment in which the operating subsidiaries of the Group operate.

1.2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") issued by the IASB, except for the adoption of the amendments to IFRSs which are mandatory effective for the annual period beginning on or after 1 January 2025 as disclosed in note 2.

The condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory information. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2024. The condensed consolidated financial statements and information thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

The condensed consolidated financial statements are unaudited.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

Overview

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

Amendments to IAS 21	Lack of Exchangeability

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

3. ESTIMATES

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

4. SEGMENT REPORTING

(a) Segment results, assets and liabilities

The Chief Executive Officer (the "**CEO**") reviews the "operating profit" as presented below and the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has only one reportable segment, coal business, which mainly operates its business in the PRC and Indonesia and earns substantially all of the revenues from external customers attributed to the PRC and Indonesia. As at the end of the reporting period, substantially all of the non-current assets of the Group were located in the Indonesia. Therefore, no geographical segments are presented.

For the strategic business unit, the CEO reviews internal management reports on a monthly basis.

For the purposes of assessing segment performance and allocating resources between segments, the CEO monitors the results, assets and liabilities attributable to the reportable segment on the following basis:

— The measure used for reporting segment profit is adjusted profit before net finance costs and income tax credit items not specifically attributable to individual segments, such as unallocated head office and corporate expenses are further adjusted.

— Segment assets include all tangible assets, coal mining rights, right-of-use assets, interest in an associate and current assets with the exception of unallocated corporate assets. Segment liabilities include trade payables, other payables attributable to activities of the individual segments, accrued reclamation obligations and borrowings managed directly by the segment.

— Revenue and expenses are allocated to the reportable segment with reference to revenue generated by the segment and the expenses incurred by the segment.

An operating segment regarding the coal mining business in PRC was classified as discontinued operations in the current period. The segment information reported on the following does not include any amounts for these discontinued operations, which are described in more details in note 16.

	Coal business Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from external customers	**1,089,414**	493,413
Reportable segment profit before taxation	**87,751**	389
Reversal of impairment losses/(impairment losses) on prepayments and other receivables	**309**	(354)

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Reportable segment assets	**5,948,704**	8,531,314
Reportable segment liabilities	**(5,665,088)**	(7,332,228)

(b) **Reconciliations of reportable segment revenue, profit before taxation, assets and liabilities**

Revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Reportable segment revenue and consolidated revenue	**1,089,414**	493,413

Profit before taxation

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Reportable segment profit before taxation	**87,751**	389
Unallocated head office and corporate expenses	**(10,896)**	(5,584)
Net finance (costs)/income	**(34,461)**	6,011
Consolidated profit before taxation	**42,394**	816

Assets

	At	At
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total of reportable segments assets	**5,948,704**	8,531,314
Elimination of inter-segment receivables	**(120,651)**	(575,783)
Unallocated assets	**146,935**	673,798
Assets relating to discontinued operations	**3,525,856**	–
Consolidated total assets	**9,500,844**	8,629,329

Liabilities

	At 30 June 2025 *RMB'000* (Unaudited)	At 31 December 2024 *RMB'000* (Audited)
Total of reportable segments liabilities	**5,665,088**	7,332,228
Elimination of inter-segment payables	**(3,644,707)**	(3,349,991)
Tax payable	**14,933**	232,802
Deferred taxation	**400**	395,052
Unallocated liabilities	**607,587**	532,993
Liabilities relating to discontinued operations	**3,612,242**	–
Consolidated total liabilities	**6,255,543**	5,143,084

(c) Geographic information

All of the Group's revenue from external customers is attributed to the Group entities' country of domicile (i.e. in the PRC and Indonesia).

The business of the Group operates in different geographic areas. The geographical location of the Group's non-current assets as follows:

	At 30 June 2025 *RMB'000* (Unaudited)	At 31 December 2024 *RMB'000* (Audited)
PRC (including Hong Kong)	**190,800**	4,241,743
Indonesia	**3,520,909**	2,312,002
Consolidated non-current assets	**3,711,709**	6,553,745

5. REVENUE

Disaggregation of revenue from contracts with customers by service lines is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Continuing operations		
Sales of coal	**1,089,414**	493,413

Revenue from sales of goods are recognised when the goods are transferred at a point in time. The performance obligation is satisfied upon the delivery of the goods.

6. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Continuing operations		
Foreign exchange loss, net	**70,821**	74,013
Net gain on disposal of property, plant and equipment	**–**	(17)
Government subsidies *(note)*	**(1,502)**	(1,579)
Others	**(3,651)**	(72)
	65,668	72,345

Note: The government subsidies of RMB1,502,000 (re-presented 2024: RMB1,579,000) were mainly recognised for the Group's business development during the six months ended 30 June 2025 in respect of the granted financial subsidies received by the Group from governmental authorities under a government subsidies scheme (2024: from two government subsidies schemes) with conditions that respective entities would maintain their principal places of businesses at the designated area for a period of ten years, starting from the respective dates of government grants.

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Continuing operations		
Depreciation of property, plant and equipment	**83,024**	29,644
Depreciation of right-of-use assets	**3,473**	3,030
Amortisation of coal mining rights	**1,242**	–

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Continuing operations		
Current tax		
— PRC Corporate Income Tax	**555**	51,688
— Indonesia withholding Income Tax	**8,994**	–
— Indonesia Final Income Tax	**1,990**	–
Deferred tax credit	**(127)**	(7,849)
Income tax expense	**11,412**	43,839

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands (six months ended 30 June 2024: nil).

(ii) No provision for Hong Kong Profits Tax has been made for the subsidiaries located in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax during both periods.

(iii) Provision for the PRC Corporate Income Tax was based on the statutory rate of 25% (six months ended 30 June 2024: 25%) of the assessable profits of subsidiaries which carried on businesses in the PRC.

(iv) Provision for the Indonesia Final Income Tax was based on the statutory rate of 22% (six months ended 30 June 2024: 22%) of the assessable profits of subsidiaries which carried on businesses in Indonesia.

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculations of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the period.

The calculations of basic earnings per share attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2025 and 2024 are based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Earnings		
(Loss)/profit for the period attributable to equity shareholders of the Company	**(126,076)**	43,022
Less: Distribution relating to perpetual subordinated convertible securities classified as equity	**(2,682)**	(2,655)
(Loss)/profit for the period attributable to ordinary equity shareholders of the Company in calculating basic earnings per share	**(128,758)**	40,367
(Loss)/profit for the period attributable to ordinary equity shareholders of the Company in calculating basic earnings per share		
— from continuing operations	**21,563**	(45,678)
— from discontinued operations	**(150,321)**	86,045
	(128,758)	40,367
Shares	**Number of shares**	
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,536,991,762**	2,493,413,985

Diluted earnings/(loss) per share

The calculations of diluted earnings per share attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2025 and 2024 respectively are based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Earnings		
(Loss)/profit for the period attributable to ordinary equity shareholders of the Company used in calculating basic earnings per share	**(128,758)**	40,367
Add: Distribution relating to perpetual subordinated convertible securities classified as equity	**N/A**	N/A
Adjusted (loss)/profit for the period attributable to equity shareholders of the Company used in calculating diluted earnings per share	**(128,758)**	40,367
Adjusted (loss)/profit for the period attributable to equity shareholders of the Company used in calculating diluted earnings per share		
— from continuing operations	**21,563**	(45,678)
— from discontinued operations	**(150,321)**	86,045
	(128,758)	40,367

	Number of shares	
Shares		
From continuing and discontinued operations		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,536,991,762**	2,493,413,985
Adjustments for calculation of diluted earnings per share:		
Share options	**N/A**	4,481,481
Perpetual subordinated convertible securities	**N/A**	N/A
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	**2,536,991,762**	2,497,895,466

Shares	Number of shares	
From continuing operations		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,536,991,762**	2,493,413,985
Adjustments for calculation of diluted earnings per share:		
Share options	**246,961**	N/A
Perpetual subordinated convertible securities	**N/A**	N/A
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	**2,537,238,723**	2,493,413,985

From continuing and discontinued operations

For the six months ended 30 June 2025, the computation of diluted loss per share has not taken into account the potential ordinary shares on share options and perpetual subordinated convertible securities as assumed conversion would result in a decrease in loss per share.

For the six months ended 30 June 2024, the computation of diluted earnings per share has not taken into account the potential ordinary shares on perpetual subordinated convertible securities as assumed conversion would result in an increase in earnings per share.

From continuing operations

For the six months ended 30 June 2025, the computation of diluted earnings per share has not taken into account the potential ordinary shares on perpetual subordinated convertible securities as assumed conversion would result in an increase in earnings per share.

For the six months ended 30 June 2024, the computation of diluted loss per share has not taken into account the potential ordinary shares on share options and perpetual subordinated convertible securities as assumed conversion would result in a decrease in loss per share.

10. COAL MINING RIGHTS

The balance represents the rights to conduct mining activities in South Kalimantan, Indonesia. The Department of Land Resources of Kalimantan Province, Indonesia issued and renewed mining rights certificates to the Group. Details of the Group's coal mining rights are as follows:

Coal mining rights	Expiry date
South Kalimantan, Indonesia	
SDE Coal Mine	14 May 2034
VSE Coal Mine	14 May 2034
IMJ Coal Mine	14 May 2034
SME Coal Mine	14 May 2034
TSE Coal Mine	14 May 2034

Pursuant to the series of agreements for the acquisition of SDE, the Group determined that a deposit of USD5,000,000 (equivalent to approximately RMB33,473,000) paid to the non-controlling shareholder which was the seller of SDE, should be non-refundable and formed part of the purchase consideration, and the amount was then capitalised as coal mining right. During the six months ended 30 June 2025, the Group received the aforementioned deposit, and the directors are of the opinion that the balance of coal mining right should be reduced accordingly.

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

(a) Acquisitions and disposals

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with costs of approximately RMB397,619,000 (six months ended 30 June 2024: RMB481,353,000) in aggregate, including items relating to assets under construction of approximately RMB334,245,000 for coal business (six months ended 30 June 2024: RMB436,078,000), plant and machinery of approximately RMB47,595,000 for coal business (six months ended 30 June 2024: RMB38,894,000), motor vehicles of approximately RMB8,451,000 (six months ended 30 June 2024: RMB5,949,000), buildings of RMB66,000 (six months ended 30 June 2024: nil), mining structures of approximately RMB3,285,000 (six months ended 30 June 2024: nil) and electronic and other equipment of approximately RMB3,977,000 (six months ended 30 June 2024: RMB432,000). In addition, finance cost of approximately RMB10,571,000 (six months ended 30 June 2024: RMB42,301,000) have been capitalised into property, plant and equipment at a rate of 3.65% per annum during the six months ended 30 June 2025 (six months ended 30 June 2024: 7.10%). Items of property, plant and equipment with a net carrying amount of nil (six months ended 30 June 2024: RMB2,061,000) were disposed of during the six months ended 30 June 2025, resulting in nil net gain on disposal (six months ended 30 June 2024: net gain on disposal of RMB17,000).

During the six months ended 30 June 2025, the Group entered into new lease agreement for the use of building for 2 years and the Group recognised right-of-use assets of approximately RMB2,210,000 (2024: nil) and lease liabilities of approximately RMB2,210,000 (2024: nil) upon lease commencement.

12. TRADE AND BILL RECEIVABLES

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**102,621**	110,488
Less: allowance for credit loss	**(974)**	(36,292)
	101,647	74,196

All of the trade receivables are expected to be recovered within one year from the end of reporting period.

An ageing analysis of trade receivables (net of impairment loss allowance) of the Group is as follows:

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 2 months	**65,093**	51,689
Over 2 months but within 6 months	**36,554**	–
Over 6 months but within 1 year	**–**	–
Over 1 year but within 2 years	**–**	–
Over 2 years *(note)*	**–**	22,507
	101,647	74,196

Note: As at 31 December 2024, trade receivables aged over 2 years amounting to approximately RMB22,507,000 were due from customers which the Group had trade and other payable balances with the same amount as at the end of the reporting period. The directors of the Company believed that no impairment allowance was necessary in respect of these balances. These balances were transferred to assets classified as held for sale during the current interim period.

The ageing is counted from the date when trade receivables are recognised.

Credit terms granted to customers mainly range from 0 to 60 days (31 December 2024: 0 to 60 days) depending on customers' relationship with the Group, their creditworthiness and past settlement records.

During the current reporting period, the Group provided impairment loss allowance on trade receivables amounting to nil (six months ended 30 June 2024: nil) in profit or loss based on the provision matrix.

13. TRADE PAYABLES

An ageing analysis of trade payables of the Group based on invoice date is as follows:

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**65,694**	261,399
Over 1 year but within 2 years	**–**	18,925
Over 2 years	**5,712**	45,101
	71,406	325,425

14. BORROWINGS

	Notes	**At 30 June 2025**	At 31 December 2024
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Bank loans			
— Secured	*(i)*	**595,580**	519,330
— Unsecured	*(ii)*	**49,000**	469,500
		644,580	988,830
Other borrowings	*(iii)*		
— Secured Loan I (as defined below)		**–**	152,627
— Unsecured		**426,401**	43,033
		426,401	195,660
Total borrowings		**1,070,981**	1,184,490

Notes:

(i) Secured bank loans bear interest at rates ranging from 0.50% to 2.50% (31 December 2024: 0.50% to 4.00%) per annum as at 30 June 2025.

(ii) Unsecured bank loans bear interest at rate of 5.80% (31 December 2024: 5.40% to 7.50%) per annum as at 30 June 2025.

(iii) Other borrowings bear interest at rate of 5.00% (31 December 2024: 7.24% to 7.31%) per annum as at 30 June 2025.

15. ACQUISITION OF SUBSIDIARIES

Acquisition of PT. Widyanusa Mandiri ("**WM**")

As disclosed in the Company's announcements dated 28 March 2025 and 17 April 2025, two sale and purchase agreements were entered into by the Group for acquisition of 100% equity shareholding of WM, a company duly established under the laws of Republic of Indonesia that owns entitlement right to 15% of the total saleable coal production of SDE Coal Mine, from an independent third party at a consideration of IDR140,260,000,000 (equivalent to approximately RMB61,273,000).

The primary reason for the acquisition was the right to 15% of the total saleable coal production of SDE Coal Mine as it would be a strategic asset in the Group's portfolio. The directors of the Company are of the opinion that this would allow the Group to be entitled to additional coal reserves from the SDE Coal Mine as the expected future economic benefits directly attributable to the right to 15% of the total saleable coal production of SDE Coal Mine would probably flow to the Group, which will in turn strengthen the Group's market position in the coal mining business sector and further enhance the profitability and overall performance of the Group.

The directors of the Company were of the opinion that inputs acquired from the acquisition of WM did not include an organised workforce that has the necessary skills, knowledge and experience to carry out the key operations of WM and other necessary inputs, and the acquisition of WM did not constitute a business combination as defined in IFRS 3 (Revised) "Business Combinations", and therefore the acquisition was accounted for as asset acquisition. Assets acquired and liabilities assumed upon acquisition date of 17 April 2025 are as follows:

	RMB'000
Intangible assets	938,102
Inventory	7,349
Other receivables	3,333
Cash and cash equivalents	253
Other payables	(887,764)
Net assets	61,273

The net cash outflow arising on the acquisition is as follows:

	RMB'000
Cash consideration paid	61,273
Less: cash and cash equivalents acquired	(253)
Net cash outflow from the acquisition	61,020

Acquisition of Treasure Bay Management Limited ("**TBM**")

During the six months ended 30 June 2025, another sale and purchase agreement was entered into by the Group for acquisition of 100% equity shareholding of TBM, a company duly established under the laws of British Virgin Island that owns 70% equity interest in PT. Trisula Sumber Energi (the "**TSE**") that is engaged in coal mining and trading in Indonesia, from an independent third party at a consideration of USD6,768,000 (equivalent to approximately RMB48,581,000).

The primary reason for the acquisition was for the expansion of the Group's business and to increase returns to its shareholders.

The directors of the Company were of the opinion that inputs acquired from the acquisition of TBM did not include an organised workforce that has the necessary skills, knowledge and experience to perform coal production of TBM and other necessary inputs, and the acquisition of TBM did not constitute a business combination as defined in IFRS 3 (Revised) "Business Combinations", and therefore the acquisition was accounted for as asset acquisition. Assets acquired and liabilities assumed upon acquisition date of 31 March 2025 are as follows:

	RMB'000
Intangible assets	51,695
Property, plant and equipment	4,128
Other receivables	4,248
Cash and cash equivalents	432
Other payables	(10,608)
Non-controlling interest	(1,314)
Net assets attributable to owners of TBM	48,581

The net cash outflow arising on the acquisition is as follows:

	RMB'000
Cash consideration paid	48,581
Less: cash and cash equivalents acquired	(432)
Net cash outflow from the acquisition	48,149

Subsequent to the end of the reporting period, three sale and purchase agreements were entered into by the Group for acquisition of 100% equity shareholding of PT. Trisula Makmur Investama (the "**TMI**"), a company duly established under the laws of Indonesia that owns 30% equity interest in the TSE, from two independent third parties at a consideration of Rp54,916,286,000 (equivalent to approximately RMB24,199,000) in August 2025. Following the completion of the transaction, the Group would own 100% equity interest in TSE.

16. DISCONTINUED OPERATIONS

As at 30 June 2025, Perpetual Goodluck Limited ("**Perpetual**"), a wholly owned subsidiary of the Company, indirectly holds 80% equity interest in Shanxi Shuozhou Pinglu District Huameiao Xingtao Coal Co., Ltd, Shanxi Shuozhou Pinglu District Huameiao Fengxi Coal Co., Ltd. and Shanxi Shuozhou Pinglu District Huameiao Chongsheng Coal Co., Ltd. and 100% equity interest in Shanxi Xinzhou Shenchi Xinglong Coal Industry Co., Ltd. and Shanxi Xinzhou Shenchi Hongyuan Coal Industry Co., Ltd., which hold coal mining licenses in PRC. As disclosed in the Company's announcement dated 25 June 2025, the Group entered into a sales and purchase agreement with Mr. Xu Jihua, a controlling shareholder of the Company, on 5 June 2025 for disposal of 100% equity interest in Perpetual at a consideration of RMB30,000,000 (the "**Disposal**"). The directors of the Company are of the opinion that if the disposal is completed, the disposal of 100% Perpetual will result in loss of the Group's control over Perpetual and its subsidiaries (collectively referred to as the "**Disposal Group**"), and any gain or loss arising from the disposal will be directly recognised in equity.

As subsequently disclosed in the Company's announcement dated 11 July 2025, all conditions precedent of the sale and purchase agreement and the corporate guarantee agreement have been fulfilled and the very substantial disposal transaction ("**VSD**") was completed on 11 July 2025. Following the completion of the VSD, the Group no longer holds any interest in the Disposal Group. As such, the Disposal Group was classified as disposal group held for sale and are presented separately in the condensed consolidated statement of the financial position at 30 June 2025. Since the operation of the Disposal Group represents a separate major geographical area of operations, i.e. sales and distribution of coal in PRC, it is therefore reclassified to discontinued operation in the condensed consolidated statement of comprehensive income. Comparative figures have been re-presented to conform with the presentation where applicable.

The financial performance and cashflow information of the discontinued operations presented below are for the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**364,245**	879,858
Cost of sales	**(553,472)**	(701,758)
Gross (loss)/profit	**(189,227)**	178,100
Other income, gains and losses	**986**	18,779
Distribution expenses	**–**	(43)
Administrative expenses	**(38,061)**	(35,820)
Impairment losses on prepayments and other receivables, net	**(265)**	(111)
Other expenses	**(10,429)**	(9,464)
Operating (loss)/profit	**(236,996)**	151,441
Finance income	**23**	51
Finance costs	**(17,044)**	(78,294)
Net finance costs	**(17,021)**	(78,243)
(Loss)/profit before taxation	**(254,017)**	73,198
Income tax credit	**60,283**	30,632
(Loss)/profit for the period from the discontinued operations	**(193,734)**	103,830
Cash flow from discontinued operation		
Net cash outflow from operating activities	**(182,611)**	(606,551)
Net cash outflow from investing activities	**(9,594)**	(600)
Net cash inflow from financing activities	**157,180**	602,180
Net cash outflow	**(35,025)**	(4,971)

The major classes of assets and liabilities of the discontinued operations classified as held for sale as at 30 June 2025 are as follows:

	At 30 June 2025
	RMB'000
	(Unaudited)
Current assets	
Coal mining rights	**1,248,308**
Property, plant and equipment	**1,989,100**
Right-of-use assets	**3,884**
Inventories	**42,121**
Trade receivables	**22,508**
Prepayments, deposits and other receivables	**192,344**
Pledged and restricted deposits	**25,860**
Cash and cash equivalents	**1,731**
Assets classified as held for sale	**3,525,856**
Current liabilities	
Trade payables	**(310,115)**
Other payables and contract liabilities	**(2,303,562)**
Borrowings	**(379,000)**
Tax payable	**(196,807)**
Accrued reclamation obligations	**(103,600)**
Deferred taxation	**(319,158)**
Liabilities directly associated with assets classified as held for sale	**(3,612,242)**

17. CAPITAL COMMITMENTS

At each reporting date, capital commitments outstanding not provided for in the condensed consolidated financial statements are as follows:

	At 30 June 2025	At 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**272,913**	91,173

18. CONTINGENT LIABILITIES/PROVISION

(a) Outstanding litigation

(i) Litigation claims relating to dividends to non-controlling shareholders of Huameiao Energy

On 1 September 2020, there was a litigation initiated by the non-controlling shareholders of Huameiao Energy against certain entities of the Disposal Group (collectively referred to as the "**Defendant from the Disposal Group**" or "**Defendant**") to claim for their entitled benefits in respect of acquiring 20% of coal production of Xingtao Coal Mine, Fengxi Coal Mine and Chongsheng Coal Mine held by subsidiaries of Huameiao Energy from the year of 2013 to 2020 at production cost prices as the distributions entitled to non-controlling shareholders of Huameiao Energy for the aforesaid period, which were equivalent to aggregate amount of approximately RMB705,860,000.

Pursuant to the judgment issued by the Shanxi Provincial Shuozhou Municipal Intermediate People's Court on 14 October 2023, the Defendant from the Disposal Group was ordered to deliver 6.03 million tonnes of coal to non-controlling shareholders without any charge. Subsequently, the Defendant from the Disposal Group filed an appeal against the court judgment. On 31 July 2024, the Shanxi Provincial High People's Court issued a ruling in respect of the appeal and the original judgment issued by the Shanxi Provincial Shuozhou Municipal Intermediate People's Court was revoked in view of its deviation from the legal claims by the non-controlling shareholders. Consequently, the Shanxi Provincial High People's Court decided to remand this case to the Shanxi Provincial Shuozhou Municipal Intermediate People's Court for retrial.

Following the retrial, on 28 December 2024, the Shanxi Provincial Shuozhou Municipal Intermediate People's Court ordered the Defendant from the Disposal Group to compensate the non-controlling shareholders RMB513,000,000 for the years of 2013 to 2020. Subsequently, the Defendant filed an appeal against the court judgment. Up to 30 June 2025 and the date of the Disposal, the aforesaid appeal is still in progress.

Additionally, one of the aforementioned non-controlling shareholders initiated separate litigation against the Defendant from the Disposal Group on 30 October 2024, claiming entitled benefits for 10% of coal production from Xingtao Coal Mine, Fengxi Coal Mine, and Chongsheng Coal Mine held by subsidiaries of Huameiao Energy from the years of 2021 to 2023 at production cost prices as the distributions entitled to non-controlling shareholders of Huameiao Energy for the aforesaid period, which were equivalent to aggregate amount of approximately RMB412,262,000.

On 24 February 2025, an application for amendment of litigation claims related to the aforementioned case, wherein the claimed amount was revised to approximately RMB234,848,000, was submitted by the non-controlling shareholder to the court.

Up to 30 June 2025 and the date of the Disposal, the aforesaid litigation claims are still in progress.

(ii) Litigation claims relating to the performance of the purchase contract execution between Shanxi Yunxin International Trade Co., Ltd ("Shanxi Yunxin") and Huameiao Energy and Fengxi Coal

During the year ended 31 December 2019, there was a litigation claim initiated by Shanxi Yunxin against certain entities of the Disposal Group to demand immediate repayment of overdue payable in relation to purchases of consumables and equipment by those entities of the Disposal Group. The overall claim amount of approximately RMB74,108,000, which including the aforesaid payable to this supplier of approximately RMB54,124,000 and late penalty interest of approximately RMB19,984,000. Up to 30 June 2025 and the date of the Disposal, the litigation claim is still in progress.

The directors of the Company are of the opinion that in respect of all the above litigation, the Group has a valid ground to defend against the claim, or else made sufficient provision when necessary in the consolidated statement of financial position as at 30 June 2025.

Other than the disclosure of above, as at 30 June 2025, the Group was not involved in any other material litigation or arbitration. As far as the Group was aware up to the date when the condensed consolidated financial statements are authorised for issue, the Group had no other material litigation or claim which was pending or threatened against the Group. As at 30 June 2025, the Group was the defendant of certain non-material litigations, and also a party to certain litigations arising from the ordinary course of business, in which the amounts disputed are immaterial. The likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained at present, but the directors of the Company believe that any possible legal liability which may be incurred from the aforesaid cases will not have any material impact on the financial position of the Group.

(b) Financial guarantees issued

As at the end of each reporting period, the Group has issued the guarantees to certain banks and another borrowing creditor in respect of borrowings made by Tongmei Qinfa, an associate of the Group. Under the guarantee, the Group that is a party to the guarantee are jointly and severally liable for any of the borrowings of Tongmei Qinfa from those banks and another borrowing creditor.

The maximum liability of the Group at 30 June 2025 under the guarantees issued is a portion of the outstanding amount of the borrowings of Tongmei Qinfa amounting to approximately RMB249,000,000 (31 December 2024: RMB249,000,000).

The Group has not recognised any financial liability (31 December 2024: nil) in respect of the guarantees granted for general banking facilities of the associate as the directors of the Company considered that the amounts of financial guarantee liabilities are immaterial.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading non-state owned thermal coal supplier. It operates an integrated coal supply chain, including coal mining, purchase and sales, filtering, storage and blending of coal in Indonesia. During the six months ended 30 June 2025, the Group entered into a sales and purchase agreement with Mr. Xu Jihua, a controlling shareholder of the Company, for disposal of 100% equity interest in the Disposal Group at a consideration of RMB30,000,000. The Disposal Group holds five coal mines in China. Following the completion of disposal on 11 July 2025, the Group no longer holds any interest in the Disposal Group. For details, please refer to the announcements and the circular of the Company dated 5 June 2025, 25 June 2025 and 11 July 2025. As such, the operation of Disposal Group was classified as discontinued operations (the "**Discontinued Operations**"). The operation of the Group other than the Disposal Group was classified as continuing operations (the "**Continuing Operations**"). The following sets forth detailed analysis of the principal components of the operating results of the Group:

	Six months ended 30 June	
	2025	2024
	('000 tonnes)	*('000 tonnes)*
Indonesia	**2,490**	–
China	**1,407**	2,407
Coal trading volume of the Group	**3,897**	2,407

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue of Continuing Operations plus Discontinued Operations	**1,453,659**	1,373,271

During the six months ended 30 June 2025, the volume of the Group's coal trading increased as compared to the corresponding period in 2024 due to the increased production in Indonesia. The coal selling prices of the Group during the six months ended 30 June 2025 were in range between RMB247 per tonne and RMB543 per tonne, as compared to the coal selling prices between RMB367 per tonne and RMB708 per tonne during the same period in 2024. Average coal selling price decreased mainly due to adjustment on thermal coal market price during the period.

The average coal selling price (total revenue divided by coal trading volume of the Group) and the average monthly coal trading volume of the Group for each of the three years ended 31 December 2024, 2023 and 2022, and the six months ended 30 June 2025 and 2024 are set forth in the table below:

	Six months ended 30 June		**Year ended 31 December**		
	2025	2024	2024	2023	2022
Average coal selling price *(RMB per tonne)*	**373**	571	504	665	838
Average monthly coal trading volume *('000 tonnes)*	**650**	401	430	432	377

Revenue	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Revenue from the Continuing Operations	**1,089,414**	493,413
Revenue from the Discontinued Operations	**364,245**	879,858

Revenue of the Continuing Operations increased due to the increase in trading volume despite the average selling prices of thermal coal decreased during the period.

Gross profit	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Gross profit from the Continuing Operations	**237,156**	139,188
Gross (loss)/profit from the Discontinued Operations	**(189,227)**	178,100
Gross profit margin of the Continuing Operations	**21.8%**	28.2%
Gross (loss)/profit margin of the Discontinued Operations	**(52.0%)**	20.2%

Gross profit decreased mainly due to the average selling prices of thermal coal decreased and gross loss from the Discontinued Operation. Gradual depletion and increasing mining difficulty on depleting marginal reserve of the coal mines in China decreased the production volume of the Discontinued Operations and increased the loss of the Discontinued Operation. The Group disposed the Disposal Group on 11 July 2025.

Other income, gains and losses	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Other losses from the Continuing Operations	**(65,668)**	(72,345)
Other income and gains from the Discontinued Operations	**986**	18,779

Other income, gains and losses mainly consist foreign exchange loss due to currency depreciation of IDR against RMB and USD.

Operating profit	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Operating profit/(loss) from the Continuing Operations	**76,855**	(5,195)
Operating (loss)/profit from the Discontinued Operations	**(236,996)**	151,441

Operating profit of the Continuing Operations increased due to the increased production of SDE Coal although the average selling prices of thermal coal decreased. Loss from the Discontinued Operations is mainly due to the gradual depletion of the coal reserve of the coal mines in China decreased the production volume of the Discontinued Operations and increased the loss of the Discontinued Operation. The Group disposed the Disposal Group on 11 July 2025.

Net finance costs	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Net finance costs from the Continuing Operations	**(34,461)**	6,011
Net finance costs from the Discontinued Operations	**(17,021)**	(78,243)

Net finance costs of the Continuing Operations increased due to increase in borrowing. Net finance costs from the Discontinued Operations decreased mainly due to repayment of loan. The Group aims to maintain a reasonable level of gearing and borrowing cost.

(Loss)/profit after taxation	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) after taxation from the Continuing Operations	**30,982**	(43,023)
(Loss)/profit after taxation from the Discontinued Operations	**(193,734)**	103,830
(Loss)/profit for the period	**(162,752)**	60,807

Loss after taxation of the Continuing Operations increased due to the increased production of SDE Coal although the average selling prices of thermal coal decreased. Loss from the Discontinued Operations is mainly due to the gradual depletion of the coal reserve of the coal mines in China decreased the production volume of the Discontinued Operations and increased the loss of the Discontinued Operation. The Group disposed the Disposal Group on 11 July 2025.

(Loss)/profit attributable to the equity shareholders of the Company	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) attributable to the equity shareholders of the Company from the Continuing Operations	**24,245**	(43,023)
(Loss)/profit attributable to the equity shareholders of the Company from the Discontinued Operations	**(150,321)**	86,045
(Loss)/profit attributable to the equity shareholders of the Company of the Group	**(126,076)**	43,022

Loss attributable to the equity shareholders of the Company of the Continuing Operations increased due to the increased production of SDE Coal although the average selling prices of thermal coal decreased. Loss from the Discontinued Operations is mainly due to the gradual depletion of the coal reserve of the coal mines in China decreased the production volume of the Discontinued Operations and increased the loss of the Discontinued Operation. The Group disposed the Disposal Group on 11 July 2025.

Earnings before interest, tax, depreciation, and amortisation (the "EBITDA") from the Continuing Operations

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) after taxation from the Continuing Operations	**30,982**	(43,023)
+Net finance costs/(income)	**34,461**	(6,011)
+Income tax expense	**11,412**	43,839
+Depreciation	**86,497**	32,674
+Amortisation	**1,242**	–
EBITDA from the Continuing Operations	**164,594**	27,479

BUSINESS REVIEW

Asset Restructuring and Risk Control

To thoroughly achieve business transformation, the Group, through its wholly-owned subsidiary Hong Kong Qinfa International Trading Limited, sold the entire equity interest in Perpetual Goodluck Limited on 11 July 2025 to Add Harmony Group Limited, a company wholly owned by Mr. Xu Jihua, the controlling shareholder. This very substantial disposal and connected transaction involved the disposal of the Group's interests in three coal mines in Shuozhou (80% equity interest) and two coal mines in Xinzhou (100% equity interest) in Shanxi. This transaction was aimed at divesting the loss-making coal business in the PRC, primarily due to the declining reserves of local coal mines, high development costs for new mines, and the long-standing litigation risks from non-controlling shareholders of Huameiao Energy.

Upon completion of the transaction, the Group will significantly improve its net current assets, and the proceeds will be used for the operational needs of its Indonesian business, including raw material procurement, logistics costs, and new project development. The Directors confirm that the terms of the transaction are fair and reasonable. This move completely eliminates the asset pledge risk and clears the way for the Group to focus on its high-growth regional business.

Acquisition of Strategic Assets

On 17 April 2025, the Group completed the acquisition of 100% equity interest in PT Widyanusa Mandiri ("**WM**") through its wholly-owned subsidiaries, Skyhigh Energy Investment Limited and Hong Kong Qinfa Trading Co., Ltd. WM holds 25% equity shares in SDE and is entitled to 15% of the total saleable coal production of SDE Coal, which are strategic assets of the Group.

Upon completion of the transaction, WM has become an indirect wholly-owned subsidiary of the Company. Through the transaction, it would allow the Group to be entitled to additional coal reserves from the SDE Coal as the expected future economic benefits directly attributable to the right to 15% of the total saleable coal production of SDE Coal would probably flow to the Group, which will in turn strengthen the Group's market position in the coal mining business sector and further enhance the profitability and overall performance of the Group. In addition, it significantly strengthened the Group's control over SDE from the acquisition, and it also enables the Group to allocate resources and manage costs more effectively, laying the foundation for its business expansion in Indonesia.

Deepening Strategic Resource Allocation

The Group, which has continually optimised its core asset allocation in Indonesia, completed the acquisition of a 70% controlling interest in PT Trisula Sumber Energi ("**TSE**") on 1 April 2025. This has led to a leapfrog growth in the Group's total resources in South Kalimantan, Indonesia, and significantly expanded its resource reserve base.

As of 30 June 2025, the Group owned five coal mines in China and five coal mines in Indonesia. Following the completion of disposal on 11 July 2025, the Group no longer holds any equity interest in the Disposal Group that owns the five coal mines in China. The table sets forth certain information about these coal mines.

	Location	**Ownership**	**Coal mining right's area** *(sq. km)*	**Production capacity** *(million tonnes)*	**Operation status**
Huameiao Energy — Xingtao Coal	Shuozhou Shanxi, China	80%	4.25	1.5	Discontinued Operations
Huameiao Energy — Fengxi Coal	Shuozhou Shanxi, China	80%	2.43	0.9	Discontinued Operations
Huameiao Energy — Chongsheng Coal	Shuozhou Shanxi, China	80%	2.88	0.9	Discontinued Operations
Shenda Energy — Xinglong Coal	Xinzhou Shanxi, China	100%	4.01	0.9	Discontinued Operations
Shenda Energy — Hongyuan Coal	Xinzhou Shanxi, China	100%	1.32	0.9	Discontinued Operations
Sumber Daya Energi — SDE Coal	South Kalimantan, Indonesia	70%	185	20	Under operation
Venerasi Sejahtera Energi — VSE	South Kalimantan, Indonesia	70%	91.38	N/A	Under exploration
Inisiasi Merdeka Jaya — IMJ	South Kalimantan, Indonesia	70%	33.05	N/A	Under exploration
Suprema Marulabo Energi — SME	South Kalimantan, Indonesia	70%	60	N/A	Under exploration
Trisula Sumber Energi — TSE	South Kalimantan, Indonesia	70%	168	N/A	Under exploration

COAL CHARACTERISTICS

Characteristics of the washed coal produced by the Group's coal mines in China and Indonesia are as follows. Following the completion of disposal on 11 July 2025, the Group no longer holds any equity interest in the Disposal Group that owns the five coal mines in China.

Coal Quality Characteristic	Huameiao Energy — Xingtao Coal	Huameiao Energy — Fengxi Coal	Huameiao Energy — Chongsheng Coal	Shenda Energy — Xinglong Coal	Shenda Energy — Hongyuan Coal	Sumber Daya Energi — SDE Coal
Coal Seam	4, 8, 9, 10, 11	11	4, 9.1, 11	2, 5	2, 5, 6	B
Moisture (%)	7–10	8–12	8–12	8.5	8.5	6.8–7.7
Ash (db, %)	20–28	20–28	20–28	21.45	30–72	33.7–35.1
Sulfur (db, %)	1.4–1.9	1.2–1.6	1.6–4.0	1.52	1.45	0.6–1
Calorific Value (average, kcal/kg, net, ar)	4,650–5,200	4,500–5,100	4,600–5,150	4,838	4,187	4,450–4,500

OPERATING DATA

Reserves and Resources

	Huameiao Energy — Xingtao Coal *(note i)*	Huameiao Energy — Fengxi Coal *(note i)*	Huameiao Energy — Chongsheng Coal *(note i)*	Shenda Energy — Xinglong Coal *(note i)*	Shenda Energy — Hongyuan Coal *(note i)*	Sumber Daya Energi — SDE Coal *(note i and iii)*	Total
Reserves							
Reserves as of 1 January 2025 *(Mt)*	7.14	0.94	4.72	13.50	10.46	305.38	342.14
Less: Total coal reserve depleted from mining operation for the year *(Mt)*	(1.00)	(0.50)	(0.57)	–	–	(2.05)	(4.12)
Reserves as of 30 June 2025 ***(Mt)***	6.14	0.44	4.15	13.50	10.46	303.33	338.02
— Proven reserves	2.12	–	–	–	–	4.08	6.20
— Probable reserves	4.02	0.44	4.15	13.50	10.46	299.25	331.82
Resources (measured + indicated) ***(note ii)***							
Resources as of 1 January 2025 *(Mt)*	45.38	3.59	17.60	45.83	23.45	965.74	1,101.59
Less: Total coal reserve depleted from mining operation for the year *(Mt)*	(1.00)	(0.50)	(0.57)	–	–	(2.05)	(4.12)
Resources (measured + indicated) as of 30 June 2025 ***(Mt) (note ii)***	44.38	3.09	17.03	45.83	23.45	963.69	1,097.47
Resources (inferred) as of 30 June 2025 ***(Mt)***	5.82	1.40	8.10	10.75	2.58	379.4	408.05

Notes:

(i) The Group engaged an independent mineral industry consultant to estimate the total coal reserves and resources of the Xingtao Coal, Fengxi Coal and Chongsheng Coal, Xinglong Coal and Hongyuan Coal as at 31 December 2024 and SDE Coal as at 31 December 2023 in accordance with the JORC Code.

(ii) Resources (measured + indicated + inferred) comprises inferred resources.

(iii) Coal reserves of SDE Coal as at 1 January 2025 included the 15% saleable coal entitled by PT Widyanusa Mandiri ("**WM**"), a connected person of the Company at the subsidiary level and owned 25% equity shares of SDE. On 17 April 2025, the Group completed the acquisition of WM including its entitlement on 15% saleable coal.

The following table sets forth the half-year production figures at the abovementioned mines for the periods indicated:

	Six months ended 30 June	
	2025	2024
Raw coal production volume	***('000 tonnes)***	*('000 tonnes)*
Huameiao Energy — Xingtao Coal	**1,004**	1,282
Huameiao Energy — Fengxi Coal	**505**	1,517
Huameiao Energy — Chongsheng Coal	**570**	873
Sumber Daya Energi — SDE Coal	**2,049**	755
Total	**4,128**	4,427

	Six months ended 30 June	
	2025	2024
Washed coal production volume *(note)*	***('000 tonnes)***	*('000 tonnes)*
Huameiao Energy — Xingtao Coal	**652**	833
Huameiao Energy — Fengxi Coal	**328**	986
Huameiao Energy — Chongsheng Coal	**370**	568
Sumber Daya Energi — SDE Coal	**1,244**	–
Total	**2,594**	2,387

Notes:

(i) According to the competent person's report as at cut-off date of 31 December 2024, the historical operation of the Xingtao Coal, Fengxi Coal and Chongsheng Coal achieved an average of 65% of mixed marketable raw coal yield.

(ii) The total raw coal production volume comprises the washed coal production volume.

Exploration, Mining and Development Expenses

The Group's exploration, mining and development expenses consist of the following amounts:

Continuing Operations	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Materials and consumables	**67,150**	–
Staff cost	**116,754**	12,560
Electricity	**87,384**	–
Overhead and others	**276,482**	–
Transportation	**304,488**	341,665
Total	**852,258**	354,225

Discontinued Operations	**Six months ended 30 June**	
	2025	2024
	RMB'000	*RMB'000*
Materials and consumables	**60,882**	17,109
Staff cost	**106,177**	128,245
Electricity	**19,656**	28,919
Overhead and others	**366,757**	527,485
Transportation	**–**	–
Total	**553,472**	701,758

Net Current Assets/(Current Liabilities) and Current Ratio

The Group	**30 June 2025** *RMB'000*	31 December 2024 *RMB'000*
Current assets	**5,789,135**	2,075,584
Current liabilities	**(4,969,273)**	(4,170,532)
Net current assets/(liabilities)	**819,862**	(2,094,948)
Current ratio	**1.16**	0.5

Note: Current ratio is calculated as current assets divided by current liabilities. Current ratio improved due to repayment of loan and the disposal of the Discontinued Operations.

Gearing Ratio

The Group	**30 June 2025** *RMB'000*	31 December 2024 *RMB'000*
Total assets	**9,500,844**	8,629,329
Total liabilities	**(6,255,543)**	(5,143,084)
Net assets	**3,245,301**	3,486,245
Gearing ratio	**65.8%**	59.6%

Note: Gearing ratio is calculated as total liabilities divided by total assets. Gearing ratio improved due to repayment of loan and the disposal of the Discontinued Operations.

Capital Expenditure and Commitments

For the six months ended 30 June 2025, the Continuing Operations incurred an aggregate capital expenditure of RMB397.6 million (six months ended 30 June 2024: RMB481.4 million) mainly related to the construction and the purchase of plant and equipment. Capital commitments contracted for but not incurred by the Continuing Operations as at 30 June 2025 amounted to RMB272.9 million (as at 31 December 2024: RMB91.1 million), which were mainly related to the purchase of plant and equipment.

Capital Structure

Save as disclosed in this announcement, there has been no material change in the capital structure of the Company during the period. The capital of the Group companies are mainly the ordinary shares and perpetual subordinated convertible securities ("**PSCS**").

Liquidity and Financial Resources

The Group adopts stringent financial management policies and strives to maintain a healthy financial condition. The Group funds its business operations and general working capital by internally generated financial resources and bank and other borrowings.

Bank and other borrowings

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Continuing Operations	**1,070,981**	1,184,490
Discontinued Operations	**379,000**	–

These borrowings of the Continuing Operations carried interest at rates ranging from 0.5% to 5.8% (31 December 2024: 0.5% to 7.5%).

Borrowing facilities

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Continuing Operations	**1,524,580**	1,184,490
Continuing Operations — utilised	**1,070,981**	1,184,490
Discontinued Operations	**379,000**	–
Discontinued Operations — utilised	**379,000**	–

Cash and cash equivalents

Continuing Operations	**30 June 2025** *RMB'000*	31 December 2024 *RMB'000*
Euro	**1,897**	1,984
British pound ("**GBP**")	**14**	15
Hong Kong Dollar ("**HKD**")	**1,648**	18,595
Indonesian Rupiah ("**IDR**")	**93,241**	77,234
Renminbi ("**RMB**")	**504,803**	862,870
Singapore dollar ("**SGD**")	**672**	647
United States Dollar ("**USD**")	**16,529**	64,200
Total	**618,804**	1,025,545

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Pledged and restricted deposits	**692,227**	151,663

Discontinued Operations	**30 June 2025** *RMB'000*	31 December 2024 *RMB'000*
HKD	**9**	–
RMB	**1,719**	–
USD	**3**	–
Total	**1,731**	–

Cash and cash equivalents decreased due to repayment of loan.

For the funding policy, the Group funds its working capital and other capital requirements from a combination of various sources, including but not limited to internal resource and external borrowing at reasonable interest rates.

For the treasury policy, the Group adopts centralized management on financing activities and prudent financial management approach on the use of capital.

Exposure to Fluctuations in Exchange Rates

The Group's cash and cash equivalents are held predominately in Indonesian Rupiah (the "**IDR**") RMB and USD. Operating outgoings incurred by the Group's subsidiaries in Indonesia are mainly denominated in IDR while overseas purchases are usually denominated in RMB. The Group's subsidiaries receive revenue in USD, IDR and RMB. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of the exchange rate between RMB, USD and IDR and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

Pledge of assets of the Group and Guarantee

As at 30 June 2025, the pledged assets of the Continuing Operations in an aggregate amount of RMB692 million (as of 31 December 2024: RMB2,134.9 million) were in forms of cash and cash equivalents.

As at 30 June 2025, the Group continue to provide guarantee in the amount of RMB249,000,000 for borrowings obtained by Tongmei Qinfa (Zhuhai) Holding Co., Ltd, an associate of the Group. For details, please refer to the announcements of the Company dated 7 June 2024.

As disclosed in the Company's announcements dated 25 June 2025, the Disposal Group has banking facilities obtained from three domestic banks in an aggregate amount of RMB417,000,000, which remain guaranteed by the Group upon completion of the Disposal.

PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDER

Fortune Pearl International Limited, which is wholly-owned by Mr. Xu Jihua, the controlling shareholder, pledged 949,000,000 shares of the Company, representing approximately 37.40% of the issued share capital of the Company. The relevant loan was fully repaid on 3 January 2025 and Mr. Xu Jihua is processing the release of pledge with creditor. For details of the loan, please refer to the announcement of the Company dated 9 August 2018.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 17 April 2025, the acquired and completed the 100% interest of PT Widyanusa Mandiri (the "**WM**"). WM holds 25% equity interest in SDE and is entitled to 15% of the total saleable coal production of SDE. For details, please refer to the announcement of the Company dated 28 March 2025 and 17 April 2025.

On 5 June 2025, the Group entered into a sales and purchase agreement with Mr. Xu Jihua, a controlling shareholder of the Company, for disposal of 100% equity interest in the Disposal Group at a consideration of RMB30,000,000. The Disposal Group holds five coal mines in China. Following the completion of disposal on 11 July 2025, the Group no longer holds any interest in the Disposal Group. For details, please refer to the circular of the Company dated 5 June 2025, 25 June 2025 and 11 July 2025.

On 1 April 2025, the Group acquired and completed the 70% equity interest of PT Trisula Sumber Energi (the "**TSE**"). TSE holds a coal mining business license in Indonesia.

Other than mentioned above, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

CONTINGENT LIABILITIES AND LITIGATIONS

Except for certain matters related to litigations disclosed in the note 18 to the interim financial statements, the Group did not have any material contingent liabilities as at 30 June 2025.

BUSINESS OUTLOOK

Enhancing Indonesian Production Capacity Release

The Group will continually focus on developing its core businesses. It will strategically operate the SDE coal mine in an efficient and safe manner, as an attempt to fully promote the high-quality development of its Indonesian business. In terms of expansion of production capacity, the Group will accelerate the construction of the SDE coal mine, increase mining performance by using new technologies and equipment, and simultaneously improve infrastructure such as mine roads and jetties to comprehensively enhance logistics efficiency and reduce logistics costs. In June 2025, a mine of SDE saw the daily raw coal production exceed 20,000 tonnes for certain days, with the highest single-day production of 27,000 tonnes. The Group is committed to building high-quality products. In the first half of 2025, the coal washing plant at SDE Mine I completed the construction of part of the coal jigging system and has been put into operation successively. Currently, the designed washing capacity of the coal washing system is approximately 600,000 tons per month, and a new jigging system with a monthly washing capacity of 300,000 tonnes is planned for construction in the second half of 2025. In terms of improving logistics and transportation efficiency, the Phase I conveyor belt of the SDE port, constructed in 2024, has an annual transportation capacity of approximately 6 million tonnes. The first-stage project of the Phase II conveyor belt of the

SDE port, to be built in 2025, is expected to have an annual conveying capacity of approximately 3 million tonnes. Following the upgrade of the Phase II conveyor belt of the SDE port in 2026, the conveying capacity is expected to increase by another approximately 5 million tonnes per annum. In terms of cost reduction and efficiency improvement, the biomass power plant at SDE Mine I is under construction as planned and is expected to become operational in the first quarter of 2026. Meanwhile, to consolidate its mid-to-long-term resource base, the development of SDE Mine II will be prioritised, which will provide crucial support for sustainable production capacity growth. The SDE Mine II is expected to commence production in the first half of 2026.

Full-Lifecycle Value Management of Mining Rights

While the current global energy transition poses structural challenges, it has concurrently created a historic opportunity for the undervaluation of resources. The Group will shift its strategic focus from pure coal production to "resource value management", and deepen the dual-driver model centred on "asset-light resource development + strategic equity operation". Leveraging its five major mine combinations (SDE/TSE/VSE/IMJ/SME) established in South Kalimantan, Indonesia, the Group has laid the cornerstone for its transformation from a traditional coal producer to a resource value operator. In the future, the Group will conduct the full-lifecycle value management of mining rights and continuously optimise capital efficiency and anti-cyclical capabilities to maximise shareholder returns through the innovative path of "creating liquidity premium via infrastructure prospection — collaborative development with strategic investors — premium exit under control right". Reference is made to the model for the development of the SDE mine and the disposal of a 40% stake in Lead Far Development Limited. After the Group invests capital and completes the mine infrastructure and production, it will attract strategic investors to take over part or more of the equity interest, and allow the Group to exit at a premium and repatriate funds for reinvestment into new resources, which will create a virtuous circle.

AUDIT COMMITTEE

An audit committee was established by the Board on 12 June 2009 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The primary duties of the audit committee are to review and supervise the Group's financial reporting process and internal controls. The members of the audit committee of the Board are the three independent non-executive Directors, namely Mr. Ho Ka Yiu Simon, Prof. Sha Zhenquan and Mr. Long Yufeng. Mr. Ho Ka Yiu Simon is the chairperson of the audit committee of the Board.

The audit committee has reviewed the unaudited interim financial statements for the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

EMPLOYEES AND REMUNERATION

As at 30 June 2025, the Group employed 4,962 employees. The Group has adopted a performance based reward system to motivate its staff and such system is reviewed on a regular basis. In addition to the basic salaries, year-end bonuses may be offered to staff members with outstanding performance.

Subsidiaries of the Company established in the PRC are also subject to central pension scheme operated by the local municipal government. In accordance with the relevant national and local labor and social welfare laws and regulations, subsidiaries of the Company established in the PRC are required to pay on behalf of their employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and other relevant insurance. Subsidiaries of the Company incorporated in Hong Kong have participated in mandatory provident fund scheme, if applicable, in accordance with Mandatory Provident Fund Schemes Ordinance.

Moreover, the Company adopted a post-IPO share option scheme to incentivise and retain staff members who have made contribution to the success of the Group. The Directors believe that the compensation packages offered by the Group to its staff are competitive in comparison with market standards and practices.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025 (six months ended 30 June 2024: Nil), neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.qinfagroup.com) and the Stock Exchange (www.hkexnews.com.hk). The interim report for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be dispatched to the Shareholders and be available on the above websites in due course.

By Order of the Board
China Qinfa Group Limited
XU Da
Chairman

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao, Mr. ZHAI Yifeng and Ms. DENG Bingjing as the executive Directors, and Prof. SHA Zhenquan, Mr. HO Ka Yiu Simon and Mr. LONG Yufeng as the independent non-executive Directors.